

Sustainability-related Website Disclosure

Danske Private Equity A/S - Dansk Vækstkapital IV K/S
LEI code: 9845004DE7914B45D267

SUMMARY

You can read a summary of this document [here](#).

NO SUSTAINABLE INVESTMENT OBJECTIVE

The fund promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Through investments in DVK IV Buyout, DVK IV Venture and DVK IV Co-Invest (the "**DVK IV-Funds**") the fund promotes environmental and/social characteristics by:

Inclusions: The fund applies an inclusion criterion relating to "Economic Growth" thereby seeking to promote economic and societal growth in selected regions. The inclusion criterion and how it is attained is further described in the "Methodologies" section.

Exclusions: The fund applies exclusions relating to the conduct of issuers and/or activities in specific sectors. These exclusions and how they are attained are further described in the "Methodologies" section.

Consideration of investments' principal adverse impacts on sustainability factors: The fund considers its investments' selected principal adverse impacts on sustainability factors.

The fund further undertakes a range of activities to encourage underlying external fund managers in respect of considerations of sustainability factors. This includes a proprietary assessment and annual review of the external managers

The fund does not apply a reference benchmark for attaining its environmental or social characteristics.

INVESTMENT STRATEGY

Information on the fund's general investment strategy is provided in Section 1 "Description of the Fund" in the Information Material under Section 63 of the Danish Act on Alternative Investment Managers (the "**AIFM Act**"). As set out herein, the fund is a feeder fund gaining indirect exposures to issuers by investments in the DVK-Funds.

The investment strategy of the DVK-Funds integrates sustainability factors through ESG due diligence processes that cover manager assessments and portfolio fit assessments. The ESG due diligence focuses on the committed inclusion and exclusions of the fund and commitments to consider selected principal adverse impacts. Relevant commitments are further captured through undertakings in side letters.

The above is implemented in the investment process on a continuous basis. By this, the environmental and/or social characteristics may influence a decision to either buy or increase the position, hold or maintain weighting or sell or decrease the weighting of an investment in order to attain the environmental and/or social characteristics. The same applies to considerations related to good governance practices.

Policies to assess good governance

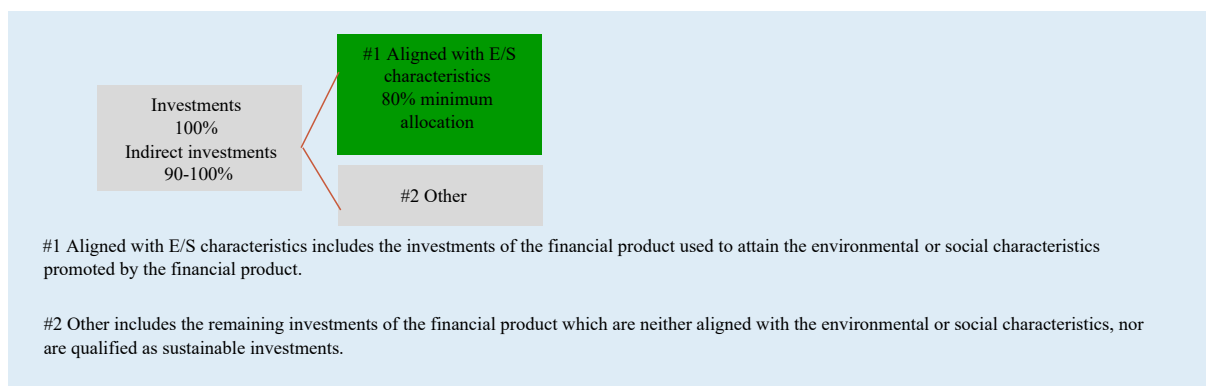
The Responsible Investment Policy of Danske Private Equity A/S provides the basis for assessing and addressing the issuers' good governance practices. In accordance with the framework, the fund considers good governance practices through the use of exclusions tied to a good governance screening performed by Danske Bank on behalf of Danske Private Equity.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance. The screening excludes issuers deemed to fail to comply with international governance principles following from the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and ILO Conventions. In order to safeguard the consideration for good governance practices, the screening further involves the use of defined criteria for sound management structures, employee relations, remuneration of staff and tax compliance. Failure to meet these criteria is seen as an indication of an overall lack of adherence to good governance criteria. Such issuers are therefore excluded for the fund. When investing through underlying funds, the external asset manager's policy for assessing good governance practices is considered as a part of the selection criteria.

