Summary

Cicero Fonder AB, LEI code 549300LI31BD4ZQFYN40, considers the principal adverse impacts of its investment decisions on sustainability factors. This statement is the consolidated statement of principal adverse impacts for sustainability factors for Cicero Fonder AB.

This statement on the principal adverse impacts for sustainability factors covers the reference period from January 1 to December 31, 2022. A historical comparison with previous reporting periods is not available since the 2022 reference period is the first year the indicators for adverse impacts for sustainability factors are reported.

Sustainability factors and sustainability risks are considered and integrated into the normal analysis and evaluation work that precedes each investment decision in the funds and in active management.

Sustainability factors are defined in the EU's Disclosure Regulation (2019/2088) as environmental, social and employee matters, respect for human rights, and the fight against corruption and bribery.

Principal adverse impacts for sustainability factors may be:

- Environmental, such as serious environmental damage, greenhouse gas emissions, loss of biodiversity, and ecosystems
- Social, for example, through violations of fundamental labor rights principles, child and forced labor, discrimination, or restriction of freedom of speech
- Governance-related, for example using corruption, bribes, extortion, fraud, money laundering, tax offenses, and financing of terrorism.

Cicero Fonder's investments can have both positive and negative impacts on sustainability factors. According to the Disclosure Regulation (EU 2019/2088), the sustainability risk is the risk that an environmental, social, or governance-related event or circumstance, if it were to occur, would have an actual or potential significant adverse impact on the value of the investment.

Managing sustainability risks is an important sustainability process since inadequate sustainability efforts and corporate governance issues can lead to adverse impacts for the environment and social factors and entail significant costs that negatively affect the investment's value. Integrating sustainability risks into investment decisions is therefore crucial to achieve long-term good returns.

The following principal adverse impacts for sustainability factors are considered by Cicero Fonder:

- Greenhouse gas emissions
  - GHG emissions
  - Carbon footprint
  - GHG intensity of investee companies
  - Investing in companies without carbon emission reduction initiatives
  - Share of non-renewable energy consumption and production
  - Energy consumption intensity per high impact climate sector
- Biodiversity
  - Activities negatively affecting biodiversity-sensitive areas
- Water
  - Emissions to water
- Waste
  - Hazardous waste and radioactive waste ratio
- Social conditions and personnel issues
  - Violations of the UN's Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
  - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
  - Unadjusted gender pay gap
  - Board gender diversity
  - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons)

Human rights

    - Lack of human rights policy
- Fighting corruption and bribery
    - Lack of anti-corruption and anti-bribery policies

As Cicero Fonder is not directly investing in real estate assets there is no information reported regarding these indicators.