

Sustainability-related Website Disclosure

Danske Invest Select Kommuner 4
LEI code: 549300HLJG3LNXU2P029

SUMMARY

You can read a summary of this document [here](#).

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The fund promotes environmental and/or social characteristics through:

Exclusions: The fund applies exclusions relating to the conduct of issuers and/or activities in specific sectors. See also "Methodologies".

Consideration of investments' principal adverse impacts on sustainability factors: The fund considers the investments' principal adverse impacts on sustainability factors.

Active ownership: The fund complies with the Active Ownership Policy of Danske Invest Management A/S and is covered by the scope of the policy in terms of engagement. Thus, the management of the the fund involves an obligation to ensure active ownership in accordance with the conditions and criteria set out in the policy.

The fund does not apply a reference benchmark for attaining its environmental or social characteristics.

INVESTMENT STRATEGY

You can read the latest investment strategy in the fund's KID document or prospectus available [here](https://documents.danskeinvest.com/fund/DK0016205685):
<https://documents.danskeinvest.com/fund/DK0016205685>

The investment strategy is focused on limiting negative externalities of investments of the fund by the integration of the fund's exclusions. The fund engages as part of its investment strategy with issuers on material sustainability topics if considered necessary.

The above is implemented in the investment process on a continuous basis through a commitment to systematically identify and address relevant sustainability factors and ensuring, among other things, that investments are not made in issuers featuring on relevant exclusion lists. By this, the environmental and/or social characteristics may influence a decision to either buy or increase the position, hold or maintain weighting or sell or decrease the weighting of an investment in order to attain the environmental and/or social characteristics. The same applies to considerations related to good governance practices.

The extent to which the fund's environmental and/or social characteristics are attained through the investment strategy is monitored on a regular basis and is reported in the fund's annual report.

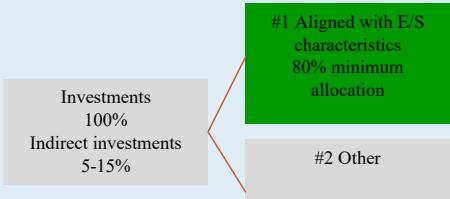
Policies to assess good governance

The Responsible Investment Policy of Danske Invest Management A/S provides the basis for assessing and addressing the issuers’ good governance practices. In accordance with the framework, the fund considers good governance practices through the use of exclusions tied to a good governance screening performed by Danske Bank on behalf of Danske Invest Management A/S. Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance. The screening excludes issuers deemed to fail to comply with international governance principles following from the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and ILO Conventions. In order to safeguard the consideration for good governance practices, the screening further involves the use of defined criteria for sound management structures, employee relations, remuneration of staff and tax compliance. Failure to meet these criteria is seen as an indication of an overall lack of adherence to good governance criteria. Such issuers are therefore excluded for the fund.

PROPORTION OF INVESTMENTS

The fund allocates minimum of 80% of its assets under management to the attainment of its environmental and/or social characteristics. The minimum allocation in this respect covers the share of investments screened for the purposes of the fund's environmental and social characteristics.

The minimum allocation is calculated against the total market value of the the fund's assets under management, reflecting the average anticipated minimum allocation for the relevant reporting period.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

A number of processes are in place to monitor the promotion of environmental and/or social characteristics of the fund:

System monitoring through compliance engines

The fund is screened daily and automatically through compliance engines in Danske Bank A/S to ensure that the applicable exclusions are adhered to. The Responsible Investment team in Danske Bank is responsible for maintaining exclusion lists that set out the issuers that the fund is not permitted to hold. As the exclusion lists are integrated into trading and compliance systems, it is automatically detected whether a fund is holding a security that it, in accordance with the prospectus/investment guidelines is not permitted to hold.

The daily screening also encompasses other aspects relating to the promoted environmental and social characteristics such as ensuring that the fund adhere to its minimum allocation commitments.

