



LEA 02	Discretionary	Gateway
<p>Reason for Interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance or <input checked="" type="checkbox"/> To engage internal ESG resources <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance or <input type="checkbox"/> Other: specify 	<p>Type of engagement</p> <ul style="list-style-type: none"> <input type="checkbox"/> Individual/ internal staff engagements <input type="checkbox"/> Collaborative engagements <input type="checkbox"/> Service provider engagements 	<p>Reason for Interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance or <input checked="" type="checkbox"/> To engage internal ESG resources <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decisionmaking in & company related ESG issues <input type="checkbox"/> To enhance corporate practice or identify the need to enhance or <input type="checkbox"/> Other: specify

RI TRANSPARENCY REPORT

2020

Sydinvest

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

OO 01.1	Select the services and funds you offer	
	Select the services and funds you offer	% of asset under management (AUM) in ranges
	Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
	Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
	Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
	Total 100%	

OO 02.1	Select the location of your organisation's headquarters.	
	Denmark	
OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).	
	<input checked="" type="radio"/> 1 <input type="radio"/> 2-5 <input type="radio"/> 6-10 <input type="radio"/> >10	
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).	
	20	
OO 02.4	Additional information. [Optional]	
	<p>Sydivest is an independent investment fund established in 1987. The daily management of the fund and sub-funds are undertaken by the management company Syd Fund Management A/S, which is company majority-owned by Sydbank A/S. The primary investment advisor to Sydivest i Sydbank A/S, a publicly listed Danish bank and asset manager. The employee number only account for Syd Fund Management A/S staff and does not account for staff related to the investment advisor teams employed by Sydbank A/S. For the investment organisation as a whole (Syd Fund Management and Sydbank included) there are c.f. 65 employees including supporting staff.</p>	

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.	
	<input type="radio"/> Yes <input checked="" type="radio"/> No	

OO 04.1	Indicate the year end date for your reporting year.	
	31/12/2019	
OO 04.2	Indicate your total AUM at the end of your reporting year.	
	Total AUM 52,227,232,938 DKK 7705592884 USD	
OO 04.4	Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year	
	<input checked="" type="checkbox"/> Not applicable as we do not have any assets under execution and/or advisory approach	
OO 04.5	Additional information. [Optional]	
	Assets under management account for assets in Syd Fund Management only. It does not include additional assets managed discretionary by Sydbank.dk	

OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	>50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06 Mandatory Descriptive General

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 07 Mandatory to Report, Voluntary to Disclose Gateway General

Private

OO 09 Mandatory Peering General

OO 09.1 Indicate the breakdown of your organisation's AUM by market.



OO 10 Mandatory Gateway General

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Closing module

- Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
----------	--	---------	---------

OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.		
4	Passive		
0	Active - quantitative (quant)		
96	Active - fundamental and active - other		

OO LE 02	Mandatory to Report, Voluntary to Disclose	Gateway	General
----------	--	---------	---------

Private

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
----------	--	---------	---------

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies		
SSA	0	Passive	
	0	Active - quantitative (quant)	
	100	Active - fundamental and active - other	
Corporate (non-financial)	0	Passive	
	0	Active - quantitative (quant)	
	100	Active - fundamental and active - other	
Securitised	0	Passive	
	0	Active - quantitative (quant)	
	100	Active - fundamental and active - other	

OO FI 03	Mandatory	Descriptive	General
----------	-----------	-------------	---------

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.		
SSA	15	Developed markets	
	85	Emerging markets	

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
------	---------------------------	---------------------	--------------------------

OO Checks			Checks
-----------	--	--	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
---------	---

Yes

SG 01.2	Indicate the components/types and coverage of your policy.
---------	--

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) <p style="margin-left: 20px;">SDG inclusion in EMD FI</p> <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM

SG 01.3	Indicate if the investment policy covers any of the following
---------	---

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4	Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.
---------	--

Sydivest is a responsible investor. We are mindful that issues concerning human rights, the environment, proper social conditions, corporate governance and sustainable institutions (ESG) must be taken into account across all types of securities in which we invest. Therefore, we integrate ESG into our investment decisions and we work actively towards ensuring that entities and countries in which we invest on behalf of our clients also adhere to these principles.

Diversity in customers' requirements means that Sydivest works with multiple ESG-efforts that c.f. allows for an additional screening of individual portfolios for ESG integration according to more restrictive investment criteria. For instance to promote sustainability from best-in-class selection or, alternatively, to completely avoid investments in specific countries, sectors or companies.

Sydivest' investment approach is a combination of top-down macroeconomic allocation with bottom-up security selection supported by in-depth research using both quantitative models and qualitative information. Hence, our fundamental investment philosophy is based on active ownership. Being an active owner require us to employ multiple sources of research and it entails that we continuously take a critical approach to what we invest in. We will strive to act responsibly and with respect for a shared sustainable future.

SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
---------	--

Sydivest' ESG-integration approach encompasses all the different types of assets invested in. Even if active ownership is not directly possible, for instance in the case of a government that issues bonds, it is still possible to incorporate the spirit of the UN Global Compact when determining our own responsible investment processes regarding government bonds. In the case of passive portfolios, which is a new product area, all strategies are designed within the overall ESG policy and minimum criteria. In addition, some portfolios, both passive and active, have specific sustainability objectives and/or promotes an ethical or climate-friendly profile by avoiding investments into fossil fuel exploration, extraction, sales and distribution.

