

Sustainability-related Website Disclosure

Danske Managed Portfolio

On this page, you can find product specific information for the product on sustainability-related aspects. This information supplements the information in the pre-contractual disclosure.

You can read about the product's:

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NO SUSTAINABLE INVESTMENT OBJECTIVE

The product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE PRODUCT

The product promotes the following environmental or social characteristics:

Exclusions

- do not meet the fund's enhanced sustainability standards
- are involved in non-ethical or controversial activities
- are involved in activities with significant negative climate impact

Active ownership

The product seeks to influence investee companies' impact on sustainability matters through engagement and voting on material sustainability topics.

INVESTMENT STRATEGY

The product applies an actively managed strategy to promote its environmental and/or social characteristics:

"Enhanced sustainability standards" is integrated in the investment strategy by the exclusion of issuers that:

- are involved in activities, or with a conduct, leading to significant principal adverse impacts and/or as

relevant significant harm on sustainable investment objectives

- otherwise express weak sustainability practices
- do not have minimum environmental or social safeguards

This exclusion is a result of assessments made under a proprietary screening model excluding for instance certain issuers with negative climate change contribution and biodiversity impact, other harmful environmental practices, unlawful tax practices, weak labor standards etc.

“Reduction of involvement in non-ethical and controversial activities” constitutes an ethical overlay to the environmental and/ or social characteristics otherwise promoted by the product. Under this restriction issuers involved in tobacco and/or controversial weapons are excluded from the investment universe.

“Reduction of activities resulting in significant negative impact on the climate” means restricting investments in issuers involved in thermal coal, tar sands and peat-fired power-generation unless they have a credible transition plan.

“Investee companies’ impact on sustainability matters” is applied through an active engagement strategy. The products underlying Danske Invest funds hence commits to engage with companies on material sustainability topics and vote on environmental and/or social proposals in accordance with Voting Guidelines and Voting Scope.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

A number of processes are in place to monitor the promotion of environmental and/or social characteristics of the underlying funds.

First, the investment team managing the product and the underlying Danske Invest funds has access to a wide selection of ESG data and research through our ESG Data Platform that they use on an ongoing basis to assess new investments and monitor the underlying investments’ performance and management of the relevant sustainability indicators of the product. Further information on the ESG Data Platform may be found under “Data Sources And Processes”.

In addition, the Danske Bank Investment Risk Team regularly challenges and monitors the extent to which the environmental and/or social characteristics are promoted through the sustainability risk challenger role. The sustainability risk challenger assesses to what degree the investment teams actively consider sustainability matters, address sustainability indicators, take principle adverse impacts into account and how all this affects the portfolio. More specifically, the sustainability risk challenger is tasked with:

- Challenging investment teams on how they meet a fund’s specific sustainability characteristics;
- Monitoring sustainability factors and challenging investment teams on their investment decisions with reference to sustainability aspects;
- Assessing the principal adverse impacts that investment decisions might have on societies;
- Including an evaluation of an investment strategy’s market risk and excess return from a sustainability perspective to ensure that

sustainability is not used as justification for poor investment performance.

Moreover, the underlying funds are screened daily to ensure that the applicable investment restrictions are adhered to. The Responsible Investment team in Danske Bank is responsible for maintaining restriction lists that set out the companies and issuers that the underlying Danske Invest fund's is not permitted to hold. As restrictions list are integrated into our trading and compliance systems, we can automatically detect whether the fund is holding a security that it, in accordance with the prospectus/investment guidelines is not permitted to hold.

For this product, the processes that are detailed above are supplemented with the following measures to monitor the attainment of the environmental or social characteristics and the sustainability indicators:

"Enhanced sustainability standards": the product excludes companies listed on this restriction list with the exemption of holdings equally captured by the exclusions under "reduction of activities resulting in significant negative impact on the climate". Such holdings can come into the portfolio, if sufficient evidence of a credible transition plan has been presented.

"Reduction of involvement in non-ethical and controversial activities": the product excludes companies involved in tobacco or controversial weapons activities and sectors according to definitions and thresholds outlined in the Responsible Investment Instruction.

"Reduction of activities resulting in significant negative impact on the climate": the product excludes companies involved in activities resulting in significant negative impact on the climate according to the definitions and thresholds outlined in the Responsible Investment Instruction followed by the underlying funds, unless the company has a credible transition plan.

