

Template principal adverse sustainability impacts statement

Statement on principal adverse impacts of investment decisions on sustainability factors						
Financial market participant						
Carnegie Investment Bank AB, Wealth Management Denmark, LEI 529900BR5NZNQZEVQ417						
Summary						
Carnegie Investment Bank AB, Wealth Management Denmark, LEI 529900BR5NZNQZEVQ417, tager hensyn til væsentlige negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer. Denne erklæring er den konsoliderede erklæring om de væsentlige negative indvirkninger på bæredygtighedsfaktorer fra Carnegie Investment Bank AB, Wealth Management Denmark.						
Denne erklæring om væsentlige negative indvirkninger på bæredygtighedsfaktorer omfatter referenceperioden fra 1. januar 2023 til 31. december 2023.						
Carnegie Investment Bank AB, Wealth Management Denmark, anvender inklusions- og eksklusionsmetoder for at tage hensyn til de væsentlige negative indvirkninger på bæredygtighedsfaktorer. Inklusionerne og eksklusionerne bruges i investeringsbeslutningsprocessen, hvor den grundige viden om virksomheden/udstederen og screeningskriterierne bruges til at identificere virksomheder/udstedere, hvis aktiviteter ikke anses for at være skadelige, uetiske eller ikke-bæredygtige for miljøet eller samfundet.						
Kun tilgængelige data fra MSCI ESG er blevet brugt. I tilfælde hvor data for visse beholdninger ikke er tilgængelige, giver tabellen under afsnittet "Explanation" oplysninger om den samlede dækning for hver indikator.						
Opdateret pr. 30. juni 2024						
Description of the principal adverse impacts on sustainability factors						
Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	18.032,10	29.592,00	93,2%	Actions taken: In the majority of the managed equity and fixed income portfolios, mining of thermal coal, oil sands extraction and companies with revenue from fossil fuels are excluded. In the majority of the equity portfolios the aim is for lower GHG emission than the portfolios return benchmark. The global fixed income portfolios aim for a minimum share of sustainable bonds of 10%. Actions planned: Carnegie is in the process of commitment to Science-Based Target, which includes forward-looking components in the form of investee companies' objectives regarding emissions. Target: Our managed capital should be invested in line with the Paris Agreement by 2040.
		Scope 2 GHG emissions	7.182,05	7.897,22	93,2%	
		Scope 3 GHG emissions	258.178,24	380.690,60	93,2%	
		Total GHG emissions	284.245,36	418.179,82	93,2%	
		Carbon footprint	191,83	255,22	93,2%	

	3. GHG intensity of investee companies	GHG intensity of investee companies	567,51	663,97	97,2%	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3,29%	5,34%	96,0%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	64,37%	67,68%	65,32%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE Code: A: 0,49 B: 0,95 C: 0,28 D: 1,89 E: 0,85 F: 0,10 G: 0,38 H: 0,05 L: 0,29	NACE Code: A: N/A B: 0,94 C: 0,58 D: 0,43 E: N/A F: 0,04 G: 0,15 H: 1,20 L: N/A	81,84%	
Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	6,31%	0,42%	97,45%	Actions taken: We screen all of our investments for alignment with the United Nations Global Compact principles including Principle 7. Businesses should support a precautionary approach to environmental challenges). Furthermore, in order to limit the exposure to sites/operations negatively affecting the biodiversity the majority of managed portfolios exclude companies with revenue from production in palm oil and biocides. Target: By excluding companies that violate UN Global Compact Principle 7 or by monitoring our impact to understand how we can minimize our footprint, Carnegie aims to decrease its negative impact on biodiversity-sensitive areas.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,09	0	0,57%	Actions taken: Same action as for PAI 7 (Activities negatively affecting biodiversity-sensitive areas) Target: By excluding companies that violate UN Global Compact Principle 7 or by monitoring our impact to understand how we can minimize our footprint, Carnegie aims to decrease its water emission.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,93	4,08	34,39%	Actions taken: Same action as for PAI 7 (Activities negatively affecting biodiversity-sensitive areas) Target: By excluding companies that violate UN Global Compact Principle 7 by monitoring our impact to understand how we can minimize our footprint, Carnegie aims to reduce hazardous waste and radio activity waste ratio to zero by 2040.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,00%	0,14%	96,22%	Actions: As a participant in the UN Global Compact (UNGC), Carnegie Investment Bank commits to the ten corporate sustainability principles in the areas of environment, labor conditions and anticorruption. In the investment decision-making process, all managed portfolios are screened for compliance with these principles. The aim is to avoid investments in companies that have been involved

	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,13%	33,85%	95,97%	in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Target: Zero exposure to companies that has violations against UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises) and companies without policies and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9,23%	14,84%	22,33%	Action: We screen all of our investments for alignment with the United Nations Global Compact principles (including Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation) based on MSCI ESG Research, and where we are active asset managers we work to ensure that companies have policies and practices in place that promote diversity, equality, and non-discrimination Target: Our aim is to avoid investments in companies that are not aligned with the United Nations Global Compact principles which includes Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	37,89%	35,86%	95,38%	Action: Our aim is to avoid investments in companies that are not aligned with the United Nations Global Compact principles (including Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation). Target: We strive for a distribution between 40/60 either way in gender diversity.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00%	0,00%	96,45%	Actions: We screen all of our investments against involvement in the manufacture or selling of controversial weapons. Target: Zero exposure against controversial weapons (target for 2024 and onwards)
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022		Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	207,06	282,26	100,00%	Actions taken: In the majority of the managed fixed income portfolios, mining of thermal coal, oil sands extraction and companies with revenue from fossil fuels are excluded. The global fixed income portfolios aim for a minimum share of sustainable bonds of 10%. Actions planned: Carnegie is in the process of commitment to Science-Based Target, which includes forward-looking components in the form of investee companies' and countries objectives regarding emissions. Target: Our managed capital should be invested in line with the Paris Agreement by 2040.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute: 2 Relative: 9,38%	Absolute: 0 Relative: 0%	100,00%	Target: Zero exposure to countries subject to social violations.
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022		Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A		
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A		
Description of policies to identify and prioritise principal adverse impacts on sustainability factors						

We consider a wide range of ESG-related data, including the Principal Adverse Impacts (PAI) identified by the EU for which structured data is available. . Prioritization of and actions related to sustainability indicators are based on our Policy for Responsible Investment.

