Financial market participant Danske Invest Management A/S, 0HJ29OIYX8XV082Q9508

Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2023

Contents

Danske Invest

SUMMARY - ENGLISH

Danske Invest Management A/S, (OHJ29OIYX8XVO82Q9508), considers principal adverse impacts of the investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Danske Invest Management.

This statement on principal adverse impacts on sustainability factors covers the reference period of 1st of January 2022 to 31st of December 2022. This is the first reference period where Danske Invest Management has started to measure and report on the principal adverse indicators meaning that a comparison to the preceeding year will not be done prior to year 2024.

Danske Invest Management considers principal adverse impacts at an entity level by measuring the aggregated negative impact of the investments in respect to assets under management (AuM) and ensuring that investment decisions are aligned to Danske Bank Group Position Statements and external commitments. Principal adverse impacts are addressed through the management of our funds, according to their materiality and type, as well as their nature, and our commitments and measured through mandatory and other indicators outlined in the Delegated Regulation (EU) 2022/1288 under the Sustainable Finance Disclosure Regulation ("**SFDR**").

These indicators relate to investments in both investee companies and sovereigns/supranationals (issuers). Below table summarises the reported adverse impacts against these indicators with guidance on where to obtain further information through the reporting in the Principal Adverse Impact table ("**PAI Table**").

Investee company adverse impacts	
GHG emissions	Negative impacts of GHG emissions are measured and reported through different sets of mandatory indicators (indicator 1-6). For instance, the mandatory indicator no. 1 of GHG emissions is reported with total GHG emissions of 15.422.956 tCO2e and the carbon footprint (indicator no. 2) is measured and reported at 237 tCO2e/m€ invested. Exposures to companies active in the fossil sector (indicator no. 4) are reported as 4,2% of the AuM. For the voluntary (other) indicator, Danske Invest Management considers, investments in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (indicator no. 19) which are reported with a 40,1% share of the AuM.
Biodiversity	Activities negatively affecting biodiversity sensitive areas are reported for indicator no. 7 with a share of 0, 02% of such investments.
Water	Negative impact to water is reported for indicator no. 8 as 0,005 tonnes of emissions generated by investee companies per EUR million invested (weigthed average).
Waste	Negative impact to waste is reported for indicator no. 9 as 26,9 tonnes of hazardous waste generated by investee companies per EUR million invested (weigthed average).
Social and employee matters	For reporting on social employee matters, reference is made to indicators no. 10-14 and no. 20-21. As can be seen from seen these reported impacts, Danske Invest Management has e.g. had negative impacts to social and employee matters through a 0,05% share of investments in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (indicator no. 10).

Sovereigns and supranationals

Environmental	Negative impacts on the environment is measured and reported as a GHG intensity of 35 tCO_2e / m€ of country's GDP for investee countries in respect to indicator no. 15.
Social	For negative social impacts reference is made to indicators no. 16 and 22-24 reporting among others 58 investee countries subject to social violations (indicator no.16) .

The impacts of the adverse impacts have been prioritised through the general approach applied at Danske Bank Group level, and strategy specific commitments. In addressing the adverse impacts we have used a set of tools available to the investment teams (inclusion, exclusion and active ownership) with a focus to strenghten among others our infrastructure in order to better enable the investment teams to make the right considerations when selecting and making investments with adverse impacts.

Summary - Local language versions

Sammenfatning (DK) – Link, Tiivistelmä [FI] – Link, Sammanfattning [SE] – Link , Sammendrag (NO) – Link, Zusammenfassung (GE) - Link

Description of the principal adverse impacts on sustainability factors

By "principal adverse impacts" is meant the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to investment decisions relating to our funds as defined by the PAI Indicators. In the PAI Table, we report these impacts as an average of the measurements for the impact year 2022 (Q1-Q4). Danske Invest Management aims to ensure that the reported impacts are analysed and assessed and to address these aspects in accordance with the needs of our investors.

The PAI indicators are linked to different assets (investee companies, sovereigns and supranationals and real estate assets[1]). The calculations relating to the indicators cover "all investments", meaning all assets under management ("**AuM**") resulting from portfolio activities of Danske Invest Management, including through branch activities in Luxembourg. For year 2022 the average of all investments was 65,1 bn EUR.

Reporting against "all investments" imply that certain indicators are reported with a significantly lower value, than had the calculation focussed on the exposures relevant to the specific indicator category ("**eligible assets**") or exposures with data coverage ("**assets with data coverage**"). To enhance transparency and a further understanding of the figures, the reported PAIs in the "Impact" column of the PAI Table are therefore complemented by ratios and measured impacts for eligible assets and assets with data coverage in the "Explanation" column.

While the measurement and reported Impacts cover all AuM, the actions taken to address the principal adverse impacts mainly captures investments, where the investment management activities are managed in accordance with the approach and processes of the Danske Bank Group (co vering more than 90% of the AuM).

As part of our business model, we also manage a small portion of assets tailored to meet the specfic needs of the investors. Investments decisions for these assets are often delegated to other investment managers than Danske Bank A/S, and the prioritisation of adverse impacts for the assets are in principle not covered by the general approach and thereto related actions reported in the PAI Table.

Through the investment management activities of Danske Bank A/S, Danske Invest Management prioritises the management of principal adverse impacts on sustainability factors in line with the Danske Bank Group and in accordance with the general approach set out in Danske Bank Group Position Statements and other sustainability-related strategies and commitments specific to Danske Bank Asset Management[2]. These impacts are addressed by the utilisation of three main processes: 1) Inclusion of investments, 2) Exclusion of investments and 3) Active Ownership[3].

[1] Not relevant to Danske Invest Management as our funds do not invest into real estate assets.

[2] For the purpose of this statement "Danske Bank Asset Management" covers activities of Danske Bank A/S, Danske Invest Management A/S, Danske Invest Asset Management and Danske Invest Funds Ltd.

[3] Whether and how an inclusions, exclusions and active ownership are applied in the management of a fund is dependent on the strategy of the given fund as further described in the prospectuses/pre-contractual disclosures.

PAI Table

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2021**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Climate and other environment-related indicators						
Greenhouse gas emissions	GHG emissions (1)	Scope 1 GHG emissions	1.307.685 tCO2e	N/A	**Eligible assets:** Weight: 83% Measured impact: same as for reported impact. **Assets with data coverage:** Weight: 70% Measured impact: same as for reported impact. **Explanatory comments:** GHG emissions are calculated as the Scope 1[4], Scope 2[5], Scope 3[6] emissions in investee companies expressed in tons of CO2 equivalent.	**General Approach** As part of the Danske Group, Danske Invest Management is committed to contribute to the goals of the Paris Agreement and to achieve Net Zero Carbon carbon emissions by 2050. We mainly base our approach on
		Scope 2 GHG emissions	358.987 tCO2e	N/A		
		Scope 3 GHG emissions	13.686.195 tCO2e	N/A		
		Total GHG emissions	15.422.956 tCO2e	N/A		

[4] Namely emissions generated from sources that are controlled by the issuing company.

