

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Grünfin Managed Portfolio

Legal entity identifier of Grünfin AS: 894500RO1RHONV67AR47

Enforced as of 30th of December 2022

Amended 30th of June 2023

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ____%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective:** ____%

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

In fund selection process we choose investments that are categorised as Article 8 or Article 9 according to SFDR, we apply a due diligence process including screening against non-sustainability characteristics such as excluding oil & gas, controversial weapons, tobacco or very severe controversies. We do weighted screening in favour for example of % women on corporate boards, % board independence, tons of CO2 emissions for every \$1mn in sales.

● **What sustainability indicators are used to measure the attainment of each of the**

Asset allocation describes the share of investments in specific assets.



environmental or social characteristics promoted by this financial product?

As an indicator we use third party ESG ratings, fund categorisation according to SFDR as Article 8 or Article 9.

Does this financial product consider principal adverse impacts on sustainability factors?

✘ No, at the moment the product does not consider principal adverse impacts due to lack of reliable data.



What investment strategy does this financial product follow?

Grünfin managed portfolio is a discretionary portfolio product that invests in sustainable exchange-traded ETFs and index funds that are traded on European stock exchanges. Customers can choose sustainability preference by selecting between „Climate Change“, „Gender Equality“ and „Health“ themes as their investment focus. Some or all themes can be chosen, whereas portfolios will be composed based on preference selection.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

In fund selection process we use due diligence, sustainability and characteristics screening on a continuous basis in order to evaluate good governance and E/S goals. This includes for example severe controversy exclusions, asset managers PRI and Climate action 100 signatories etc

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The product promotes E and S characteristics on portfolio level, therefore the commitment to reduce the scope of investments by a minimum rate is not applicable.

What is the policy to assess good governance practices of the investee companies?

We monitor the investments' ESG ratings provided by third-party data providers which, among other factors, consider good governance of the companies. We also monitor compliance of funds with exclusion lists applicable.

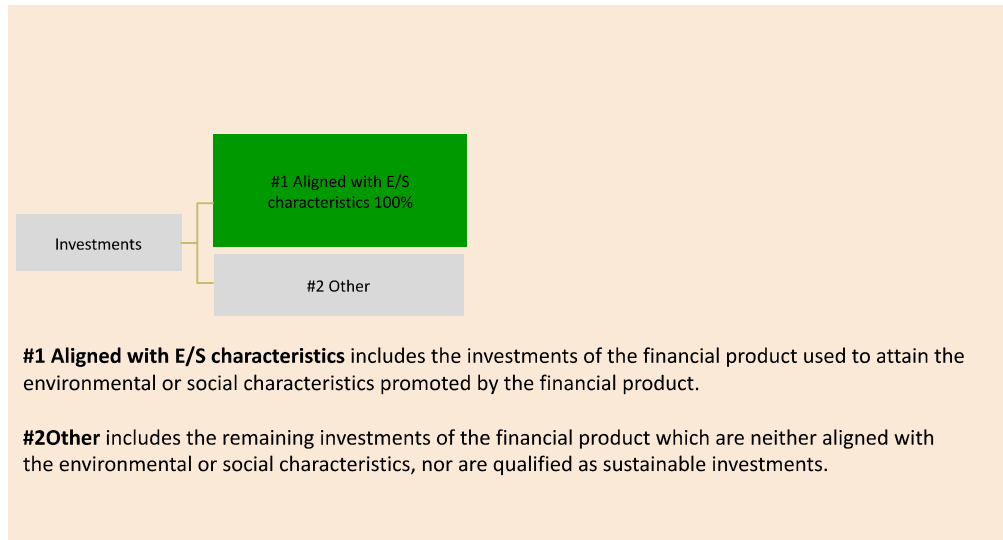
The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



What is the asset allocation planned for this financial product?

The product invests assets in article 8 or article 9 instruments according to SFDR. Promoting environmental and social characteristics are achieved on a consolidated portfolio level as the investment process and its elements are applied at the portfolio level. Product may contain in time assets grouped as 'other' investments. The reason can be that at the time of purchasing the investment fulfilled the criteria of being article 8 or article 9, however later was downgraded. Such investments may remain passively in the portfolio.

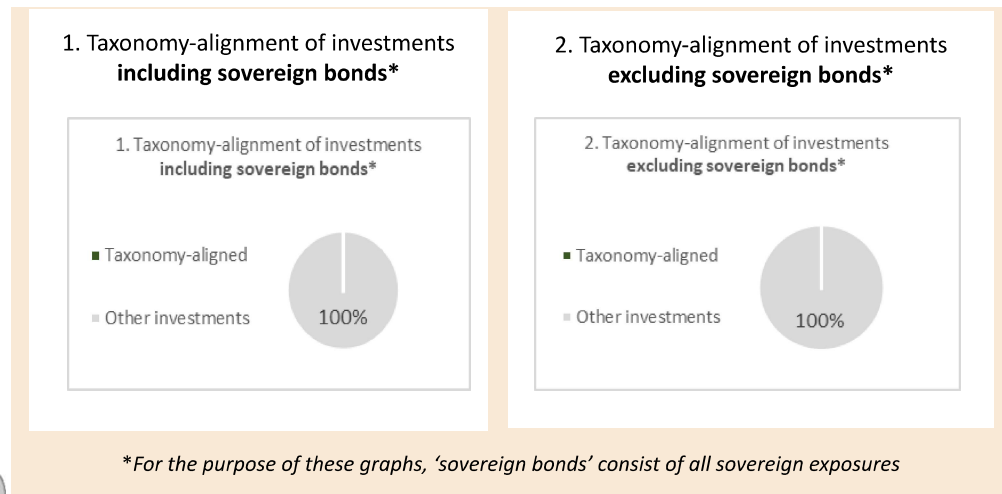
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The product has no commitment to make a certain proportion of investments in accordance with the EU Taxonomy. However, it cannot be ruled out that individual holdings in the portfolio will be classified in whole or in part as compatible with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



are there any minimum environmental or social safeguards?

As described above, from time to time the product may contain assets grouped as '#2 other'

investments. The reason could be that at the time of purchase the investment fulfilled the criteria of being article 8 or article 9, however later was downgraded by its Fund Manager. Such investments may remain passively in the portfolio, however are not or will not be actively acquired by us.



Where can I find more product specific information online? More product-specific information can be found on the website:

for additional info see: <https://www.grunfin.com/sustainability>