

Financial market participant Danske Invest Asset Management AS  
(549300UE1E7UW6UXE051)

## Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2025

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# 1. SUMMARY

## [Sammendrag \(NO\)](#)

Danske Invest Asset Management AS, 549300UE1E7UW6UXE051, ("**Danske Invest Asset Management**") considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Danske Invest Asset Management. This statement on principal adverse impacts on sustainability factors covers the reference period of 1 January 2024 to 31 December 2024. Principal adverse impacts are addressed through funds managed via Danske Invest Asset Management according to their materiality and type, as well as the nature and commitments of the funds, and measured through mandatory and other indicators outlined in regulatory technical standards (the "RTS") of the Delegated Regulation (EU) 2022/1288 under the Sustainable Finance Disclosure Regulation 2019/2088 (EU) ("SFDR").

The principal adverse impact indicators relate to investments in both investee companies, sovereigns/supranationals and real estate assets. Danske Invest Asset Management does not invest in real estate, meaning these indicators are not of relevance to this statement. For 2024, only <1% investments have in average been invested in sovereigns, why these indicators are not reported for year 2024.

Below table summarises the reported adverse impacts for year 2024. The impacts of the adverse impacts have been prioritised through the general approach applied at firm level, and strategy specific commitments. In addressing the adverse impacts, we have used a set of tools available to us (Inclusions, Exclusions and Active ownership). Further information on the "impacts" and "actions taken" can be found in the "Description of the principal adverse impacts on sustainability factors" of this statement.

Indicators applicable to investments in investee companies			
Adverse Sustainability Indicator		Metric	Impact year 2024
GHG Emissions	GHG emissions (1.1)	Scope 1 GHG emissions	182,010 tCO2e
		Scope 2 GHG emissions	31,016 tCO2e
		Scope 3 GHG emissions	2,015,660 tCO2e
		Total GHG emissions	2,228,686 tCO2e
	Carbon footprint (1.2)	Carbon footprint	547 tCO2e/m€ investe
	GHG Intensity of investee companies (1.3)	GHG intensity of investee companies	1,421 tCO2e/m m€ of revenue
	Exposure to companies active in the fossil fuel sector (1.4)	Share of investments in companies active in the fossil fuel sector	3% share
	Share of non-renewable energy consumption and production (1.5)	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 source	Non-renewable energy consumption: 29% Non-renewable energy production: 1%
	Energy consumption intensity per high impact climate sector (1.6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	See page 10

Indicators applicable to investments in investee companies			
Adverse Sustainability Indicator		Metric	Impact year 2024
	Investments in companies without carbon emission reduction initiatives [2.4]	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	26%
Biodiversity	Activities negatively affecting biodiversity-sensitive areas [1.7]	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% with negative impact on biodiversity
Water	Emissions to water [1.8]	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	<1 tons / m€ invested
Waste	Hazardous waste and radioactive waste ratio [1.9]	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	<1tons / m€ invested
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises [1.10]	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises [1.11]	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 of the UNGC principles or OECD Guidelines for Multinational Enterprises	2% share
	Unadjusted gender pay gap [1.12]	Average unadjusted gender pay gap of investee companies	8% pay gap
	Board gender diversity [1.13]	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	44% ratio (female directors (total directors)
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) [1.14]	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%
	Insufficient whistleblower protection [3.6]	Share of investments in entities without policies on the protection of whistleblowers	1% share
	Lack of a human rights policy [3.9]	Share of investments in entities without a human rights policy	21%

## 2. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

By “principal adverse impacts” (“**PAI**”) is meant the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to Danske Invest Asset Management’s investments as defined by principal adverse impact indicators. Sustainability factors include environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. Danske Invest Asset Management works from the belief that by measuring and reporting the principal adverse impacts of our investments, we are best positioned to monitor and steer the overall sustainability performance of our funds. Danske Invest Asset Management aims to ensure that the impacts are managed in accordance with the expectations and the needs of our customers. This means that we prioritise the management of our principal adverse impacts according to their materiality and type, in line with our commitments and the strategies of the funds that we manage. In addressing the impacts, Danske Invest Asset Management as an asset manager and our appointed investment managers have three main tools at disposal: 1) inclusions, 2)

exclusions and 3) active ownership. The key processes are outlined in our Inclusion Instruction, Exclusion Instruction and Active Ownership Policy published at: [https://www.danskeinvest.no/page/ansvarlige\\_investeringer\\_norge](https://www.danskeinvest.no/page/ansvarlige_investeringer_norge).

For further information on the prioritisation of specific impacts, see the “action taken” in the PAI below.

## 2.1. Measured and reported principal adverse impacts

With this statement, Danske Invest Asset Management reports the principal adverse impacts of our investments on sustainability factors in accordance with Article 4 of SFDR. The report covers 16 mandatory principal adverse impact indicators (“**PAI indicators**”) (as set out in Table 1 of Annex I, Table 1, No. 1–16, of the RTS) as well as the following six additional PAI indicators selected by Danske Invest Asset Management:

- Investments in companies without carbon emission reduction initiatives (indicator 2.4)
- Insufficient whistleblower protection (indicator 3.6)
- Lack of a human rights policy (indicator 3.9)
- Average corruption score (indicator 3.21)
- Non-cooperative tax jurisdictions (indicator 3.22)
- Average rule of law score (indicator 3.24)

The PAI indicators are linked to different assets with some indicators relevant for investee companies, some for sovereigns and supranationals, and some for real estate assets. For information on the measured impacts, see the “impact” columns in the PAI Table below. The impacts are based on averages for the quarters of the reference year. The reported impacts are based on the total value of Danske Invest Asset Management’s Assets under Management (AuM) in securities and financial contracts made as part of our fund management activities

. The average total value of Danske Invest Asset Management’s AuM applied for the calculation of principal adverse impacts for 2024 was around EUR 8.9bn. The data coverage for the individual indicators varies greatly, why the reported impacts are supplemented with information on the data coverage for the indicator against all assets in the impact column in the PAI Table. Data coverage on all eligible assets is available in the “explanation column”. Information on how to understand the scale of the reported impacts is available in the “Reading Guide” developed for reporting entities in the Danske Bank Group that is published on: <https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures>

