

Statement on principal adverse impacts of investment decisions on sustainability factors

2024-06-30

Financial market participant:

Sensor Fonder AB (5493004M92EB41UP1092) (“the Company”) considers principal adverse impacts of its investment decisions on sustainability factors. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Summary:

In the Company’s and the funds' universe of potential investments, various types of businesses are included, and therefore different types of negative impacts on sustainability factors. The Company considers a wide range of climate and environmental indicators, as well as indicators for social conditions and employee matters, respect for human rights, and issues related to combating corruption and bribery. To limit these negative impacts on sustainability factors, the Company initially applies exclusion criteria for the Company’s funds and aims to include companies that actively and proactively work to improve their sustainability efforts. Primarily, the Company uses data provided by the investment objects found in the fund, and secondarily, data from third-party providers is also used. To ensure that existing portfolio companies reduce their negative impact on sustainability factors, the Company conducts engagement activities in accordance with the Company's principles for shareholder engagement. The voluntary indicators that the Company has chosen to consider are:

1. Share of investment in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
2. Share of investments in entities without policies on the protection of whistleblowers

The voluntary indicators are the same as for the year 2022. The Company continues to assess that there are certain limitations regarding the data collected due to the lack of relevant sustainability data needed to report in accordance with Regulation 2019/2088/EU (the Disclosure Regulation) and applicable delegated acts. However, the coverage has improved across almost all indicators, partly because the holdings have expanded their reporting and the Company has changed its sustainability provider. The implementation of the Corporate Sustainability Reporting Directive and accounting standards from the European Financial Reporting Advisory Group is necessary to provide reliable quantitative indicators. These regulations only apply to companies based in the EU/EEA, which means there may still be a lack of data from investment objects based outside the EU/EEA.

The Company also assesses that there are certain limitations in verifying the collected data, as there are currently no common accounting standards for sustainability reporting or requirements for third-party verification of sustainability data. There may also be some delays in the data, meaning that the information on which the Company bases its assessments may have changed.
