

# Sustainability-related Website Disclosure

## Content

Sustainability-related Website Disclosure.....	1
Summary .....	1
No Significant harm to the sustainable investment objective.....	1
Sustainable investment objective of the financial product .....	2
Investment Strategy .....	2
Monitoring of the sustainable investment objective .....	2
Methodologies.....	2
Data sources and processing.....	2
Due diligence .....	3
Engagement policies.....	4
Attainment of the sustainable investment objective .....	4

## Summary

The fund aims to contribute to the transition to a low-carbon, climate-resistant and more resource-efficient and circular economy through a reduction in CO2 emissions. The fund's benchmark is adapted to this objective as low-emission benchmarks that meet the benchmark regulation's minimum requirements for an EU Benchmark for Climate Change and with underlying assets selected, weighted or excluded so that they are in a decarbonisation process. The underlying method of benchmarking decarbonisation processes ensures low CO2 emission exposure based on commitments and targets set out in the Paris Agreement, including requirements for an annual average reduction in the greenhouse gas intensity of companies in the portfolio of at least 7% and requirements for greenhouse gas emissions under scope 1, 2 and 3 (as defined in the Benchmark Regulation) must be at least 30% lower than the greenhouse gas intensity or absolute greenhouse gas emissions of the investment universe.

The fund excludes companies involved in tar sands, thermal coal, peat-fired power generation and companies involved in sustainability related controversies, practices or other activities considered unacceptable in relation to norms and/or significant principal adverse impacts on sustainability factors i.e. the fund exclude companies that can be assessed to have a significant negative impact on the fund's sustainable investment objectives. Read more about the data and processes of the index fund below.

## No Significant harm to the sustainable investment objective

The fund excludes companies involved in tar sands, thermal coal, peat-fired power generation and companies involved in sustainability related controversies, practices or other activities considered unacceptable in relation to norms and/or significant principal adverse impacts on sustainability factors i.e. the fund exclude companies that can be assessed to have a significant negative impact on the fund's sustainable investment objectives.

## Sustainable investment objective of the financial product

The fund aims to contribute to the transition to a low-carbon, climate-resistant and more resource-efficient and circular economy through a reduction in CO2 emissions.

## Investment Strategy

The fund's benchmark is adapted to this objective as low-emission benchmarks that meet the benchmark regulation's minimum requirements for an EU Benchmark for Climate Change and with underlying assets selected, weighted or excluded so that they are in a decarbonisation process.

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The benchmark is calculated using the method set out for an EU Climate Change Benchmark in the Benchmark Regulation and underlying acts. Please also refer to the calculation models for the respective benchmarks published by the administrator at [www.MSCI.com](http://www.MSCI.com).

In addition to meeting the sustainable investment objective, the fund promotes environmental or social characteristics similar to the ESGs through an obligation to systematically supplement the benchmark with an investment process that integrates these sustainability parameters through screenings, investment restrictions and active ownership.

## Monitoring of the sustainable investment objective

Processes are in place, in order to monitor the sustainable investment objective of the fund via the use of sustainability indicators. First of all, the investment team uses a wide range ESG data and research from our ESG data platform which they use to assess and monitor the underlying investments sustainability performance and standards in a holistic manner on a regular basis. Second, the Danske Bank Investment Risk Team i.e. the sustainability risk challenger, regularly challenge and monitor the investment team obligations in terms of promoting environmental and social characteristics. The sustainability risk challenger especially focusses on evaluating sustainability risk and the sustainability indicators to measure the attainment of the environmental and social characteristics. Third, the investment holdings of the fund is regularly screened in order to make sure that holdings apply the selected investment restrictions and that companies are not involved in norm-breaches.

## Methodologies

To measure the attainment of the sustainable investment objective of the fund, the following sustainability indicators are applied:

- **Voting on Environmental and social themes**  
Voting is applied for the fund based on Danske Bank's voting guidelines which covers environmental and social issues such as emissions, energy, biodiversity, water, waste social and employee matters, human rights and anti-corruption. All voting activities of the fund are logged and disclosed on the Proxy Voting Dashboard
- **Number of companies restricted from the investment universe of the product due to Environmental and Social issues**

## Data sources and processing

The investment team of the fund apply the Danske Bank ESG data platform and external ESG research, which is based on ESG data from multiple ESG data & research providers. The Investment team analyses

relevant financial and ESG information to identify material ESG factors affecting a company, sector, and/or country from multiple data sources (including but not limited to the ESG Data Platform, company reports and third-party investment research). The ESG data and research is applied to attain the promoted ESG characteristics of the fund. The different ESG Data points, which the investment team have available on the ESG Data Platform is published online: [‘ESG Data Platform’](#).