No

Private

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
---------	--

- Policy setting out your overall approach

	URL/Attachment
<input checked="" type="checkbox"/>	URL http://www.sydinvest.com/about-us/ethical-investment/ethical-investment.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/>	Asset class-specific RI guidelines
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest-em.com/about-sydinvest-em/sustainable-investment-esg.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/>	Sector specific RI guidelines
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest-em.com/about-sydinvest-em/sustainable-investment-esg/selskaber-esg.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/>	Screening / exclusions policy
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest.com/about-us/ethical-investment/ethical-investment.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/>	Engagement policy
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest.com/about-us/ethical-investment.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/>	(Proxy) voting policy
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest.com/about-us/ethical-investment.aspx
<input type="checkbox"/>	Attachment (will be made public)
<input type="checkbox"/>	Other, specify (1)
<input type="checkbox"/>	We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

<input checked="" type="checkbox"/>	Your organisation's definition of ESG and/or responsible investment and it's relation to investments
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest.com/about-us/ethical-investment.aspx
<input type="checkbox"/>	Attachment
<input type="checkbox"/>	Governance structure of organisational ESG responsibilities
<input checked="" type="checkbox"/>	ESG incorporation approaches
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest-em.com/about-sydinvest-em/sustainable-investment-esg.aspx
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/>	Active ownership approaches
	URL/Attachment
<input checked="" type="checkbox"/>	URL https://www.sydinvest.com/Files/Filer/0_Sydinvest/Download/PDF/Materiale/Active-ownership-policy.pdf
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/>	Reporting

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.sydinvest.dk/ansvarlighed/pri-samfundsansvar.aspx
<input type="checkbox"/> Attachment	
<input type="checkbox"/> Climate change	
<input checked="" type="checkbox"/> Understanding and incorporating client / beneficiary sustainability preferences	
URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.sydinvest.dk/fonde/verden-ligev%C3%A6gt-value-etik.aspx
<input type="checkbox"/> Attachment	
<input type="checkbox"/> We do not publicly disclose any investment policy components	

SG 02.3 Additional information [Optional].

The links refers to a combination of official documents, policy descriptions as well as to specific examples of products that includes sustainability preferences from clients (e.g. exclusion of tobacco, alcohol, weapons, gambling and fossil fuels).

SG 03	Mandatory	Core Assessed	General
--------------	------------------	----------------------	----------------

SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

When exercising active ownership, conflicts of interest may arise, eg in relation to group relations, competitors or clients of Syd Fund Management. If analyses of agenda items at a company's general meeting show the existence of a conflict of interest, Syd Fund Management's Responsible Investment Committee will convene to decide how the Funds will manage this conflict of interest.

Sydivst' general policy for managing conflicts of interest will always govern the manner in which the committee tackles this type of case. The general policy outlines all the situations where conflicts of interests can arise and how to deal with them in our client's best interest.

No

SG 04	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

Private

SG 05	Mandatory	Gateway/Core Assessed	General
--------------	------------------	------------------------------	----------------

SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

Quarterly or more frequently

Biannually

Annually

Less frequently than annually

Ad-hoc basis

It is not set/reviewed

SG 05.2 Additional information. [Optional]

Sydivest conducts quarterly meetings in the Responsible Investment Committee to evaluate reports from the various investment teams as well as from external ESG partners. Tactical decisions are taken at such meetings while a review of ESG policies and objectives happen only annually unless circumstances require an ad hoc update. Typically, such reviews happens in the first and second quarter of the year followed by implementation in the remainder of the year. The review includes an evaluation of progress of current and recent ESG initiatives, for example new reporting, new ESG-orientated products etc.

SG 06	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

Private

SG 07	Mandatory	Core Assessed	General
--------------	------------------	----------------------	----------------

SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles	
<input checked="" type="checkbox"/> Board members or trustees	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/> Internal Roles (triggers other options)	

Select from the below internal roles	
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Other Chief-level staff or head of department, specify
<input checked="" type="checkbox"/>	Portfolio managers
<input type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Investment analysts
<input checked="" type="checkbox"/>	Dedicated responsible investment staff
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Investor relations
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Other role, specify (1)
<input type="checkbox"/>	Other role, specify (2)
<input checked="" type="checkbox"/>	External managers or service providers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Sydinvest exercises active ownership as regards all companies in which it has invested. In addition we analyse and monitor on an ongoing basis developments in ESG issues in the countries invested in. Collectively we call this active and responsible ownership.

In organisational terms active ownership is the responsibility of Sydinvest' ESG organisation, which has been established as an intra-organisational body between Sydbank Asset Management (division of Sydbank A/S) and Syd Fund Management (SFM). Employees in these two entities are responsible for and carry out tasks concerning sustainability while safeguarding the interests of Sydbank and the investment funds.

The purpose of the ESG organisation is to carry out the dedicated analysis of ESG-related risks regarding countries and companies, to coordinate ESG development efforts and finally to carry out the management task of ensuring that all investment portfolios comply with the stipulated ESG norms and any special screening requirements. At the top of the management hierarchy is the Responsible Investment Committee, (the RI Committee), which convenes once a quarter or more frequently in case of special circumstances. At these meetings the committee discusses the current ESG status of the individual investments based on reports from internal and external business partners. The meetings end with a decision regarding the delimitation of the investment universe as regards companies and countries that cannot be included in the portfolios.

Especially in companies where Sydinvest knows of an elevated ESG risk and/or where it has reservations about a company's strategy, results or similar issues and where an extraordinary dialogue with the company does not result in a more accommodating attitude to solve the problems, the RI Committee will ultimately decide whether the company will be added to the exclusion list and be sold.

Similarly the committee approves a recommended exclusion list concerning specific countries and their government bonds according to a traffic light model with red, yellow and green countries.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

1

SG 07.4 Additional information. [Optional]

The total number of employees refers to SFM only. There are 3 members of the RI Committee and within Sydbank A/S there is a dedicated ESG country analyst covering the sovereign screening research. In addition to that, the ESG organisation leverages on the partnership with the external servicepartner Sustainalytics, who offers direct access to analysts, engagement management experts and relationship managers.

