

## **Sustainability-related disclosure**

### **Portfolio Management Agreement 527**

Website disclosure with product information on financial products promoting environmental or social characteristics.

#### **SUMMARY**

This financial product promotes environmental characteristics by investing primarily in green bonds aligned with recognised standards such as the ICMA Green Bond Principles and the EU Green Bond Standard. These bonds finance projects with positive environmental outcomes, including renewable energy, energy efficiency, and sustainable resource management. Environmental and social characteristics are further promoted through exclusion criteria and active ownership.

A minimum of 95% of the financial product's investments are aligned with the promoted environmental characteristics. Up to 5% may consist of cash or cash equivalents held for liquidity and portfolio management purposes. These positions are not considered aligned with the environmental characteristics due to the nature of the asset class, but they do not undermine the attainment of the characteristics.

No commitment is made to sustainable investments as defined by the EU Sustainable Finance Disclosure Regulation (SFDR). No reference benchmark has been designated.

#### **NO SUSTAINABLE INVESTMENT OBJECTIVE**

This financial product promotes environmental characteristics but does not have sustainable investment as its objective.

#### **ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT**

The financial product promotes environmental characteristics by investing only in green bonds aligned with recognised standards such as the ICMA Green Bond Principles and the EU Green Bond Standard. It further promotes environmental and social characteristics through the exclusion of issuers and sovereigns whose activities have adverse environmental or social impacts and through active ownership, which seeks to influence issuers to improve ESG practices.

#### **INVESTMENT STRATEGY**

The investment strategy focuses on fixed income instruments, with at least 95% of assets allocated to green bonds aligned with recognised market standards.

Binding elements of the strategy include:

- **Screening:** Only bonds that meet recognized green bond standards are eligible.
- **Exclusions:** Issuers and sovereigns that breach defined ESG criteria are excluded.

- **Active ownership:** Engagement with issuers in breach of international norms, with divestment if no improvements occur.

Sustainability risks are integrated into the investment strategy through the requirement to invest exclusively in green bonds aligned with recognised standards and the application of exclusion criteria. While such risks cannot be fully eliminated, they are assessed as low, given the sustainability-focused investment universe of the mandate.

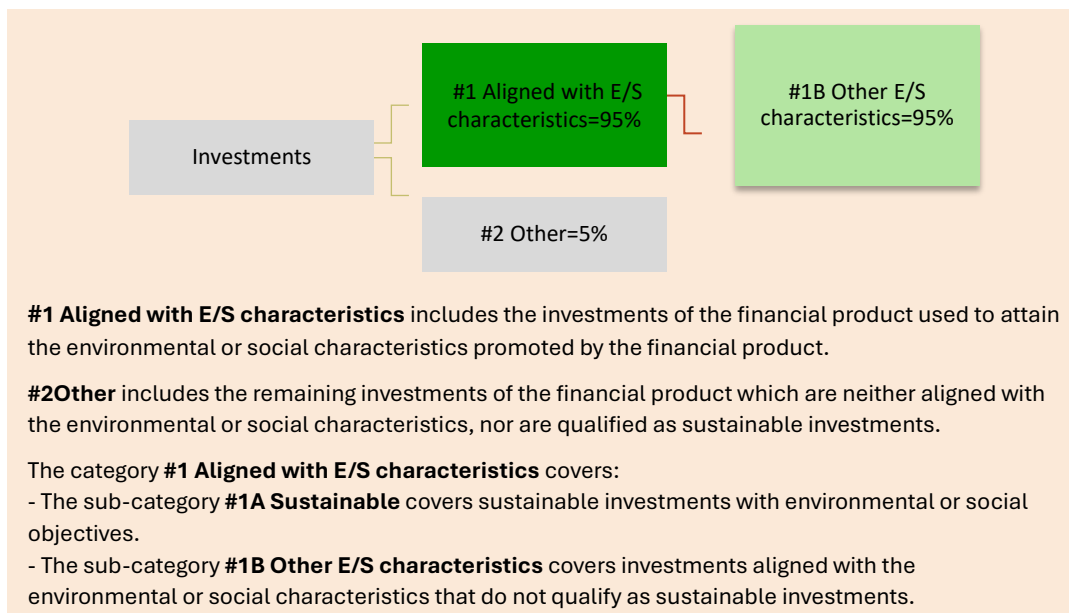
## Policy to assess good governance

Good governance is assessed through norm-based screening (in collaboration with Sustainalytics), which evaluates compliance with international standards such as the UN Global Compact and OECD Guidelines. The assessment covers labor conditions, management structures, human rights, anti-corruption, and remuneration. For sovereigns, governance is assessed primarily through screening sanctions.

## PROPORTION OF INVESTMENTS

- #1 Aligned with environmental or social characteristics: Minimum 95% (green bonds).
- #2 Other: Up to 5% (cash or cash equivalents for liquidity and portfolio management). These holdings are not considered aligned with environmental characteristics due to the nature of the asset class, but they do not undermine the attainment of the product's characteristics.

The product does not commit to a minimum share of sustainable investments as defined by SFDR, nor to a minimum share of EU Taxonomy-aligned, transitional, or enabling activities.



**MONITORING ENVIRONMENTAL OR SOCIAL CHARACTERISTICS**

The attainment of the product's characteristics is monitored using sustainability indicators, including:

- The share of investments in green bonds aligned with ICMA principles and/or EU Green Bond Standard
- The proportion of investments assessed against the exclusion criteria, and

Monitoring is supported by external ESG data and internal control mechanisms.

**METHODOLOGIES**

The product applies the following methodologies to achieve its environmental characteristics:

- Screening all bonds for alignment with recognized green bond standards.
- Applying exclusion lists embedded in the portfolio management system.
- Conducting active ownership through structured engagement processes.

**DATA SOURCES AND DATA PROCESSING**

Maj Invest uses ESG data from Sustainalytics and Clarity AI. These sources provide reported and estimated data, which are integrated into the portfolio management system. Data quality is supported through provider validation processes and continuous updates.

**LIMITATIONS TO METHODOLOGIES AND DATA**

Limitations include inconsistent reporting from issuers, data gaps in certain sectors, and reliance on estimated data where reported data is unavailable. These limitations are mitigated by combining reported and estimated data, ongoing monitoring, and using recognised ESG data providers. It is assessed that such limitations do not materially affect the attainment of the environmental or social characteristics promoted by the product.

**DUE DILIGENCE**

Due diligence includes financial and sustainability-related analysis of all potential investments. Screening, exclusions, and engagement are embedded in the investment process and validated through external data sources. Internal monitoring ensures ongoing compliance.

**ENGAGEMENT POLICIES**

Active ownership is an integral part of the strategy. Engagement is carried out in collaboration with Sustainalytics to address violations of international norms. If no improvements occur, issuers may be excluded. Voting rights may also be exercised where appropriate.

Maj Invest's Active Ownership Policy is available on <https://majinvest.com>.

**DESIGNATED REFERENCE BENCHMARK**

No index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics it promotes.