## 2.2. PAI Table

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)						
Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
GHG Emissions	Climate and other environment related indicators					
	Scope 1 GHG emissions (tCO <sub>2</sub> e)	182,010	224,859	256,438	<p><b>Calculation:</b> GHG emissions are calculated as emissions of investee companies expressed in tons of CO<sub>2</sub> equivalent. The calculation is done by calculating our share in the investee company in relation to enterprise value which is then multiplied with the company's emissions and aggregated for all relevant investments.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumptions and quality:</b> Data is based on company- as well as estimated numbers from ISS ESG. Where GHG emission data was not available on an investee company through reported figures and/or information received from ISS ESG no further assumptions have been applied on the data. Given the lack of company disclosures, Scope 3 GHG emissions are subject to more estimations than Scope 1 and 2. Measured by the PCAF quality score, ranging from 1-5 where 1 is the highest quality the weighted score for issuers with data coverage was 3.2 for the Scope 3 emissions, compared to 2.0 for scope 1 and 2. Of the Scope 3 emissions, close to 40% of the portfolio had the lowest quality score of 5. Significant uncertainties therefore exist in relation to data reliability for Scope 3, which together with high volatility impact the reported impacts. For 2024, the increase in Scope 3 emissions can partly be attributed to the transition from estimated to reported numbers, which has increased emissions, particularly from financial firms.</p>	<p>Through the commitments of Danske Bank A/S ("Danske Bank") under the Net Zero Asset Manager's Initiative, Danske Invest Asset Management is committed to contribute to the goals of the Paris Agreement and to achieve net zero GHG emissions by 2050. A Climate Action Plan with interim AuM carbon reduction targets for 2025 and 2030 have been published for the Danske Bank Group, which includes funds managed by Danske Invest Asset Management. The Climate Action Plan covers among others temperature rating targets for listed equities and credits to further guide climate efforts and enhance transparency on progress towards becoming net zero. The progress and actions taken to address these targets are reported in the Climate Action Plan Progress Report for 2024 and equally addressed in the Sustainability Report for Danske Bank, both available through below link:</p> <p><a href="https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures">https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures</a></p> <p><b>Active Ownership:</b> Active ownership activities are governed through the Active Ownership Policy of Danske Invest Asset Management and, as relevant, engagement guidelines and voting guidelines developed for the Danske Bank Group Guidelines with the activities reported in the Active Ownership Report for Danske Invest Asset Management. As reported, in 2024 around 30 engagements have been registered as tied to the indicators on carbon footprint and GHG emissions, more than 10 relating to fossil fuel companies. These topics may have been discussed in same interactions with an issuer.</p> <p>For voting, it follows from the voting guidelines that reasonable shareholder proposals relating to</p>
	Scope 2 GHG emissions (tCO <sub>2</sub> e)	31,016	49,232	60,680		
	Scope 3 GHG emissions (tCO <sub>2</sub> e)	2,015,660	2,155,262	1,982,695		
	Total GHG emissions (tCO <sub>2</sub> )	2,228,686	2,429,352	2,299,812		
	GHG Emissions (1.1)					

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators						
Carbon footprint [1.2]					<p><b>Severity of impacts:</b> 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.</p>	<p>management of climate transition risks are generally supported. This can be done e.g. by supporting proposals related to climate risks or by voting against weak transition plans presented by the board.</p>
	Carbon foot print (tCO2e/m€ invested)	547	557	506	<p><b>Calculation:</b> Carbon footprint is calculated as the total GHG emissions [Scope 1, 2, &amp; 3] expressed as a ratio for all investments in investee companies meaning that “per million EUR invested” is calculated by dividing the sum of emissions by total value of all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumptions and quality:</b> Data is based on company- as well as estimated numbers from ISS ESG. Where carbon emission data was not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies without data have the carbon footprint of the investee companies with data. For further information on data quality and severity of impacts see indicator 1.1.</p>	<p><b>Exclusions:</b> The majority of our managed funds have exclusions on thermal coal, tar sands and peat-fired power generation as governed under our Exclusion Instruction. Further, climate considerations are at focus in the proprietary Enhanced Sustainability Standard Screening undertaken by Danske Bank on our behalf. By end of 2024, 372 companies were on the thermal coal exclusion list, 50 companies for tar sands, and one company for peat fired power generation. Under the Enhanced Sustainability Standards Screening, more than 100 companies have been excluded for having high climate change contribution and/or harmful environmental practices. In addition, certain funds have had extended exclusions relating to fossil fuel exclusions. For companies having significantly weak performance on indicators tied to GHG emissions, pre-trade warnings have been set up for a vast part of our funds in relation to investments into these companies.</p> <p><b>Planned actions for year 2025:</b> In the beginning of 2024, Danske Bank communicated a new Fossil Fuel Transition Strategy setting out the approach for investing in companies in the fossil fuel sector. Funds managed by Danske Invest Asset Management are not in scope of this strategy why no specific actions shall be initiated in 2025 for the final implementation of the strategy in relation to the strategy.</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators							
GHG Intensity of investee companies (1.3)	GHG Intensity of investee companies (1.3)	GHG Intensity of investee companies (tCO2e/m m€ of revenue)	1,421	1,475	1,542	<p><b>Calculation:</b> GHG intensity is calculated as the total GHG intensity (Scope 1, 2 &amp; 3) for all investments in investee companies, by aggregating the GHG intensity of all investee companies (i.e., GHG emissions in metric tonnes per million EUR revenue), with each weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumptions and quality:</b> Data is based on company- and estimated numbers from ISS ESG. Where GHG Intensity data was not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies without data have the GHG Intensity of the investee companies with data. For further information on data quality and severity of impacts see indicator 1.</p>	
		Share of investments in companies active in the fossil fuel sector (%)	3%	4%	5%	<p><b>Calculation:</b> Share of investments in companies active in the fossil fuel sector is calculated as the relative share of the relevant investments as divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumptions and quality:</b> Data is based on companies' business activities/ operations and is subject to a low degree of estimations. Investments for which such data was not available were considered as companies without exposure to the fossil fuel sector.</p> <p><b>Severity of impacts:</b> Fossil fuel companies are the main contributors to climate change.</p>	



Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators						
					Investee companies 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.	
	Share of non-renewable energy consumption and production (1.5)	Share of A) non-renewable energy consumption and B) 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: 29% B: 1%	A: 25% B: <1%	A: 48% B: 0%	
					<p><b>Calculation:</b> The impacts are calculated by aggregating the percentage of non-renewable energy consumption and production (i.e., non-renewable energy sources divided by total energy sources) of investee companies as divided against all investments.</p> <p><b>Coverage Consumption (A):</b> Data coverage is 38% of the eligible investments which means a total coverage of around 18% of all investments.</p> <p><b>Coverage Production (B):</b> Data coverage is 71% of the eligible investments which means a total coverage of around 42% of all investments</p> <p><b>Data assumptions and quality:</b> Data is primarily based on company disclosures but with certain estimations applied by ISS ESG. Where data was not available on an investee company through reported figures and/or information received from ISS ESG, the weighted average percentage of non-renewable energy consumption and production of the investee companies with available data has been applied.</p> <p><b>Severity of impacts:</b> Non-renewable energy consumption/production are core drivers of climate change. As companies are directly</p>	

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators						
					confirming their consumption/production of non-renewable energy, the probability of occurrence is regarded as certain. Given the adverse effects of global warming, non-renewable energy consumption/production is considered severe. Given the lack of carbon-capture technologies, emissions are considered irremediable.	
	Energy consumption intensity per high impact climate sector [1.6]  Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (6)  (GWh / m€ of revenue)  A: Agriculture forestry and fishing B: Mining and quarrying: C: Manufacturing D: Electricity gas steam & air conditioning E: Water supply, sewerage, waste management and remediation activities F: Construction G: Wholesale and retail trade repair motor vehicles and motorcycles H: Transportation and storage L: Real estate activities	A:<1 B:<1 C:<1 D:<1 E:<1 F:<1 G:<1 H: 1 L:<1	A: 1 B: <1 C: <1 D: 1 E: <1 F: <1 G: <1 H: <1 L: <1	A:<1 B:<1 C: 1 D:<1 E:<1 F: 0 G:<1 H:<1 L: 0	<p><b>Calculation:</b> The impacts are calculated by aggregating for each high impact climate sector (NACE Level 1) on all relevant investee companies' energy consumption intensities, with each intensity weighted by the relative share of the relevant investment against all investments in the sector.</p> <p><b>Coverage:</b> Data coverage is 47% of the eligible investments which means a total coverage of around 26% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on company disclosed data. There is a low degree of company disclosed numbers for this metric globally. Where data was not available on an investee company through reported figures and/or through estimates from ISS ESG no further assumptions have been applied on the data of the investee company.</p> <p><b>Severity of impacts:</b> Companies active in high impact climate sectors generally have a 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 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</p>	

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators							
						capture technologies, emissions are considered irremediable.	
Biodiversity	Activities negatively affecting biodiversity-sensitive areas [1.7]	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	0	0	<p><b>Calculation:</b> The impacts are calculated as the share of investments in companies with activities negatively affecting biodiversity sensitive areas as divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumption and quality:</b> Data covers companies identified to have caused negative impacts on biodiversity-sensitive area as identified through company reported data or assessments made by ISS ESG. Investments for which data was not available was considered as companies without activities negatively affecting biodiversity-sensitive areas. Negative impacts may not have been identified and thus reported. Further there may have been ambiguity concerning the effects causing a degree of uncertainty in the data.</p> <p><b>Severity of impacts:</b> Negative impacts on biodiversity-sensitive areas carry multiple effects, including the planet's reduced capacity to sequester carbon, and harm to local wildlife and fauna. The effects are therefore to be considered severe. Data is based on companies found to cause negative impacts on biodiversity, why the probability of occurrence is regarded as certain. Certain negative biodiversity impacts can be remediated over time, but the direct and immediate effects are considered to be irremediable.</p>	<p>Through Danske Bank, Danske Invest Asset Management participates in the Partnership for Biodiversity Accounting Financials (PBAF) and the Finance for Biodiversity Pledge. Both initiatives enable measurements, and in the long term, concrete target setting for impact and dependencies on biodiversity.</p> <p>A proprietary biodiversity assessment framework has been developed to evaluate the materiality of biodiversity for our portfolios and to identify laggards.</p> <p><b>Active Ownership:</b> During 2024, around five company engagements related to biodiversity impacts were registered and reported as tied to the indicator on activities negatively affecting biodiversity sensitive areas. In relation to voting, the Voting Guidelines outline expectations on companies to have company reporting on biodiversity topics such as ecosystem preservation practices, natural species and protected areas, and deforestation.</p> <p><b>Exclusions:</b> By the end of 2024, more than 40 companies were on the Exclusion List due to activities negatively affecting biodiversity under the Enhanced Sustainability Standards Screening. Pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into companies having significantly weak performance on indicators tied to biodiversity.</p> <p><b>Planned actions for year 2025:</b> Within the Danske Bank Group, Danske Bank, is developing a biodiversity platform through which it that will allow better assessments of companies' impacts and dependencies, which can be integrated into our investment processes. As Danske Bank's</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators							
							biodiversity engagement target concludes in 2025, Danske Bank is also planning to update our targets.
Water	Emissions to water [1.8]	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average  (tons/m€ invested)	<1	<1	<1	<p><b>Calculation:</b> The impacts are calculated by dividing the sum of all emissions to water (in tonnes) of our investments (in million EUR) with each investment weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 2% of the eligible investments which means a total coverage of around &lt;1% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on company disclosures and is subject to a low degree of estimations. Company disclosure however remains low and thus data coverage is low. The metric used is chemical oxygen demand (COD), a commonly used indicator measuring emissions to water, which should be regarded as proxy data. Investments for which data was not available was considered as companies without emissions.</p> <p><b>Severity of impacts:</b> Emissions to water can flow back to the 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. The data does not capture regional requirements or how the water was treated prior to discharging. Thus severity is regarded as medium.</p>	<p><b>Active Ownership:</b> Two engagements have been registered and reported as tied to emissions to water. In relation to voting, the Voting Guidelines outline that proposals in relation to supply chain water risk and performance of water risk assessments in general are supported.</p> <p><b>Exclusions:</b> By the end of 2024, more than 100 companies with controversies tied to harmful environmental practices, including cases relating to water pollution, were on the exclusion list to Enhanced Sustainability Standards. For companies having significantly weak performance on indicators tied to emissions to water pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into these companies.</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document, no specific actions have been planned.</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other environment related indicators							
Waste	Hazardous waste and radioactive waste ratio [1.9]	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	<1	<1	10	<p><b>Calculation:</b> The impacts are calculated by dividing the sum of all hazardous waste and radioactive waste (in tonnes per million EUR) of our investments with each investment weighted by the relative share of the respective investment as divided against the sum of all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 29% of the eligible investments which means a total coverage of around 14% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on company reported numbers, relying on companies' own definitions for hazardous waste. Company disclosures remain low and thus data coverage is low. Investments for which data was not available were considered as not having hazardous waste / radioactive waste. Low data coverage implies that the indicator is sensitive to single investments with attributed large impacts. This is the main driver to the substantial decrease of the reported impacts from 2022 to 2023.</p> <p><b>Severity of impacts:</b> Hazardous waste has 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. Data does not reflect whether the waste has been safely/adequately disposed/stored, why the severity is regarded as medium. In general, hazardous waste regulations require safe disposal and hence the effects are considered to be irremediable.</p>	<p><b>Exclusions:</b> Pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into companies having significantly weak performance on indicators tied to hazardous waste.</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document, no specific actions have been planned.</p>
		(tons/m€ invested)					