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
-----------------	---	--------------------	----------------

Private

SG 08	Voluntary	Additional Assessed	General
--------------	------------------	----------------------------	----------------

Private

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have participated in the Nordic PRI Forum.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Dansif

Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Is a member of a group working with responsible investments under the Danish Investment Fund Association.

Your organisation's role in the initiative during the reporting year (see definitions)

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Has contributed to various papers on subjects related to responsible investments.

- Other collaborative organisation/initiative, specify
- CFA-Society Denmark / Finansforeningen

	Your organisation's role in the initiative during the reporting year (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	Active in investment-industry network groups on ESG-related topics and participates in conferences and events with responsible investment-related agenda topics
<input type="checkbox"/>	Other collaborative organisation/initiative, specify
<input type="checkbox"/>	Other collaborative organisation/initiative, specify

SG 10	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
--	-------------

Biannually our investment managers meet with our service provider who evaluate our different emerging market funds and educate them in the field of responsible Investments.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
 Biannually
 Annually
 Less frequently than annually
 Ad hoc
 Other

- Provided financial support for academic or industry research on responsible investment
 Provided input and/or collaborated with academia on RI related work
 Encouraged better transparency and disclosure of responsible investment practices across the investment industry
 Spoke publicly at events and conferences to promote responsible investment

	Description
--	-------------

In October we presented for our investors how we work with responsible investments and in November the same for the distributors of our funds. In November we made a presentation and participated in a panel debate on the subject of active ownership. The seminar was arranged by Sustainalytics.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
 Biannually
 Annually
 Less frequently than annually
 Ad hoc
 Other

- Wrote and published in-house research papers on responsible investment
 Encouraged the adoption of the PRI
 Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
 Wrote and published articles on responsible investment in the media
 A member of PRI advisory committees/ working groups, specify

	Description
--	-------------

We participate in a working group in The Danish Investment Association handling issues in responsible Investments.

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
 Biannually
 Annually
 Less frequently than annually
 Ad hoc
 Other

- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

We have participated in an ESG Conference in Berlin arranged by Expert Investor.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

Private

SG 12	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

ESG issues is a component in some, but not all models. It depends on the asset class and strategy. For example in sovereign debt the ESG modelling is a key part of the credit analysis.

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

ESG issues often plays a part in allocating to thematic strategies within some of our EM equity strategies. Within the EM sovereign debt strategy area we integrate ESG directly into the allocation of the portfolios. This influence our allocation between countries and also within countries, for example, in some portfolios we do not invest in state-owned fossil fuel issuers and/or we invest into sovereign green bonds.

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
-------	--	---------------------	-------

Private

SG 14 CC	Voluntary		General
----------	-----------	--	---------

Private

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
-------	--	-------------	-------

Private

SG 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

Private

SG 19	Mandatory	Core Assessed	PRI 2, 6
-------	-----------	---------------	----------

SG 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	
Quarterly or more frequently	
https://www.sydinvest.dk/ansvarlighed/ansvarlighed-i-sydinvest.aspx	

Listed equity - Engagement

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input checked="" type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	
Annually	
https://www.sydbank.dk/omsydbank/ansvarlighed-ny	

Listed equity – (Proxy) Voting

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input checked="" type="radio"/> Only disclose abstentions and votes against management	
Annually	

<https://www.sydinvest.dk/ansvarlighed/ansvarlighed-i-sydinvest.aspx>

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL

Disclosure to public and URL

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

Quarterly

<https://www.sydinvest.dk/ansvarlighed/ansvarlighed-i-sydinvest.aspx>
<https://www.sydinvest-em.com/about-sydinvest-em/sustainable-investment-esg.aspx>

SG 19.2

Additional information [Optional]

The detailed disclosure of the RI / ESG incorporation in fixed income concerns our EM sovereign debt strategies. We provide a general description of the methodology both on our web-site as well as in a series of white papers. In addition, we issue a quarterly 2-page reporting on RI and allow our investors access to the more detailed RI reporting upon request. The current users of the reporting is institutional and semi-institutional clients, but the information is available for all types of investors.

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01	Mandatory	Gateway	PRI 1
--------	-----------	---------	-------

LEI 01.1 Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

- Screening alone (i.e., not combined with any other strategies)
- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	100%
---	------

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

LEI 02	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 03	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 04	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

LEI 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
In all our equity funds we screen for nuclear products, cluster ammunition and land mines. We have recently launched a global equity fund with an ethical profile. In this fund we screen and excludes for weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuels.

- Positive/best-in-class screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
In 2018 we launched a passively managed product reflecting the development in Morningstar Global Markets Sustainability Leaders Index. This fund use a best-in-class selection principle where the global top 100 companies with the lowest ESG-risk and highest sustainability profile according to the Sustainlytics rating methodology is constructed into a Morningstar index. The fund passively tracks the index aiming for the lowest possible tracking error.

- Norms-based screening
 - UN Global Compact Principles
 - The UN Guiding Principles on Business and Human Rights
 - International Labour Organization Conventions
 - United Nations Convention Against Corruption
 - OECD Guidelines for Multinational Enterprises
 - Other, specify

Paris Agreement

Description
Our service provider screens for breaches of international conventions and norms. In the case of a proved breach the process is engagement with the company. If the engagement process is unsatisfactory we might exclude the company from our investment universe.

LEI 04.2 Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

The criteria for the equity funds are established a couple of years ago and has not been changed since. They are known to our investors through our policy statements on our web site.

LEI 05	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 05.1 Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

LEI 05.3 Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 06	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 08	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 08.1 Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	Environmental
	<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%
Social	Social
	<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%
Corporate Governance	Corporate Governance
	<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%

LEI 09	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%	

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually	

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
<input checked="" type="checkbox"/> ESG information is held within centralised databases or tools, and it is accessible by all relevant staff <input type="checkbox"/> ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff <input type="checkbox"/> Systematic records are kept that capture how ESG information and research were incorporated into investment decisions <input type="checkbox"/> Other; specify <input type="checkbox"/> None of the above	

LEI 09.6	Additional information. [Optional]
There is no further information.	

