



IIP Denmark - ESG investment policy

1. Background and purpose

IIP Denmark P/S (“IIP”) wants to make a difference. Not only to our investors but also to our planet and society. Therefore, we have established this ESG investment policy with guidelines for responsible investments.

Our precondition for responsible investments is that companies that act responsibly in the long run are expected to achieve better and more stable returns to their shareholders.

The following environmental, social and governance principles apply to IIP and we will endeavour that the principles are observed by the investments of any funds and any other type of investment vehicle managed by IIP. IIP requires this ESG investment policy to be integrated in the best possible way in the individual investments. If, via an investment, IIP becomes a co-owner of a company that infringes the ESG investment policy and it is decided to divest the entire investment, the general partner of the investment shall work to ensure that this is done sensibly, taking into account the other investors in the fund.

This ESG investment policy applies to all investments made by any funds and any other type of investment vehicle managed by IIP. If a company infringing this ESG investment policy has a parent company, the parent company shall also be deemed to have infringed the ESG investment policy.

IIP’s approach to working with responsible investments is based on the following UN principles for responsible investment and IIP expects the general partners of the investments to be active owners adhering to the following six principles.

UN Principles for Responsible Investment (PRI)



The six principles:

1. We will incorporate Environmental, Social, Governance (ESG) into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by the entities in which we investment
4. We will promote acceptance and implementation of the principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the principles
6. We will each report on our activities and progress towards implementing the principles

In the following sections, this ESG investment policy is further detailed in terms of 2) compliance with conventions and 3) ban on investments in controversial weapons, tobacco and coal companies



2. Compliance with conventions

IIP shall not make investments in funds that invest in businesses which:

1. Deliberately infringe conventions laid down by international organizations and ratified by Denmark or the jurisdiction in which the investment is made
2. Deliberately infringe national legislation
3. Deliberately infringe sanctions imposed by the UN or the EU

In the assessment of these aspects, the natural, common denominator is the central UN conventions on human rights and labour rights, environmental aspects and anti-corruption.

For the assessment of whether a business infringes conventions, the UN principles of Global Compact are applied by IIP:

The UN Principles of Global Compact

In accordance with these Principles, businesses should:



Human Rights

1. Support and respect the protection of internationally proclaimed human rights
2. Make sure that they are not complicit in human rights abuses

Labour

3. Uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Work actively to abolish child labour
5. Work actively to eliminate all forms of forced and compulsory labour
6. Eliminate discrimination in respect of employment and occupation

Environment

7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

10. Work against corruption in all its forms, including extortion and bribery

The UN principles of Global Compact are in line with the central conventions and are based on the following:

- The Universal Declaration of Human Rights
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention against Corruption



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In addition hereto, IIP support the Paris Agreement, which is an agreement within the UN's framework convention on climate change, which deals with greenhouse-gas-emissions mitigation.

3. Ban on investment in controversial weapons, tobacco and coal companies

IIP shall not make investments that produce weapons that infringe the following conventions:

1. The Convention on the Use of Certain Conventional Weapons
2. The Chemical Weapons Convention
3. The Biological Weapons Convention
4. The Convention on Cluster Munitions (the Oslo Convention)
5. The Anti-Personnel Landmines Convention (the Ottawa Convention)
6. The Nuclear Non-Proliferation Treaty

This ban also applies to sub-contractors, who supply components, services or development specially designed for the final product.

IIP shall not make investments that manufacture tobacco products. Sub-contractors shall not be comprised by this ban.

IIP shall not make investments that invest in businesses that (i) generate more than 90% of their revenues from mining of coal or (ii) generate more than 90% of their revenues from energy production based on coal.

IIP will notify the relevant investment committee about any investments in companies that generate between 25-90% of their revenue from coal.

4. Reporting

Reporting to the relevant manager board on the enforcement of this ESG investment policy is an agenda item of the IIP board of director meetings.

5. Amendments

Investors of any funds and any other type of investment vehicle managed by IIP and IIP acknowledge that ESG considerations are constantly evolving and changing over time. IIP may in its own discretion amend this policy.

Should one or more of the investors of any funds and any other type of investment vehicle managed by IIP consider it necessary to amend this policy, IIP and such investors agree to enter into good faith negotiations in order to implement such changes and such changes are subject to the consent of the investors of the funds and any other type of investment vehicle managed by IIP.

Amendments to this policy is subject to approval by the IIP board of directors.