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (1.10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0%	0%	0%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies with involvement in violations of UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises as divided against all investments.</p> <p><b>Coverage:</b> For the assessment of this indicator, a proxy of companies identified to be in breach through Danske Bank's Enhanced Sustainability Standards Screening has been applied. The proxy covers the full investment universe..</p> <p><b>Data assumption and quality:</b> Data is based on companies that have been linked/identified to have violated the minimum social safeguards of UNGC principles and/or OECD Guidelines through Danske Bank's Enhanced Sustainability Standards Screening. As there can be companies violating UNGC principles/OECD guidelines that have not yet been identified/reported, there is a degree of uncertainty in the data.</p> <p><b>Severity of impacts:</b> 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 concern 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 principles and/or</p>	<p>Danske Bank's Group Position Statement on Human Rights outlines our approach towards the companies we invest in, emphasising respect for international standards such as the UNGC principles and the OECD Guidelines for Multinational Enterprises. The Position Statement can be accessed on: <a href="https://danskebank.com/sustainability-statement-human-rights.pdf">danske-bank-position-statement-human-rights.pdf (danskebank.com)</a></p> <p>Further information on firm level actions taken and processes in place, including for investments is available in the Human Rights Report 2024 for Danske Bank published at: <a href="https://danskebank.com/sustainability">https://danskebank.com/sustainability</a></p> <p><b>Exclusions:</b> By the end of 2024, more than 100 companies were identified to have significant violations of the UNGC principles and Organisation for Economic Cooperation and/or OECD Guidelines for Multinational Enterprises under the Enhanced Sustainability Standards screening's exclusions. In addition, more than 200 Russian owned/affiliated companies have been excluded as a result of the Russian invasion of Ukraine. For companies having significantly weak performance on indicators tied to human rights, pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into these companies</p> <p><b>Planned actions for year 2025:</b> There will be continued efforts to enhance screenings and methodologies relating to human rights impacts and risks.</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters						
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises [1.11]					OECD Guidelines generally have an opportunity to remediate the situation.	
	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 of the UNGC principles or OECD Guidelines for Multinational Enterprises	2%	4%	3%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies which lack processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises as divided against all investments.</p> <p><b>Coverage:</b> Data coverage 55% of the eligible investments which means a total coverage of around 34% of all investments.</p> <p><b>Data assumption and quality:</b> Data demonstrates companies that lack policies, or grievance/complaints handling mechanisms to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises. 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. Investments for which such data was not available were considered as not lacking processes and compliance mechanisms to monitor compliance with UN principles and OECD Guidelines</p> <p><b>Severity of impacts:</b> 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 principles/OECD</p>	<p>See comments provided to indicator 1.10 above. For</p> <p><b>Active Ownership:</b> By the end of 2024, close to 20 engagements have been and registered and reported as tied to lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD guidelines.</p> <p><b>Planned actions for year 2025:</b> There will be continued efforts to enhance screenings and methodologies relating to human rights impacts and risks.</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Unadjusted gender pay gap [1.12]					guidelines, the severity is regarded as medium. The effects are considered remediable.	
	Average unadjusted gender pay gap of investee companies	8%	5%	12%	<p><b>Calculation:</b> The impacts are calculated by aggregating the unadjusted gender pay gap of investee companies, with each gender pay gap weighted by the relative share of the relevant investment as divided against all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 20% of the eligible investments which means a total coverage of around 10% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on company disclosures and hence no estimations are used. As there is a limited number of companies disclosing relevant data, coverage is low, meaning uncertainties in the data which can drive certain changes in the reported year-on-year impacts. For investee companies without gender pay gap data, the weighted average unadjusted gender pay gap of investee companies with data was applied.</p> <p><b>Severity of impacts:</b> The gender pay gap 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 this</p>	<p><b>Exclusions:</b> Pre-trade warnings have been set up for a vast part of our managed funds in relation to investments companies having significantly weak performance on indicators tied to unadjusted gender pay gap,</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document no specific actions have been planned.</p>



Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Board gender diversity [1.13]					will not help women that have been part of the work-force/affected in the past.	
	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members [%]	44%	44%	43%	<p><b>Calculation:</b> The weighted average board gender diversity is calculated by aggregating the board gender diversity (ratio of female to all board members) of all investee companies, with each such ratio weighted by the relative share of the investment against all investments in investee companies.</p> <p><b>Coverage:</b> Data coverage is 70% of the eligible investments which means a total coverage of around 34% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on companies' board composition and hence not subject to any data estimations/proxies. For investee companies without board gender diversity data, the weighted average board gender diversity of investee companies with data was applied.</p> <p><b>Severity of impacts:</b> Barriers to gender equality in leadership and board compositions, may lead to negative effects on board dynamics and governance as well as unfair discrimination of women that may have the right credentials but are neglected from board positions. As such, the issue is regarded as severe. As the data is based on a company's reported board compositions, the probability of occurrence is regarded as certain.</p>	<p><b>Active Ownership:</b> Around five engagements have been registered and reported as tied to board gender diversity. As set-out in the Voting Guidelines, companies should recognise and strive for equal gender representation at Board and executive level. In mature markets, we expect that at least one-third (33 percent), or any higher domestic threshold, of shareholder elected directors on the Board of Directors to be of the underrepresented gender. In emerging markets, the Voting Guidelines outline that at least one shareholder-elected director should be of the underrepresented gender.</p> <p><b>Exclusions:</b> For companies having significantly weak performance on indicators tied to board gender diversity pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into these companies.</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document, no specific actions have been planned.</p>

