

Product name: SKAGEN KON-TIKI Legal entity identifier: 5493000OERXXQ9XSSJ70

## 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.



### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments 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

It made **sustainable investments with a social objective**: \_\_ %

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_ % of sustainable investments

with an environmental objective in economic activities that 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 promotes E/S characteristics, but **did not make any sustainable investments**

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

*The environmental and/or social characteristic promoted by this Fund is the application of an ESG integration strategy.*

*The Investment Manager's ESG integration strategy consists of four pillars to execute the investment selection process and exercise of ownership rights. The first pillar of the strategy is negative screening and control of potential investments, the second is an enhanced due diligence of companies in high emitting industries, the third is ESG integration through dedicated factsheets, whilst the fourth and final pillar is active ownership.*

*The ESG Integration strategy is an entirely incorporated process within the Funds investments. Throughout the year, all of the four binding elements of the strategy are followed and further developed. As a result, the environmental and social characteristics promoted by this product were fully met.*

How did the sustainability indicators perform?

*The sustainability indicators of the Fund are all of the four pillars of binding elements in the ESG integration strategy. The sustainability indicators performed as following:*

#### **Pillar 1- Exclusion criterias and negative screening**

*As of 31 December 2023 , 337 companies are on the exclusion list, and hence not investable for the Investment Manager.*

*During 2023, the fund performed pre investment screening on 7 potential investments.*

*The Fund is also subject to quarterly controls to ensure alignment with the exclusion criterias. Controls have been performed for Q1, Q2, Q3 and Q4 2023.*

All current investments have been individually screened, analyzed and cleared to be in line with SKAGEN's sustainable investment policy.

#### **Pillar 2- Enhanced due diligence of high-emitting companies.**

During 2023, **all** of the investees that operate within high-emitting sectors were subject to enhanced due diligence. For the Fund, enhanced due diligence was performed for 17 companies during 2023. The enhanced due diligence is enshrined in the ESG factsheet documentation.

#### **Pillar 3- ESG Factsheets**

As of 31 December 2023, ESG factsheets have been completed for 40 / 40 investees in the fund, and traffic lights assigned.

Traffic light distribution for completed ESG factsheets:

Dark green: 2 number of companies

Light green: 21 number of companies

Grey: 0 number of companies

Amber: 17 number of companies

Red: 0 number of companies

Black: 0 number of companies

#### **Pillar 4- Active ownership**

Engagement activities pertaining to the fund in 2023 consisted of 10 unique company engagements covering 10 unique engagement cases.

There were 64 voteable meetings in the Funds companies in 2023, with 632 voteable items on the agenda. The Fund voted on 99.53% of these items. Votes were cast in line with management recommendations 91.89% of the time, while 8.11% of votes were against management recommendations on one or more items on the agenda.

- **...and compared to previous periods?**

SKAGEN have continued to implement and scale the ESG factsheets and the traffic light solution. During 2023, we have reached 100% coverage of ESG factsheet and traffic light assessments for the holdings of the Fund.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

| This product does not have a sustainable investment objective.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

| This product does not have a sustainable investment objective.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

| This product does not have a sustainable investment objective.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

#### **How did this financial product consider principal adverse impacts on sustainability factors?**

Throughout all pillars of the ESG integration strategy, company specific analysis is performed on the holdings of the Fund. Exclusion criteria screen away the most principled adverse impacts that are uninvestable for the Fund. Furthermore, material principal adverse indicators for every single investment case are analysed and assessed, and constitute an important contribution to the overall investment analysis. Subject to data availability and data



quality, all principal adverse indicators considered material are tracked to identify positive and negative developments at security level, and can inform measures to manage and mitigate by the Fund.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023-12-31.

#### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Alibaba Group Holding Ltd	Consumer Discretionary	6.24%	HK
Ping An Insurance Group	Financials	5.80%	HK
Cnooc Ltd	Energy	5.65%	HK
Samsung Electronics PFD	Information Technology	4.92%	KR
LG Electronics-PFD	Consumer Discretionary	4.61%	KR
UPL Limited	Materials	3.59%	IN
Raizen SA	Energy	3.37%	BR
Naspers Ltd-N	Consumer Discretionary	3.17%	ZA
Prosus NV	Consumer Discretionary	3.10%	NL
Banco do Brasil SA	Financials	2.87%	BR
KB Financial Group	Financials	2.85%	KR
Taiwan Semiconductor	Information Technology	2.62%	TW
Sendas Distribuidora SA	Consumer Staples	2.59%	BR
Suzano Papel e Celulose SA	Materials	2.51%	BR
Korean Reinsurance Co	Financials	2.46%	KR



**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned activities** are expressed as a share of:

– **turnover** reflecting the share of revenue from green activities of investee companies

– **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

– **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#### What was the proportion of sustainability-related investments?

0%. This product does not have a sustainable investment objective.

In which economic sectors were the investments made?

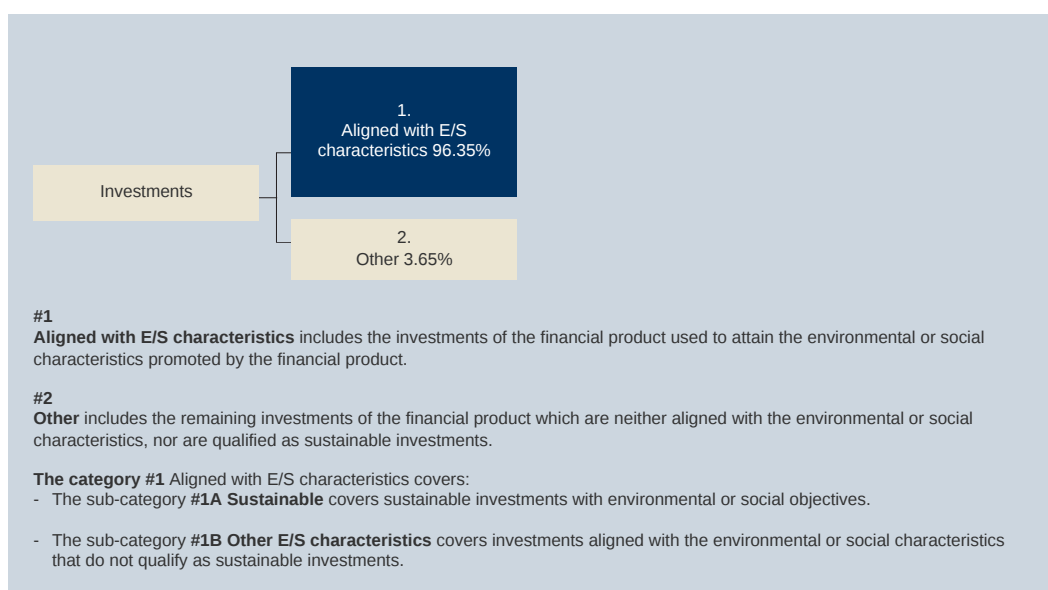
Sector/Industry code	Sector/Industry name	Sum
<b>10</b>	<b>Energy</b>	<b>15.79%</b>
101020	Oil, Gas & Consumable Fuels	15.79%
<b>15</b>	<b>Materials</b>	<b>12.63%</b>
151010	Chemicals	7.44%
151020	Construction Materials	0.86%
151030	Containers & Packaging	0.49%
151040	Metals & Mining	1.34%
151050	Paper & Forest Products	2.51%
<b>20</b>	<b>Industrials</b>	<b>3.41%</b>
201050	Industrial Conglomerates	1.74%
203040	Road & Rail	1.67%
<b>25</b>	<b>Consumer Discretionary</b>	<b>23.54%</b>
251010	Auto Components	1.44%
251020	Automobiles	3.00%
252010	Household Durables	6.59%

