

Danske PEP 2022 (USD) K/S

[tick when relevant]

This product: Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

It does not invest in sustainable investments

It invests partially in sustainable investments

In activities aligned with the EU Taxonomy

In activities not aligned with the EU Taxonomy

Has sustainable investment as its objective. 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.

In activities aligned with the EU Taxonomy

In activities not aligned with the EU Taxonomy

What environmental and/or social characteristics are promoted by this financial product?

Exclusions The Danske PEP 2022 (USD) K/S (the "Fund") excludes companies that:

- are involved in activities & conduct harmful to society
- are involved in activities with significant negative impact on the climate
- are involved in non-ethical or controversial activities

Active ownership The Fund seeks to influence investments' impact on sustainability matters through engagement with portfolio fund managers (and thereby investee companies) on material sustainability topics.

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

- "Reduction of activities and conduct harmful to society" is measured by the number of companies restricted as a result of this exclusion
- "Reduction of activities resulting in significant negative impact on the climate" is measured by the number of companies restricted as a result of this exclusion
- "Reduction of involvement in non-ethical and controversial activities" is measured by the number of companies restricted as a result of this exclusion
- "Investments' impact on sustainability matters" is measured by the number of engagements and engagement topics with portfolio fund managers.

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

Further details on methodology and the sustainability indicators are available at danskeprivateequity.com.

What investment strategy does this financial product follow?

The Fund applies an actively managed fund-of-funds strategy. The Fund gains exposure to investee companies through investments in underlying funds ensuring to the extent possible that portfolio fund managers apply the investment strategy of the Fund in respect to the promotion of its environmental and/or social characteristics.

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

"Reduction of activities and conduct harmful to society" is integrated in the investment strategy by the exclusion of companies on the restriction list due to the companies:

- being involved in activities, or having a conduct, leading to significant principal adverse impacts and/or as relevant significant harm on sustainable investment objectives,

- otherwise expressing weak sustainability practices, and/or
- not meeting minimum environmental or social safeguards.

The restriction list is a result of assessments made under a proprietary screening model excluding for instance certain companies with negative climate change contribution and biodiversity impact, other harmful environmental practices, unlawful tax practices, weak labor standards etc.

“Reduction of activities resulting in significant negative impact on the climate” is integrated in the investment strategy by the use of restriction lists for companies involved in thermal coal, tar sands and peat-fired power-generation.

“Reduction of involvement in non-ethical and controversial activities” constitutes an ethical overlay to the environmental and/or social characteristics otherwise promoted by the Fund. This exclusion criteria is integrated in the investment strategy by the exclusion of companies on the restriction lists for tobacco and/or controversial weapons.

More information on the investment restrictions is available in Annex B to the Key Investor Document (“KIID”).

The Fund applies an active engagement strategy by integrating the characteristic of “investments’ impact on sustainability matters” and hence committing to engage with portfolio fund managers on material sustainability topics.

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?

- “Reduction of activities and conduct harmful to society”: the Fund excludes companies listed on this restriction list. Holdings can come into the portfolio, if sufficient evidence of a credible transition plan has been presented.
- “Reduction of activities resulting in significant negative impact on the climate”: the Fund excludes companies on restriction lists for activities resulting significant negative impact on the climate according to the definitions and thresholds outlined in instructions issued under the Responsible Investment Instruction followed by the Fund. Holdings can come into the portfolio, if sufficient evidence of a credible transition plan has been presented.
- “Reduction of involvement in non-ethical and controversial activities”: the Fund excludes companies on restriction lists for tobacco or controversial weapons activities and sectors according to definitions and thresholds outlined in instructions issued under the Responsible Investment Policy.
- “Investments’ impact on sustainability matters”: the Fund commits to engage on material sustainability topics coordinating, as needed, with portfolio managers.

How is that strategy implemented in the investment process on a continuous basis?

The Fund integrates the promoted environmental and/or social characteristics as well as good governance practices through a commitment to systematically identify and address the sustainability factors embedded herein throughout the portfolio manager selection and -monitoring process.

The binding elements of the investment strategy are in this respect implemented within the limitations of the Fund’s investment objective and illiquid nature of investments held within the portfolio. As such, the Fund may from time-to-time choose to invest albeit a portfolio fund manager has not committed to the full exclusion criteria of the Fund. Should this result in a situation whereby a restricted company comes into the portfolio of the Fund, information hereon will be clearly communicated to investors through in the periodic reporting of the Fund. In extreme cases, the Fund may choose to later divest in order to attain the relevant characteristics.

The extent to which the environmental and/or social characteristics of the Fund are attained is monitored on a regular basis and is reported in the Fund’s periodic reporting. Furthermore, active ownership activities and restrictions are disclosed on the website.

Detailed information on the monitoring and implementation of the strategy are available at danskeprivateequity.com.

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

The Fund does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

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

Danske Private Equity’s Active Ownership Policy provides basis for assessing portfolio fund managers’ governance practices and their impact on the governance practices of the investee companies. As per this policy, considerations related to good governance practices form an integral part of the selection of investments and their management within the portfolio. In making investment decisions, the Fund considers fund managers’ policies relevant to good governance practices in fund portfolio companies as part of the due diligence process leading to an investment decision. This is to ensure that the policies are generally aligned with those of the Fund and focus on business models and strategies of portfolio fund companies as well as their ability to create long-term value for the shareholders.

The Active Ownership Policy is available on danskeprivateequity.com

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

Where can I find further details on the investment strategy?

Further details on the investment strategy are available on danskeprivateequity.com.

What is the minimum share of investments aligned with the EU taxonomy?

The Fund does not commit to invest in sustainable investments. As such, the Fund is not pursuing an environmental objective as defined under the EU Taxonomy and investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic.

While Fund could invest in activities that are environmentally sustainable under the EU Taxonomy as based on other binding elements relevant to the investment strategy such investments are not per se decisive to the attainment of the Fund's environmental and/or social characteristics.

The "do no significant harm" principle under the EU Taxonomy applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities.

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

Yes

No

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

Is a specific index designated as a reference benchmark to determine whether this fund is aligned with the environmental or social characteristics that it promotes

The Fund does not have a reference index to determine the attainment of the environmental and/or social characteristics promoted by the Fund.

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

Can I find more product specific information online?

More product-specific information is available on danskeprivateequity.com.