Monitoring by the Investment Organisation

The investment organisation in Danske Bank has access to a wide selection of ESG data and research through Danske Bank's ESG Data Platform that enables sustainability-related assessments and monitoring of investment performance. The ESG Data Platform and supporting investment tools are owned and maintained by the Responsible Investment Team in Danske Bank Asset Management.

Risk and Performance Monitoring

Through spot-checking and detailed analyses of selected funds and characteristics, the performance and risk team in Danske Bank A/S can challenge and monitor the extent to which the environmental and/or social characteristics are promoted.

More specifically, the team is responsible for a monitoring overlay and mandated to challenge investment teams on not only the financial performance of the funds, but also performance relating to sustainability-dimensions.

METHODOLOGIES

The fund applies the following sustainability indicators to attain its environmental and/or social characteristics:

Exclusions

The fund's exclusions are attained through the indicators, thresholds and definitions set out in the Exclusion Instruction of Danske Invest Management A/S. The Exclusion Instruction forms the basis of continuous screening and maintenance of exclusion lists for the fund, the impact of which is reported annually.

The fund excludes:

- issuers that are considered to be in breach with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, conventions adopted by the International Labour Organization (ILO) and other international minimum safeguards and good governance principles under an enhanced sustainability standards screening managed by Danske Bank. The fund is further subject to an extended thematic screening (Extended Enhanced Sustainability Standards) on involvement in sustainability related controversies, -practices, or other activities considered unacceptable in relation to certain norms.
- issuers with activities relating to: tar sands, thermal coal, peat-fired power generation, and tobacco, where each of such activities constitute more than 5% of an issuer's revenue. *On the basis of an assessment of the issuer's transition plan, an issuer may be exempted from an exclusion under the thermal coal exclusion criteria even though the revenue associated to this activity exceeds 5%.*
- Issuers with activities relating to fossil fuels, where the revenue of such activity constitutes more than 5% of an issuer's revenue and where the issuer is not aligned to or aligning to a net-zero pathway per the criteria defined under Danske Bank's Net-Zero Pathway Framework (NZPF) for investee companies

- issuers with activities relating to pornography, where the revenue of such activity constitutes more than 1% of an issuer's revenues.
- issuers involved in controversial weapons.

All exclusions of the fund are defined by specific criteria and definitions set out in the Exclusion Instruction of Danske Bank A/S which applies to funds under management of Danske Invest Management A/S.

The Exclusion Instruction is available on the local website of Danske Invest Management A/S. On your local Danske Invest webpage, you can also find links to the lists of excluded companies and issuers on the pages of the individual Danske Invest funds. You can find the list in two steps:

- Select a fund under 'Our funds' on your local Danske Invest webpage.
- Scroll down and click the link under 'Exclusions in the fund'.

For the enhanced sustainability standards screening capturing conduct and activities harmful to society further reference is made to the methodology descriptions in the document “Enhanced Sustainability Standards Screening” available at: <https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures>

Principal Adverse Impacts

The principal adverse impacts on sustainability factors are measured against mandatory and voluntary indicators listed in Danske Invest Management A/S's statement on principal adverse impacts of investment decisions on sustainability factors that are relevant to the asset classes in which the fund is invested (“PAI Indicators”).

Active Ownership

Active ownership is for engagements measured by the number of registered engagements with issuers in the fund. This also applies to engagements with issuers in the portfolio registered by Danske Bank or sub-delegated managers, which have not necessarily taken place in connection with the direct management of the fund.

See also "Engagement Policies".

DATA SOURCES AND PROCESSING

There are vast amounts of sustainability data available to the management and monitoring of the fund, including primary sourced data and model and estimated data sourced from external data vendors, such as ISS ESG, MSCI and Sustainalytics.

For many data points/ratings, “the same” data point is sourced from multiple vendors in order to ensure comparability and evaluate data quality on an ongoing basis.

Given the amount of sustainability data points that are factor in, it is not possible to give one clear answer to the proportion of data that is estimated as it varies significantly between data points. Some data, e.g. from CDP, is based fully on company disclosure whereas data points such as e.g. Scope 3 emissions, are based heavily on extensive estimations. Overall, most of the data is based on estimations or model assumptions.