					The data used for the reported figures is based on company-reported numbers as well as estimated numbers. Given the lack of investee company disclosures, Scope 3 GHG emissions are subject to more estimations than scope 1 and 2. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur continuously and the probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	processes managed by Danske Bank A/S. These processes ensure that companies are included based on the sufficient analyses, that a foundation for engagement is in place, and that companies can be excluded if deemed necessary from a GHG emissions perspective. **Inclusion** Our ambition is that assessments on how companies manage climate issues and participate in the green transition become key considerations in the investment
	Carbon footprint (2)	Carbon footprint	237 tCO2e/m€ invested	N/A	**Eligible Assets:** Weight: 83% Measured impact: 285 tCO2e/m€ invested **Assets with data coverage:** Weight: 70%	

5 Namely emissions from the consumption of purchased electricity, steam or others sources of energy genereated upstream from the issuing company.

6 Namely all indirect emissions that are not covered by points (i) and (ii) that occur in the value chain of the reporting company, including both upstream and downstream emissions, in particular for sectors with a high impact on climate change and its mitigation

					Measured impact: 340 tCO2e/m€ invested **Explanatory comments:** Carbon footprint is calculated as the total GHG emissions expresses as a ratio for all investments. For further information on data considerations, the probability of occurrence etc., please see indicator no. 1 above.	management processes. During 2022, work has been done to further integrate GHG emissions data into the data platform, investment management systems and analytical tools, such as mDash (a proprietary data platform developed by Danske Bank A/S) used for investment management activities relating to our funds. **Active Ownership** During 2022, there were multiple engagements in relation to GHG emissions for our funds, including in relation to carbon footprint and fossil
	GHG intensity of investee companies (3)	GHG intensity of investee companies	773 tCO2e / m€ of revenue	N/A	**Eligible assets:** Weight: 83% Measured impact: 932 tCO2e/m€ of revenue **Assets with data coverage:** Weight 70% Measured impact: 1.108 tCO2e/m€ of revenue **Explanatory comments:** GHG intensity covers GHG emissions (see indicator 1) expressed as a ratio of investee company's revenue. For further information on data considerations, the probability of occurrence etc., please see information provided to GHG (1) above.	

	Exposure to companies active in the fossil fuel sector (4)	Share of investments in companies active in the fossil fuel sector	4,2% investments in companies in the fossil fuels sector	N/A	**Eligible assets:** Weight: 83% Measured impact: 5,0% investments in companies in the fossil fuel sector **Assets with data coverage:** Weight: 69% Measured impact: 6,0% investments in companies in the fossil fuel sector **Explanatory comments:** Data is based on companies' business activities/operations and is thus subject to a low degree of estimations. Fossil fuels are the main contributors to climate change. Investee ompanies active in the fossil fuel sector, generally, have fossil-related activities as their core business activity and the probability of occurrence is thus regarded as certain. Given the effects of global warming on the environment and societies, fossil fuel involvement effects are considered to be severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	fuel sector activities. Our approach is covered by the Net Zero Roadmap developed by Danske Bank A/S and with that the plan to engage with the top 100 emitters by 2025. The companies are identified based on financed emission of weighted average carbon intensity. The engagements are focused on decarbonisation, with the goal of supporting portfolio companies to transition their business activities to a low-carbon economy. Where applicable, Danske Invest Management has

	Share of non-renewable energy consumption and production (5)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	A) 19,6% Non-renewable energy consumption B) 1,1% Non-renewable energy production C) 20,3% Coal, nuclear, oil or unclear energy sources	N/A	**Eligible Assets:** Weight: 83% Measured impact: A) 23,6% Non-renewable energy consumption B) 1,3% Non-renewable energy production C) 24,4% Coal, nuclear, oil or unclear energy sources **Assets with data coverage:** Weight: A) Non-renewable energy consumption: 27%	through Danske Bank A/S exercised active ownership through voting at the general meetings of high emitting companies. We generally support reasonable shareholder proposals that ask companies to prepare and plan for mitigating climate change risks. This can be both through

					B) Non-renewable energy production: 68% C) Percentage of coal, nuclear, oil or unclear energy sources: 35 % Measured impact: A) 72,0% Non-renewable energy consumption B) 1,6% Non-renewable energy production C) 57,3 % of coal, nuclear, oil or unclear energy sources **Explanatory comments:** Data is primarily based on company disclosures but where the source of energy is unclear it will also be included in the data, contributing to a certain degree of estimations. Non-renewable energy consumption and production are core drivers of climate change. As companies are directly confirming their consumption and production of non-renewable energy, the probability of occurrence is to be regarded as certain. Given the effects of global warming on the environment and societies, non-renewable energy consumption and production is considered severe.	supporting reasonable shareholder proposals related to climate change risks or voting against management proposals requesting to approve climate transitions plans at companies that do not sufficiently address climate change risks. During 2022, our funds in support of more than 20 proposals related to Greenhouse Gas. **Exclusions** Danske Invest Management's Exclusion Instruction covers the exclusion of activities with highly negative climate impacts. In 2022, 31

					Given the lack of carbon-capture technologies, emissions are considered irremediable.	companies have been identified to fail the threshold for thermal coal and 26 companies for tar sands. In addition, as part of the Enhanced Sustainability Standards screening 56 companies were identified to have high climate change contribution and 30 to have harmful environmental practices. These exclusions generally apply across the fund range in different combinations and with varying impacts on strategies managed . Seven of our funds follow a Paris-Aligned Benchmark (PAB) or Climate Transition
	Energy consumption intensity per high impact climate sector (6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A) Agriculture forestry and fishing 0,2 GWh / m€ of revenue B) Mining and quarrying 0,6 GWh / m€ of revenue	N/A	**Eligible assets:** Weight: 83% Measured impact: A) 0,2 GWh / m€ of revenue B) 0,6 GWh / m€ of revenue C) 0,3 GWh / m€ of revenue D) 1,9 GWh / m€ of revenue E) 0,4 GWh / m€ of revenue F)0,04 GWh / m€ of revenue G) 0,5 GWh / m€ of revenue	

