

Sammanfattning för finansiella produkter som främjar miljörelaterade eller sociala egenskaper

I denna sammanfattning ges information om de finansiella produkternas miljörelaterade och sociala egenskaper eller mål i enlighet med artikel 10.1 i SFDR-förordningen (EU) 2019/2088 om hållbarhetsrelaterade upplysningar som ska lämnas inom den finansiella tjänstesektorn samt i enlighet med artikel 25–36 i kommissionens delegerade förordning (EU) 2022/1288.

The Sub-fund is invested with the intention of promoting the environmental and social characteristics. The Sub-Fund uses a combination of strategies to attain this goal. Specifically, it employs a blanket ban on certain activities, sectors, and practices that it deems as incompatible with the environmental and social characteristics while it also utilizes a norm-based screening to filter out companies that violate international norms and don't exhibit any willingness to change. More detailed information is provided below

Inga mål för hållbar investering

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

Miljörelaterade eller sociala egenskaper hos den finansiella produkten

The Sub-fund promotes environmental and/or social characteristics through ESG integration in the investment process and exclusions. The Sub-fund complies with BankInvests Responsible Investment Policy. The fund also follows objectives according to BankInvests fossil fuel guidelines.

Methods used are exclusion, consideration of sustainability factors (ESG integration) and norms-based screening.

The Sub-Fund exclude companies with a significant exposure to activities considered to have a significantly negative impact on the environment or society. The Sub-Fund invests in companies that have been analysed and assessed based on ESG factors. ESG factors can be used to identify sustainability risks and opportunities.

Details on how these E/S characteristics are attained can be found further along this document.

Lastly, no reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Investeringsstrategi

The environmental and social characteristics are met by the Sub-Fund being subject to the investment manager's general policy for responsible investments. It is continuously monitored that the Sub-Fund complies with the restrictions imposed by the policy and the Sub-Fund's investment universe.

Active management is part of the investment approach. This means that the investment manager is continually in dialogue with companies, where environmental, social, and governance issues can be considered, if relevant.

The investment strategy to attain the environmental and social characteristics that the Sub-Fund promotes is to apply exclusion screens of certain activities, sectors and practices that are incompatible with the environmental and social characteristics. This sums up to an exclusion list of companies not investable for the Sub-Fund.

Furthermore, the investment strategy applies ESG screening criteria using ESG data from an external data provider. The Sub-fund takes into consideration Principal Adverse Impacts, more information on which has been provided above under the relevant section.

The policy can be accessed here: <https://bankinvest.com/>

Exclusion

- The Sub-Fund does not invest in companies involved in the production of controversial weapons such as cluster bombs, landmines, chemical and biological weapons, and nuclear weapon outside the Non-Proliferation Treaty.

- The Sub-Fund does not invest in companies where more than 5% of their revenue comes from coal mining, oil sands production, oil and gas exploration in offshore Arctic areas, and tobacco production or distribution.

- The Sub-Fund does not invest in companies with a CCC ESG-rating unless this is in accordance with the process set out in the responsible investment policy.

- The Sub-Fund does not invest in companies that violates international standards within environmental, social, human resources, respect for human rights, anti-corruption, and anti-bribery.

- The Sub-fund is also not allowed to invest in companies in which more than 5% of the revenue comes from adult entertainment production of tobacco, production of conventional weapons.

The exclusions and norm-based screening results in an exclusion list. The list is updated at least twice a year and the Investment Manager will seek to divest in companies entering the list as soon as possible.

The investment manager must consider the most significant negative sustainability impacts (PAI indicators) in their investment decisions in the portfolio management process. Thus, the investment manager uses information on the CO2 emissions of the issuers, revenue within selected sectors and ESG rating in the investment analysis.

The following PAI's are considered:

4. Exposure to companies active in the fossil fuel sector

The Investment Manager has a general ban on investing in companies in which more than 5% of the revenue comes from extraction of coal and production of tar sand according to the Exclusion Policy.

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

The investment manager also performs norm-based screening, which means that investments are screened for companies that may violate international norms for environmental protection, human rights, labor standards, and business ethics (e.g., the UN Global Compact or ILO labor conventions). If a company violates these norms, the Sub-Fund typically will use its active ownership and influence to make the company take responsibility and change its behaviour. If the dialog does not show the desired progress, the Sub-Fund may consider excluding the company from the investment universe.

14. Exposure to controversial weapons

The Investment Manager has a general ban on investing in companies involved in the production of controversial weapons such as cluster munition, land mines, chemical and biological weapons and nuclear weapons outside the Non-Proliferation Treaty according to the Exclusion Policy.

Andel av investeringar

The majority of the investments in the Sub-fund is expected to be investments which contribute to the attainment of the environmental and social characteristics promoted by the Sub-Fund. Therefore, at least 85% of the Sub-Fund's assets will be invested in securities which are Aligned with E/S characteristics.

Övervakning av miljörelaterade eller sociala egenskaper

The percentage of investments in companies that are included in the exclusion list is used as a metric to measure the attainment of the E/S characteristics promoted by the fund. Due to the nature of the metric, this percentage should ideally be 0% or trending to 0%.

The Investment Manager has an internal Responsible Investment Committee, which is tasked with monitoring the Investment Manager's responsible investment efforts, including developing policies, maintaining an exclusion list. The exclusions and norm-based screening results in an exclusion list. The list is updated at least twice a year and the Investment Manager will seek to divest in companies entering the list as soon as possible.

Metoder

Based on ESG data, the investments within the sub-fund are screened with regards to product involvement, norm-based breaches and engagement status resulting in an exclusion list.

Investments undergo pre-trade controls and ongoing screening in our portfolio management system, BlackRock/Aladdin conducted by our Middle Office team.

Datakällor och databehandling

The Investment Manager is using ESG data from globally recognized ESG data providers including MSCI ESG and Morningstar Sustainability.

When the Investment Manager invests in government bonds issued by Emerging Market countries, data from the FFP's Fragile States Index and MSCI ESG is part of the investment analysis.

Data is sourced directly into our portfolio management system, BlackRock/Aladdin. And pre-trade limits are implemented.

No data is estimated with regards to this process.

Begränsningar för metoder och data

The landscape of sustainability data is quite large and potentially a lack of consistency is present. When applying data from an external data provider we accept their methods and models.

The fact that corporate disclosures within sustainability is still largely voluntary, data scarcity is existing. Part of data is based on estimations implying a risk of inaccurate or incomplete data upon which the external data providers might rely on.

The use of external data providers will imply that the application of different methodologies for each data provider might cause uninformed investment decisions based on the incoherent methodologies between the different data sources.

Various measures are taken to ensure that these limitations are mitigated. In general, a best-effort approach is applied, and a continuous dialogue is conducted with the external data providers regarding methodologies and specific cases when discrepancy are identified.

Due diligence

The compliance system setup is automated and pre-trade controls are automatically run every time a new investment is made.

The Investment Manager has a four-eyes principle when setting up any limits within our portfolio management system, BlackRock/Aladdin.

It is not possible to execute a trade if the ISIN is on the exclusion list.

Strategier för engagemang

The Investment Manager carries out norm-based screening which means that all investee companies are screened for their compliance of international norms such as UN Global Compact and ILO labour conventions. If an investee company has a confirmed violation of one or more of the norms, the Investment Manager will use engagement and active ownership, to influence the investee company to take responsibility and change its behaviour. The engagement is often done in collaboration with a data provider.