

SUSTAINABILITY-RELATED DISCLOSURES

Product disclosures for financial products that promote environmental or social characteristics

Equities Low Volatility CL (the Fund)

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This material describes the sustainability-related disclosures, as required according to Article 10 of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the Sustainable Finance Disclosure Regulation).

These disclosures supplement the disclosures contained in the prospectus (appendix to the prospectus on “the Fund’s environmental and/or social characteristics”).

1 Summary

This Fund promotes environmental or social characteristics as laid out in Article 8.

In this document you can read about the following regarding this Fund:

- **No sustainable investment objective**
The Fund promotes environmental and social characteristics, but does not have as its objective a sustainable investment.
- **The environmental or social characteristics of the financial product**
The Fund promotes environmental and social characteristics through the following approaches: CO2e reduction, exclusions, engagement and ESG integration.
- **Investment strategy**
The Fund follows an actively managed investment strategy, in which CO2e reduction and ESG integration are integral parts. It is an integral part of the Fund’s investment strategy to perform exclusionary screenings prior to making any investment decisions regarding the Fund’s portfolio. Engagement activities are carried out in the Fund on an ongoing basis, and good governance practices are integrated in the investment process.
- **Proportion of investments**
It is anticipated that 100% of the Fund’s investments will meet the environmental and social characteristics of the Fund.
- **Monitoring of environmental or social characteristics**
A great number of processes have been implemented to monitor the Fund’s promotion of environmental or social characteristics, as described in the Prospectus, including e.g. screening and ESG data sourced from external business partners.
- **Methodologies**
The Fund’s investments are aligned with a CO2e reduction pathway. Based on year-end figures for the Fund’s benchmark in 2020, the Fund will reduce its CO2e footprint by 60% by 2030. The section describes the Fund’s exclusions and methodology for ESG integration. Engagement is measured by the number of dialogues and votes cast.
- **Data sources and processing**
Data pertaining the attainment of environmental and social characteristics are sourced by MSCI and Sustainalytics.
- **Limitations to methodologies and data**
ESG data are characterised by a lack of consistent methodology and limited transparency in terms of generation of individual sustainability scores. It has been established that various data suppliers score and assess companies differently.

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- **Due diligence**

The Fund Adviser has access to a wide range of sustainability data and tools, in order to support the due diligence process applied for rendering investment advice. Add to this procedures at Jyske Invest Fund Management, thus overall providing a solid foundation that ensures the Fund's promotion of environmental or social characteristics.

- **Engagement policies**

Engagement activities are carried out in the Fund in accordance with Jyske Invest Fund Management's policy on responsible and sustainable investment.

2 No sustainable investment objective

This financial product promotes environmental or social characteristics, though it does not have as its objective a sustainable investment.

3 Environmental and social characteristics of the financial product

The Fund promotes environmental and social characteristics through the following approaches:

CO₂e reduction

The Fund aims to reduce CO₂e emissions.

Exclusions

The Fund excludes companies:

- that can be related to controversial weapons.
- that breach internationally recognized norms and conventions and that do show a willingness to address or demonstrate sufficient progress on remediation.
- according to specifically defined exclusion criteria based on environmental and social characteristics.

Engagement

The Fund seeks to impact companies through engagement. Engagement efforts comprise committed dialogues with companies and issuers of covered bonds and/or exercising our voting rights.

ESG integration

The Fund integrates data on environmental, social and governance issues (ESG) in its investment decisions.

4 Investment strategy

Investment strategy applied to attain the environmental or social characteristics promoted by this financial product

The Fund follows an actively managed investment strategy to attain its environmental and social characteristics.

CO₂e reduction

CO₂e reduction is integrated in the investment strategy at portfolio level and at company level. The portfolio follows a defined CO₂e reduction pathway, and high-emission companies are identified with the purpose of assessing their plans for transitioning into a low-emission society.

Exclusions

Before an investment decision is made, the companies are screened in order to avoid investments that are not aligned with the Fund's exclusion criteria. Moreover, regular screenings of the portfolio are performed over the investment period.

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Engagement

Engagement efforts are integrated in the investment strategy by means of committed dialogues with companies on environmental and social as well as associated governance issues with the purpose of impacting the companies' or issuers' conduct and by means of casting votes at general meetings.

