



Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: ODIN Sustainable Corporate Bond Legal entity identifier: 213800EM7D9630AD2262

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: 70%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: 0%

It **promotes Environmental/Social (E/S) characteristics**, and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



All of the fund's investments are sustainable. The fund will make 100% sustainable investments.

What is the sustainable investment objective of this financial product?

The fund's sustainable investment objective is to invest in companies that make a significant contribution to a more sustainable future in the following areas:

- *Renewable energy and energy efficiency*
- *Low carbon footprint*
- *Innovation in circular economy, climate adaptation, etc.*
- *Water management*
- *Protection and restoration of ecological diversity and ecosystems*
- *Health, quality of life and social inclusion*

It is a prerequisite that the companies selected do not cause significant harm to any of the other sustainability objectives. A company that delivers on one of the sustainability objectives and does not harm the other objectives is defined as sustainable.

The fund's environmentally sustainable investment objective contributes to the following EU environmental objectives: climate change mitigation and climate change adaptation. The fund is not committed to a minimum proportion of investments aligned with the Taxonomy and the investments in this fund will fulfil the Taxonomy criteria to varying degrees. The fund will report on the proportion of investments that are aligned with the Taxonomy in the annual report.

The fund promotes a wide range of environmental and social characteristics through the integration of ESG information in analyses, active ownership (dialogue and voting) and exclusions.



- *Environmental characteristics (e.g. the company's impact on the environment and climate).*
- *Social characteristics (e.g. human rights, workers' rights and equal treatment).*
- *Good corporate governance (e.g. shareholders' rights, remuneration of senior executives and anti-corruption).*

Read more in our [guidelines on responsible investment](#).

The fund uses a broad-based benchmark index that is tailored to the fund's mandate. No benchmark index has been designated for achieving the environmental or social characteristics promoted by the fund.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

- *The ESG score of the companies*
- *Companies with revenue from products that have been excluded*
- *Companies that are in breach of international norms as described in the guidelines*
- *The carbon footprint of the companies*

The data above is provided by an independent analysis bureau.

- *The proportion of the fund's investments in each of the sustainability themes*
- *Proportion of green bonds in the fund*
- *Proportion of sustainability-linked bonds in the fund*
- *Proportion of social bonds in the fund*
- *The dialogue the fund holds with the companies on ESG topics*

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

It is a prerequisite that the companies selected do not cause significant harm to any of the other sustainability objectives. The fund manager is responsible for making this assessment.

--- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The fund takes into account the principal adverse impacts on sustainability factors. The performance of the company on these factors is assessed prior to investment as part of an overall company analysis. The company's performance on these indicators forms part of the ESG follow-up of the companies, i.e. in dialogue and/or voting.

Collecting data for many of the indicators below is challenging. The fund will analyse companies and report on the indicators on the basis of company data from an analysis bureau.

The fund will report on the principal adverse impacts on sustainability factors in its annual report.

Mandatory indicators in (Table 1, Annex I):

Environmental indicators

1. *Greenhouse gas emissions (Scope 1, 2 and 3)*
2. *Carbon footprint*
3. *GHG intensity*
4. *Exposure to companies active in the fossil fuel sector*
5. *Share of non-renewable energy consumption and production*
6. *Energy consumption intensity per high impact climate sector*
7. *Activities negatively affecting biodiversity-sensitive areas*
8. *Emissions to water*



Principal adverse

impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

9. *Hazardous waste and radioactive waste ratio*

Social indicators

10. *Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises*
11. *Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises*

12. *Unadjusted gender pay gap*
13. *Board gender diversity*
14. *Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)*

Additional climate-related indicators:

15. *Investments in companies without measures to reduce CO2 emissions*

Additional social indicators:

16. *Lack of a human rights policy*
17. *Lack of anti-corruption and anti-bribery policies*

The fund's annual report is published on the fund's website at odinfundmanagement.com

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

- *ODIN's guidelines for responsible investments are based on international norms. These include:*
 - *The ten principles of the UN Global Compact, which are based on*
 - *The United Nations Universal Declaration of Human Rights*
 - *The ILO Declaration on Fundamental Principles and Rights at Work*
 - *The Rio Declaration on Environment and Development*
 - *The United Nations Convention against Corruption*
 - *The United Nations Guiding Principles on Business and Human Rights*
 - *The OECD Guidelines for Multinational Enterprises*
 - *The OECD Principles of Corporate Governance*

The fund excludes companies linked to industries that have an adverse impact on environmental and social matters.

Read more in our guidelines on [responsible investment](#)>>

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The fund considers the principal adverse impacts on sustainability factors. In the analysis of individual companies, the company's performance on these factors is assessed prior to investment and followed up after investment.

See the information above.

The fund will report on the principal adverse impacts on sustainability factors in its annual report.

No

What investment strategy does this financial product follow?

The fund is an actively managed long-term fixed interest fund that targets investments in Swedish, Nordic and other foreign corporate bonds.

The fund only invests in companies that meet the fund's criteria, for example in terms of investment structure and sustainability criteria. The fund's investments are selected on the basis of the fund managers' own assessments. The fund's overriding financial objective is to achieve the highest possible value growth and good risk diversification.

