

Danske Managed Portfolio

This product:

- ○ Promotes environmental and/or social characteristics, but it does not have a sustainable investment objective
- It does not invest in sustainable investments
- It invests partly in sustainable investments
- In activities that are aligned with the EU Taxonomy Regulation
- In activities that are not aligned with the EU Taxonomy Regulation
- ● Has a sustainable investment objective. Sustainable investing means investing in an activity that contributes to an environmental and/or social objective. The investment must not have significant negative impacts on environmental or social objectives, and the companies invested in must follow good governance practices.
- In activities that are aligned with the EU Taxonomy Regulation
- In activities that are not aligned with the EU Taxonomy Regulation

What environmental and/or social characteristics does this financial product support?

By investing in underlying funds, Managed Portfolio Balanced, Equity & Fixed Income (‘the Product’) promotes environmental and social characteristics by means of the following:

Exclusions The Product prioritises investment in funds that exclude companies and issuers that:

- are involved in activities or conduct that have harmful societal impact
- are involved in activities with significant negative climate impact
- are involved in non-ethical or controversial activities

Active ownership The Product seeks to influence how companies manage their sustainability-related activities and conduct, which is achieved by exercising active ownership in the underlying funds in relation to material sustainability issues.

Sustainable investments The Product commits to invest minimum 5% of the capital in sustainable investments.

What sustainability indicators are used to measure the achievement made in relation to the environmental and social characteristics promoted in this financial product?

- “Reduction of activities and conduct that have harmful societal impact” is measured on the basis of the average number of issuers excluded from the product as a consequence of this restriction
- “Reduction of activities that result in significant negative climate impact” is measured on the basis of the average number of investments excluded from the product as a consequence of this restriction
- “Reduction of involvement in non-ethical or controversial activities” is measured on the basis of the average number of investments excluded from the product as a consequence of this restriction
- “Investee companies’/issuers’ management of their sustainability-related activities and conduct” is measured on the basis of the average number of dialogues with issuers, dialogue topics and environmental/social proposals voted on.
- “Sustainable investments” is measured by the proportion of investments in the portfolio, that meet the eligibility criteria of a sustainable investment.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product can be achieved

Further details about methods and sustainability indicators are available at [danskebank.fi](https://www.danskebank.fi)

What investment strategy does this financial product follow?

The Product uses an active management strategy and invests in companies and issuers by means of investments in underlying funds.

As a part of its investment strategy, the Product invests primarily in funds that are committed to promoting the Product’s environmental and/or social characteristics, as follows:

Reduction of activities and conduct that have harmful societal impact” is an exclusion criteria for companies and issues that:

- Are involved in activities or conduct assessed as having significant negative impact on sustainability factors and/or significantly harm sustainable investment objectives,
- Otherwise express weak sustainability practices
- Do not have minimum environmental or social safeguards

The exclusion criteria is based on a proprietary screening model that excluding for instance certain issuers with negative climate change contribution and biodiversity impact, other harmful environmental practices, unlawful tax practices, weak labor standards

“Reduction of activities that result in significant negative climate impact” is integrated through the use of restrictions lists that exclude investments in companies and issuers that are involved with thermal coal, tar sands and peat-fired electricity production, as defined further for the relevant restrictions. Companies and issuers can be exempted from this exclusion criterion if they have a credible transition plan.

“Reduction of involvement in unethical or controversial activities” is integrated by using restrictions lists that exclude companies and issuers involved with tobacco and/or controversial weapons from the investment universe, as defined further for the relevant restrictions.

The sustainable investment target threshold is achieved by ensuring that underlying funds are invested into companies / issuers with a positive exposure towards the UN Sustainable Development Goals, as

Investment strategies guide investment decisions based on factors such as investment objective and risk tolerance

mainly measured through a proprietary Danske Bank model, in excess of the 5 % aggregate portfolio target. For these investments due consideration is also taking in terms of ensuring do no significant harm on sustainable investment objectives.

Further information about investment restrictions can be found at [danskebank.fi](https://www.danskebank.fi)

The Product applies a strategy of active ownership and commits to ensuring that the managers of the underlying funds engage in dialogue with companies and issuers about material sustainability issues/topics, which includes voting on environmental and/or social proposals in accordance with Danske Bank's Active Ownership instruction on active ownership.

Danske Bank's Voting Guidelines and Voting Scope can be found at [danskebank.fi](https://www.danskebank.fi).

What are the binding elements in the investment strategy that are used to select the investments required to achieve each of the environmental or social characteristics promoted by this financial product.