ESG integration

Environmental, social and governance issues (ESG) are integrated in the investment process. ESG data are integrated in combination with traditional financial data and are used to make informed investment decisions and to provide a more balanced view of the companies' future earnings capacity and valuation. Before investment decisions are made, the companies' strategy and objectives for a sustainable development are assessed with focus on possibilities and risks. The systematic ESG analysis is made by using an internal scorecard for each company. This scorecard identifies companies with a particularly high exposure to sustainability risks, hence potentially entailing an increased risk of financial losses. The Fund actively takes a stand against companies with weak ESG characteristics. Each scorecard includes factors such as greenhouse gas emissions, climate plans and objectives, involvement in ESG disputes, exposure to climate change solutions and exposure to controversial business areas. In addition, a systematic "comply or explain approach" is implemented for companies that exceed predefined thresholds for CO₂e footprint.

The policy for assessing good governance practices in investee companies

The Fund integrates information on governance issues in its investment process. Our assessment of good governance practices is attained via norm-based screenings aimed at identifying issuers that do not comply with the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In addition, good governance practices are assessed by screening a number of indicators designed to disclose whether the companies in which the Fund holds stakes or intends to buy stakes have significant shortcomings in terms of sound management structures, tax compliance, remuneration of staff and employee relations. Companies that do not comply with the above-mentioned principles and do not show a willingness to address or demonstrate sufficient progress on remediation will generally be excluded.

5 Proportion of investments

It is anticipated that 100% of the Fund's investments will attain the environmental and social characteristics that the Fund promotes. This share includes investments in equities that are subject to the Fund's exclusions and CO₂e reductions.

For other investments, 0% is anticipated. The Fund may, however, include cash and derivatives. Such holdings are not in line with the Fund's environmental and social characteristics.

6 Monitoring environmental or social characteristics

A large number of processes have been implemented, in order to monitor the Fund's promotion of environmental or social characteristics, as described in the Prospectus.

The Fund receives investment advice from Jyske Bank. Jyske Bank performs screenings and evaluations of the Fund's investments, for the purpose of assessing the investments' environmental and social characteristics. Jyske Bank has access to a wide range of ESG data, which is regularly used to monitor existing investments and assess new investments.

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In addition, Jyske Invest Fund Management A/S regularly monitors the Fund's characteristics, in order to ensure that the Fund attains the described environmental and social characteristics.

7 Methodologies

The attainment of environmental and social characteristics promoted by the Fund is measured by using the following sustainability indicators:

CO₂e reduction

The Fund's investments are aligned with a CO₂e reduction pathway. Based on year-end figures for the Fund's benchmark in 2020, the Fund will reduce its CO₂e footprint by 60% by 2030. Jyske Invest Fund Management A/S makes regular evaluations of the Fund's CO₂e footprint, with the purpose of ensuring a linear reduction pathway. Reservations are made for changed calculation methods and incomplete data.

Exclusions

The Fund excludes companies that can be related to controversial weapons, such as anti-personnel mines, cluster weapons and biological weapons, or companies that violate the UN Treaty on the Non-Proliferation of Nuclear Weapons.

The Fund excludes companies that violate internationally recognised norms and conventions, including human-rights and employee rights, environmental and anti-corruption norms and conventions, if it is assessed that no sufficient progress has been made following a dialogue with the companies. Exclusions are made to the extent that relevant data is available from the chosen data supplier (Sustainalytics).

The Fund applies exclusion criteria based on environmental and social characteristics. The following companies are excluded from the Fund:

- companies that produce thermal coal (if accounting for more than 5% of revenue)
- companies that produce tar sand (if accounting for more than 5% of revenue)
- companies that are involved in coal-based power production (if accounting for more than 30% of revenue)
- companies that produce tobacco products (if accounting for more than 5% of revenue)

Reservations are made for the lack of identification of minor violations on the part of a few companies.

Exclusions apply to own portfolio management (own funds)

Engagement

The Fund seeks to impact companies through engagement. Engagement is measured on the basis of

- the number of dialogues with companies on associated environmental and social issues as well as governance issues
- the number of propositions on associated environmental and social issues as well as governance issues that were up for vote at general meetings.

The minimum number of dialogues and votes cast must exceed 0.

ESG Integration

Investments are made on the basis of a sustainability analysis, which is based on an internal scorecard for each company. These are measured by the number of investments with matching scorecards, with the minimum requirement being 90%.