			C) Manufacturing 0,3 GWh / m€ of revenue		H) 1,1 GWh / m€ of revenue L) 0,002 GWh / m€ of revenue **Assets with data coverage:** Weight: 28% Measured impact: A) 0,3 GWh / m€ of revenue B) 2,4 GWh / m€ of revenue C) 0,6 GWh / m€ of revenue D) 3,7 GWh / m€ of revenue E) 1,9 GWh / m€ of revenue F) 0,2 GWh / m€ of revenue G) 2,2 GWh / m€ of revenue H) 2,3 GWh / m€ of revenue L) 0,1 GWh / m€ of revenue **Explanatory comments:** Data is based on company disclosed data, there is however a low degree of company disclosed numbers for this metric globally. Companies active in high impact climate sectors generally have much higher emission profile compared to companies in other sectors. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur	Benchmark (CTB) and therefore apply the exclusion criteria as set out in Article 12(1) of the EU Climate Transition Benchmark regulation. In addition, several funds have extended fossil fuel exclusions. **Planned actions for year 2023** During 2023, we expect to participate in the further development of fossil fuel strategy for the Danske Bank Group. At the time of the publication, the ambition is to further narrow the scope of active ownership to key investments and leverage exclusions
			D) Electricity gas steam and air conditioning supply 1,9 GWh / m€ of revenue			
			E) Water supply, sewerage, waste management 0,4 GWh / m€ of revenue			
			F) Construction 0,04 GWh / m€ of revenue			
			G) Wholesale and retail trade repair of motor vehicles and motorcycles 0,5			

			GWh / m€ of revenue H) Transportation and storage 1,1 GWh / m€ of revenue L) Real estate activities 0,002 GWh / m€ of revenue		continuously and the probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	to address certain investments. Also in the year of 2023, pre-trade warnings relating to GHG emissions above certain levels will be introduced for a substantial part of our funds.

Biodiversity	Activities negatively affecting biodiversity-sensitive areas (7)	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,02% with negative impact	N/A	**Eligible assets:** Weight 83% Measured impact: 0,02 % with negative impact **Assets with data coverage:** Weight: 69% Measured impact: 0,03% **Explanatory comments:** Data is based on companies that have been linked/identified to having caused negative impacts on biodiversity-sensitive areas. As there can be companies causing negative impacts that have not been identified, or ambiguity concerning the effects, there is a degree of uncertainty in the data and it should be regarded as proxy data. Negative impacts on biodiversity-sensitive areas carries multiple negative effects, including the planet's reduced capacity to sequester carbon, and harming local wildlife and fauna that in some cases already are red listed. As such, the effects are to be considered severe. As the data used is based on companies that have been found to cause negative impacts on biodiversity, the probability of	**General Appriach** As part of the Danske Bank Group and with investment management activities delegated to Danske Bank A/S, Danske Invest Management is covered by Danske Bank A/S' commitments under the Partnership for Biodiversity Accounting Financials (PBAF) and the Finance for Biodiversity Pledge. Both initiatives enable asset managers to measure, and in the long term, set concrete targets for impact and dependencies on biodiversity. are largely covered by these initiatives.

					occurrence is to be regarded as certain. Certain negative biodiversity impacts can be remediated over time, but the direct and immediate effects are considered to be irremediable.	**Inclusion** During 2022, work has been done in Danske Bank A/S to further integrate biodiversity data into the data platform, investment management systems and sustainability analytical tool mDash. **Active Ownership** A number of engagement activitites and voting was done for funds managed by Danske Invest Management on biodiversity related topics in 2022. **Exclusions** As part of the Enhanced Sustainability Standards screening 32

						companies have been excluded on basis of indentified significant negative biodiversity impacts. **Planned actions for year 2023** During 2023, Danske Invest Management will through Danske Bank A/S further formalize the work around biodiversity impacts and work towards concrete target setting. Also in the year of 2023, pre-trade warnings relating to companies with negative biodiversity impacts above certain levels are expected introduced for a substantial part of our funds.

Water	Emissions to water (8)	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,005 tons / m€ invested	N/A	**Eligible assets:** Weight: 83% Measured impact: 0,006 tons / m€ invested **Assets with data coverage:** Weight: 3% Measured impact: 0,18 tons / m€ invested **Explanatory comments:** Data is based on company disclosures and is thus subject to a low degree of estimations. Company disclosure however remains low and thus data coverage is low. Metric used is chemical oxygen demand (COD), a commonly used indicator measuring emissions to water, which should be regarded as proxy data. Emissions to (waste) water can flow back to ecosystem without having been properly treated and thereby causing harm. As the data is based on company reported figures the probability of occurrence is to be regarded as certain. As the data doesn't capture regional requirements nor whether the water has been treated prior to discharging, the severity is regarded as medium	**General Approach** We expect that the companies our funds invest into follow the internationally recognised standards related to climate change and the environment whenever relevant. Water is an area with weak and immature sustainability data. From an investment management perspective, emissions to water is therefore a challenging topic to address. **Inclusion** During 2022, work has been done in Danske Bank A/S to further integrate water data into the data platforms, investment

						management systems and sustainability analytical tools, such as mDash. **Active Ownership** During 2022, engagement was done with several companies on emissions to water in respect to our funds. According to Danske Bank's Voting Guidelines (the "**Voting Guidelines**"), if a company's water emission reporting is not deemed to be in line with demands, a reasonable shareholder proposal requesting further disclosure may be supported. During 2022, there where no such propsals within the Voting

						Scope relating to our funds. **Exclusions** As part of the Enhanced Sustainability Standards screening 10 companies have been identified to have high water pollution. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts.
Waste	Hazardous waste and radioactive waste ratio (9)	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR	26,9 tons / m€ invested	N/A	**Eligible assets:** Weight: 83% Measured impact: 32,4 tons / m€ invested	**General Approach** We expect the companies our funds invest in to

		invested, expressed as a weighted average			**Assets with data coverage:** Weight: 9% Measured impact: 281,8 tons / m€ invested **Explanatory comments:** Data is based on company disclosures and is thus subject to a low degree of estimations. Company disclosure however remains low and thus data coverage is low. Data is based on company reported hazardous waste numbers, relying on companies' own definitions. The data should thus be regarded as proxy data. Hazardous waste is a waste with properties that make it dangerous or capable of having a harmful effect on human health or the environment. As the data is based on company reported figures the probability of occurrence is to be regarded as certain. As the data doesn't reflect whether the waste has been safely/adequately disposed/stored, the severity is regarded as medium. In general, hazardous waste regulations require safe disposal and hence the effects are considered to be irremediable.	follow the internationally recognised standards related to climate change and the environment whenever relevant. Waste is an area with weak and immature sustainability data. From an investment management perspective, waste is therefore a challenging topic to address. **Inclusion** During 2022, work has been done in Danske Bank A/S to further integrate waste data into the data platform, investment management systems and sustainability analytical tools, such as mDash.