The Product commits to investing a minimum of 5% in sustainable investments and 75% of the invested funds in the underlying funds, which integrate the following binding elements:

- “Reduction of activities and conduct that have harmful societal impact”: The Product excludes companies that are involved in activities or conduct that has harmful societal impact, as detailed in Danske Bank's Responsible Investment Instruction.
- “Reduction of activities that result in significant negative climate impact”: The Product excludes companies and issuers that are involved in activities that result in significant negative climate impact, in accordance with the definitions and thresholds that apply to the relevant restrictions, which are stated in Danske Bank's Responsible Investment Instruction available at [danskebank.fi](https://www.danskebank.fi) and which the Product adheres to.
- “Reduction of involvement in unethical or controversial activities”: The Product excludes companies and issuers that are involved in the tobacco or controversial weapons sectors, including involvement in activities related to these, in accordance with the definitions and thresholds that apply to the relevant restrictions, which are stated in Danske Bank's Responsible Investment Instruction at [danskebank.fi](https://www.danskebank.fi) and to which the Product adheres.
- “Companies management of sustainability-related activities and conduct”: Through the underlying funds, the Product commits to engaging in dialogue with the companies and issuers about material sustainability issues.

How is the ongoing implementation of the strategy in the investment process carried out?

The Product integrates the relevant environmental and/or social characteristics and adheres to good governance practices for companies by committing to systematically identifying and addressing related sustainability factors throughout the entire investment process, including selection and weighting of underlying funds. Environmental and/or social characteristics and governance practices can therefore influence the decision to either buy or increase the holding, hold or maintain weighting, sell or divest, or decrease weighting.

The highlighted characteristics are used within the framework of the Product's investment objective.

The extent to which the Product's environmental and/or social characteristics are promoted is regularly monitored and reported in the Product's periodic report.

Detailed information about the monitoring and implementation of the strategy is available at [danskebank.fi](https://www.danskebank.fi).

What is the required minimum level for reducing the scope of the investments that are considered for inclusion before the investment strategy is used?

Through the underlying funds, the Product utilises investment restrictions, and the reduction rate depends on fluctuations in market value and other factors. The Product does not commit to a minimum rate for reducing the investments that are considered for inclusion before the investment strategy is

used.

What policy is used to assess good governance practices in the investee companies?

Danske Bank's Active Ownership Instruction forms the basis for assessing the governance practices of companies and issuers. In accordance with the policy, considerations related to governance practices are an integrated part of the investment process – both in terms of selecting investments in the underlying funds and in the product's management of the investments in the portfolio. In connection with investment decisions, a company's business model and strategy must be taken into consideration as well as its ability to create long-term value for its shareholders. Good governance practice of companies and issuers is a key parameter in this process.

Good governance covers sound management structure, good employee relations, appropriate remuneration of employees, and compliance with tax rules.

In accordance with the Active Ownership instruction on active ownership, active ownership is exercised and companies are influenced through dialogue with the underlying funds and by collaboration with like-minded investors and other relevant parties.

Voting activities always adhere to Danske Bank's Voting Guidelines as standard, but the investment team may deviate from the guidelines on the background of a company-specific analysis. Voting activity must always safeguard the best interests of the investors.

The Active Ownership instruction on active ownership is available at [danskebank.fi](https://www.danskebank.fi).

Where can I find further information about the investment strategy?

Further information about the investment strategy can be found at [danskebank.fi](https://www.danskebank.fi)

What is the minimum proportion of investments stipulated by the EU Taxonomy Regulation?

The Product does not commit to invest in sustainable investments in accordance with the EU Taxonomy Regulation.

Consequently, the minimum proportion of investments in economic activities qualifying as environmentally sustainable under the EU Taxonomy Regulation is 0%.

The principle of not causing significant harm applies only to those investments that form the basis of the financial product and that take into account EU criteria for environmentally sustainable economic activities. The investments that form the basis of the remaining proportion of this financial product do not take into account EU criteria for environmentally sustainable economic activities

Does this financial product take into account the principal adverse impacts of sustainability factors?

- Yes
 No

Principal adverse impacts are the most material negative impacts that investment decisions have on sustainability factors in connection with environmental, social and employee-related conditions, respect for human rights, anti-corruption and bribery.

Is there a specific index used as a benchmark for determining whether the Product attains the environmental or social characteristics that it promotes?

The product does not use a reference benchmark to determine whether the Product attains the environmental and social characteristics that it promotes.

Can I find further product-specific information on line?

Further product-specific information is available at [danskebank.fi](https://www.danskebank.fi).