

Supplementary report in accordance with Sustainable Finance Disclosure Regulation

Template periodic 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

Product name **Danske PEP 2022 USD K/S (the "fund")**
Legal entity identifier: **636700BUB22T9SLK0767**

Environmental and/or social characteristics

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.

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 lay down 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

- ☐ It made **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 made **sustainable investments with a social objective** ____%

☒ ☐ No

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a 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 **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promoted:

1. Adherence to UN Global Compact, principles, OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights and ILO conventions and other relevant social safeguards through the exclusion of **certain activities and conducts deemed harmful to society**.
2. Environmental safeguards through the exclusion of **certain activities deemed to have significant negative climate impact**.

3. Certain ethical and social safeguards through the exclusion of **certain activities deemed to be non-ethical or controversial**.
4. **Issuers' impact on sustainability matters** through engagement on material sustainability topics at the level of underlying funds.

The fund further undertook certain measures to encourage underlying external fund managers in respect of considerations of sustainability factors, including a proprietary sustainability assessment of underlying external funds and external managers.

The fund did not apply a benchmark for the attainment of its environmental and/or social characteristics.

● How did the sustainability indicators perform?

The tables below demonstrate the average performance of sustainability indicators relating to the environmental and social characteristics of the fund measured throughout the year. The sustainability indicators are not subject to assurance provided by an auditor or review by a third party

Exclusions

Indicator: The number of investments in the fund with activities and/or conduct covered by the exclusions of the fund relating to activities and conduct deemed harmful to society, negative climate impact, and non-ethical and controversial activities, and the number of investments excluded as a result of these exclusions. The selected indicators demonstrate whether the fund has adhered to its commitment of not investing into issuers covered by the applied exclusions, but do not provide an indication on impact that the exclusion category has had on the fund. To the extent a reference benchmark exists for the fund, the potential impact of the exclusion is evidenced through a comparison with benchmark. The benchmark is in this respect considered representative for the investment universe of the fund, meaning that the fund could have invested into certain issuers in the benchmark had they not been excluded per the relevant exclusion.

Binding element: The fund does not select investments that are excluded on the basis of the exclusion criteria and thresholds used as sustainability indicators to define such adverse activities

Exclusion category	Exclusion	Total number of excluded companies in portfolio (2023/2024)	Total number of excluded companies in portfolio (2022/2023)
Significant negative impact on the climate	Thermal coal	0	0
Significant negative impact on the climate	Tar sands	0	0
Significant negative impact on the climate	Peat fired power generation	0	0
Activities and conducts deemed harmful to society	Enhanced Sustainability Standards	0	0
Non-Ethical & Controversial activities	Tobacco	0	0
Non-Ethical & Controversial activities	Controversial weapons	0	0

Relevant monitoring has been in place to ensure the Issuers' impact on sustainability matters, through three engagements with the managers throughout the year to discuss material sustainability topics at the level of underlying funds. No findings were observed in the monitoring that would cause exclusion of companies.

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

... and compared to previous periods?

The table above provides a comparison of the product's performance on sustainability indicators against previous years for which data is available.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



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.

How did this financial product consider principal adverse impacts on sustainability factors?

The fund did not consider principal adverse impacts on sustainability factors of its investments due to the nature of the fund and its inability to report on principal adverse impacts.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is 1 October 2023 - 30 September 2024

As of the date of reporting, the fund has made three commitments to underlying portfolio funds, of which two have invested into underlying portfolio companies:

Largest investments	Sector	% Assets	Country
OceanSound Partners Fund II, LP	Industrials	91%	USA
Gauge Capital IV	Industrials	9%	USA



What was the proportion of sustainability-related investments

The "asset allocation" overview demonstrates to which extent the fund has invested in sustainability-related investments and the allocation of investments used for the attainment of the environmental and/social characteristics and other investments. The proportion of investments aligned with environmental and/or social characteristics is calculated against the total market value of the fund's investments. Any Taxonomy-alignment in the graph is based on turnover.

As demonstrated the fund does not report sustainable investments for the reference period.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

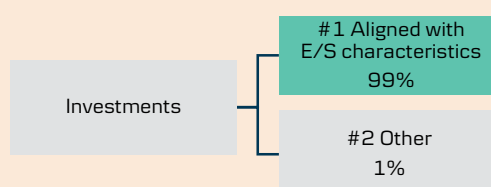
As of the date of reporting, the fund has not made any commitments to any underlying portfolio funds, hence there are no portfolio companies in this financial product.

The fund promotes environmental and/or social characteristics through the binding elements applied under the investment strategy in respect to its exclusions.

