



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>
<p><b>Type of engagement</b></p> <p>Collaborative engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>
<p><b>Type of engagement</b></p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>

# RI TRANSPARENCY REPORT

## 2018

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 2018 reporting cycle. 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. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Private		✓					
LEA 24	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Private	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	🔒	n/a							✓
CM 1 01.6	Assurance or internal audit	🔒	n/a							✓
CM 1 01.7	Internal verification	🔒	n/a							✓
CM 1 01 End	Module confirmation page	✓	-							

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## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

- Fund of funds, manager of managers, sub-advised products
- Other, specify

Further options for investment managers (may be selected in addition to the above)

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

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).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

20

OO 03

Mandatory

Public

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

Yes

No

OO 04

Mandatory

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2017

OO 04.2

Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		56	143	700	000
Currency	DKK				
Assets in USD		8	951	311	468

OO 06

Mandatory

Public

Descriptive

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 06.1

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

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	35	0
Fixed income	65	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

### Asset class implementation gateway indicators

**OO 10** **Mandatory** **Public** **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 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 (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	Public	Gateway	General
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**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	Public	Gateway	General
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**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

RI implementation via external managers

Closing module

- Closing module

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## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 02

Mandatory

Public

Core Assessed

PRI 6

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

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

- URL

URL

<http://www.sydinvest.com/about-us/ethical-investment/ethical-investment.aspx>

- Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment

- URL

URL

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

- Attachment (will be made public)

- 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.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches

URL/Attachment

- URL

URL

[https://www.sydinvest.com/Files/Filer/0\\_Sydinvest/Download/PDF/Materiale/Active-ownership-policy.pdf](https://www.sydinvest.com/Files/Filer/0_Sydinvest/Download/PDF/Materiale/Active-ownership-policy.pdf)

- Attachment
- Reporting
- Climate-related issues
- We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

<https://www.sydinvest.com/about-us/investment-philosophy.aspx>

No

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**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 eg 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.

No

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**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

## Promoting responsible investment

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**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.

**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
  
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- 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 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)

- Basic
- Moderate
- Advanced
- 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)

- Basic
- Moderate
- 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
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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<b>SG 10.1</b>	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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- Yes

<b>SG 10.2</b>	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.
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- 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
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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 made a presentation and participated in a panel debate on the subject of active ownership. The seminar was arranged by GES Copenhagen together with Nykredit.

#### 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

## Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1

Indicate whether your organisation uses investment consultants.

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

## ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 13.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

## Communication

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

Fixed income

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

	<b>Disclosure to clients/beneficiaries</b>
	Disclosure to clients/beneficiaries
	<ul style="list-style-type: none"> <li><input type="radio"/> Broad approach to RI incorporation</li> <li><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</li> </ul>
	<b>Frequency</b>
	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>

Listed equity - Engagement

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

Listed equity – (Proxy) Voting

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

Listed equity - Incorporation

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

# Sydneyinvest

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## 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.

## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEI 01.1</b>	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
-----------------	--

#### ESG incorporation strategy (select all that apply)

- 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	
---	--

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

	Total actively managed listed equities
--	--

100%

<b>LEI 01.2</b>	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
-----------------	---

Being a mutual fund we believe that the combination of screening and integration is the best way of taking care of the interests of our investors.

### (A) Implementation: Screening



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

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- 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 launched a global equity fund with an ethical profile. In this fund we screen for weapons, tobacco, alcohol, adult entertainment, gambling and fossil fuels.

- Positive/best-in-class screening
- Norms-based screening

**Screened by**

- 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

	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 the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

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**

**Public**

**Core Assessed**

**PRI 1**

**LEI 05.1**

Indicate which processes your organisation uses to ensure 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.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

### (C) Implementation: Integration of ESG issues

**LEI 08**

**Mandatory**




**Public**

**Core Assessed**

**PRI 1**

**LEI 08.1**

Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <p data-bbox="504 383 600 405">● &lt;10%</p> <p data-bbox="504 427 616 450">○ 10-50%</p> <p data-bbox="504 472 616 495">○ 51-90%</p> <p data-bbox="504 517 600 539">○ &gt;90%</p>
Social	 <p data-bbox="504 663 600 685">● &lt;10%</p> <p data-bbox="504 707 616 730">○ 10-50%</p> <p data-bbox="504 752 616 775">○ 51-90%</p> <p data-bbox="504 797 600 819">○ &gt;90%</p>
Corporate Governance	 <p data-bbox="504 943 600 965">● &lt;10%</p> <p data-bbox="504 987 616 1010">○ 10-50%</p> <p data-bbox="504 1032 616 1055">○ 51-90%</p> <p data-bbox="504 1077 600 1099">○ &gt;90%</p>