8 Data sources and processing

In our efforts to assess and attain the Fund's environmental or social characteristics, various data sources are used.

Jyske Invest Fund Management A/S and its adviser (Jyske Bank) cooperate with various data providers.

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- MSCI is used for the measurement of CO2e.
- Data used for exclusions (norm-based as well as activity-based exclusions) are provided by Sustainalytics and MSCI, whose data are used in combination.
- Engagement is carried out on the basis of data provided by Sustainalytics.
- ESG integration is carried out on the basis of data provided by MSCI.
- Corporate Governance is carried out on the basis of data provided by MSCI and Sustainalytics.

We aim to retrieve as much data as possible, and the most detailed data available, from our data suppliers - and use the data provided by various suppliers in combination.

If we encounter data that are evidently erroneous - or we are unsure if the data received is correct - we consult our data provider.

Regular assessments of our data providers (and our adviser) are made, in terms of data quality, coverage and other relevant factors.

9 Limitations to methodologies and data

Data on sustainability are characterised by lack of consistent methods and limited transparency as regards the generation of individual sustainability scores. It has been established that various data suppliers score and assess companies differently, also as regards controversial conduct.

Furthermore, until a number of disclosure obligations come into full effect, there is some extent of data shortage and data uncertainty. However, whenever data is made available by our data providers, the data are used to its full extent, as the data providers' methodologies and models have been approved during the ongoing supplier due diligence.

As regards CO2e figures, it is estimated that the vast majority of the big-name companies report on this matter – typically under scope 1 and 2. Nevertheless, available data covering scope 3 are insufficient to such an extent that Jyske Invest Fund Management has decided not to apply scope 3.

In terms of the lack of data at issuer level, this lack varies a lot across different data segments:

CO2 footprint:

For equities, coverage is nearly 100%.

Exclusions:

For equities, coverage is nearly 100%.

Engagement:

For equities, coverage is nearly 100%.

ESG integration:

Coverage is nearly 100%.

Corporate Governance:

For equities, coverage is nearly 100%.

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On balance, we do not find that the data shortage or the use of data estimates have impacted the Fund's sustainability characteristics, as any shortage of data is handled by means of individual assessments and solutions. Moreover, the proportional share in each Fund is not significant, or the data shortage is not relevant, to the Fund's environmental and social characteristics. Furthermore, we have an ongoing dialogue with our data providers - both concerning general issues, such as methodologies and shortages, and concerning any specific ad hoc issues, in the event that any doubts arise in terms of data quality.

10 Due diligence

The Fund receives investment advice from Jyske Bank. Jyske Bank's investment teams have access to a wide range of data and tools and possess great knowledge, training, and expertise in the field of sustainability, in order to support the due diligence process of their investment advisory services. In addition to the general principles for integration of sustainability risks, the team also assesses other material sustainability disclosures, in order to ensure that the Fund promotes environmental or social characteristics. Sustainability-related evaluations involved in and affect recommended investment decisions.

In addition, the investment decision, risk management and assessment, compliance and controlling functions at Jyske Invest Fund Management are involved, hereby ensuring a solid foundation of data, tools and resources that enable the safeguarding of the Fund's promotion of environmental or social characteristics.

Jyske Invest Fund Management and Jyske Bank regularly perform due diligence on all external and internal data and regularly review whether new data providers may improve the analyses and models used. Prior to selecting a data provider, we have carried out an extensive market analysis, whereby any potential data provider has been reviewed in terms of e.g. data quality, coverage, certainty, methodology, price, reliability and potential conflict of interests.

11 Engagement policies

Engagement efforts are made towards the companies in the Fund, in accordance with Jyske Invest Fund Management's policy on responsible and sustainable investment, which is available here: [Policy on responsible and sustainable investment at Jyske Invest](#).

12 Review of information

Date of change:	Date of publication:	Version	Change:
2 January 2023	2 January 2023	1.0	Document established
30 November 2023	30 November 2023	1.1	Update with the addition of LEI and ISIN Elaboration on the document summary Addition to section 7) methodology relating to own portfolio management
2 January 2024	2 January 2024	2.0	CO2e reduction pathway has been changed Section on good governance practices and screening has been added.
08 March 2024	08 March 2024	2.1	The sections on data sources and processing, limitations to methodologies and data as well as due diligence have been clarified in more detail.