### Measures taken to ensure data quality

The fund is utilizing ESG data from the following external vendors: SASB, Verisk Maplecroft, CDP, RepRisk, ISS, Four Twenty Seven, Arabesque, MSCI, Sustainalytics, TruevalueLabs, S&P Global Trucost and Util. Even though the investment team of fund have a broad selection of ESG data available, they are aware of that the data that the fund utilizes is characterized by lack of consistent methodologies and limited transparency on how scores and ratings are calculated. Therefore, the investment team will from time to time cross check facts with investee companies, industry experts and various ESG providers to ensure data quality.

Furthermore, the Sustainable Investment team, which supports the investment team of the fund applies a solid framework for the assessment and monitoring of the funds ESG data providers to ensure data quality. All new ESG data and research providers are assessed before they are added to the ESG Data Platform, to ensure they fit the needs of the investment team and that it has a high quality standard. These are the main building blocks of the ESG Data Provider Assessment Framework:

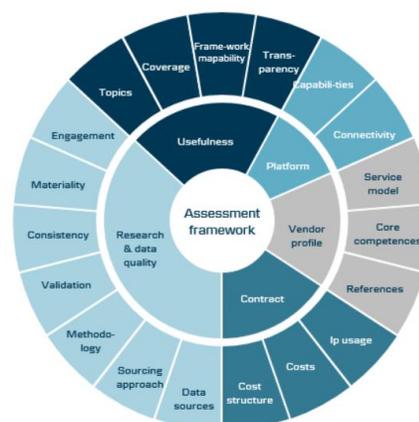
**Research and data quality:** The quality of the research, data and methodology is assessed to see if it meets quality expectations

**Usefulness:** The scope of the vendors offering is assessed to see if it matches the needs and can be use in an investment environment.

**Platform:** The vendor’s platform offering is assessed based on how it matches with the IT-integration requirements and user functionality needs.

**Vendor Profile:** The vendor’s client service level and their core strengths is assessed

**Contract:** The vendors cost profile, how and for what it charges its clients, and contractual delimitations for customer dialogue and reporting is assessed.



## Limitations to methodologies and data

The fund applies various methodologies and data to attain the environmental and social characteristics which are promoted by the fund. These methodologies and data have some limitations which are e.g. addressed through dialogues with companies, ESG data providers or other stakeholders.

## Due diligence

The fund applies a benchmark which is calculated using the method set out for an EU Climate Change Benchmark in the Benchmark Regulation and underlying acts. Please also refer to the calculation models for the respective benchmarks published by the administrator at [www.MSCI.com](http://www.MSCI.com).

The fund applies screening to identify and assess material environmental, social aspects, and good governance practices. The screening also helps the fund to apply the investment restrictions and to identify companies potentially violating international norms. The norm-based screening is conducted quarterly based on input from multiple ESG data providers, different investment teams, Danske Bank group positions and customers/Nordic institutions serving as proxies for the Nordic Investor as well as other relevant sources and stakeholders (e.g. NGOs).

## Controls

The due diligence process of the fund is governed and supported by The Danske Bank ESG Integration Council and the Danske Bank Investment Risk Team. The ESG integration Council, which consist of Danske Bank CIO's and investment heads, govern and guides the responsible investment strategy implementation, discusses and evaluates ESG risks and dilemmas, reviews and endorses investment restrictions, decides on collaborative engagements and other topics with relevance across the investment management organization. The Danske Bank Investment Risk Team evaluates and monitor sustainability risk and performance of fund to ensure that the investment team address relevant sustainability aspects in the investment process and support the investment team to deliver on the fund's sustainability promise.

## Engagement policies

The fund follows Danske Bank Responsible Investment Policy and the [Danske Bank Voting Guidelines](#). This means that the fund use active ownership to influence the activities or behavior of investee companies by taking an active interest as an investor in investee companies' circumstances, development, and management, and a long-term focus in the company in line with for instance the EFAMA Stewardship Code and the Shareholder Rights Directive II. The fund seeks to be an active owner and influence companies directly through dialogue, voting and collaboration with peers, like-minded investors and stakeholders.

Overall, the active ownership approach is based on the belief that in general it is more sustainable to address challenging issues through active ownership and dialogue rather than divesting. The investment team votes on annual general meetings and seek do to it on all holdings while taking into account preconditions, resources, and the costs of exercising voting rights. The Danske Bank Voting Guidelines serve as the default position for all proposals, but the investment team can deviate based on case specific details. The voting can either be done by the investment team or through a service provider and the voting must always be carried out in the benefit of the investors to avoid conflict of interest. The voting activity of the fund is publish online on the [Danske Bank and Danske Invest Proxy Voting Dashboard](#)

## Attainment of the sustainable investment objective

The reference benchmark qualifies as an EU Climate Transition Benchmark under Chapter 3a of Title III of Regulation (EU) 2016/1011. The methodology used for the calculation of that benchmark can be found her on [msci.com](https://www.msci.com)