						Active Ownership During 2022, engagement was done with several companies on waste in respect to our funds. According to the Voting Guidelines, if a company's waste emission reporting is not deemed to be in line with demands, a reasonable shareholder proposal requesting further disclosure may be supported. During 2022, we on behalf of the funds supported a few proposals with non-recycled waste ratio agenda items. **Planned actions for year 2023** At the time of the publication of this document, no specific actions

						have been planned other than the introduction of a pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts.
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2021**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,05% involved in violations	N/A	**Eligible assets:** Weight: 83% Measured impact: 0,06% involved in violations **Assets with data coverage:** Weight: 83% Measured impact: 0,06% involved in violations **Explanatory comments:** Data is based on companies that have been linked/identified to have violated the minimum social safeguards of UNGC and OECD guidelines through our Enhanced Sustainability Standards Screening. As	**General Approach** Danske Bank's Position Statement on Human Rights sets overal expectations for the companies that our funds invest in. Namely that they adhere to international standards for responsible business conduct such as the UN Guiding Principles on Business and

					there can be companies violating UNGC/OECD that have not yet been identified/reported, there is a degree of uncertainty in the data. Interpretations of the indicator may differ. Companies that violate the principles/guidelines laid out in the UNGC and OECD can have negative effects across multiple environmental and social areas. Whilst the scope and nature of violations can differ, violations are in general regarded as severe. As violations concerns incidents that have been reported/identified, the probability of occurrence is regarded as certain. Depending on the scope and nature of the violation, companies that have been found to violate UNGC and/or OECD guidelines generally have an opportunity to remediate the situation.	Human Rights and the OECD Guidelines for Multinational Enterprises. **Inclusion** During 2022, work has been done in Danske Bank A/S to further integrate UNGC principles or OECD Guidelines for Multinational Enterprises related data into the data platform, investment management systems and sustainability analytical tools such as mDash. **Engagement** In 2022, there was engagement with a number of companies in relation to violations of UN Global Compact principles and/or OECD guidelines

						and several human rights related proposals were supported for our funds. **Exclusions** As part of the Enhanced Sustainability Standards screening 234 companies (excl. Russia related companies) have been identified to have significant violations of UN Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. As a result of the Russian invasion of Ukraine, Russian state-owned/affiliated companies were excluded from

						Danske Invest funds. This meant that a total of 475 investee companies were excluded. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of these funds enhancing the focus on these negative impacts.
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations	13,4% without policies	N/A	**Eligible assets:** Weight: 83% Measured impact: 16,2% share of investments with polices. **Assets with data coverage:** Weight: 67% Measured impact: 20,0% share of investments with policies. **Explanatory comments:**	See comments provided to indicator 10 above.

	Guidelines for Multinational Enterprises (11)	of the UNGC principles or OECD Guidelines for Multinational Enterprises			Data is based on companies that lack policies, or grievance/complaints handling mechanisms, to monitor compliance with the UN Global Compact principles or OECD Guidelines for Multinational. As the data is based on companies' existing policies, the data is subject to a low degree of estimations. Interpretations of what are adequate policies/grievance mechanisms may however differ. Companies that lack policies, or grievance/complaints handling mechanisms, to monitor compliance with the UN Global Compact principles or OECD Guidelines for Multinational may find themselves exposed to violating said principles unknowingly today, or sometime in the future. Given that data is based on companies current disclosures, the probability of occurrence is regarded as certain. Given that companies without policies may not necessarily find themselves in non-compliance with UNGC/OECD guidelines, the severity is regarded as medium. The effects are considered remediable.	

	Unadjusted gender pay gap (12)	Average unadjusted gender pay gap of investee companies[7]	0,8% pay gap	N/A	**Eligible assets:** Weight: 83% Measured impact: 0,9% pay gap **Assets with data coverage:** Weight: 7% Measured impact: 10,4% pay gap **Explanatory comments:** Data is based on company disclosures and hence no estimations are used. As there is a limited amount of companies that disclosing relevant data, coverage is however low. The gender pay gap measures a broader concept than pay discrimination and comprehends a large number of inequalities women face in access to work, progression and rewards. This includes pay discrimination where women earn less than men for doing equal work or work of equal value. The effects are considered to be severe, as it e.g. can lead to lower retirement and quality of life for women. As the data is based on company disclosed numbers, the probability of occurrence is regarded as certain. Companies have a possibility to remediate gender pay gaps, but won't	**General Approach** The integration of gender pay gap dimensions is still in the development phase where expectations on companies are to be developed over time. **Inclusion** During 2022, work has been done in Danske Bank A/S to further integrate gender data into the data platform, investment management systems and sustainability analytical tools, such as mDash. **Active Ownership** In 2022, there was engagement with several companies companieson gender pay gap in

[7] Between female and male employees

					help women that's been part of the work-force/affected in the past.	relation to our funds. On behalf of our funds and in accordance with the Voting Guidelines a vote may be casted in favour of shareholder proposals aiming to increase disclosure regarding the gender pay gap ratio and measures taken to promote gender equality. In addition, if overal reporting is not seen as sufficient, a proposal requesting for the company to report in line with best practice may be supported. During 2022, our funds supported selected proposals with gender pay gap related agenda items.

						Planned actions for year 2023 At the time of the publication of this document, no specific actions have been planned other than the introduction of a pre-trades for a substantial part of our funds enhancing the focus on these negative impacts.
	Board gender diversity (13)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	15,1 % ratio (female directors / total directors)	N/A	**Eligible assets:** Weight: 83% Measured impact: 18,2% average ratio split of female directors / total directors **Assets with data coverage:** Weight: 43% Measured impact: 34,5% average ratio split of female directors / total directors **Explanatory comments:** Data is based on company's board composition and hence not subject to any data estimations/proxies. There exist barriers to gender equality in leadership and board compositions,	**General Approach** The integration of board gender diversity is still in the development phase with significant differences in the expectations investors can reasonably set across the regions where we invest. **Active Ownership** During 2022, engagement was

					leading to negative effects on board dynamics and governance. It also leads to unfair discrimination of women that have the right credentials but that are neglected from board positions. As such, the issue is regarded as severe. As the data is based on company's reported board compositions, the probability of occurrence is regarded as certain. Companies have a possibility to improve/remediate the gender balance in their boards.	done with several companies on Board Gender Diversity in relation to our funds. According to the Voting Guidelines, if both genders are not represented on the Board of Directors, a vote of our funds may be made against the Chair of the Nomination Committee, or other directors on a case-by-case basis, at the General Meeting. Engagement can also be done with companies to encourage them to improve their board gender diversity. If representation accounts for less than 30 percent (or any higher domestic threshold) of shareholder-

