

**ANNEX II – Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

“Sustainable investment” means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Danske Invest Euro Government Bond Index  
Legal entity identifier (LEI): 743700PZUW78R9Y4PX07

## Environmental and/or social characteristics

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?



Yes



No

☐ It will make a minimum of sustainable investments with an environmental objective: %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective \_\_\_\_%

☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective



It promotes E/S characteristics, but will not make any sustainable investments



### What environmental and/or social characteristics are promoted by this 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. These exclusions and how they are attained are described in “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics” and “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”.

Consideration of investments’ principal adverse impacts on sustainability factors: The fund considers the investments’ principal adverse impacts on sustainability factors. How the fund considers the principal adverse impacts on sustainability factors is described in “Does this financial product consider principal adverse impacts on sustainability factors?”.

Active ownership: The fund complies with the Active Ownership Policy of Danske Invest Fund Management Ltd 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.

### **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The fund applies the following sustainability indicators to attain its environmental and/or social characteristics (see also “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”):

#### **Exclusions**

The fund’s exclusions are attained through the indicators, thresholds and definitions set out in the Exclusion Instruction of Danske Invest Fund Management Ltd. 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.
- 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.

#### **Principal Adverse Impacts**

The principal adverse impacts on sustainability factors are measured against mandatory and voluntary indicators listed in Danske Invest Fund Management Ltd’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.

Further details on the fund’s indicators are available in the document “Sustainability-related disclosure”, available at [https://www.danskeinvest.fi/page/vastuulliset\\_sijoitukset\\_tietoa](https://www.danskeinvest.fi/page/vastuulliset_sijoitukset_tietoa) under the heading “Sustainability-related disclosures for our funds”.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



## Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the fund considers the principal adverse impacts on sustainability factors. This consideration is safeguarded through the general exclusions of the fund. Moreover, the fund takes account of certain investments’ principal adverse impacts on sustainability factors through and by monitoring the performance of the portfolio and prioritising active ownership activities.

The fund’s exclusions overlap with certain themes covered by the PAI-indicators, including, for example, the environmental indicators, indicators relating to controversial weapons, and indicators international on human rights conventions, such as the UN Global Compact.

In respect of active ownership, the fund is covered by the Active Ownership Policy of Danske Invest Fund Management Ltd, which is based on frameworks defined for the Danske Bank Group. The policy and underlying instructions safeguard, to the extent relevant and depending on the asset class, the consideration for voting at general meetings and engaging directly with issuers.

Principal adverse impacts are reported in the fund's annual report.

- ☐ No



## What investment strategy does this financial product follow?

Information on the fund’s general investment strategy is provided in the “Fund Descriptions” of the prospectus.

The investment strategy integrates sustainability factors through the fund’s exclusions and active ownership. If deemed necessary according to the Active Ownership Policy framework of Danske Invest Fund Management Ltd, engagement will be initiated with issuers on significant sustainability topics. 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.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Exclusions: The fund cannot invest in and/or remain invested in issuers featuring on exclusion lists for exclusions that apply to the fund. Fiduciary duties owed by the fund to its investors may in extraordinary circumstances, including in a low market liquidity environment, prevent the fund from divesting an excluded issuer. Any such excluded holding of the fund will be communicated through publicly available exclusion lists.

Principal adverse impacts on sustainability factors: Principal adverse impacts on sustainability factors are considered and addressed as an integral part of managing the binding elements of the fund’s environmental and social characteristics (see “Does this financial product consider principal adverse impacts on sustainability

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

factors?").

Active ownership: In terms of active ownership, the Active Ownership Policy of Danske Invest Fund Management Ltd, including Engagement Guidelines, determine when engagement should be initiated with issuers on significant sustainability topics.

### **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The fund has exclusions in place, however no committed minimum rate for a reduction of scope of investments considered prior to the application of that investment strategy. For information on the potential reduction of the investment universe as a result of the use of exclusions by the fund see "Responsible Investment Policy" section of the prospectus.

### **What is the policy to assess good governance practices of the investee companies?**

The Responsible Investment Policy of Danske Invest Fund Management Ltd 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 Fund Management Ltd.

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.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



### **What is the asset allocation planned for this financial product?**

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.

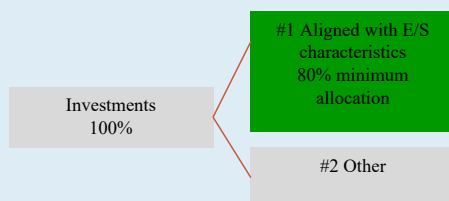
For the fund's other investments, the fund reserves the right not to screen investments to assess whether they promote its environmental and social characteristics. The investments that the fund is not committed to screen for the attainment of its environmental and/or social characteristics are described under "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?".

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.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- operational expenditure (OpEx) reflecting green operational activities of investee companies



#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.

### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The fund does not use derivatives to attain environmental and/or social characteristics promoted by the fund.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not have a minimum commitment to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the minimum extent to which the fund invests in sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.

The actual share of the fund's taxonomy-aligned investments, if any, are reported in the fund's annual report. The taxonomy alignment calculation applies turnover as key indicator both in respect of financial and non-financial issuers.

The calculation is based on reported data from issuers provided for the fund through external data providers. In the absence of such reporting, equivalent information can under certain circumstances be obtained from issuers or external data providers.

The compliance of taxonomy-aligned investments with the criteria under article 3 of the EU Taxonomy will not be subject to assurance by auditors or any third party.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy\*?

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

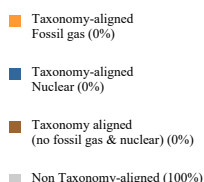
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

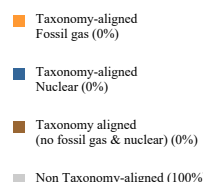
\*Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



The graph represents 0% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

The fund does not have a minimum commitment of taxonomy-aligned investments. Therefore, the minimum share of investments in transitional and enabling activities is 0%.

The actual share of these activities is reported annually as part of the fund's annual reporting.



## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The fund's "#2 Other investments" cover such investments that are not covered by the fund's screening for exclusions or covered by the scope of the fund's active ownership activities. Such investments may include investments in cash held as ancillary liquidity and derivatives used for hedging or risk management purposes as outlined in the prospectus "Derivatives" sub-section of the fund description page. "Other investments" can also be made in instances where there for instance is insufficient ESG data on an issuer for the the fund.

Given the nature of the exposure obtained through such instruments, the fund does not apply minimum environmental or social safeguards to #Other investments.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The fund does not apply a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics it promotes.



### **Where can I find more product specific information online?**

More product-specific information can be found on this website:

[https://www.danskeinvest.fi/page/vastuulliset\\_sijoitukset\\_tietoa](https://www.danskeinvest.fi/page/vastuulliset_sijoitukset_tietoa) under the heading “Sustainability Related Information on our funds”.