PROPORTION OF INVESTMENTS

The fund allocates minimum of 80% of its assets under management to the attainment of its environmental and/or social characteristics. The minimum allocation in this respect covers the share of investments screened for the purposes of the fund's environmental and social characteristics. For the fund's other investments, the fund reserves the right not to screen investments to assess whether they promote its environmental and social characteristics.

The minimum allocation is calculated against the total market value of the the fund's assets under management, reflecting the average anticipated minimum allocation for the relevant reporting period.



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The investment team is responsible for continuously monitoring the adherence to the environmental and/or social characteristics of the fund, including sustainable investment levels and thresholds. The monitoring is conducted primarily through screening of portfolio holdings and draw down notices, ongoing receipts and reviews of ESG-related reports, regular dialogue with the external managers and/or companies involving the Responsible Investment team in Danske Bank as necessary. Four-eye-checks are implemented through reviews conducted in the Finance and Monitoring team, and regular (not less than annual) portfolio screens of the Responsible Investment team in Danske Bank.

At an annual basis, an ESG manager assessment is conducted by the Responsible Investment team covering all managers in the portfolio.

METHODOLOGIES

The fund applies the following sustainability indicators to attain its environmental and/or social characteristics:

Inclusions

The inclusion of "Economic Growth" is attained through the selection of issuers considered eligible to generate societal and economic growth in the regions that the fund is invested in accordance with the Inclusion Instruction of Danske Bank, focusing in particular on the Nordic region. The attainment is measured through accumulated total revenue growth and/or growth in number of employees of issuer since the year the investment was made.

Through the inclusion criterion on "Growth Generation" the fund is committed to integrate considerations of issuers' ability to generate societal or economic growth in the investment selection process with a focus on growth through revenues or number of employees employed. Individual issuers may not necessarily contribute to the turnover growth/job creation, as long as the overall contribution of the fund is positive. The methodology of this inclusion is defined through the Inclusion Instruction of Danske Bank that applies to funds under management of Danske Private Equity. The criteria is maintained through considerations made in the ESG onboarding due diligence and based on data and information collected on the issuers or through own research of the manager.

Exclusions

The fund's exclusions are attained through the indicators, thresholds and definitions set out in the Exclusion Instruction of Danske Bank. The Exclusion Instruction forms the basis of continuous screening and maintenance of exclusion lists for the fund, the impact of which is reported annually.

The fund excludes:

- issuers that are considered to be in breach with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, conventions adopted by the International Labour Organization (ILO) and other international minimum safeguards and good governance principles under an enhanced sustainability standards screening managed by Danske Bank.
- issuers with activities relating to: tar sands, thermal coal, peat-fired power generation, and tobacco, where each of such activities constitute more than 5% of an issuer's revenue. *On the basis of an assessment of the issuer's transition plan, an issuer may be exempted from an exclusion under the thermal coal exclusion criteria even though the revenue associated to this activity exceeds 5%.*
- issuers with activities relating to pornography, where the revenue of such activity constitutes more than 1% of an issuer's revenues.
- issuers involved in controversial weapons.

Principal Adverse Impacts

The fund considers principal adverse impacts against selected principal adverse impact indicators ("PAI Indicators") covering: violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity and exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

Further details on the fund's indicators are available in the document "Sustainability-related disclosure", at <https://www.danskeprivateequity.com> under the heading "Sustainability-related Disclosures".

DATA SOURCES AND PROCESSING

For the investments of the fund, the investment team primarily sources data and reporting through the selected external managers managing funds that the fund is invested into.

Also, as part of Danske Bank Asset Management, the investment team has access to proprietary data points and models that have been constructed internally. There are vast amounts of external sustainability data available to the management and monitoring of the fund, including primary sourced data and model and estimated data sourced from external data vendors, such as ISS ESG, MSCI and Sustainalytics. However these data sets to a large extent have limited coverage to private markets.

In terms of overall data availability, data is sourced according to a principle on "completeness". With completeness the aim is to have data availability that to the largest extent possible ensure data coverage to cover both perspectives relating to double-materiality, i.e. data covering both financial materiality sustainability topics as well as non-financial risks to the environment/societies. In lack of available data information on companies can be based on proxies/estimations.

To ensure data quality, the Responsible Investment in Danske Bank is responsible for evaluating data sets that is onboarded. The standard process for reviewing a data set involves: deep-dives into the data set, drilling down in individual company assessments, benchmarking the data output against other sources or vendors, as well as having calls with the methodology owners behind the given data point(s) being evaluated. If satisfied with the data, data is onboarded and stress-tested on an ongoing basis.