						elected directors, a proposal to address the issue may be supported if the company does not provide guidance for a path to more equal representation. During 2022, our funds supported selected proposals in relation to Board Gender Diversity items. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts. Further aim is to further formalise this indicator in the

						good governance test applied across funds.
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (14)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% involvement	N/A	**Eligible assets:** Weight: 83% Measured impact: same as for reported impact. **Assets with data coverage:** Weight: 70% Measured impact: same as for reported impact. **Explanatory comments:** Data is based on company reports, or government sources, confirming involvement in controversial weapons. The weapons are considered controversial as their production and use are assessed to be in conflict with the prohibitions set out in international conventions and national financing prohibitions because of their discriminate effects and the disproportionate harm they cause. Whilst the weapons might not be used in battle, the mere existence and potential use is regarded as severe. Given that data is based on confirmed company involvement, the probability of occurrence is regarded as certain. Given	**General Approach** Danske Invest Management acknowledges the right of nations to use legitimate weapons for national self-defence and legitimate national security purposes as set forth in the Charter of the United Nations. We accept that various types of weapons are necessary for achieving internationally accepted goals such as peacekeeping missions. Weapons that are considered controversial as their production and use are

					that the weapons have been produced, the effects are considered irremediable.	assessed to be in conflict with the prohibitions set out in international conventions and national financing prohibitions because of their discriminate effects and the disproportionate harm they cause. This also includes companies that are involved in the stockpiling, transfer or use of these weapons **Exclusions** In 2022 97 companies were identified to have involvement in the following controversial weapon activities: Anti-personnel mines, Biological weapons, Chemical weapons, Cluster munition, Nuclear weapons, Nuclear weapons outside

						the Non-Pro¬liferation Treaty, Depleted uranium ammunition and armour, Incendicary weapons and White phosphorus weapons During 2022, the definition on “Controversial Weapons” in the Exclusion Instruction was further developed to include Depleted uranium ammunition and armour, Incendicary weapons as well as White phosphorus weapons. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than

						continues monitoring efforts ensuring no exposures to companies within the controversial weapons category.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2021**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	GHG intensity (15)	GHG intensity of investee countries	35 tCO2e/m€ of country's GDP	N/A	**Eligible assets:** Weight: 11% Measured impact: 327 tCO2e/m€ of country's GDP **Assets with data coverage:** Weight: 11% Measured impact: 330 tCO2e/m€ of country's GDP **Explanatory comments:** The definition of the GHG intensity of investee countries in the regulation includes scope 1, 2 and 3 emissions. This is not the traditional way sovereign emissions are accounted for and	**General Approach** As part of the Country Assessment of DanskeBank A/S, a screening is conducted in respect to a country's exposure to and management of sustainability factors, aimed at identifying countries that express weak sustainability

					available data is limited in this regard. The data factor used provides information on "production emissions", using the same boundary setting as UNFCCC. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. Anthropogenic emissions takes places continuously and probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	practices. The screening framework is based on quantitative factors and a qualitative overlay. It seeks to identify countries with severe underperformance on single, or a combination of, sustainability dimensions that also have negative, or 'status quo', sustainability trajectories. 20% of the assessment in the model relates to the indicators CO2 emissions from land use change and forestry, environmental regulatory framework as well as low carbon economy. **Active Ownership** During 2022, there has been some

						engagement with countries on Greenhouse Gas Emissions in respect to our funds. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of a pre-trades for a substantial part of our funds enhancing the focus on these negative impacts.
Social	Investee countries subject to social violations (16)	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions,	A) 58 investee countries subject to violations B) 5,4% of investments	N/A	**Eligible assets:** Weight: 11% Measured impact: 58 investee countries subject to violations 51,3% of investments subject to violations	**General Approach** As part of the Country Assessment of Danske Bank A/S, a screening is conducted of a country's exposure to and management of

		United Nations principles and, where applicable, national law			**Assets with data coverage:** Weight: 11% Measured impact: A) 58 investee countries subject to violations B) 51,4% of investments subject to violations **Explanatory comments:** Data used for the metric includes a spectrum of underlying social issues, including but not limited to freedom of speech and press concerns, death penalty status, human rights concerns etc. Due to the broad nature of social violations, interpretations of the indicator may differ. Sovereign governments provide the basic framework within which modern societies exist. Through formulating their constitutions, setting national legislation and policies, as well as the effective implementation or enforcement thereof, states actively shape the lives of individuals and companies within their jurisdictions. Countries/elected officials responsible for social violations can contribute to widespread, and long-term negative effects for its citizens. As such, social violations are considered severe. Given that data is based on current/past performance on social criterion, the	sustainability factors, aimed at identifying countries that have weak social safeguards. The screening framework is based on quantitative factors and a qualitative overlay. It seeks to identify countries with severe underperformance on single, or a combination of, sustainability dimensions that also have negative, or 'status quo', sustainability trajectories. 40% of the assessment in the model relates to indicators such as for instance freedom of assembly, freedom of opinion and expression, Indigenous peoples' rights, Women's and girls' rights,

						probability of occurrence is regarded as certain. Due to the (generally) large-scale implications of social violations the effects are considered irremediable.	Arbitrary arrest and detention, Extrajudicial or unlawful killings, Security forces and human rights, Torture and other ill-treatment, Child labor, Forced labor, Migrant workers, Modern slavery, and Occupational health and safety. **Active Ownership** During 2022, there has been no engagement with countries on social violations for our funds. **Exclusions** As a result of the Russian invasion of Ukraine, Russia and Belarus issued securities were excluded from Danske Invest funds.

						Planned actions for year 2023 At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2021**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Fossil fuels	Exposure to fossil fuels through real estate assets (17)	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	Danske Invest Management does not manage investments in real estate assets.

