



Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: ODIN USA

Legal entity identifier: 213800Y4N89P1LB7HI72

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:

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:

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 10% 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**



What environmental and/or social characteristics are promoted by this financial product?

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.

● **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.

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

- *The fund's exercising of ownership rights by voting at general meetings*
- *The dialogue the fund holds with companies on ESG topics*

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

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

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The fund has committed to a minimum proportion of 5% of sustainable investments and takes into account the principal adverse impacts on sustainability factors. See the questions below for more information about this.

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

Details:

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. 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.



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.

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*
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

No



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

What investment strategy does this financial product follow?

The fund is an actively managed equity fund that primarily invests in companies which are listed, or have their head office or origins, in the USA.

The fund manager invests freely within the framework of the mandate in what the fund manager thinks are good, undervalued companies. The fund is index-independent – importance is not attached to the size of the companies or to their market indices. Investment decisions are made on the basis of our own thorough company analyses, which are based on a number of different sources, e.g. visits to the companies and conversations with the companies' management. ODIN's fund managers look for good, undervalued companies that have good attitudes, including with regard to ethical issues.

In order to improve wealth creation and/or highlight the values in the companies in which the fund is invested, ODIN's fund managers also spend time exercising shareholders' rights on behalf of the fund's unit-holders.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

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*
- *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 having specific plans to 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 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*

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.



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



Asset allocation describes the share of investments in specific assets.

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.

● **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:

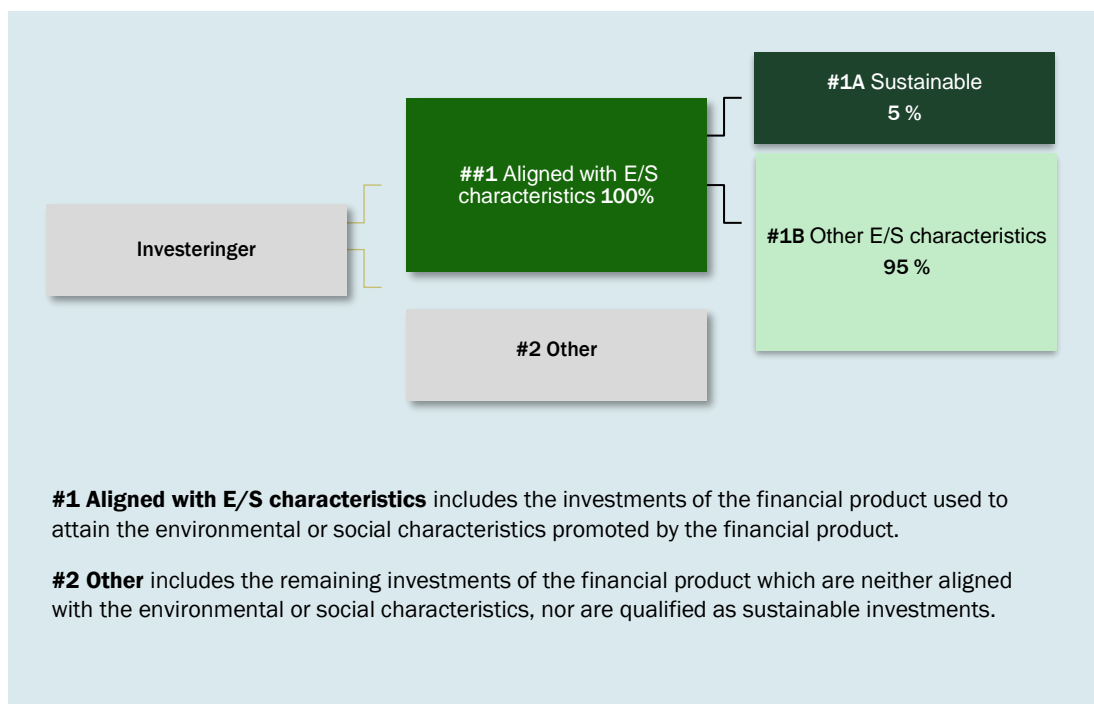
- *The United Nations Guiding Principles on Business and Human Rights*
- *The OECD Guidelines for Multinational Enterprises*
- *The OECD Principles of Corporate Governance and other relevant international norms for corporate governance*

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 planned for this financial product?

The fund is an actively managed equity fund. 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.

The fund is committed to investing a minimum proportion of 5% of sustainable investments with a social objective. The fund may have investments that are aligned with the Taxonomy requirements. The proportion of such investments will be reported in the annual report.



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

The fund does not use derivatives.



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

The fund does not have a strategy for ensuring that investments are in line with the Taxonomy. When data availability improves, the fund will consider setting targets for the proportion of investments that are aligned with the Taxonomy.

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.

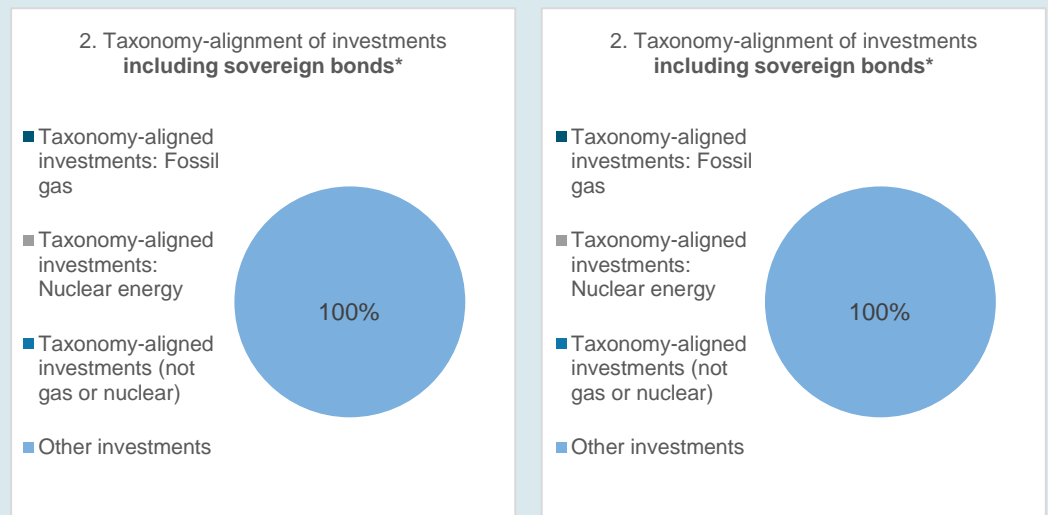
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

Yes

In fossil gas In nuclear energy

No

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 bonds*, 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.

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.



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



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

The fund is not committed to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy, 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 socially sustainable investments?

The fund is not committed to a minimum share of socially sustainable investments, 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 investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

All of the fund’s investments are covered by ODIN’s guidelines for responsible investments. There are therefore no investments in the “#2 Other” category. The fund may contain liquid assets deposited in a bank account.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The fund uses a broadly composed index adapted to the fund’s mandate; this does not take into account environmental and social characteristics.

Where can I find more product-specific information online?

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