The management of the fund is comparable to the fund's benchmark index, which is Morningstar Eurozone 1-5 Yr Corporate Bond TR. This index is relevant because it reflects the fund's investment structure, for example in terms of maturity, credit rating and currency.

● What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

All of the fund's investments must contribute to greater sustainability within the fund's defined investment themes:

- *Renewable energy and energy efficiency*
- *Low carbon footprint*
- *Innovation in circular economy, climate adaptation, etc.*
- *Water management*
- *Protection and restoration of ecological diversity and ecosystems*
- *Health, quality of life and social inclusion*

The fund does not invest in companies that breach ODIN's guidelines for responsible management.

ODIN's guidelines exclude investments in companies that have more than

- *0 per cent of revenue related to controversial weapons*
 - *This means a company that develops or manufactures weapons, or key components of weapons, which, in their normal use, violate fundamental humanitarian principles, including biological weapons, chemical weapons, nuclear weapons, non-detectable fragments, incendiary weapons, blinding laser weapons, anti-personnel mines and cluster munitions.*
- *0 per cent of revenue related to tobacco production*
- *0 per cent of revenue related to the production of cannabis for the purposes of intoxication*
- *5 per cent of revenue related to pornography*

The investment strategy

guides investment decisions based on factors such as investment objectives and risk tolerance.



- 5 per cent of revenue related to thermal coal extraction or which bases a significant part of its operations on thermal coal
- 5 per cent of revenue related to oil sands extraction

For those companies with revenue from coal and/or oil sands, emphasis must also be placed on building new capacity and having plans that will reduce the proportion of coal or oil sands or to increase the share of revenue from renewable energy sources.

The fund may choose to exclude several sectors/industries. This fund also excludes companies that have more than:

- 5 per cent of revenue related to weapons
- 5 per cent of revenue related to fossil energy extraction
- 5 per cent of revenue related to alcohol production
- 5 per cent of revenue related to gambling
- 5 per cent of revenue related to uranium extraction
- 5 per cent of revenue related to genetically modified organisms (GMOs)

ODIN also excludes companies that are in breach of international norms such as the UN Global Compact. The ODIN funds must not be invested in companies where there is an unacceptable risk of the company contributing to or being responsible for:

- gross or systematic human rights violations
- gross or systematic violations of workers' rights
- serious violations of the rights of individuals in war or conflict situations
- the sale of weapons to states
 - in armed conflicts that use the weapons in ways that constitute serious and systematic violations of the rules of international law relating to conflicts, or
 - which are covered by the sovereign bond exemption scheme referred to in the mandate for the management of Government Pension Fund Global
- serious environmental damage
- actions or omissions that at an aggregate company level lead to unacceptable greenhouse gas emissions
- gross corruption or other gross economic crime
- other particularly gross violation of fundamental ethical norms

An ESG risk assessment is made for all the companies in the fund.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no obligation to reduce the scope of investments by a minimum rate.

The ODIN funds committed to the Principles for Responsible Investment in 2012 and since then the fund has had guidelines in place for its investments. No further obligations have been imposed on the fund recently.

What is the policy to assess good governance practices of the investee companies?

The following principles form the basis for the fund's assessment of good governance practices:

- *The United Nations Guiding Principles on Business and Human Rights*
- *The OECD Guidelines for Multinational Enterprises*

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- *The OECD Principles of Corporate Governance and other relevant international norms for corporate governance*

Corporate governance is a central element of the company analysis. The fund aims to vote at all general meetings to promote good governance practices.



What is the asset allocation and the minimum share of sustainable investments?

The fund is an actively managed fixed income fund. All of the fund's investments must deliver on one of the defined sustainability objectives. A company that delivers on one of the sustainability objectives and does not harm the other objectives is defined as sustainable.