Table 1: Indicators applicable to investments in investee companies (representing 50% of the AuM)

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) [1.14]					Companies have a possibility to improve/remediate the gender balance in their boards.	
	Share of investments in investee companies involved in the manufacture or selling of controversial weapons [%]	0%	0%	0%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies with exposure to controversial weapons as divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on company reports, government sources or other relevant sources, confirming involvement in controversial weapons. Where such data was not available, investments were considered as not having exposure to controversial weapons.</p> <p><b>Severity of impacts:</b> The weapons are considered controversial as their production and use are assessed to 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 that the weapons have been produced, the effects are considered irremediable.</p>	<p>Danske Invest Asset Management's approach to investments in controversial weapons follows the Danske Bank Group position stated in the Danske Bank Group Position Statement on Arms &amp; Defence which is available on through this link: <a href="https://www.danskebank.com/danske-bank-position-statement-arms-and-defence.pdf">danske-bank-position-statement-arms-and-defence.pdf (danskebank.com)</a></p> <p><b>Exclusions:</b> Exclusions are operated for companies involved in controversial weapons. The exclusion category was adjusted during 2024 to allow for investments in companies involved in activities associated to nuclear weapons within the Treaty on the Non-Proliferation of Nuclear Weapons. The exclusion is broadly applicable across managed investment products. By end of 2024, more than 60 companies where on the Exclusion List due to identified involvement in controversial weapon activities.</p> <p><b>Planned actions for year 2025:</b> Further refinements to the exclusion on controversial weapons are to be expected in order to align the approach with the need to procure more investments into defence.</p>

**Table 1: Indicators applicable to investments in sovereigns and supranationals (representing >1% of the AuM)**

Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Environmental	GHG intensity [1.15]	GHG intensity of investee countries (tCO2e/m€ of country's GDP)	N/A	346	531	N/A	As Danske Invest Asset Management did not have a measurable share of investments in sovereigns based on the annual average of holdings within the reference year no impacts are reported for this indicator
	Investee countries subject to social violations [1.16]	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, United Nations principles and, where applicable, national law	N/A	Absolute: 56 Relative: 82%	Absolute: 63 Relative: 80%	N/A	As Danske Invest Asset Management did not have a measurable share of investments in sovereigns based on the annual average of holdings within the reference year no impacts are reported for this indicator

**Table 1: Indicators applicable to investments in real estate (representing 0% of the AuM)**

		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Fossil fuels	Exposure to fossil fuels through real estate assets [1.17]	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A	Danske Invest Asset Management does not manage funds with investments in real estate assets for our customers.
Energy efficiency	Exposure to energy-inefficient real estate assets [1.18]	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A	Danske Invest Asset Management does not manage funds with investments in real estate assets for our customers.

## Other indicators for principal adverse impacts on sustainability factors

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
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**Table 2: Additional climate and other environment-related indicators**

Indicators applicable to investments in investee companies [representing 50% of the AuM]

Emissions	Investments in companies without carbon emission reduction initiatives (2.4)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (%)	26%	32%	36%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 72% of the eligible investments which means a total coverage of around 43% of all investments.</p> <p><b>Data assumption and quality:</b> Data is based on companies' disclosures. Where such information is not available, the weighted average of companies without carbon emission reduction initiatives has been applied.</p> <p><b>Severity of impacts:</b> 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. The severity is thus considered as medium. The companies also have the possibility to implement adequate reduction initiatives and remediate the situation. Probability of occurrence is considered as certain.</p>	See comments provided to "actions taken" in indicators 1.1-1.6.

## Other indicators for principal adverse impacts on sustainability factors

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
<b>Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>						
Indicators applicable to investments in investee companies [representing 50% of the Aum]						
Social and employee matters	Insufficient whistleblower protection [3.6]	Share of investments in entities without policies on the protection of whistleblowers [%]	1%	<1%	<1%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies without policies on whistleblower protection divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 56% of the eligible investments which means a total coverage of around 34% of all investments.</p> <p><b>Data assumption and quality:</b> Data does not only reflect the presence of policies on the protection of whistleblowers. Where such information was not available, the weighted average percentage of companies without whistle blower protection policies initiatives has been applied.</p> <p><b>Severity of impacts:</b> Companies with insufficient whistleblower protection are at risk of having individuals/businesses engaging in fraudulent/unethical behaviour where employees do not feel protected in reporting such conduct. The absence of whistleblower protection can lead to prolonged periods of corporate misconduct or personal consequences. Lack of whistleblower protection is not equivalent to exposure to activities that should have otherwise been reported through whistleblower channels. Hence severity is considered medium.</p>
						<p><b>Active Ownership:</b> Companies are expected to have adequate whistle-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 in accordance with the Voting Guidelines.</p> <p><b>Exclusions:</b> No companies have been excluded solely on the grounds of having no whistleblower policies. For companies having significantly weak performance on indicators relating to insufficient whistleblower protection, pre-trade warnings have been set up for a vast part of our managed funds in relation to investments into these companies.</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document, no specific actions have been planned.</p>