LIMITATIONS TO METHODOLOGIES AND DATA

As investments of the fund primarily target private companies access to relevant ESG data through the ESG Data Platform is limited. Therefore the vast majority of data for the fund is sourced by setting minimum requirements on the external managers or companies to provide reporting with varying frequency on sustainability risk performance and other measurements such sustainable investments, Taxonomy-alignment and performance against indicators leading to adverse harm on sustainability factors.

from investee companies, and/or by carrying out additional research or making own reasonable assumptions/estimations.

Despite diligent due diligence in the onboarding of data and other resource and cost proportional considerations in place to ensure the accuracy, completeness, and reliability of the data, it is not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data.

At this point in time, it is difficult to assess the general magnitude of the margin of error in respect to the data applied in the investment management of the fund, but it is expected to be substantial at least for certain data points.

Various measures are taken to ensure that the attainment of the environmental and/or social characteristics are not affected by these known limitations. In recognition of the lack of consensus and standardisation, Danske Bank's ESG Data Platform consists of credible sources that are assessed to provide relevant information on the material sustainability-related aspects of an investment. Nonetheless, as methodologies vary across the chosen vendors, information is, where relevant and necessary, validated by the investment teams through the review of corporate reports and engagement with the issuers. Finally, to address the risk that arises from metrics being based on modelled rather than reported data, indicators that are used for the attainment of environmental and/or social characteristics, and are, to the extent possible, validated through our model validation framework.

DUE DILIGENCE

The investment team reviews financial and sustainability information from multiple data sources (including but not limited to company reports and third-party investment research). Tools, knowledge, research, education and subject-matter expertise are provided to the investment team to support the due diligence processes. The strength of this bottom-up approach is a solid foundation of data, tools and resources that enables the investment teams to conduct due diligence and promote the environmental and/or social characteristics for the fund.

The trading/compliance platforms have an integrated pre-trade warning system capturing investments exceeding selected principal adverse indicator thresholds which are flagged to the investment team prior to making a trade. Essentially the pre-trade ensure that when a portfolio manager is placing a trade for a security/issuers that has been assessed as having high sustainability risks, the portfolio manager will receive a warning to prompt further due diligence of the issuer. Other ESG data is also integrated into these trading platforms to seamlessly integrate ESG data in portfolio managers' regular work-flows/security views.

Finally, top-down screening is used as a tool to identify issuers on exclusion lists of the fund.

ENGAGEMENT POLICIES

The Active Ownership Policy of Danske Invest Management A/S with underlying guidelines provide the framework for active ownership activities on investments in the fund.

Engagements with issuers in the fund may be exercised by individual engagements and collective engagements in accordance with the Engagement Guidelines of Danske Bank.

For individual engagements, the Engagement Guidelines distinguish between:

- 1) Thematic related engagements
- 2) Event related engagements
- 3) Performance-related engagements.

Sustainability-related controversies are generally managed through event-related engagements, which may be initiated when certain incidents, events or sustainability-related controversies are identified through screening processes maintained by the Responsible Investment team at Danske Bank. Specifically, the Responsible Investment team manages the Enhanced Sustainability Standards screening process, a process that normally takes place at a bi-annual basis.

The objective with the Enhanced Sustainability Standards screening is, among others, to identify and screen allegations of companies in breach of international norms and standards defined by international organisations such

as UN, ILO and OECD. Depending on the severity of the case and the quality of the allegations brought forward, the Enhanced Sustainability Standards screening may result in recommendations to exclude an issuer. The screening may also conclude that the issuer should be placed on a watchlist, thus opening for further interactions and seek additional information on the case. If the issuer/company does not act as expected concerning these initiatives, a decision may be made to sell holdings, monitor the company more closely, and/or the Responsible Investment team may decide to recommend to have the issuer generally excluded under the extended sustainability standard screening. Such a decision is subject to approval by Danske Bank's Responsible Investment Committee.

You can find the Engagement Guidelines and the methodology for the Enhanced Sustainability Standards Screening at: <https://danskebank.com/sustainability/publications-and-policies/sustainability-related-disclosures>

DESIGNATED REFERENCE BENCHMARK

The fund does not apply a designated benchmark for the promotion of its environmental and/or social characteristics.

CHANGE LOG

01.01.2023 Web-site disclosures updated to align with requirements of the EU Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 (the Disclosure Regulation).

Versions

13.11.2023 16:50, version 1: Update to SFDR Annex