# Sydneyinvest

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

[https://www.sydinvest.com/Files/Filer/0\\_Sydinvest/Download/PDF/Materiale/Active-ownership-policy.pdf](https://www.sydinvest.com/Files/Filer/0_Sydinvest/Download/PDF/Materiale/Active-ownership-policy.pdf)

LEA 01.3

Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4

Provide a brief overview of your organization's approach to engagement

When we experience breaches of broad internationally accepted norms and conventions we engage with companies on the mature markets.

On the emerging markets we have an extended setup where we engage with companies with low preparedness regarding ESG issues within challenged industries.

○ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

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

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff <div style="background-color: #0072bc; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via internal staff.</div> <p>We engage through our service provider.</p>
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

<b>Process</b>
----------------

<b>Process for engagements conducted via collaborations</b>
---

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

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

**LEA 05.2**

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

No

**LEA 06****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 06.1**

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2**

Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3**

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

### Process for engagements conducted with/on your behalf by service providers

**LEA 07****Mandatory****Public****Core Assessed****PRI 2,4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

Yes

**LEA 07.2**

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

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

No

**LEA 08****Mandatory****Public****Core Assessed****PRI 2,6****LEA 08.1**

Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

Please select all that apply



- Yes, periodically
- Yes, ad hoc basis
- We do not monitor or review them

### General processes for all three groups of engagers

LEA 09	Mandatory	Public	Additional Assessed	PRI 1,2
--------	-----------	--------	---------------------	---------

**LEA 09.1** Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Public	Gateway	PRI 2
--------	-----------	--------	---------	-------

**LEA 10.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements
<b>Service provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

### (Proxy) voting and shareholder resolutions

#### Overview

LEA 15	Mandatory	Public	Core Assessed	PRI 1,2,3
--------	-----------	--------	---------------	-----------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 15.1	Indicate whether your organisation has a formal voting policy.
----------	--

Yes

LEA 15.2	Indicate what your voting policy covers:
----------	--

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

LEA 15.4	Provide a brief overview of your organization's approach to (proxy) voting.
----------	---

To facilitate the process of voting at general meetings Sydinvest has partnered with Manifest, a company that specializes in proxy voting. Manifest monitors General Meetings and ensures that voting rights be exercised in accordance with the objectives and strategies that the association has developed to Manifest. Sydinvest has thus overview of the agenda items to be voted on, and manages the voting itself.

No

## Process

LEA 16	Mandatory	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

LEA 16.1	Indicate how you typically make your (proxy) voting decisions.
----------	--

### Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

### Based on

- the service provider voting policy signed off by us
  - our own voting policy
  - our clients' requests or policy
  - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

### LEA 16.2

Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

We have the final word on the votings.

LEA 20

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

### LEA 20.1

Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

### LEA 20.2

Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

**LEA 21.1** For listed equities where you and/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%)

%

1

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

**LEA 21.2** Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in 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)
- On request by clients
- Other