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
Private			

LEI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			

LEI 12	Voluntary	Descriptive	PRI 1
Private			

LEI Checks			Checks
------------	--	--	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

- Attachment provided:
- URL provided:
<https://www.sydinvest.com/about-us/ethical-investment.aspx>

LEA 01.3 Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other, (specify)

(Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other, (specify)

Other

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

No

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via internal staff

Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2 Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

LEA 02.3 Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- We discuss the topic of the engagement (or ESG issue(s)) of engagement
- We discuss the rationale for the engagement
- We discuss the objectives of the engagement
- We select the companies to be engaged with
- We discuss the frequency/intensity of interactions with companies
- We discuss the next steps for engagement activity
- We participate directly in certain engagements with our service provider
- Other; specify
- We play no role in engagements that our service provider conducts.

No

LEA 02.4 Additional information. [Optional]

We have taken a strategic decision to establish a long-term partnership with an experienced, resourceful and global ESG research and stewardship service provider. Their role is to conduct all engagement efforts on our behalf. Secondly, they provides us with critical ESG research, data and analytical tools that as well as expert advice and consultation services. This enable us to anlyse and prioritise the engagement effort with our partner.

Normally, there are a pool of ongoing cases that continues from year to year and these are obviously followed up. In addition to that we typically come across a number of incidents from suspected breaches of norms and other cases where we, or the service provider, decides to initiate a contact and consider a new engagement. There can be several cases (new and ongoing) in the same company where the need for follow-up varies. We use this knowledge to plan the engagement process with the engagement partner.

Our policy for the actual engagement process itself is therefore to evaluate and decide on the outcomes based upon the reporting and the ongoing dialogue we have with our partner. Only in rare circumstances would be directly involved in the dialogue with the company, since the chances of success increase significantly from the engagement manager's ability to gradually to build trust and confidence with the engagement target.

We monitor the interactions and frequency of the contacts with the engages companies. This includes a distinction between the number of contacts made by email and phone and actual meetings (including video and teleconferences). Meeting senior management is also different from meeting IR, though we accept that it varies greatly from case to case.

In this regard, we have conducted several trips and onsite visits to the engaged companies as part of the service provider's scheduled trips to e.g. an emerging market region.

LEA 03 **Mandatory** **Core Assessed** **PRI 2**

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
--------------------	--

Service-provider engagements	Service-provider engagements
	<input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our service providers
<input type="radio"/> No	

LEA 03.3	Additional information. [Optional]
<p>Sydivest conduct screening on all holdings. In 2019, we monitored 983 companies across equities and corporate bond issuers through our ESG analysis tools. We regard this as the first step is to get a general idea of the number of companies where possible or identified violations of norms exist.</p> <p>In this context assessing the severity in the individual cases is quite important. Secondly, we analyse the level and trend of ESG risk in the companies with the most significant norm violations to ensure the engagement can be based upon both the incident as well as on a broader assessment of the ESG policy management of the company. Finally, we reconcile this with the underlying investment case and position in the respective strategy.</p>	

LEA 04	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
Service-provider engagements	<input checked="" type="checkbox"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

LEA 04.2	Additional information. [Optional]
<p>Objectives can be based upon a proactive risk-assessed agenda, e.g. the company has activities in markets and/or locations where the risks to violation of human rights, employee and business ethics, environmental standards etc. is higher than in e.g. developed markets. Alternatively, and most commonly, objectives are defined from a suspected or confirmed violation of an international norm. In such a case it will normally be an objective to seek acknowledgement of the incident from the company and thereafter to get the company to present actual steps to deal with the situation.</p> <p>We typically decide on the objectives from the evidence collected by our service partners and in rare cases from alternative sources such as media, brokers etc.</p>	

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
Service-provider engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 05.3	Additional information. [Optional]
<p>We make a strong effort in monitoring the effect of engagement. From our experience, this also achieves the best long-term results since the management of a company often can see benefits of a constructive dialogue with stakeholders.</p> <p>We monitor all engagement efforts in an online analysis tool provided by our service provider. The Global Engagement View is a comprehensive data repository where portfolio managers can follow the status and progress with all companies in their portfolios. The system stores all data on each case per company and allows a full overview of the case, the evidence of the case, all progress updates, access to copies of the company contact (emails as well as minutes from meetings) and current assessment of the situation. It is possible to interact with the responsible engagement manager and to evaluate the overall performance of the progress in the effort.</p> <p>In the few cases where there is no or continuously poor performance for a period of up to 12 months, the engagement team will remain in contact with the</p>	

company for an additional up to 24 months after which the recommendation will be to discontinue the relationship.

We evaluate performance from a combination of the company's willingness to engage in the dialogue and its effort in making changes. In 2019 we evaluated 53 cases as showing good performance and 33 with average performance. Only 4 was recorded with outright negative / poor performance.