Energy efficiency	Exposure to energy-inefficient real estate assets (18)	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	Danske Invest Management does not manage investments in real estate assets.
Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		**Metric**	**Impact 2022**	**Impact 2021**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Additional climate and other environment-related indicators						
Indicators applicable to investments in investee companies						
Emissions	Investments in companies without carbon emission reduction initiatives (19)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	40,1% without initiatives	N/A	**Eligible assets:** Weight: 83% Measured impact: 48,3% without initiatives **Assets with data coverage:** Weight: 69% Measured impact: 57,9% without initiatives **Explanatory comments:** For this metric, data reflects companies that have carbon emission reduction	See previous emissions related information (indicator 1-6). In addition, there has during 2022 been some company dialogues on carbon emission reduction initatives in respect to our funds.

					initiatives aimed at aligning with the Paris Agreement if they have set or are formally committed to setting carbon reduction targets approved by the SBTi. Interpretations of the indicator may differ. Companies without carbon emission reduction initiatives are more at risk of not decarbonising in-line with established pathways. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. Lack of carbon emission reduction initiatives is not necessarily equivalent to poor carbon performance/decarbonisation, the severity is thus considered as medium. Given that data is based on companies' current disclosures, probability of occurrence is considered as certain. Companies without carbon reduction initiatives have the possibility to implement adequate reduction initiatives and remediate the situation.	
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Indicators applicable to investments in investee companies						
Social and employee matters	Insufficient whistleblower protection (20)	Share of investments in entities without policies on the protection of whistleblowers	0,1% without policies	N/A	**Eligible assets:** Weight: 83% Measured impact: 0,1% without policies	**General Approach** Companies are expected to have adequate whistle-

					Assets with data coverage: Weight: 58% Measured impact: 0,2% without policies **Explanatory comments:** Data does not only reflect the presence of policies on the protection of whistleblowers, but also on the existence of a confidential hotline dedicated to whistleblowing. As such the data should be regarded as proxy data. Companies with insufficient whistleblower protection are at risk of having individuals/business divisions engaging in fraudulent/unethical behaviour where employees do not feel protected in reporting such conduct without fear for reprimands. As such, the absence of whistleblower protection can lead to prolonged periods of corporate misconduct or personal consequences against individuals who correctly reported the incident(s). Lack of whistleblower protection is not equivalent to exposure to activities that should've otherwise been reported through whistleblower channels, hence severity is considered medium. Given that data is based on company policies, the probability of occurrence is regarded as certain. Companies can implement	blower protection policies. If that is not the case, or if there is reason to believe that these policies do not function as intended, suggestions to strengthen these policies are likely to be supported. The integration of whistleblower protection is still in under development, with further processes developed over time. **Planned actionsfor year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the

					adequate whistleblower protection and remediate the situation.	focus on these negative impacts.
Human Rights	Lack of a human rights policy (21)	Share of investments in entities without a human rights policy	15,3% without policies	N/A	**Eligible assets:** Weight: 83 % Measured impact: 18,4% without policies **Assets with data coverage:** Weight: 67% Measured impact: 22,7% without policies **Explanatory comments:** Data reflects companies lacking a human rights policy. The data does not require the policy to have been approved at board level and is hence a proxy. Companies without a human rights policy are more at risk of contributing to human rights violations. Lack of human rights policy is however not equivalent to being involved in human rights violations, hence severity is considered medium. Given that data is based on companies' disclosures, the probability of occurrence is regarded as certain. Companies without a human rights policy have the possibility to implement relevant policies and remediate the situation	**General Approach** Companies are expected to have a human rights policy, containing a due diligence process to identify, prevent, mitigate and address adverse human rights impacts. The policy should reflect the contents of: The Universal Declaration of Human Rights; The ILO Declaration of Fundamental Principles of Rights at Work; The UN Guiding Principles on Business and Human Rights. **Active Ownership** Through the approach taken by Danske Bank A/S we aim to ensure that engagement

						activities are in place for companies flagged to lack a human rights policy, and/or companies that are suspected to be involved in human rights violations. During 2022, there was engagements with several companies relating to human rights policies/practices in respect to our funds. According to the Voting Guidelines, if a company has not published a policy that reflects the aforementioned points, or if there is reason to believe that the policy does not function as intended, proposals to strengthen the policy is likely to be supported. On behalf of our funds we supported

						several human rights related proposals in 2022. **Exclusions** As part of the Enhanced Sustainability Standards screening 11 companies have been indentified to have human rights violations and are therefore excluded from the portfolios. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts.

Indicators applicable to investments in sovereigns and supranationals						
Governance	Average corruption score (22)	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	0,2 is the average corruption score	N/A	**Eligible assets:** Weight: 11% Measured impact: 2,0 average corruption score **Assets with data coverage:** Weight: 11% Measured impact: 2,0 average corruption score **Explanatory comments:** Data is based on the degree to which corruption is perceived to exist among public officials and politicians measured by the Corruption Perception Index by Transparency International. This factor provides a rated entity's numeric grade from 1 (D-) to 4 (A+). Interpretations of the indicator may differ. Corruption can be defined as "the abuse of entrusted power for private gain". The suite of activities understood to be 'corrupt' varies between organisations and governments, it can include bribing foreign public officials, bribing domestic public officials, improper trading, embezzlement, and obstruction of justice, among others. Given the societal-scale detrimental effects of corruption, corruption is considered as severe. Given that the data is based on countries	**General Approach** As part of the Country Assessment of Danske Bank A/S a country is screened for corruption. This governance criteria constitutes a weight of around 13% of the overal score in the assesment. **Active Ownership** During 2022, engagement was done with a few countries on corruption matters in respect to our funds. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned.

					current historical performance on corruption issues, the probability of occurrence is deemed to certain. Given the complexity and long timelines associated with "cleaning out" corruption, the effects are considered irremediable.	other than the introduction of pre-trade warning for a substantial part of our funds enhancing the focus on these negative impacts.
	Non-cooperative tax jurisdictions (23)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0,04% non-cooperative jurisdictions	N/A	**Eligible assets:** Weight: 11% Measured impact: 0,3% investments in non-cooperative jurisdictions **Assets with data coverage:** Weight: 11% Measured impact: 0,3% investments in non-cooperative jurisdictions **Explanatory comments:** Data is based on EU's list of non-cooperative jurisdictions for tax purposes and is thus not subject to any estimations. The EU list of non-cooperative jurisdictions for tax purposes is part of the EU's work to fight tax evasion and avoidance. It is composed of countries which have failed to fulfil their commitments to comply with tax good governance criteria. Given the global	**General Approach** The qualitative screening in the Country Assessment of Danske Bank A/S considers whether there are countries that do not get captured by the quantiative assessments, and hence should be added to the final exclusions list. As part of the qualitative overlay, the process also reviews the following sources: The Financial Action Task Force (FATF) list of "High-

					nature of unfair tax competition, the impacts are considered severe. The probability of occurrence is regarded as certain given the existence of EU's list. Given that countries' can have contributed to negative tax effects for multiple years, the effects are considered irremediable.	risk and other monitored jurisdictions", "EU list of non-cooperative jurisdictions", "OECD Global Forum on Transparency and Exchange of Information for Tax Purposes – EOR". Any country listed on any of the three lists outlined above, that is not subject to exclusion, must be placed on the watchlist. A watchlist is maintained to monitor countries that are assessed as performing weak on certain sustainability dimensions, but do not meet exclusionary criteria. **Active Ownership** During 2022, there has been no logged

						engagement on tax matters with countries in respect to our funds. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of a pre-trade warning for a substantial part of our funds enhancing the focus on these negative impacts.
	Average rule of law score (24)	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column	0,2 is the average rule of law score	N/A	**Eligible assets:** Weight: 11% Measured impact: 2,2 average rule of law score **Assets with data coverage:** Weight: 11% Measured impact: 2,2 average rule of law score **Explanatory comments:**	**General Approach** As part of the Country Assessment, Danske Bank A/S performs a screening of a country's rule of law. This governance criteria constitute a weight