We do not track or collect this information

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

**LEA 22.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information
- No, we do not track this information

# Sydneyinvest

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

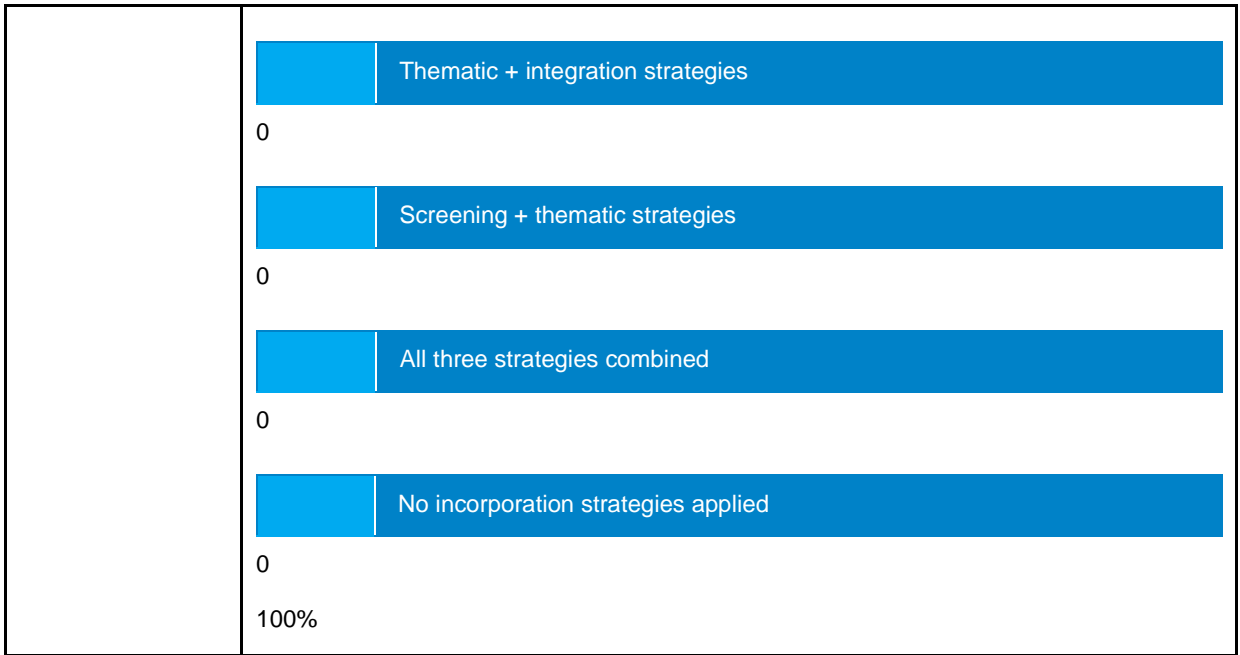
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## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	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
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
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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)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100								
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		





Securitized	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
	100%	

**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 exclusion of certain countries.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

<b>FI 03.1</b>	Indicate how you ensure that your ESG research process is robust:
----------------	---

- 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 of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify

	specify description
--	---------------------

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

- None of the above

<b>FI 03.2</b>	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 a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' 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

<b>FI 03.3</b>	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 a third party research and engagement provider with whom we hold regular assessment meetings. For sovereign bonds, the internal ESG research team regularly benchmark their analysis to outside parties' research and public research. For example, Sydinvest has one ESG fixed income fund where the ESG framework is a combination of both an external consultant's as well as the in-house team's research output. Another example is comparisons of sovereign ESG scores towards those of the UN Sustainability Goal Index.

<b>(A) Implementation: Screening</b>				
--------------------------------------	--	--	--	--

FI 04	Mandatory	Public	Gateway	PRI 1
-------	-----------	--------	---------	-------

**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

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

**FI 04.2** Describe your approach to screening for internally managed active fixed income

For corporates our service provider manage a bi-annual screening for breaches of international norms and conventions. The result of these screenings forms the basis for the content of our exclusion list.

For sovereigns, Sydinvest has a proprietary research and screening model that involves a systematical 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. ). In addition, the team screens all EM countries for international sanctions and make a final analysis and judgement of inclusion or exclusion from the investment universe.

The score represents a percentage score of 0 - 100, where 100 is the best. Leaving outright sanctioned countries aside, the model defines the threshold for exclusion to be the average score of the JP Morgan EMBI GD Index countries minus 2 times their standard deviation. This relative term approach ensures that the ESG analysis as well as the country exclusion is conducted from both a "best in class" and a normative perspective. The 64 EMBI countries are also a very broad and relevant set of EM countries to use as reference for EM bond strategies.

**FI 05** **Mandatory** **Public** **Descriptive** **PRI 1**

**FI 05.1** Indicate why you conduct negative screening.

**SSA**

**SSA**

- For legal reasons
- For non-legal reasons

**Corporate (non-financial)**

**Corporate (non-fin)**

- For legal reasons
- For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
---------	--

Regarding corporates we have the same approach as for equities. I.e. we exclude companies involved in controversial weapons and breaches of EU sanctions. We incorporate ESG-factors in the analysis of companies. If companies breach international conventions and norms and engagement activities are unsatisfactory we exclude companies from the investment universe.