<i>Contn</i>		
255030	Multiline Retail	12.51%
<b>30</b>	<b>Consumer Staples</b>	<b>6.65%</b>
301010	Food & Staples Retailing	2.59%
302020	Food Products	2.47%
303020	Personal Products	1.59%
<b>35</b>	<b>Health Care</b>	<b>1.26%</b>
352020	Pharmaceuticals	1.26%
<b>40</b>	<b>Financials</b>	<b>19.21%</b>
401010	Banks	7.58%
402030	Capital Markets	3.37%
403010	Insurance	8.27%
<b>45</b>	<b>Information Technology</b>	<b>10.99%</b>
452010	Communications Equipment	0.00%
452020	Technology Hardware, Storage & Peripherals	4.92%
452030	Electronic Equipment, Instruments & Components	3.44%
453010	Semiconductors & Semiconductor Equipment	2.62%
<b>50</b>	<b>Communication Services</b>	<b>2.87%</b>
501020	Wireless Telecommunication Services	2.23%
502010	Media	0.64%

• **What was the asset allocation?**

*In theory, all of the Fund's assets under management should be aligned with E/S characteristics as all companies that are selected and invested in by the Fund are subject to the ESG integration strategy. Residual capital in the Fund can however de-facto be categorized as 'other' due to cash position of the Fund. As of 31 December 2023, the asset allocation in the Fund was as following*

#1 Aligned with E/S characteristics: :96.35%  
 #2 Other :3.65%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules


**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among other have greenhouse gas emission levels corresponding to the best performance.

**Taxonomy-aligned activities** are expressed as a share of: – **turnover**, reflects the “greenness” of investee companies today.

- **capital expenditure (CapEx)**, shows the green investments made by investee companies, relevant for a transition to a green economy.

– **operational expenditure (OpEx)**, reflects the green operational activities of investee companies.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic

The Fund does not have any intentions to invest in Taxonomy-aligned investments (including transitional and enabling activities) but it is not excluded that this may be the case due to unintended and residual reasons. The estimated Taxonomy alignment of this Fund's investments is as of 31 December 2023:

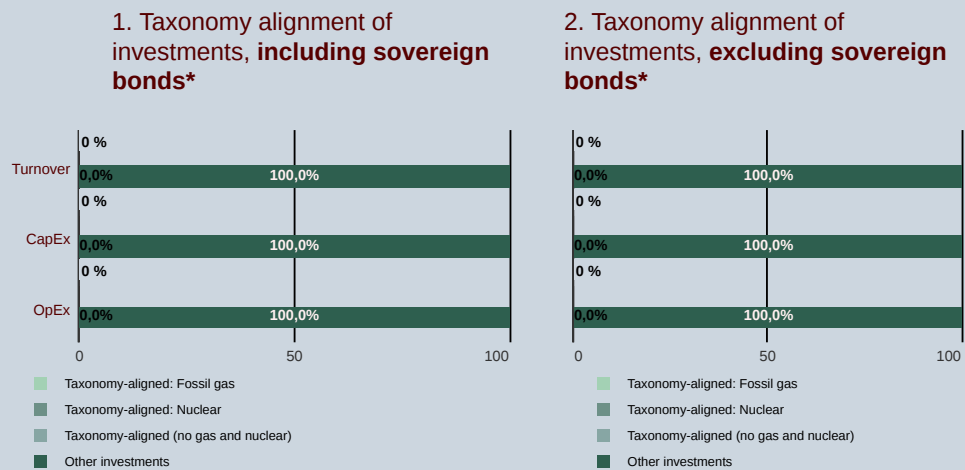
Turnover: 0.03 %  
CapEx: 0.43%  
OpEx: 0.21%

\*The Fund does not include sovereign bonds.

• **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes  
 in fossil gas     in nuclear energy  
 No

The graphs below show in green the percentage of investments that were 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.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

• **What was the share of investments made in transitional and enabling activities?**

Transitional activities: 0.05%  
Enabling activities: 0.14%

• **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not have any intentions to invest in Taxonomy-aligned investments (including transitional and enabling activities) but it is not excluded that this may be the case due to unintended and residual reasons.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

This product does not have a sustainable investment objective.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective — see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

activities under the  
EU Taxonomy.



**What was the share of socially sustainable investments?**

*This product does not have a sustainable investment objective.*



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

*Residual capital in the Fund categorized as 'other' is due to cash position of the Fund.*



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

- Screening and quarterly controls
- Enhanced due diligence of all companies operating within "high-emitting" sectors.
- Factsheet development
- Completed factsheets for 100% of the Funds investees during 2023.
- Voting and engagement dialogues
- Training and development