					Data provides a numerical score based on the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. This factor provides a rated entity's numeric grade from 1 (D-) to 4 (A+). Interpretations of the indicator may differ and should be regarded as a proxy. Rule of law serves as a check on abuses of private and state power, ensuring fair access and equitable justice. On a broader level, the rule of law ensures that the political and judicial systems are predictable and act in the interest of society, fostering economic and social development. Given the large/societal-scale negative effects of failing of upholding the rule of law, the failure is regarded as severe. Given that data is based on current/past performance, the probability of occurrence is regarded as certain. Given the amount of people that have been affected by weak rule of law, and the challenges and timelines associated with implementing better practices, the effects are regarded as irremediable.	of around 13% of the overall score. **Planned actions for year 2023** At the time of the publication of this document, no specific actions have been planned other than the introduction of pre-trade warnings for a substantial part of our funds enhancing the focus on these negative impacts.

Policies to identify and prioritise principal adverse impact on sustainability factors

Governance and organisational framework

The Responsible Investment Policy of Danske Invest Management adopted by the Board of Directors on 23 February 2023 confirms and outlines the commitment to identify and prioritise principal adverse impacts on sustainability factors. The Responsible Investment Policy is subject to regular, not less than annual, reviews, with input from relevant stakeholders.

In accordance with the delegation to Danske Bank, the maintenance and implementation of the Responsible Investment Policy is done in cooperation with the Responsible Investment Team in Danske Bank. The Responsible Investment Policy and its commitments to identify and prioritise principal adverse impacts are further addressed in the Active Ownership Policy of Danske Invest Management and operationalised through underlying instructions and guidelines (including those developed by Danske Bank A/S for the Group).

Methodologies

Principal adverse impacts are identified through screenings undertaken by Danske Bank (and other managers, as relevant) of external impacts of an investee company's or sovereign's activities that may significantly affect society and environment. The measurements of PAI Impacts focusses on indicators that always lead to principal adverse impacts and additional indicators that Danske Invest Management is considering, as outlined in this statement.

Subject to data availability, the selection of additional (other) indicators follows the methodology/guiding principle of selecting the indicators which are deemed most relevant to consider based on the investment management philosophy, exposures as well as data quality. Through the approach taken for the Danske Bank Group there is a continuous strive to expand the list to ensure that the processes capture negative dimensions to the largest extent.

For the purpose of performing prudent due diligence, investment teams i review financial and sustainability information from multiple data sources (including but not limited to company reports and third -party investment research). Tools, knowledge, research, education and subject-matter expertise are provided to the investment team to support the due diligence processes. The strength of this bottom-up approach is a solid foundation of data, tools and resources that enables the investment teams to address principal adverse impacts. In addition, from 2023 the trading/compliance platforms in Danske Bank A/S have been introduced with an integrated pre-trade warning system capturing weak performance on principal adverse impact indicators. Essentially the trading platform ensures that when an investment team of an actively managed strategy is placing a trade for a security/issuers that has been assessed as negative performance on one or more principal adverse impact indicators, the investment team will receive a warning to prompt further due diligence of the issuer. This does not apply to strategies Danske Invest Management funds that are managed by other investment managers than Danske Bank A/S. Other sustainability data is also integrated into these trading platforms and analytical tools to seamlessly integrate considerations in investment teams' regular work-flows/security views.

Involvement in sustainability related controversies, practices, or other activities considered unacceptable and/or significant principal adverse impacts on sustainability factors is captured by the enhanced sustainability standards screening leading to exclusion of conduct and activities deemed harmful to society. The enhanced sustainability standards screening is Danske Bank's proprietary model which supports exclusions of companies that are engaged in activities and conduct harmful to society within the fund's investment universe. Enhanced sustainability standards is a quarterly incident based review of compani es alleged to be violating international norms as defined by international organizations such as the OECD, ILO, UN and other treaties or conventions deemed to be material. The screening is undertaken based on data from multiple sustainability data providers (ISS, MSCI, Sustainalytics), investment teams, Danske Bank Group position statements and as well as other relevant sources and stakeholders (e.g. NGOs).

Find more information on the Responsible Investment Policy, Active Ownership Policy and the Exclusion Instruction on:

https://www.danskeinvest.com/page/ansvarlige_investeringer_indblik (DK) https://www.danskeinvest.lu/page/responsible_investments_insight (ENG)

Find more information on the Enhanced Sustainability Screening on:

https://www.danskebank.com/sustainability/sustainable-finance/responsible-investments

Dataset used for reporting and margin of error

The measurement of adherence and alignment as well as reporting on principal adverse impact indicators is in general based on data from one external provider of sustainability data.

The data provider, ISS ESG, has been selected by Danske Bank A/S on basis of a thorough due diligence process. This means that dimensions such as models used, data coverage and alignment of the definitions outlined in SFDR have been scrutinised. More information on ISS' methodology (ISS ESG SFDR Principal Adverse Impact Solution – Data Dictionary) is available through ISS ESG.

In utilising ISS as vendor no direct collection of data is in overall done from the issuers (including companies) that we invest into. There is engagement with the data provider in cases where data is incorrect or if there are significant data gaps.

As of November 2022, ISS ESG had data coverage for up 7 400 issuers for corporate principal adverse impacts, up to 26 000 issuers for corporate controversies linked principal adverse impacts and up to 190 countries for sovereign and supranational assets. The data coverage on individual principal adverse impacts may vary greatly, dependent of the quality of the corporate disclosures. At this point in time, it is difficult to assess the general magnitude of the margin of error in respect to the reported impacts, but it is expected to be substantial. Reference is also made to the descriptions outlined in the PAI Table. As corporate disclosures are expected to improve and increase over time, we also expect the margin of error to be reduced impacting the reports.

For investments managed through external funds, where data on the PAI Indicators might not be available we will for future reference periods strive to collect missing data from external managers by leveraging the European ESG Template (EET) (if possible).

The illiquid fund universe targeted by our alternative investment solutions is challenged by lack of data in respect to sustainability-dimensions such as the PAI Indicators. To mitigate potential data gaps, Danske Bank A/S has signed up for the ESG Data Initiative launched by ATP. The purpose of this initiative is to share and request data (including on the PAI Indicators) through an industry coordinated approach from the alternative investment fund managers. While the initiative has not enabled us to leverage 2022 data from these managers in respect to our funds, we expect that this will help us mitigate data gaps in the forward-looking as the process matures.