LEA 06	Mandatory	Additional Assessed	PRI 2,4
LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.		
<input checked="" type="radio"/> Yes			
LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.		
<input type="checkbox"/> Collaborating with other investors <input type="checkbox"/> Issuing a public statement <input type="checkbox"/> Filing/submitting a shareholder resolution <input type="checkbox"/> Voting against the re-election of the relevant directors <input type="checkbox"/> Voting against the board of directors or the annual financial report <input type="checkbox"/> Submitting nominations for election to the board <input type="checkbox"/> Seeking legal remedy / litigation <input type="checkbox"/> Reducing exposure (size of holdings) <input checked="" type="checkbox"/> Divestment <input type="checkbox"/> Other; specify			
<input type="radio"/> No			
LEA 06.3	Additional information. [Optional]		
<p>In the few cases where there is no or continuously poor performance for a period of up to 36 months and through which all efforts to make contact and/or establish a meaningful progress with the company has been exhausted, the decision will typically be to disengage with the company. Following that it will be a natural next step for us to divest from the company.</p>			

LEA 07	Voluntary	Additional Assessed	PRI 1,2				
LEA 07.1	Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Insights shared</th> </tr> </thead> <tbody> <tr> <td>Service-provider engagements</td> <td> <input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No </td> </tr> </tbody> </table>				Type of engagement	Insights shared	Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Type of engagement	Insights shared						
Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No						
LEA 07.2	Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.						
<input checked="" type="checkbox"/> Involving investment decision-makers when developing an engagement programme <input checked="" type="checkbox"/> Holding investment team meetings and/or presentations <input checked="" type="checkbox"/> Using IT platforms/systems that enable data sharing <input type="checkbox"/> Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels <input type="checkbox"/> Other; specify <input type="checkbox"/> None							
LEA 07.3	Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Insights shared</th> </tr> </thead> <tbody> <tr> <td>Service-provider engagements</td> <td> <input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No </td> </tr> </tbody> </table>				Type of engagement	Insights shared	Service-provider engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Type of engagement	Insights shared						
Service-provider engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No						
LEA 07.4	Additional information. [Optional]						
<p>We monitor all engagement efforts in an online analysis tool provided by our service provider. The Global Engagement View is a comprehensive data repository where portfolio managers can follow the status and progress with all companies and related cases within their portfolios.</p> <p>In addition to the regular monitoring we hold bi-annual meetings with the service provider and at least one senior engagement manager who have been responsible for a majority of the cases in the recent period. The meetings is passed upon an updated overview of the primary cases and therefore supplement the information accessible within the IT platform. The attendees in the meetings are the equity portfolio management teams, senior management with accountability towards the Responsible Investment Committee as well as investor relations representatives.</p>							

LEA 08	Mandatory	Gateway	PRI 2				
LEA 08.1	Indicate whether you track the number of your engagement activities.						
<table border="1"> <thead> <tr> <th>Type of engagement</th> <th>Tracking engagements</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>				Type of engagement	Tracking engagements		
Type of engagement	Tracking engagements						

Service-provider engagements	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track
-------------------------------------	--

LEA 08.2	Additional information. [Optional]
-----------------	---

The Global Engagement View system provided by our service partner stores all data on each case per company and allows a full overview of the case, the evidence of the case, all progress updates, access to copies of the company contact (emails as well as minutes from meetings) and current assessment of the situation. It is possible to interact with the responsible engagement manager and to evaluate the overall performance of the progress in the effort.

In 2020 the system will be linked to the ESG screening and risk analysis portal which will allow an even deeper integration of ESG risk, management assessment as well as tracking of engagement efforts on a similar detailed level. This will connect the analysis of suspected and confirmed controversies with the objectives in the engagement much more efficiently.

LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
---------------	---	----------------------	--------------

Private

LEA 10	Voluntary	Additional Assessed	PRI 2
---------------	------------------	----------------------------	--------------

Private

LEA 11	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

Private

LEA 12	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 12.1	Indicate how you typically make your (proxy) voting decisions.
-----------------	---

	Approach
<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="radio"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.	
	Based on
<input type="radio"/> The service-provider voting policy we sign off on <input checked="" type="radio"/> Our own voting policy <input type="radio"/> Our clients' requests or policies <input type="radio"/> Other (explain)	
<input type="radio"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="radio"/> We hire service providers who make voting decisions on our behalf.	

LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
-----------------	---

We conduct voting ourselves through a service provider platform and therefore have the final word on the votings.

LEA 14	Voluntary	Additional Assessed	PRI 2
---------------	------------------	----------------------------	--------------

Private

LEA 15	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
-----------------	---

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.3	Additional information. [Optional]
-----------------	---

We use the engagement dialogue to express our opinion and concerns directly to the company's management. We do not regard the voting as the strongest and most effective means of communicating, not at least given the size of our holdings in most of the invested companies.

LEA 16	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 16.1	Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%

- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 17	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)	4%
--------------------------------	----

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
 - Of the total number of company meetings at which you could have voted
 - Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 17.3 Additional information. [Optional]

We use the engagement dialogue to express our opinion and concerns directly to the company's management. We do not regard the voting as the strongest and most effective means of communicating, not at least given the size of our holdings in most of the invested companies.

LEA 18	Voluntary	Additional Assessed	PRI 2
--------	-----------	---------------------	-------

LEA 18.1 Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions Breakdown as percentage of votes cast For (supporting) management recommendations
 98%
 Against (opposing) management recommendations
 2%
 Abstentions
 0%

No, we do not track this information

LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

100

LEA 19	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 20	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

Private

LEA Checks		Checks
------------	--	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Securitised	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

ESG Philosophy & Investment Integration

In general, we consider investments as a discipline that involves identification and pricing of risk. We therefore regard ESG as any other investment risk. By including ESG analysis into our investment process, we gain a deeper understanding of factors that potentially can reveal hidden risks to the expected financial gain on the investment strategy. This can be strengthened through our role as responsible investors who engage in active ownership.

For fixed income the approach most suitable for this purpose is a combination of screening for ESG indicators across issues as well as an integration into the investment process. ESG analysis is an important source of knowledge that can identify investments that potentially could cause reputational risks to our investors and ourselves as investment managers. As responsible investors we seek to influence companies through dialogue.

For the consideration of sovereign fixed income, the option to act as engaging investors is very limited if not impossible; however, our approach for this asset class is still to regard ESG as a risk factor as far as possible. Analysis and screening of states typically involves a number of proprietary score criteria, international sanctions and in exclusion of certain countries.

FI 01.3 Additional information [Optional].