We work with positive screening and negative screening for managing principal adverse impacts of investment decisions on sustainability factors.

Positive screening

- ESG screening using MSCI
- Meetings between portfolio managers and company management
- Investments in instruments directly linked to ESG measures and targets

Negative screening

We exclude investments in companies whose activities are assessed as harmful to society or the environment. We do not invest in companies that have been proven in a serious or systematic way to violate international conventions and norms concerning labor law, human rights, the environment and corruption, and that have not been judged as showing sufficient willingness to change to address the problems. Norms that are given special consideration are the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

This includes companies that have either been identified as "non-compliant" in the screening, or companies that have otherwise been brought to the attention of Carnegie. An ongoing screening of all investee companies is carried out.

The screening for article 8 products also identifies companies with operations (generating more than 5 percent of turnover) within selected sectors that are perceived as non-ethical or non-sustainable.

The methods described are dependent upon the supply and quality of data provided directly by investee companies as well as third-party data.

Data sources used

MSCI

Engagement policies

Carnegie conducts engagement activities on behalf of its clients to safeguard good returns on its investments and sound practices in investee companies. Engagement activities consist primarily of monitoring and dialogues with management in investee companies. Carnegie may decide to abstain from investing if target companies don't meet our requirements. Also, Carnegie may divest existing holdings for the same reason. Meeting investee companies management on a regular basis is an integral part of the investment process so dialogues are an ongoing subject.

References to international standards

Carnegie is a member of the UN's Global Compact initiative. We thereby support and follow ten principles regarding human rights, the environment, labor law and anti-corruption.

We have also signed the Principles for Responsible Investments (PRI) initiative founded by the UN. This means that we operate in accordance with the following six principles:

- We incorporate sustainability issues into our investment analysis and into our decision-making processes.
- We must be active owners and include sustainability issues in our ownership policy.
- We will ask the objects we invest in for relevant information regarding sustainability.
- We will work for these principles to be implemented and accepted within our industry.
- We will work with others to improve the implementation of these principles.
- We will report on our activities and our progress regarding the implementation of these principles.

Historical comparison

We strive to reduce our negative impact across all areas. Because there is still a lack of reported data in some areas and because the amount of reported data increases every year, it is challenging to make a direct comparison to the previous report for certain areas. We will continue to monitor our impact within all ESG areas as the reported data improves and with that the ability to make the most informed decisions as possible.

In the area of greenhouse gas emissions the impact has decreased considerably from last years reporting. This is mainly due to a change of investee companies.

For biodiversity the impact has increased, but it must be noted that the analysis is based on estimated data alone because no reported data is available at this time. In an effort to reduce the estimated impact on biodiversity, we plan to screen all portfolio investments for alignment with the United Nations Global Compact Principle 7 (Businesses should support a precautionary approach to environmental challenges) based on MSCI ESG Research methodology.

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022		Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average				
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average				
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average				

	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement		40,68%	30,08%	96,61%	<p>Actions taken: In the majority of the managed equity and fixed income portfolios, mining of thermal coal, oil sands extraction and companies with revenue from fossil fuels are excluded. In the majority of the equity portfolios the aim is for lower GHG emission than the portfolios return benchmark. The global fixed income portfolios aim for a minimum share of sustainable bonds of 10%.</p> <p>Action planned: Carnegie is in the process of committing to Science-Based Targets (submission has been made), which includes forward-looking components in the form of investee companies' objectives regarding emissions.</p> <p>Target: By 2040, none of our portfolio companies will have more than 2% of its revenues derived from production or distribution of coal, gas and/or oil.</p>
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source					
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the					
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies					
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy					
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006					
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing					
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies					
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies					
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average					
	14. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species					
		2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas					
	15. Deforestation	Share of investments in companies without a policy to address deforestation					
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds					
Indicators applicable to investments in sovereigns and supranationals							
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds					
Indicators applicable to investments in real estate assets							
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets					
		Scope 2 GHG emissions generated by real estate assets					
		Scope 3 GHG emissions generated by real estate assets					
		Total GHG emissions generated by real estate assets					
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter					

Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract				
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations				
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets				

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022		Actions taken, and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies							
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy					
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average					
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average					
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)					
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters					
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers		0,62%	11,22%	95,97%	Action: We screen all of our investments for alignment with the United Nations Global Compact principles Target: Our aim is to avoid investments in companies that are not aligned with the United Nations Global Compact principles.
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average					
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)					
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy		4,32%	8,44%	95,97%	Action: We screen all of our investments for alignment with the United Nations Global Compact principles Target: Our aim is to avoid investments in companies that are not aligned with the United Nations Global Compact principles.
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts					
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings					
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation					

	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation				
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis				
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption				
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery				
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies				
Indicators applicable to investments in sovereigns and supranationals						
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column				
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column				
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column				
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column				
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes				
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column				
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column				