

SUSTAINABILITY-RELATED DISCLOSURES

Clens Small & Micro Cap - SUMMARY

The information below is presented in compliance with EU Regulation 2019/2088 Sustainable Finance Disclosure Regulation (SFDR).

No sustainable investment objective. This financial product promotes environmental or social characteristics, but does not have sustainable investment as its objective. The fund has however committed to investing at least 15% of invested capital in sustainable investments.

Clens works with three general methods for managing and limiting ESG risks and principal adverse impacts on sustainable development. These are screening in, screening out and shareholder engagement/impact. Specific objectives, tools and strategies for the assessment of each indicator. Depending on the outcome of the analysis, strategies are applied for company selection, engagement dialogues, exclusion and voting at general meetings.

For all investments classified as sustainable, we consider principle adverse indicators. Holdings in all funds managed by Clens must have operations in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The environmental or social characteristics promoted by this financial product. The fund promotes environmental and social characteristics by investing in sustainable business models, primarily those with clear links to the UN's global environmental goals for sustainable development. This is because the Fund's investment universe is more exposed to environmental opportunities and risks than social ones, and because we consider climate change to be the most central challenge.

Investment strategy. The following are the overall strategies the fund uses to promote environmental and social attributes.

The fund applies a sector and norms-based screening approach that effectively excludes companies involved in certain sectors as well as companies that have been identified as violating international standards and conventions.

The fund considers the principle adverse impacts of its investment decisions on sustainability factors (PAI). Clens considers the main negative consequences and seeks to influence portfolio companies where selected PAI indicators differ significantly from the portfolio companies' peers.

The fund will invest at least 50% of its capital in companies with approved Science Based Targets by 2027.

Focus on sustainable investments. The following indicators and processes are applied to achieve the fund's stated sustainability objectives:

- The main indicator is the sales exposure of portfolio companies to environmentally related global targets.
- PAI indicators "Total GHG emissions" and "Companies without emissions reduction targets in operations".

Our active ownership is mainly aimed at achieving change in environmental indicators arising from the companies' activities.

Share of investments. All investments excluding cash in the fund promote environmental or social characteristics (minimum 90%). A minimum share of 15% of these investments also have environmental or social objectives. The remaining maximum share of 75% covers investments that are aligned with the environmental or social characteristics, but which do not qualify as sustainable investments. The fund retains a certain portion of total fund assets as cash reserves. This share is not used to attain environmental or social characteristics (maximum 10%).

Monitoring of environmental or social characteristics. The fund uses the following ESG indicators to measure the environmental and social characteristics that are promoted:

- PAI assessments for all our holdings, with a particular focus on the climate and social indicators that show extreme values
- Proportion of fund assets invested in companies, or credits issued by companies, where at least 15% of turnover contributes to the UN Global Climate-related Sustainability Goals
- At least 50% of fund assets are invested in companies, or credits issued by companies, that have set climate targets endorsed by the Science Based Target Initiative
- Excluded companies in accordance with the fund company's exclusion policy calculated as a number where the available index allows
- Number of shareholder meetings at which votes are cast in accordance with the fund company's voting policy.
- Number of engagement dialogues with investee companies.

Methodology. The fund applies continuous monitoring of all sustainability indicators to measure how well the product is attaining the environmental and social criteria it promotes.

Data sources and data processing. Cliens uses external sustainability data providers for data collection. This data is used for identifying sustainable investments, as well as excluding companies we choose not to invest in due to the fund's norm- and sector-based exclusion criteria. Cliens retrieves data directly from the data provider's database via their API. The data provider supplies raw data, and the asset management company has made its own interpretation of the regulatory calculation methods and calculates the data where applicable. Data that must be stored for regulatory reasons is saved in an internal database at Cliens.

The same data sources are used to calculate the fund's carbon footprint and to ensure that a company's progress regarding one or more of the UN's Sustainable Development Goals is not achieved at the expense of another sustainability goal, known as Principal Adverse Impacts (PAI).

By using established providers, we have ensured quality to the best of our judgment. The provider's methods and processes for producing data are evaluated in connection with contract changes and the selection of data providers. In addition, random checks of received data are continuously performed against the company's own reported data.

Methodological and data limitations. There are various types of limitations associated with the methods and data sources we use. Lack of data is the primary limitation. Corporate disclosures regarding sustainability work are largely voluntary and numerous companies therefore do not report how they are managing ESG aspects. Where reported data is unavailable, we use estimated data obtained from established suppliers.

Due diligence. Cliens has due diligence processes in place to ascertain that all sustainability risks as well sustainability demands that are required for each respective fund has been covered in the investment decision. Fundamental analysis, including sustainability analysis, is the fund company's key due diligence tool, documenting the sustainability of all investments.

Engagement strategies. We engage in ongoing dialogue with the companies in which we invest regarding both financial and sustainability-related matters. We will focus on climate-related issues at AGMs, with the aim that by 2027 each fund will allocate at least 50% of its capital to companies with independently verified emissions reduction targets in line with the Paris Agreement. We exercise advocacy both in-house and opportunistically e.g. through UNPRI investor partnerships.

Selected reference benchmark. The fund is actively managed and does not use a reference benchmark to determine alignment with the environmental and social characteristics that it promotes. The previously mentioned sustainability indicators are used for this purpose instead.