## Other indicators for principal adverse impacts on sustainability factors

Adverse Sustainability indicator	Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
<b>Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>						
Indicators applicable to investments in investee companies (representing 50% of the Aum)						
Human Rights	Lack of a human rights policy (3.9)	Share of investments in entities without a human rights policy [%]	21%	23%	6%	<p><b>Calculation:</b> The impacts are calculated as the share of investments in investee companies without human rights policies divided against all investments.</p> <p><b>Coverage:</b> Data coverage is 57% of the eligible investments which means a total coverage of around 35% of all investments.</p> <p><b>Data assumption and quality:</b> 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. Where such information was not available, the weighted average percentage of companies without human rights policies has been applied.</p> <p><b>Severity of impact:</b> Companies without a human rights policy are more at risk of contributing to human rights violations. Lack of a 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.</p>
						<p>Please see the "actions taken" comments for indicators 1.10-1.11.</p> <p><b>Active Ownership:</b> If a company has not published a policy, 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 in accordance with the Voting Guidelines.</p> <p><b>Planned actions for year 2025:</b> At the time of the publication of this document, no specific actions have been planned.</p>

Other indicators for principal adverse impacts on sustainability factors

	Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact year 2024	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
	Indicators applicable to investments in sovereigns and supranationals (representing 1% of the AuM)						
Governance	Average corruption score (3.21)	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column (average score)	N/A	1.75	1.21	N/A	Danske Invest Asset Management does not manage funds with investments in sovereigns or supranationals for our customers.
	Non-cooperative tax jurisdictions (3.22)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes (%)	N/A	<1%	<1%	N/A	Danske Invest Asset Management does not manage funds with investments in sovereigns or supranationals for our customers.
Governance	Average rule of law score (3.24)	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 (average score)	N/A	2.09	1.49	N/A	Danske Invest Asset Management does not manage funds with investments in sovereigns or supranationals for our customers.

### 3. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACT ON SUSTAINABILITY FACTORS

#### 3.1. Governance and organisational framework

Danske Invest Asset Management have implemented a Responsible Investment Policy which confirms and outlines our commitment to identify and prioritise principal adverse impacts on sustainability factors. The Responsible Investment Policy is subject to regular not less than annual reviews and was last updated in March 2025. The policy is updated in cooperation with the Responsible Investment team of Danske Bank with input from relevant functions within the investment managers organization, as well as input from 2nd line Risk Management and Compliance.

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 Asset Management and operationalised through underlying instructions on exclusions, inclusions and sustainability risk integration and guidelines available at: [https://www.danskeinvest.no/page/ansvarlige\\_investeringer\\_innsikt](https://www.danskeinvest.no/page/ansvarlige_investeringer_innsikt)

#### 3.2. Methodologies

Principal adverse impacts are identified through due diligence processes that support the screening of companies or sovereigns with significant negative impacts on social and/or environmental factors. The screening covers indicators that always lead to principal adverse impacts (mandatory indicators) and additional indicators that Danske Bank has committed to consider (voluntary indicators). The mandatory indicators are reported in table and the voluntary indicators are reported in table 2-3 of the PAI table. Subject to data availability, the selection of voluntary indicators has followed the methodology/guiding principle of selecting the indicators which are deemed most relevant to consider based on our investment management philosophy, exposures as well as data quality.

The screenings conducted through the due diligence processes may lead to measures in accordance with Danske Invest Asset Management's processes and requirements for exclusions, inclusions and active ownership. As an example, managed funds exclude companies that are associated with controversial weapons as defined and measured through indicator 1.14. Also, the Enhanced Sustainability Standards screening that is maintained by Danske Bank on behalf of the funds and is operated by the Responsible Investment team supports exclusions of companies and other issuers that are engaged in activities failing minimum environmental and social safeguards as defined by international organizations such as the OECD, ILO, UN and relevant treaties or conventions. The screening is undertaken based on data from multiple sustainability data providers (ISS ESG, MSCI, Sustainalytics), investment teams, as well as other relevant sources and stakeholders (e.g. NGOs).

Our portfolio managers can monitor and follow-up on the principal adverse impacts of their managed portfolios with supported from tooling, knowledge, research, education and subject-matter expertise made available by the Responsible Investment team in Danske Bank Asset Management. These due diligence processes are supported by trading/compliance platforms that can assist portfolio managers in identifying investee companies with weak performance in relation to the PAI indicators. Strategies and products applying pre-trade warnings on the PAI indicators are disclosing this in their pre-contractual disclosures. Information on these thresholds is available in our methodology paper on sustainable investments, published on: <https://danskebank.com/sustainability-related-disclosures>



### 3.3. Dataset used for reporting and margin of error

Data sources used for the measurement and reporting on the PAI indicators are assessed by the Responsible Investment team in Danske Bank through a delegation by Danske Invest Asset Management. The assessments include, but are not limited to, assessments on data coverage, data quality, methodology, costs, and other operational considerations. No universally accepted framework (legal, regulatory, or others) currently exists in relation to sustainability-related data, information, and assessments. As a financial institution investing globally in different asset classes, we expect our investment managers, to the extent possible, to leverage primary reported data and information. Where such is not available, best efforts are made to obtain data, including data estimates, information, and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research or making own reasonable assumptions/estimations.

Sustainability-related data, information, and assessments are therefore not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability-dimensions or impacts associated to an investment. Despite diligent due diligence in the onboarding of data and other resource and cost proportional considerations in place to ensure the accuracy, completeness, and reliability of the data, it is not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data. At this point in time, it is difficult to assess the general magnitude of the margin of error in respect to the reported impacts in this statement, but it is expected to be substantial. Indicators with low coverage are also more vulnerable to outliers, which will affect calculations where companies with coverage are used as proxies for companies without coverage. Due to the uncertainty and volatility related to scope 3 emissions, all indicators which include scope 3 emissions do have some uncertainty connected to them. In general, scope 3 emissions account for 70-80 percent of the total emissions. We do expect the quality of scope 3 emissions to increase in the coming years however the maturity level makes it currently challenging to compare one reference period to the next. 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 in time. A large part of the AuM is managed by external managers, where no look-through is in place. This is why the eligible assets reported does not sum to 100%, resulting in a sizeable margin of error in relation to the reported impacts.

In general, there is reliance on one vendor, ISS ESG, in relation to the reporting. The selection was performed through our investment manager, Danske Bank, on basis of a thorough due diligence process, meaning that dimensions such as models used, data coverage and alignment of the definitions outlined in SFDR have been scrutinised. ISS ESG do not primarily estimate any company performance, except for emissions related data. More information on ISS ESG's methodology (ISS ESG SFDR Principal Adverse Impact Solution – Data Dictionary) is available through ISS ESG. In utilising ISS ESG as vendor, no direct collection of data is overall done from the companies or issuers that we invest into. Engagements are held with ISS ESG in cases where data appears incorrect or if there are significant data gaps. For calculations requiring an average, these averages are based on holdings with coverage. It is effectively assumed that all investee companies without coverage data have the weighted average of the companies with data coverage.