"Investee companies' impact on sustainability matters" is measured by the number of engagements, engagement themes as well as environmental and/or social proposals voted on.

METHODOLOGIES

The attainment of the environmental or social characteristics promoted by the fund are measured as followed:

"Enhanced sustainability standards" is measured by the average number of companies restricted as a result of this exclusion.

"Reduction of involvement in non-ethical and controversial activities" is measured by the average number of companies restricted as a result of this exclusion.

"Reduction of activities resulting in significant negative impact on the climate" is measured by the average number of companies restricted as a result of this exclusion.

"Investee companies' impact on sustainability matters" is measured by the average number of engagements, engagement themes as well as environmental and/or social

proposals voted on.

DATA SOURCES AND PROCESSES

In order to assess promotion of the environmental and/or social characteristics, the investment team managing the product and the underlying Danske Invest fund's leverages Danske Bank's ESG Data Platform for data and research on the characteristics. Danske Bank's ESG Data Platform consists of the following ESG data & research providers: CDP, ISS, MSCI, RepRisk, SASB, Sustainalytics, TruevalueLabs, Util, and Verisk Maplecroft. The various ESG data points, which the investment team have, available through our ESG Data Platform is published online: 'ESG Data Platform'.

A description of indicators that may be used to measure the products other environmental and/or social characteristics is provided below. The descriptions include the measures to ensure data quality, how the data is processed and the proportion of data that is estimated.

“Enhanced sustainability standards” is measured by the average number of companies restricted as a result of this exclusion. “Enhanced Sustainability Standards” is a multidimensional characteristic imposing minimum standards/safeguards on the portfolio in terms of both environmental materiality as well as social materiality. By promoting enhanced sustainability standards, the relevant investment products commit to exclude companies and countries that a) are involved in activities, or with a conduct, leading to significant principal adverse impacts and/or as relevant significant harm on sustainable investment objectives b) otherwise express weak sustainability practices c) do not have minimum social safeguards. These exclusions are a result of assessments made under the proprietary screening model. The screening model is conducted four times a year where multiple data sources such as input from multiple ESG data providers (e.g. ISS, MSCI, Sustainalytics, RepRisk), Input from our investment teams (e.g. through company dialogues, investment analysis), Investors/Nordic institutions having conducted analysis (e.g. Norge Bank Inv. Mgmt. Etikrådet, ATP) as well as Other relevant sources and stakeholders (e.g. NGOs, Academia).

“Reduction of involvement in non-ethical and controversial activities” is measured by the average number of companies restricted as a result of this exclusion. “Reduction of involvement in Non-Ethical & controversial activities” constitute an ethical overlay to the environmental and/or social characteristics otherwise promoted by the investment product as per this framework. The reduction of involvement in Non-Ethical and controversial activities applies binding investment restrictions that exclude companies involved in involved in tobacco and controversial weapons as further governed by the Responsible Investment Instruction. For certain funds the exclusions are expanded to cover other types of Non-Ethical & controversial exposures (e.g. Alcohol, Gambling, Military Equipment). Data is provided primarily by ISS ESG, MSCI and Sustainalytics.

“Reduction of activities resulting in significant negative impact on the climate” is measured by the number average of companies restricted as a result of this exclusion. “Reduction of activities resulting in significant negative on impact on the climate” promotes environmental sustainability factors means restricting investments in companies involved in thermal coal, tar sands and peat-fired power-generation unless they have a credible transition plan. For certain funds the exclusions are expanded to cover other types of activities resulting in significant

negative on impact on the climate (e.g. Fossil Fuels). Data is provided primarily by ISS ESG, MSCI and Sustainalytics.

“Investee companies’ impact on sustainability matters” is measured by the number of engagements, engagement themes and, where relevant to the investment strategy, the environmental and/or social proposals voted on. Engagements are mapped and logged by investment teams on a continuous basis and aggregated on a quarterly basis.

The Responsible Investment team is responsible for continuously assessing the indicators to ensure that the data contained therein meets the needs of the investment teams and to address any identified issues with data quality. Any new indicators are subject to an assessment against our robust ESG Data Provider Assessment Framework, to maintain the quality of the data. Models are also whenever relevant subject to model validation. Currently, Danske Bank Asset Management estimates no data for any indicator on the platform.