The expected minimum proportion of investments meeting the binding elements of the fund's environmental and/or social characteristics and thus the minimum proportion of investments aligned with the fund's environmental and/or social characteristics was 60%

With that the fund reserved the opportunity of making investments in cash and derivatives for which the criteria did not apply. Further, the fund was allowed to make investments with insufficient ESG data to determine, whether the investments were aligned with the environmental and/or social characteristics of the fund. With cash and derivatives these investments are referred to as "Other investments".

The actual minimum proportion of investments aligned with environmental and/or social characteristics within the reference period is reported at 50% and is to be seen as the average minimum allocation to investments aligned with environmental and/or social characteristics within the annual reference period as calculated against the total market value of the fund's investments.



#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.

● In which economic sectors were the investments made?

The graph is based on holdings with data coverage in respect to sector-allocation. The share of holdings where such data does not exist is outlined in the bar headed "No sector data". Weights for cash and derivatives are not reported meaning that the exposure weights do not necessarily add to 100% in total.

Sector	Sub-sector	%
Industrials	Construction & Engineering	44.6%
Information Technology	IT Consulting and Other Services	20.5%
Health care	Health Care Equipment	11.0%
Information Technology	Application Software	7.9%
Health care	Managed Health Care	7.1%
Industrials	Security & Alarm Services	6.0%
Industrials	Industrial Machinery	2.8%



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully 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.

Taxonomy-aligned investments are calculated on basis of the market value of the share of environmentally sustainable economic activities relative to the total market value of the fund's investments. The weights are reported on the basis of company reported data of activities with a significant contribution per the criteria defined in EU-Taxonomy Regulation and underlying delegated acts. The compliance of these reported figures has not been subject to assurance by auditors or any third party.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

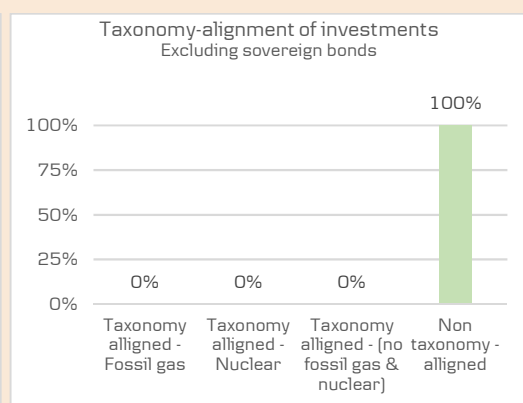
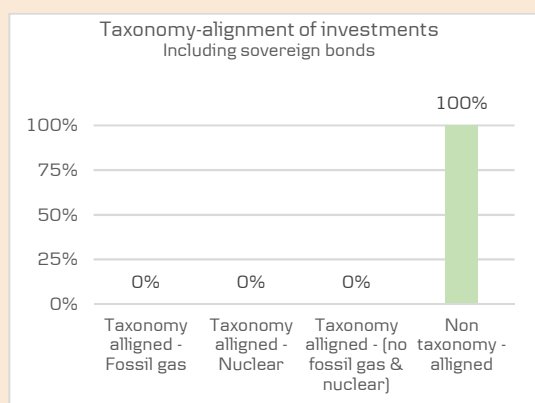
☐ Yes

☐ In fossil gas

☐ in nuclear energy

☒ No

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 bonds¹, 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 For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

¹ Fossil gas and 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

Taxonomy-aligned activities are expressed as a share of

- **Turnover** reflects the 'greenness' of investee companies today.
- **Capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **Operational expenditure** (OpEx) reflects the green operational activities of investee companies.

What was the share of investments made in transitional and enabling activities?

Taxonomy alignment	2024
Investments aligned with the EU taxonomy - Fund	0%
Investments aligned with the EU taxonomy (enabling activities) - Fund	0%
Investments aligned with the EU taxonomy (transitional activities) - Fund	0%



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852..



What was the share of socially sustainable investments?

N/A



What investments were included under 'other', what was their purpose and were there any minimum environmental or social safeguards?

The fund's underlying assets that do not contribute to the attainment of environmental and/or social fund's characteristics are categorised in the "Other" investment bucket. Such bucket included cash and cash equivalents held as ancillary liquidity.

Other investments can also be made in instances for which there is insufficient ESG data on an issuer for the fund to be able to determine, whether such investment is promoting environmental and/or social fund's characteristics.

Due to the nature of the asset classes the fund does not apply considerations on minimum environmental or social safeguards for these investments.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, the fund has managed the strategy in accordance with the binding elements ensuring the attainment of the environmental and/or social characteristics, meaning that issuers have been screened and, as relevant excluded by the fund.



Relevant monitoring has been in place to ensure the attainment of the environmental and/or social characteristics.

How did this financial product perform compared to the reference benchmark?

No index is designated for the attainment of the environmental and/or social characteristics.

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