As of June 2025, ISS ESG had data coverage for up to 8,500 issuers for corporate principal adverse impacts, up to 27,000 Issuers for corporate controversy linked principal adverse impacts, 29,500 Issuers for controversial weapons and up to 200 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.

Derivatives are captured by our principal adverse 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, principal adverse 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.

### 3.4. Engagement policies

Active ownership is the use of rights and position of ownership to influence the activities or behaviour of investee companies and other issuers. Danske Invest Asset Management's approach to active ownership is governed through the Responsible Investment Policy and Active Ownership Policy adopted by the Board of Directors. The Active Ownership Policy informs of Danske Invest Asset Management's approach to active ownership as a measure to protect the value of our customers' investments and to generate attractive returns, but also to be leveraged to manage the principal adverse impacts of investments we manage on behalf of our customers. Our approach is based on the belief that exercising active ownership in certain situations can facilitate the resolution of challenging issues more effectively than the imposition of exclusions and/or divesting, which could limit our opportunities as a responsible investor.

As further detailed in the Active Ownership Policy, active ownership is conducted through voting and engagement, in which respect the principles of the Active Ownership Policy are further guided through defined Voting and Engagement Guidelines for the Danske Bank Group.

Voting refers to the exercise of ownership rights at general meetings of companies where our funds own shares. In general voting is delegated to Danske Bank. Through voting, Danske Invest Asset Management seeks to support a company's long-term growth potential, mitigate its sustainability risks and minimise companies' adverse impacts on society. Voting on management and/or shareholder resolutions is done to approve or disapprove of corporate governance practices as well as relevant environmental and social matters. Danske Bank exercises the votes for managed funds mainly by proxy using a third -party adviser. The approach to using voting rights for the assets under management is outlined in the Voting Guidelines, covering a wide range of topics tied to the PAI-Indicators, including remuneration policies, capital structure and shareholders' rights, CO2 emissions, energy efficiency, gender diversity, biodiversity, human rights and anti-corruption. Voting is also conducted on proposals not specifically addressed by the Voting Guidelines, in which case our fiduciary duty to clients underpins our approach and evaluation of a proposal's likelihood of enhancing the long-term financial return or profitability of the company or maximising long-term shareholder value. For actively managed funds, the voting rights are exercised in accordance with respective fund's objective and investment strategy. The investment teams have access to data, research and expertise, and their voting decisions consider the sufficiency of information on matters.

Engagement refers to the interactions that portfolio managers have on the behalf of our managed funds with current or potential issuers (which may be companies, governments, agencies, municipalities, etc.). Engagements may be undertaken for instance to inform voting decisions and/or seek ESG information. For engagement in relation to principal adverse impacts, the Engagement Guidelines outline the expectations to engage with issuers where material environmental and/or social sustainability related issues have been identified. Engagement activities may be constrained by pre-conditions, resources, and the type of asset class. The engagement applies differently depending on the asset class. Engagement is exercised for our funds by the Responsible Investment team and Investment teams in Danske Bank Asset Management. In accordance with the Engagement Guidelines, engagements can be carried out by individual engagement or in collaboration with other investors and organisations. The Engagement Guidelines organise individual engagement activities across:

- Thematic related engagements,
- Event related engagements; and
- Performance related engagements.

Thematic related engagements focus on selected systemic issues and adverse impacts that companies operating in certain sectors may be exposed to. The thematic engagements under the current version of the Engagement Guidelines relate to Biodiversity & Nature, Net Zero Commitments (Largest Emitters Focus), Net Zero Pathway

Framework (Fossil Fuels Focus), and Human Rights, which are largely tied to PAI Indicators 1.1-1.4, 1.7 and 1.10 and 1.11. For these engagements, intention is to gain information and encourage companies to minimize their adverse impacts within the selected scope and/or target setting.

On a multi-year basis, Danske Bank selects companies as part of the thematic engagement topics covered by the Engagement Guidelines impacting the engagement focus of our funds. Such companies are identified based on their exposure to the engagement topic, the size and relevance in terms of portfolio positions of investment teams and clients, and performance and risk related to the focus area. Screening for such companies is done in accordance with the process selected for each theme. Also, the selected themes are continuously reviewed and potentially revised or expanded.

Event related engagements are engagements which are initiated, when certain incidents or events occur. Event related engagements may be tied to any of the PAI-Indicators, where a significant negative operational performance and/or severe sustainability event has occurred. An event related engagement is generally prompted due to findings done through the screening under Danske Bank's Sustainable Investment Model, where companies with significant negative performance in relation to the PAI-Indicators are identified. Furthermore, an engagement may be prompted through the screenings conducted under our Enhanced Sustainability Standards screening. The Enhanced Sustainability Standards screening utilises the results from the controversies datasets that we receive from our ESG data vendors and supports the identification of certain companies/issuers engaged in certain activities and conduct deemed harmful to society. Information on the Sustainable Investment Methodology and Enhanced Sustainability Standards screening is available at: <https://danskebank.com/sustainability-related-disclosures>

Where Danske Bank, through managed assets, has an ownership stake exceeding a value of 75 DKK million or >0.40% ownership, corporate issuers may be selected as engagement targets when they have received highest controversy levels from at least two of our ESG data providers and/or the company returns a "negative" or "very negative" operational performance result under our proprietary Sustainable Investment Model. Sovereign issuers are selected as engagement targets based on the lowest performing countries as per our country assessment model. The screening also includes inputs from the Responsible Investment team and the outlook for any future engagement. The screens for issuers subject to our event related engagements are performed regularly and not less than on an annual basis and/or if otherwise prompted.