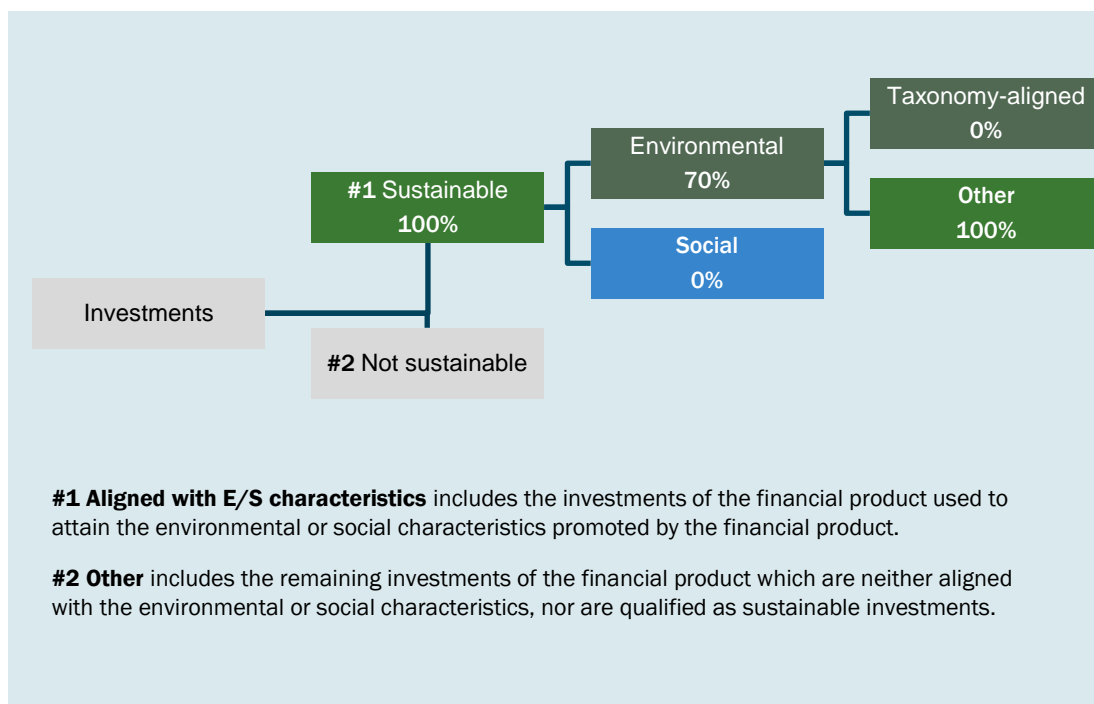
All of the fund's investments are covered by ODIN's guidelines for responsible investments. This means that there are clear exclusion criteria detailing where the fund is not permitted to invest. An assessment is made of the ESG risk level in all existing and potential investments in the fund.

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund does not invest in derivatives for this purpose. The fund may trade in derivative instruments in order to streamline its management. The primary objective is to reduce the fund's interest rate and currency risk.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund is not committed to a minimum proportion of investments that are aligned with the Taxonomy. The investments in this fund will fulfil the Taxonomy criteria to varying degrees. The fund will report on the proportion of investments that are aligned with the Taxonomy in the annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?**

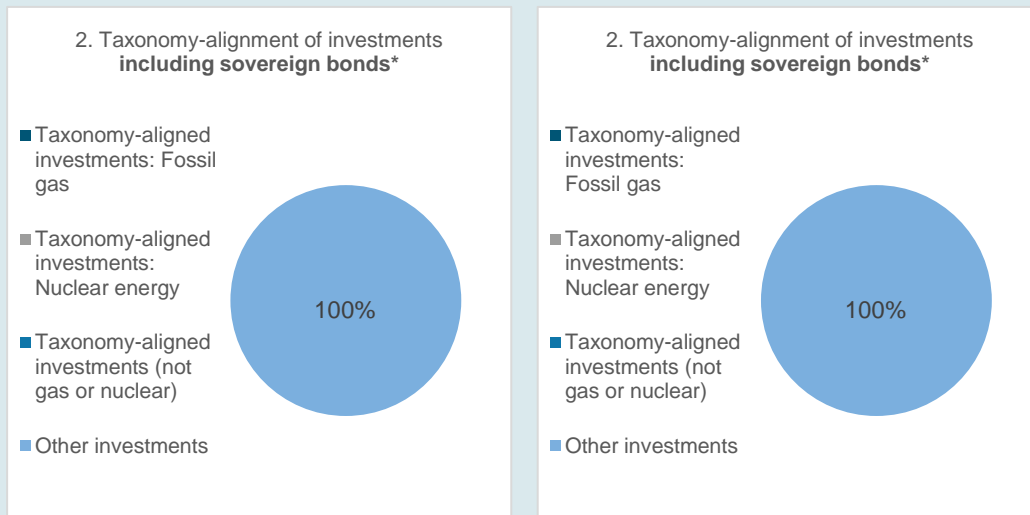
Yes

In fossil gas In nuclear energy

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds¹, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

The fund is not committed to a minimum share of investments in transitional and enabling activities, but this does not prevent such investments being included in the fund. It may be appropriate to commit to a minimum share at a later date.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund is committed to a minimum share of sustainable investments with an environmental objective of 70% but is not committed to these investments being aligned with the Taxonomy requirements.

There are several reasons for this:

- *There is a lack of reporting on the share of activities that are aligned with the Taxonomy from companies within the EU. This will improve when it becomes a legal requirement for listed companies to report this.*
- *The fund has a global mandate and can invest in companies outside the EU. These companies are not subject to EU reporting requirements.*
- *The fund can invest in sectors that are not included in the Taxonomy.*

The fund will report on the actual proportion of investments in sustainable investments with an environmental objective in the annual report.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

The fund is committed to investing a minimum share of 0% in sustainable investments with a social objective. The fund will report on the actual proportion in the annual report.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

All of the fund’s investments must deliver on one of the fund’s defined sustainability objectives. There are therefore no investments in the “#2 Not sustainable” category. The fund may contain liquid assets deposited in a bank account.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

The fund is actively managed and uses a broadly composed index that is adapted to the fund’s mandate which does not reflect the sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product-specific information online?

More product-specific information can be found on the fund’s website: odinfundmanagement.com