Derivatives are captured by our PAI impacts reporting but challenged in respect to mapping of the impacts of the underlying instrument to the derivative. For security lending and single CFDs (Contracts for Difference) instruments, PAI impacts have been calculated for the underlying instrument (subject to data availability). For future measurements and reporting, we will strive to further extend PAI impact measurements and reporting to other derivative types.

Engagement policies

In Danske Invest Management, the approach to Active Ownership is governed through the Active Ownership Policy. As stated in the Active Ownership Policy, Danske Invest Management leverages Active Ownership to influence the impact that issuers' have on sustainability-related matters, and thereby make a positive contribution to society. As such Active Ownership can be exercised when required in order to manage principal adverse impacts, including adverse impacts managed through Net Zero commitments under the Net Zero Asset Managers Initiative that we as part of the Danske Bank Group have signed up for. The framework and infrastructure leveraged for the management of our funds support considerations of a 1 indicators. Further, we expect that the measurements and reported figures on the PAI Indicators in the PAI Table will even further strengthen our approach to Active Ownership in respect to the PAIs and trigger relevant actions.

Active ownership is conducted mainly through: 1) Dialogue; 2) Collaborative engagement, and 3) Voting. Engagement and voting practices are interrelated and feed into each other and one can be the initiator or the complement of the other. The investment teams managing our funds engages in direct dialogue with the companies in which they invest with the aim of influencing the companies' behaviour, strategies and performance in relation to business-critical sustainability aspects and principal adverse impacts.

The investment teams can use in-depth knowledge of the companies to manage principal adverse impacts on sustainability factors, for example, whenever relevant, influence them to reduce their CO2 emissions, increase diversity on the board of directors, strengthen waste management processes, create safe and healthy working conditions for employees, or fight corruption.

At the same time, we expect the investment teams to focus on supporting companies' long-term value creation. The dialogue also provides the investment teams with greater insight into companies – insights that the teams then use to make better-informed investment decisions that can benefit the potential return for our investors. In engagements we expect investment teams to take into account the commitments to internationally recognised principles governing responsible business conduct, such as the UN Global Compact and OECD Guidelines for Multinational Enterprises and corporate governance standards, such as the G20/OECD Principles of Corporate Governance.

With Danske Invest Management being part of the Danske Bank Group and with our investments generally delegated to Danske Bank A/S, our funds are covered by several investor initiatives and collaborations with a range of other relevant stakeholders. By doing this, the aim is to contribute to the development of responsible investments and to promote transparency and sustainability standards in companies and in the financial markets. Through Danske Bank A/S we work with other investors and stakeholders to exert active ownership and engage in joint dialogue with companies to contribute to positive change. By working together, we and the investment industry gain a stronger voice, and this enables us to put additional pressure on companies to address and improve on sustainability-related issues and have responsible business practices.

Voting rights are used at companies' annual general meetings to voice our opinion on key business issues. It is an important part of our efforts to support and influence companies to address business-critical aspects. In general voting is delegated to Danske Bank A/S and covered by Voting Guidelines for Danske Bank A/S. On behalf of the funds votes are made on a wide array of topics, including remuneration policies, capital structure and shareholders' rights, CO2 emissions, energy efficiency, gender diversity, biodiversity, human rights and anti-corruption. Through voting, goal is to support a company's long-term growth potential, mitigate its sustainability risks and minimise companies' adverse impacts on society. We are transparent on how we vote, and all voting activities including the voting guidelines can be found on our homepage.

Find more information in our Active Ownership Policy on:

https://www.danskeinvest.com/page/ansvarlige_investeringer_indblik (DK)

https://www.danskeinvest.lu/page/responsible_investments_insight (ENG)

Find more information on the Voting Guidelines on:

https://www.danskebank.com/sustainability/sustainable-finance/responsible-investments

References to international standards

We follow the Danske Bank Group approach in respect to prioritisation of the management of principal adverse impacts. This means that principal adverse impacts are addressed in accordance with Danske Bank Group position statements and other sustainability-related strategies and commitments specific to Danske Bank Asset Management. This includes but is not limited to the following international standards and commitments; UN Sustainable Development Goals (SDGs), UN Global Compact, UN Guiding Principles on Business and Human Rights, UN Principles for Responsible Investment, OECD Guidelines for Multinational Enterprises, G20/OECD Principles of Corporate Governance, Sustainability Accounting Standards Board (SASB), The Task Force on Climate-related Financial Disclosures (TCFD), CDP (formerly Carbon Disclosure Project), Paris Pledge for Action, The Montréal Carbon Pledge, Climate Action 100+, The Partnership for Biodiversity Accounting Financials (PBAF), The Partnership for Carbon Accounting Financials (PCAF). In addition, standards are indirectly referred to in Danske Bank Group position statement on Agriculture, Climate Change, Fossil Fuels, Mining and Metals, Arms and Defence, Forestry and Human Rights.

Danske Bank A/S has further joined the Net Zero Asset Management Initiative (NZAMI), committing to reaching net-zero emissions by 2050 or sooner across all assets under management, in line with the Paris Agreement. To support this commitment, concrete emission intensity and engagement targets has been set including investments in Danske Invest Management's funds. In addition, temperature rating targets has been set. The Science Based Target initiative (SBTi) based temperature rating targets are set for the listed equities and credits and will help identify companies that have Paris-aligned transition plans in place by providing a single number to assess companies' transition plans. The approach is a method to determine a fund's current 'temperature value' based on the emissions reduction targets of the invested companies. It is the expectation that over the course of the next few years, the targets will be further developed and can implemented on the funds.

Historical comparison

The earliest historical comparison will be provided in June 2024

Change Log

Date	Date Version number	Comments/changes
10 March 2021	1.0	Principal Adverse Impact Statement created
28 December 2021	2.0	Indicators amended to reflect Regulatory Technical Standards (applicable from 1 January 2023) Indicators expanded to cover sovereigns and supranational as well as Real Estate Additional indicators added Further nuanced descriptions on Identification of principal adverse impacts. Prioritisation of principal adverse impacts as well as Engagement policies and references to international standards
30 June 2022	3.0	Further nuanced descriptions on Identification of principal adverse impacts, Prioritisation of principal adverse impacts as well as Engagement policies and references to international standard
23 February 2023	4.0	Aligned with Annex 1 Template Updated based on the updated Responsible Investment Policy Updated based on the updated Exclusion Instruction Summary section updated
30 June 2023	4.1	Reporting on 2022 principal adverse impacts included Further nuanced descriptions on Identification of principal adverse impacts.