



Responsible Investment Policy

2018

We are convinced that responsible actions and sustainable businesses are connected to long-term value creation and that it benefits the long-term business performance. We believe that companies acting responsibly are more successful than companies that do not act responsibly. Responsible investments are thus a prerequisite for achieving our long-term goals and generating a good return to our fund unit holders.

Fondita Fund Management Company has committed itself to operate responsibly. This means that we in all our operations take environmental, social and corporate governance (ESG) issues into account. In May 2010 we signed the United Nations Principles for Responsible Investments (UNPRI). Through signing the principles we are committed to:

1. incorporate ESG issues into our investment analysis and decision making process
2. be active owners and incorporate ESG issues into our ownership policy and practice
3. seek appropriate disclosure on ESG by the companies in which we invest
4. promote acceptance and implementation of the principles within our industry
5. promote responsible investments together with other investors to enhance our effectiveness
6. report our activities and progress towards implementing the principles

Our active investment philosophy highlights quality companies with good future prospects, to prioritise sustainability aspects is therefore an essential part of the investment philosophy. We avoid investing in companies whose main activities do not comply with international standards and principles as well as companies whose main activities are driven by activities that violate our values.

We conduct an internal ESG analysis where our holdings are reviewed in Morningstar's database and the results are reported to the portfolio managers. If issues related to ESG are detected, the portfolio managers follow the below mentioned guidelines:

- Internal discussion
- Contact the company to initiate a dialogue
- If necessary, contact the CEO or similar person in a leading role to address the issue
- Based on the obtained information, determine how the company intends to proceed and assess the willingness to change
- If the answer is in line with the portfolio manager's requirements and expectations, there will be no further actions taken. Follow-up within a reasonable time frame.
- If the answer is not in line with the portfolio manager's requirements and expectations or if the portfolio manager is dissatisfied with the outcome after the follow-up, the portfolio company can be sold.

It should be noted that each case is individual and the process is unique to each holding. By the year 2018, we have not had any incidents in our current portfolio holdings that have required the above mentioned process.

Although Fondita is a minority owner of the companies in question, we can influence corporate decision-making through corporate governance. We participate in annual general meetings where we believe that our fund unit holders' interests need to be protected. If necessary, Fondita may also vote by proxy. More information about our principles of corporate governance can be found [here](#).

We report annually to UN on our responsibility and its development. We want our business to make our funds holding companies to function even more responsible and we work proactively with development and competence in the field. We also encourage others to follow the same values.

We are members of Finsif and Swesif and all our funds have a Sustainability Profile (Swesif).

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