LIMITATIONS TO METHODOLOGIES AND DATA

There are vast amounts of sustainability data available to the management and monitoring of the product, but the data landscape is characterized by a lack of consistent methodologies and limited transparency on how scores, indicators ratings are calculated for companies. These limitations in data are due to a number of factors, not in the least being that they, in part, a reflection of how sustainability data is produced.

As corporate sustainability disclosures remains largely voluntary, far from all companies issue reports covering their management or approach to addressing the sustainability-related aspects of their activities. Moreover, there is a lack of consensus on the scope and format of reporting and as such, companies that do report do not disclose information in a standardised or easily comparable format. This creates, in certain instance, limitations in relations to the attainment of environmental or social characteristics of the fund. Furthermore, in a bid to support investors in their assessment of companies, a growing body of ESG data and rating agencies have emerged with their own proprietary scopes and methodologies, which in turn do not allow for comparisons to be made on environmental and/or social issues. In addition, issues emerge across regions and asset classes, small cap and emerging markets in particular, with regards to comprehensive coverage and the availability of quality data.

Various measures are taken to ensure that the attainment of the environmental and/or social characteristics are not affected by these known limitations. In recognition of the lack of consensus and standardisation, Danske Bank’s ESG Data Platform consists of credible sources that are assessed to provide relevant information on the material sustainability-related aspects of an investment. Nonetheless, as methodologies vary across the chosen vendors, information is, where relevant and necessary, validated by the investment teams through the review of corporate reports and engagement with the companies. Finally, to address the risk that arises from metrics being based on modelled rather than reported data, indicators that are used for the attainment of environmental and/or social characteristics, and are, to the extent possible, validated through our model validation framework.

DUE DILIGENCE

In addition to the outlined indicators, the investment teams 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 conduct due diligence and promote the environmental and/or social characteristics for the fund.

In addition, to the general principles on the integration of sustainability risks, the team will factor in material information to ensure that the attainment of the environmental and/or social characteristics. Sustainability-related aspects may then influence a decision to either buy or increase weighting, hold or maintain weighting, sell or decrease weighting, in order to promote the characteristics.

Sustainability related performance of companies or issuers and good governance practices are promoted through engagement with companies, collaboration with other investors and voting at general meetings. This enable the funds to address higher standards of corporate governance and sustainability within areas such as emissions, energy, biodiversity, water, waste, social and employee matters, human rights as well as anti-corruption.

Finally, screening and restrictions are used as a tool to identify companies that exhibit harmful environmental practices, by contributing, for example, to climate change, biodiversity loss or pollution, or companies that display inadequate social practices on human rights issues or labour standards.

Based on our assessment and company dialogue, we may from time to time decide to divest or restrict investments in a company, in a specific investment strategy or across multiple strategies in an effort to secure the attainment of the environmental and/or social characteristics.

ENGAGEMENT POLICIES

The investment teams engage on a regular basis with investee companies on material ESG matters to seek improvement in performance and processes in order to enhance and protect the value of our investments.

Reasons for Dialogue can be, but are not be limited to, the following:

- Inform about voting decisions and guidelines
- Clarify publicly disclosed information from company
- Conduct research
- Identify and assess quality of available data
- Understand performance and identify potential vulnerabilities
- Develop insights into risks and opportunities
- Identify potential regulatory developments and impacts

Each investment team is responsible for outlining which key ESG issues to engage on and which standards companies are expected to adhere to. This can be done both in a preventive manner, or reactive to address issues that may have already occurred.

The investment teams can interact with companies in different ways (i.e. letters,

emails, one-to-one meetings, conferences, site visits, etc.) and with preferred company representatives (e.g., board, chairman, CEO, Investor Relations, Sustainability).

The investment teams must be aware of the risk that they may have obtained insider knowledge. As such, the investment teams follow Danske Bank's Market Abuse Policy and Market Abuse Directive.

If an engagement is unsuccessful, the investment team can decide to escalate the engagement, or decide to either hold/maintain weighting, decrease weighting, or sell/divest.

DESIGNATED REFERENCE BENCHMARK

The reference benchmark is a general market index, representing the investment universe, and is not consistent with the environmental and/or social characteristics promoted by the fund.