In terms of overall data availability, data is sourced according to a principle on “completeness”. With completeness the aim is to have data availability that to the largest extent possible ensure data coverage to cover both perspectives relating to double-materiality, i.e. data covering both financial materiality sustainability topics as well as non-financial risks to the environment/societies.

To ensure data quality, the Responsible Investment in Danske Bank is responsible for evaluating data sets that is onboarded. The standard process for reviewing a data set involves: deep-dives into the data set, drilling down in individual company assessments, benchmarking the data output against other sources or

vendors, as well as having calls with the methodology owners behind the given data point(s) being evaluated. If satisfied with the data, data is onboarded and stress-tested on an ongoing basis.

LIMITATIONS TO METHODOLOGIES AND DATA

The ESG data landscape is characterized by a lack of consistent methodologies and limited transparency on how scores, indicators ratings are calculated for issuers. Sustainability-related data, information, and assessments is not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability-dimensions or impacts associated to an investment. These limitations in data are due to a number of factors, not in the least being that they, in part, a reflection of how sustainability data is produced.

No universally accepted framework (legal, regulatory, or others) currently exists in relation to sustainability related data, information, and assessments. Where primary reported data and information 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.

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 data applied in the investment management of the fund, but it is expected to be substantial at least for certain data points.

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

DUE DILIGENCE

The investment team reviews financial and sustainability information from multiple data sources (including but not limited to company reports and third-party investment research). Tools, knowledge, research, education and subject-matter expertise are provided to the investment team to support the due diligence processes. The strength of this bottom-up approach is a solid foundation of data, tools and resources that enables the investment teams to conduct due diligence and promote the environmental and/or social characteristics for the fund.

Finally, top-down screening is used as a tool to identify issuers on exclusion lists of the fund.

ENGAGEMENT POLICIES

The Active Ownership Policy of Danske Invest Management A/S with underlying guidelines provide the framework for active ownership activities on investments in the fund.

Engagements with issuers in the fund may be exercised by individual engagements and collective engagements in accordance with the Engagement Guidelines of Danske Bank.

For individual engagements, the Engagement Guidelines distinguish between:

- 1) Thematic related engagements
- 2) Event related engagements
- 3) Performance-related engagements.

Sustainability-related controversies are generally managed through event-related engagements, which may be initiated when certain incidents, events or sustainability-related controversies are identified through screening processes maintained by the Responsible Investment team at Danske Bank. Specifically, the Responsible Investment team manages the Enhanced Sustainability Standards screening process, a process that normally takes place at a bi-annual basis.

The objective with the Enhanced Sustainability Standards screening is, among others, to identify and screen allegations of companies in breach of international norms and standards defined by international organisations such as UN, ILO and OECD. Depending on the severity of the case and the quality of the allegations brought forward, the Enhanced Sustainability Standards screening may result in recommendations to exclude an issuer. The screening may also conclude that the issuer should be placed on a watchlist, thus opening for further interactions and seek additional information on the case. If the issuer/company does not act as expected concerning these initiatives, a decision may be made to sell holdings, monitor the company more closely, and/or the Responsible Investment team may decide to recommend to have the issuer generally excluded under the extended sustainability standard screening. Such a decision is subject to approval by Danske Bank's Responsible Investment Committee.

You can find the Engagement Guidelines and the methodology for the Enhanced Sustainability Standards Screening at: <https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures>

DESIGNATED REFERENCE BENCHMARK

The fund does not apply a designated benchmark for the promotion of its environmental and/or social characteristics.

Versions

03.10.2023 09:59, version 1: Update to SFDR Annex
03.10.2023 11:16, version 2: Other/multiple changes
28.08.2024 14:15, version 3: Other/multiple changes
25.03.2025 09:30, version 4: Update to SFDR Annex
19.06.2025 08:47, version 5: Update to SFDR Annex