

Sustainability-related disclosure

Sensor Röntefond

28 April 2023

Summary

We believe that responsible investments and higher returns are closely linked. Sensor Röntefond is classified as an article 8 fund under the SFDR (“Sustainable Finance Disclosure Regulation”) and ten percent of the investments are dedicated to investments aligned with environmental or social characteristics. The fund is also expected to dedicate at least five percent of the fund's investments to sustainable investments. Sensor Fonder AB has developed policies and procedures to ensure that the companies we invest in meet the environmental and social characteristics and/or sustainable objectives of the fund. Characteristics promoted by the fund are investments contributing to the UN's sustainable development goals (“UN SDGs), investments in companies with quantitative and measurable climate goals and investments in bonds that can be classified as green.

Within the Investment Strategy, the fund applies four methods to integrate sustainability into the process.

Method 1 Internal sustainability analysis:

The fund only invests in companies that have been analyzed and rated in the fund company's internal ESG matrix. The analysis takes place pre-investment and is updated at least every six months.

Method 2 Exclusions:

Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large. The goal is to decrease funds total ESG risk. More information about the method can be found in our Policy for sustainable investments.

Method 3 Active ownership

On behalf of its clients, Sensor Fonder AB, undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers to encourage them to improve their ESG practices.

Method 4 Assessment of sustainable investments

Sustainable investment is defined under the SFDR. To select sustainable investments a minimum proportion of 20 per cent of the turnover of the company should come from economic activities that actively contribute to a sustainable objective. The sustainable objective can be an environmentally sustainable objective defined in the EU Taxonomy or an environmental or social objective belonging to the list of UNs SDGs. Green bonds are also considered to be a sustainable investment. In addition, the company cannot perform negatively on selected principal adverse impact (PAI) indicators, they need to have sufficient processes in place related to good governance and be aligned with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The fund takes PAI into consideration as an integrated part of the investment process for the fund. An investment cannot perform negatively on selected PAI indicators.

The fund managers always strive to have as complete and reliable data as possible about all investments of the fund. Data for the sustainability analysis is obtained from the annual reports, via direct contact with the company and via external ESG vendors. When choosing an external vendor for ESG data, we evaluate all available alternatives on the market. Factors such as functionality, the number of sustainability analysts, methodology, price, and data quality are all taken into consideration when choosing a vendor. The evaluation of sustainability vendor is an ongoing process. However, it cannot be guaranteed that the information collected is always complete and/or correct.

The fund exercises, in cases where ownership influence can be assumed to have a real impact, engagement activities with companies. The goal is to affect and influence companies to improve their environmental, social and governance practices, including promoting a long-term approach to decision-making. We publish an annual sustainability report that includes the engagement carried out during the previous year.