Sydbank's ESG screening is based upon a country data universe that combines information on political, social and environmental variables as well as fundamental economic data. In all aspects of the ESG research, Sydbank takes focus on both the level as well as the change in ESG factors through time. Countries that improve their ESG level will typically see their credit risk fall, which again is a key narrative for the fundamental benefits of emerging market debt investing.

Sydbank's ESG framework is designed to fit most types of emerging market debt portfolios. Using the same underlying data universe and research philosophy, the EM Debt Team has developed two methodologies, CORE and PLUS that only differ in how they approach the normative and quantitative criteria used to construct the investment universe as well as how it integrates the UN 2030 Sustainable Development Goals (SDGs).

FI 02 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 1

Private

FI 03 Mandatory Additional Assessed PRI 1

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

We have a quarterly assessment of our proprietary model for Sovereigns.

- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 03.3 Additional information. [Optional]

Sydinvest regularly conducts review of the methodology of the ESG screening and analysis. For corporate bonds the majority of research is conducted with the use of access to ESG research on companies and portfolio analysis tools (e.g. Carbon Risk / Stranded Assets analysis) through our third party research and engagement provider with whom we hold regular assessment meetings.

For SSA, the deeper ESG research is conducted in-house by our own team. We conduct the screening and share research on all countries directly with the portfolio management team, hence the conclusions and risk assessments are brought directly into the portfolio construction process. The portfolio managers will make active decisions on where to allocate given that some countries may be excluded they will actively seek out alternative opportunities where the combination of ESG factors and traditional investment valuation factors are equally or even more attractive.

FI 04 Mandatory Gateway PRI 1

FI 04.1 Indicate the type of screening you conduct.

	SSA	Corporate (non-financial)	Securitised
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 04.2	Describe your approach to screening for internally managed active fixed income
<p>Corporate bond issuers are actively screened by portfolio managers and our service provider for breaches of international norms and conventions. Portfolio managers proactively analyze the portfolios for the level and attribution of company ESG risk and the development in ESG trends. This analysis is conducted both on existing holdings as well as on potential new opportunities. In terms of active ownership, the result of these screenings forms the basis for the priority of the engagement and ultimately forms the content of our exclusion list.</p> <p>For sovereigns, Sydinvest has a proprietary research and screening approach that enable us to analyze countries' ESG level and their progress through time. The model involves a systematic screening of all countries for the strength in their short term and long term political and institutional development, their level of corruption as well as their environmental performance on level and progress. We use both a normative approach (e.g. analysis of sanctions) and a best-in-class approach from e.g. a country's progress on the implementation of the Sustainable Development Goals.</p>	

FI 04.3	Additional information. [Optional]
<p>For sovereign EM debt, Sydbank use the countries belonging to the JP Morgan EMBI Global Diversified Index (EMBI GD) as peer group. The 2019 version of the index consist of 72 emerging market countries that share quite different characteristics in terms of macro economical and political factors, but together they form a strong representation of low and middle income developing countries who issue sovereign bonds.</p> <p>Sydbank use the EMBI GD Index to calculate relevant ESG score thresholds for quantitative screening metrics based on mean and standard deviations. This approach is used consistently on both Sydbank's proprietary ESG model and when analyzing the Sustainable Development Goals Index.</p> <p>Basic Screening Methodology</p> <p>The ESG screening process consist of four sequential steps:</p> <ol style="list-style-type: none"> 1. Screen for relevant international sanctions. 2. Calculate screening metrics based on the mean and standard deviations of countries within the EMBI GD Index. The metrics define the Exclusion Zone and the Evaluation Zone. 3. Calculate the DELTA ESG score as a weighted momentum score of the last 5 years' change relative to the base year (current year). For SDGs, we analyse the progress score for the trends in average SDG Index scores. 4. Evaluate countries on their level as well as their delta relative to the screening metrics. Focus is to ensure that countries in the Exclusion Zone and/or the Evaluation Zone are treated fairly and consistently by the use of verifiable data. <p>The Sydbank ESG Analyst makes a final decision to include or exclude a country in the investment universe and documents the outcome in a quarterly ESG report. The analyst may discretionally assign Extra Points to a country to account for other relevant ESG factors that the data models is unable to account for. For example, due to long lags in data variables updates. This allows the ESG screening process to maintain a dynamic approach that fits the current political and economical dynamics of the underlying investment universe as well as the overall investment process. Extra Points are normally used in a limited number of incidents, but it depends entirely of the current and factual development in the country under consideration as well as the model's data and availability of other reliable sources.</p>	

FI 05	Voluntary	Additional Assessed	PRI 1
<i>Private</i>			

FI 06	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 06.2	Additional information. [Optional]
---------	------------------------------------

Sydinvest operate with multiple systems across the FI ESG integration process.

For corporate issuers and state-owned companies the primary screening tool is a service provider tool that scan companies for suspected breaches of international norms. In addition, portfolio managers include research and ESG risk numbers both in the form of individual company reports, portfolio calculations of attribution to ESG risk and individual ESG data points that is incorporated into proprietary portfolio systems. This set of ESG tools includes a comprehensive data access and allows for portfolio managers to obtain analyst reports and status monitoring of incidents as well as relevant cross-reference to any ongoing engagement.

For sovereigns the systems are proprietary and maintained by Sydbank following internal schedules for data updates, review of official sanctions etc. The ESG data is updated monthly for the most high frequency data variables while some are only updated annually as they are released from the source. The underlying raw data for the sovereign ESG data are typically the UN, World Bank, local data sources etc. There is an ongoing process to ensure that data is consistent and documented by sources.

In case a company and/or a sovereign state is assigned on an exclusion list the relevant ISINs are programmed into Sydinvest's portfolio system and it will not be possible for the portfolio managers to trade in those securities as long as they remain on that list.