For SSA, Sydinvest takes an active and critical stand on the dilemmas naturally arising in connection with investments in very poorly developed countries which cannot be expected to live up to the same standards as developed countries. However, a very low score due to e.g. corruption is typically a red flag, often amplified with significantly weak public institutions, and this can be cause for exclusion from the universe. In addition, we screen all EM countries for international sanctions and make a final analysis and judgement of inclusion or exclusion from the investment universe. Not all sanctions are relevant and meaningful for bond investors per se. They are also not always in line and updated to the current situation in the country. This analysis and assesment is an important part of the 'negative' screening and exclusion.

FI 07	Mandatory	Public	Core Assessed	PRI 1
-------	-----------	--------	---------------	-------

FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
---------	---

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Checks are 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 every 2 years. <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Checks are 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 every 2 years. <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Checks are 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 every 2 years. <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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**FI 07.2** Additional information. [Optional]

The ESG screening process is well documented in Sydinvest, and for some particular funds, e.g. the Sydinvest EM Sustainable Blended Debt Fund, the process is explicitly documented in the prospectus.

The process for ensuring compliance with the ESG screening is built into the compliance monito module of the manager's portfolio system (SimCorp). It ensures that a warning is issued if the portfolio holdings show issues from an excluded country (or company in the case of corporate bonds and equities).

As an integrated part of the quarterly reporting the countries are tracked for their ESG score and they are labeled "Sydinvest country" and/or "Benchmark Country" if Sydinvest have bond positions in a county and/or the country is a member of the JP Morgan EMBI index. This reporting is reviewed by the ESG Committee as part of the quarterly assessment of the overall ESG outlook for countries and the exclusion list / framework.

**(C) Implementation: Integration**

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
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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.

In association with the new EM Sustainable Blended Debt Fund a cooperation with the Swiss consultant Inrate has been established. Inrate's role is to monitor and verify Sydbank's existing screening on international sanctions as well as provide a proposed exclusion list for the new fund (this is ONLY valid for this particular fund). In addition to this, Sydbank has access to Inrate's consultants and ESG experts for sparring and questions. The relationship is very new and is gradually being built up.

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 11.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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SSA
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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 Business Monitor International (BMI), 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](http://www.sydinvest-em.com) for a description of the EM debt investment process.

### Corporate (non-financial)

We use the same approach for fixed income as we use for equities. We don't distinguish between financials and non-financials regarding ESG-issues.

### Securitized

We use the same approach for securitized assets as we use for equities.

FI 12

Mandatory

Public

Core Assessed

PRI 1

FI 12.1

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

Select all that apply

	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 integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 12.2**

**Additional information [OPTIONAL]**

Sydivest has developed the ESG framework to work well with less developed emerging countries. This is the area where the analysis has most value and where the assets under management supports it (2.8 bn USD as of Dec 2017).

For EM sovereign bond investors the case for making a direct ESG impact through their investments is somewhat indirect. However, our analysis have identified that for the UN 2030 Sustainable Development Goals the 2017 version of the SDG Index is a valid benchmark and Sydbank's Sovereign ESG Screening model is an appropriate tool to use for investment and ESG research. Specifically, the model provide basis for impact in at least four areas: SDG no. 3, 8, 9 and 16. All of them capture the role played by the state when setting norms and enforcing rules as well as allocating government funds in a fair and sustainable manner. All are relevant for the analysis of the states' willingness and capacity to honor its debt obligations. Lastly, they all directly or indirectly contribute to the risk analysis of the country.

The data used in the Sydbank Sovereign ESG as well as the COSMO model does a good job in capturing the elements from the SDG Index. Despite being derived from independent sources it ends up with closely correlated and relatively equal rankings of countries across the four SDGs individually as well as on the average across all four.

The Sydbank EM debt investment process therefore do make an impact on the sustainability of the final portfolios through a well-founded and through research model.

**FI 13**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 1**



**FI 13.1** Indicate the extent to which ESG issues are reviewed in your integration process.

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

**FI 13.2** Please provide more detail on how you review E, S and 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.

#### Corporate (non-financial)

The ESG integration is based on inputs from our service provider. We have access to ESG data through the website of our service provider.

#### Securitised

Our securitised fixed income investments are primarily in Danish mortgage bonds and it is not meaningful to us to integrate ESG in the investment process.

# Sydneyinvest

## Reported Information

### Public version

### Assurance

## 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.

## Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

CM 1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify
- None of the above

CM 1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM 1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM 1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM 1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM 1 01.4, 10-12	Mandatory	Public	Descriptive	General
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**CM 1 01.4**

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- 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
- ESG audit of holdings
- Other, specify
- None of the above