Performance related engagements are engagements that are case-by-case dependent. The scope stems from the ongoing monitoring of issuers financial and non-financial performances, strategies, industry position, and sector trends. To support in the identification of sustainability issues that are most likely to affect an issuer's financial condition and operating performance, Danske Bank leverages alongside access to sustainability research from ESG data vendors, own developed mSCORE (ESG Score). On a continuous basis, portfolio managers may select issuers for which engagement may improve the investment case or can mitigate investment risk related to governance and/or sustainability issues. Monitoring by investment teams identifies situations where there is a risk of loss of value or an opportunity to add long-term value through active ownership.

In respect to collective engagements, Danske Invest Asset Management is via Danske Bank tied to several investor organisations and investor initiatives where collaboration is done with a range of other relevant stakeholders. Aim is to contribute to the development of responsible investments and to promote transparency and sustainability standards in companies and in the financial markets. We work with other investors and stakeholders to engage in joint dialogue with companies to contribute to positive change. By working together, we and the investment industry, gain a stronger voice.

Each year in Q3, the Responsible Investment team will analyse the PAI statement from the previous year to evaluate performance development on PAI indicators. This assessment examines indicators with improved and deteriorated performance. The aim is to identify root causes for the development, which may involve data quality, data coverage, changes in exposures, or an increase in negative operations within the portfolio. The findings are to be escalated to the Responsible Investment Committee

along with recommendations on addressing impacts, if relevant. Recommendations might include updating the thematic scope of the Engagement Guidelines or changing voting practices, but the specific actions will be tailored to each case.

Find more information in our Active Ownership Policy and the Danske Bank Voting Guidelines and Engagement Guidelines available on:

[https://www.danskeinvest.no/page/ansvarlige\\_investeringer\\_innsikt](https://www.danskeinvest.no/page/ansvarlige_investeringer_innsikt)

<https://danskebank.com/sustainability-related-disclosures>

### 3.5. References to international standards

Danske Invest Asset Management prioritises the management of principal adverse impacts in accordance with the approach set out in Danske Bank Group's position statements and other sustainability-related strategies and commitments undertaken by Danske Bank. Our firm-level approach is thus aligned with the commitments undertaken by Danske Bank in relation to international standards. This includes but is not limited to the following international standards and commitments, mapped to the respective PAI indicators used for measurement and reporting:

#### **Climate and GHG emissions - PAI indicators 1.1-1.6 (Table 1) and PAI indicator 2.4 (Table 2)**

The ambition of Danske Invest Asset Management as part of the Danske Bank Group is to contribute to the transition to a carbon-neutral society and invest in line with the Paris Agreement's goal of limiting global temperature rise to a maximum of 1.5°C. Through the membership of global investor initiative Net Zero Asset Managers initiative, Danske Bank has committed to achieving a net-zero investment portfolio by 2050 or sooner in line with the Paris Agreement and to limiting global temperature increase to a maximum of 1.5°C. Here a number of climate targets have been set (impacting funds managed by Danske Invest Asset Management) to support this commitment in alignment with the Net Zero Asset Managers' initiative. Please see Danske Bank's Climate Action Progress Report for more details published on: <https://danskebank.com/sustainability>

Initiatives linked to climate and GHG emissions relevant to funds managed by Danske Invest Asset Management:

- Institutional Investors Group on Climate Change (IIGCC)
- CDP (formerly Carbon Disclosure Project)
- Climate Action 100+
- The Partnership for Carbon Accounting Financials (PCAF)
- Net Zero Asset Managers initiative

### **Biodiversity, water and waste - PAI indicator 1.7-1.9 (Table 1) and PAI indicator 2.4 (Table 2)**

The future profitability and success of many companies relies upon the health of global biodiversity. Conversely, the economic activity of companies amounts to one of the largest contributors to biodiversity loss, which furthermore significantly reduces the capacity of our planet to sequester carbon and hence mitigate global warming. These negative impacts not only have direct implications for the environment and society as a whole but they also present material challenges for business in the form of increased physical and transitional risks.

Initiatives linked to biodiversity, water and waste relevant to funds managed by Danske Invest Asset Management:

- The Partnership for Biodiversity Accounting Financials (PBAF)
- Nature Action 100
- Finance for Biodiversity Pledge

### **Social and Employee matters - PAI indicator 1.10-1.11 and 1.16 (Table 1) and PAI indicators 3.6 and 3.9 (Table 3)**

The Danske Bank Group has signed and honour the ten principles of the UN Global Compact. To ensure investments are not made into companies, activities and countries which are in breach of the international guidelines mentioned below, a proprietary Enhanced Sustainability Standard screening is conducted which also applies to funds managed by Danske Invest Asset Management.

Initiatives linked to social and employee matters relevant to funds managed by Danske Invest Asset Management:

- UN Global Compact principles
- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights

### **Corporate governance - PAI Indicator 1.12-1.13 (Table 1)**

Being a responsible investor involves the use of rights as a shareholder and voting and engagements with investee companies. We are fully transparent about our voting which is disclosed on an ongoing basis on our voting platform which can be found [here](#). The Voting Guidelines take into account internationally recognised corporate governance standards and voluntary principles mentioned below. For a full overview, please refer to the Voting Guidelines.

Initiatives linked to corporate governance relevant to funds managed by Danske Invest Asset Management:

- G20/OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises

### **International standards and commitments, not related to a specific PAI indicator**

- UN Sustainable Development Goals (SDGs): The framework is among others used by Danske Bank and Danske Invest Asset Management to determine if an investment is sustainable
- UN-supported Principles for Responsible Investment: Danske Bank is yearly reporting on adherence to the principles and our developments and progress when it comes to responsible investments including responsible investments managed for Danske Invest Asset Management.

- Sustainability Accounting Standards Board (SASB) – SASB is used for mapping of sustainability risks against specific sectors. SASB now sits within the governance of the International Standards Sustainability Board (ISSB).

## 4. HISTORICAL COMPARISON

A historical comparison to the reference years 2022 and 2023 is provided in the PAI Table “Description of the principal adverse impacts on sustainability factors”. For year 2024, certain methodology updates have been made to the measurement of impacts, why the impacts reported for year 2022 and 2023 have been recalculated in order to ensure comparability of the reference years.

## 5. CHANGE LOG

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.
28 June 2024	4.2	Reporting on 2023 principal adverse impacts includes, adjusted metrics for certain indicators and editorial adjustments
30 June 2025	4.3	Updated PAI Statement