FI 10	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
---------	--

ESG integration is conducted through the interaction of the ESG and macro analysis in the Sydbank EM Debt Team who are advisors to Sydinvest funds. They include the global ESG screening and exclusion of EM countries to ensure the research is conducted within the "investable universe" while still observing ESG trends in the universe of countries close to the exclusion level. ESG excluded benchmark and/or off-benchmark countries are included into the risk analysis as the team will discuss alternative investment candidates and their target risk properties to be included into the Research Agenda.

The Sydbank Sovereign ESG research process runs independently from the traditional country analysis conducted by portfolio managers and it is brought into the investment process through the initial global risk allocation as well as the deeper country analysis. Using the detailed evidence on the ESG score model as well as the views of in-house as well as external ESG researchers the portfolio managers can take relevant developments (positive or negative) into account from a risk/return perspective as well as analysing the ESG attributes of those countries who should be used as substitute investments for excluded countries.

The ESG research data comes from a number of sources. The in-house Sovereign ESG model, which has a detailed quantitative feature of both short and long term ESG/political developments are from Business Monitor International (BMI) who also provides a large pool of independent country research reports and direct access to local analyst and political experts. In addition the Team follows ongoing ESG research such as e.g. the UN Sustainable Development Solutions Network and the Sustainable Development Goal Index.

The Sovereign ESG Score Model is Sydbank's primary data warehouse for ESG country data and it provides a thorough methodology to screen EM countries across multiple data variables on ESG indicators.

The ESG data variables are:

- Long-term political factors that characterize the scope of state, the civil freedom and policy system as well as the society; e.g. inequality, government spending etc.
- Short-term political and social factors that characterize the security and stability of the society from internal and external factors; e.g. political process, elections, short-term economic factors such as inflation etc.
- A Freedom House (FH) score that accounts for the country's political and civil freedom rights. Countries considered "unfree" are given a 0 weight whereas countries with higher levels of freedom are awarded scaled points according to their underlying FH Index.
- A Transparency International Corruption Index (TPIC) score that accounts for the country's level of perceived and actual corruption.
- An environmental score based on the Yale Environmental Performance Index (EPI) that measures a wide range of environmental level, efficiency and progress factors on the countries. The factor takes regional/geographical constraints as well as the time change into account.

The ESG Score Model calculate the data variables as a weighted score of the individual factors to a consolidated level of a country's ESG performance. It ranges from 0 to 100 where 100 is the best.

Sydbank's approach to the ESG inclusion to investment is active, genuine and completely in line with our Danish values of building responsible and sustainable investment solutions for our clients.

The process at Sydbank is in line with and complies with the guidelines set out by the Danish Business Authority's Council for Society Responsibility.

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
---------	---

SSA

As described above, the ESG integration is a mix of a quantitative model and qualitative analysis.

The Sydbank Sovereign ESG screening model and the Sydbank Country Score Model (COSMO) are structured upon more than 200 underlying data points taken from external sources such as Fitch Solutions, Transparency International, World Bank, Yale Environmental Performance Index and multiple market data feeds from Bloomberg. Typically, the models use aggregation of the underlying data into meaningful sub-categories or indices and then apply this to proprietary weighting schemes and calculations to arrive at final scores. The scores are typically normalized to 0 – 100 and serve as tools in the decision making process.

When the Team consider ESG and ESG impact on sovereign bond investments they focus in particular on distinguishing between what is an indirect ESG impact effect of the manager's research and investment decision and what is actually an intended ESG effect from the manager's side. For a consideration of e.g. the 2030 UN Sustainable Development Goals, it is important to consider what data is actually being reviewed and how that compare to the data indicators included in the SDG Index? If, for example, the investment research does not consider data that explains the depletion of fish stocks in the sea, then it is fair to argue that it has little or no value to the manager and hence the impact on SDG 14 "Life under Water" is null.

Following this methodology Sydbank has identified 4 out of the 17 SDGs with data indicators where there is an overlap (or similar types of data) and a connection with the description of the investment research conducted by the Sydbank team.

The overlaps are:

- SDG 3: Good Health and Well-being
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry Innovation and Infrastructure
- SDG 16: Peace, Justice and Strong Institutions

Please see www.sydinvest-em.com for a description of the EM debt investment process.

The inclusion of the SDG Index offers the analysis a very broad perspective on the ESG factors with a significant weight on the social (and indirectly economical) factors and to some extent environmental factors. The governance factor, representing a dominant factor in Sydbank's model is limited to only 2 SDGs; no. 16 and 17. By bringing the SDG analysis together with Sydbank's own model the analysis gains both breadth and depth while ensuring the screening of countries is conducted on a very extensive set of factors. It further raises the bar for qualification into the investment universe of the ESG+ process.

Corporate (non-financial)

The ESG integration for corporate fixed income is a mix of quantitative data inputs, analysis of contribution to ESG risk, carbon intensity and qualitative analysis. The efforts are backed up by integration with our active ownership approach to engage directly with issuers that have violated international norms. This effort is conducted on our behalf and together with other institutional investors by our external ESG service provider.

The corporate bond team actively source green bonds where such opportunities become available and where the relative valuation justifies an investment. At the moment the strategy does not include green bonds as an activist tool, e.g. to promote a non-financial objective, but they expect companies to issue this type of debt more frequently and as such it is an opportunity to increase the ESG-integration of the strategy.

The analysis of overall ESG risk and the key contributors in both the portfolio and in the wider benchmark is one of the key issues in the ESG integration. The key tools are data integration into Bloomberg and access to independent ESG research on the relevant issuers, secondly the portfolios are regularly screen to pick up companies that are suspected for (or have a confirmed) violation of international norms.

Securitized

The ESG integration for securitized fixed income is limited to a more normative screening approach. Here we draw upon the country screening from SSA and issuer screening from our external service provider. The relevant securities in this investment area are Danish mortgage and sovereign bonds who are AAA rated papers. As such, the ESG risk in this market is negligible.

However, we have recently seen an increase in green bonds in the securitized market in Denmark and it is an area where we expect to invest more in the future.

FI 11	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 11.1 Indicate how ESG information is typically used as part of your investment process.

	SSA	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12	Mandatory	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 12.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<p>Environmental</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>	<p>Social</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>	<p>Governance</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>
Corporate (non-financial)	<p>Environmental</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>	<p>Social</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>	<p>Governance</p> <p><input checked="" type="radio"/> Systematically</p> <p><input type="radio"/> Occasionally</p> <p><input type="radio"/> Not at all</p>

	Environmental	Social	Governance
Securitized	<input type="radio"/> Systematically <input type="radio"/> Occasionally <input checked="" type="radio"/> Not at all	<input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

Explanation for methodology and data used in ESG integration:

The ESG model is based upon research and data into the Environmental, Social and Governance indicators.

Environment:

The area is covered by the Yale Environmental Performance Index that weights 10% of the combined score. In order to capture some element of a time dimension, the Environmental Performance Index is not included as the standard score, it is augmented by the 10-year change in the score subtracted by the average improvement for all countries. This enhancement gives extra credit to countries where the score has risen more than average and punishes countries where there is no improvement in the environmental score.

The EPI is a very comprehensive index with deep transparency into country data and methodology disclosures. The significant value feature of the EPI is the attempt to account for efficiency of countries environmental initiatives and behavior. For example, it is not only the absolute level of nitrogen used in agriculture that matters. It is the efficiency of fertilizing, i.e. the amount NOT washed out into rivers and the sea that is relevant for "E" performance. The EPI have data measures that account for both level, efficiency and progress which makes it a relevant data set to use in the research.

Social:

The Sydbank Sovereign ESG and the COSMO model capturing the social factor through a number of data indicators from Business Monitor International. For example, a Security Risk Index takes the threat from crime and terrorism into account.

A fundamental element of the credit analysis on EM bonds is the analysis of economic growth and the expected future drivers of the economy. Hence, there is a very strong relationship between the social component and EM debt investments per se. Also, states have an active role in creating a foundation for society. Some states are more directly involved than others, but there is typically a strong correlation between the funding of the state and the development of e.g. infrastructure, critical industry sectors and education.

Beyond the narrow definitions of economic growth the "S" factor includes data that captures the element of labor and the conditions under which economic growth takes place. The COSMO model use two sets of short-term risk indices, one for the labor market and one for economic growth (derived from a range of private sector statistics and GDP numbers). The COSMO model further use three sub-indices derived from multiple underlying sources that cover logistical, operational and investment risk elements.

Governance:

The Sydbank Sovereign ESG and the COSMO model capturing the governance factor through indicators associated with the country's political stability and institutional strength that is crucial for its expected willingness to repay its debt. In this component, the Transparency International Index also enters directly with an independent weight of 15%.

The SDG Index contains nine different data indicators covering public efficiency and institutions, rule of law, security and social rights. The COSMO model has a set of five short and long-term political risk indicators as well as social stability indicators that also cover the rule of law.

The ESG PLUS Model includes a comprehensive screening and documentation section on all international sanctions that are considered relevant for sovereign bond investments. The sources for this research are the websites of the Danish Ministry of Foreign Affairs and the European Union. In addition, the process implement a set of normative rules that automatically exclude countries or quasi-sovereign bonds from the investment universe as follows:

- Countries who are UN or EU sanctioned on weapons and / or who has sanctions towards key members of the government.
- Quasi-sovereign issuers whose operating revenue includes more than 5 % income from exploration, extraction, distribution or converting fossil fuels.

The justification for the selection is twofold. Firstly, the tighter interpretation of sanctions effectively increase the emphasis on the governance factor and secondly, the elimination of direct investment into state owned fossil fuel companies improves the climate footprint of the portfolio. This second filter should be considered in close relation to the portfolio's opportunity to invest into Green Bonds, which is a new but rapidly growing investment universe. However, Sydbank do not consider a country's pool of natural resources, inclusive fossil fuel resources, as being a "disqualifying" factor in relation to climate considerations since all countries have fair and legitimate rights to decide upon the use of these resources. Therefore, countries are only analyzed and scored with respect to how they respect the environment and how efficiently they utilize their natural resources.

An ESG strategy using the PLUS model approach may include a Climate Bond Initiative (CBI) certified green bond investment from an otherwise excluded country provided that this exclusion does not come from an outright ban on bond investments in the country. For example, if a country were only sanctioned on weapons it would not disqualify an investment in a green bond issued from a state owned company.

Corporate (non-financial)

For corporate fixed income the analysis of ESG risk factors and the key contributors is obtained through the research modules of our external ESG service providers. We run a systematic screening of the portfolio across the three main factors as well as the overall ESG risk score. The methodology of the scoring is to calculate the level of un-managed ESG risk within the company. This metric can then be evaluated relative to peers in the same sector, towards peer holdings in the portfolio and towards the benchmark. The screening always combine a combination of quantitative analysis, overview reporting that includes main contributors to portfolio ESG risk, best / worst ESG momentum and access to single company (or single sector) research papers.

Securitized

Our securitized fixed income investments are primarily in Danish mortgage bonds and they are therefore implicitly captured within the overall country ESG process (since it includes Denmark).

FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
	<i>Private</i>		
FI 15	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
	<i>Private</i>		
FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
	<i>Private</i>		
FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
	<i>Private</i>		
FI 18	Voluntary	Descriptive	PRI 1,2
	<i>Private</i>		

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">The CRS report, including the RI data and policy reporting, of the primary investment advisor Sydbank is subject to external audit.</p> <input type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input type="checkbox"/> CEO or other Chief-Level staff <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)			