



UNEP Finance Initiative  
Changing finance, financing change

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

| Symbol | Status  |
|--------|---|
| ✓      | The signatory has completed all mandatory parts of this indicator |
| ☑      | The signatory has completed some parts of this indicator          |
| 🔒      | This indicator was not relevant for this signatory                |
| -      | The signatory did not complete any part of this indicator         |
| 🔍      | The signatory has flagged this indicator for internal review      |

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

| Organisational Overview |   |        |                              | Principle |   |   |   |   |   | General |
|-------------------------|---|--------|------------------------------|-----------|---|---|---|---|---|---------|
| Indicator               | Short description                                   | Status | Disclosure                   | 1         | 2 | 3 | 4 | 5 | 6 |         |
| OO 01                   | Signatory category and services                     | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 02                   | Headquarters and operational countries              | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 03                   | Subsidiaries that are separate PRI signatories      | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 04                   | Reporting year and AUM                              | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 05                   | Breakdown of AUM by asset class                     | ✓      | Asset mix disclosed in OO 06 |           |   |   |   |   |   | ✓       |
| OO 06                   | How would you like to disclose your asset class mix | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 07                   | Segregated mandates or pooled funds                 | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 08                   | Breakdown of AUM by market                          | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 09                   | Additional information about organisation           | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 10                   | RI activities for listed equities                   | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 11                   | RI activities in other asset classes                | ✓      | Public                       |           |   |   |   |   |   | ✓       |
| OO 12                   | Modules and sections required to complete           | ✓      | Public                       |           |   |   |   |   |   | ✓       |

| Overarching Approach |  |        |            | Principle |   |   |   |   |   | General |
|----------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator            | Short description  | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| OA 01                | RI policy and other guidance documents                             | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 02                | Publicly available policies / documents                            | ✓      | Public     |           |   |   |   |   | ✓ |         |
| OA 03                | Policy components and coverage                                     | ✓      | Public     | ✓         | ✓ |   |   |   |   |         |
| OA 04                | Conflicts of interest  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 05                | RI goals and objectives  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 06                | Main goals/objectives this year                                    | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 07                | Governance, management structures and RI processes                 | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 08                | RI roles and responsibilities                                      | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 09                | RI in performance management, reward and/or personal development   | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 10                | Collaborative organisations / initiatives                          | ✓      | Public     |           |   |   | ✓ | ✓ |   |         |
| OA 11                | Promoting RI independently   | ✓      | Public     |           |   |   | ✓ |   |   |         |
| OA 12                | Dialogue with public policy makers or standard setters             | ✓      | Public     |           |   |   | ✓ | ✓ | ✓ |         |
| OA 13                | ESG issues in strategic asset allocation                           | ✓      | Public     | ✓         |   |   |   |   |   |         |
| OA 14                | Allocation of assets to environmental and social themed areas      | ✓      | Public     | ✓         |   |   |   |   |   |         |
| OA 15                | ESG issues for internally managed assets not reported in framework | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 16                | ESG issues for externally managed assets not reported in framework | 🔒      | n/a        |           |   |   |   |   |   | ✓       |
| OA 17                | RI/ESG in execution and/or advisory services                       | 🔒      | n/a        | ✓         | ✓ |   |   |   |   |         |
| OA 18                | Innovative features of approach to RI                              | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 19                | Internal and external review and assurance of responses            | ✓      | Public     |           |   |   |   |   |   | ✓       |

| Indirect – Manager Selection, Appointment and Monitoring |   |        |            | Principle |   |   |   |   |   | General |
|--|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator  | Short description   | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| SAM 01   | Description of RI considerations  | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 02   | Role of investment consultants  | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 03   | RI factors in selection, appointment and monitoring across asset classes  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SAM 04   | Breakdown of passive, active quant and active fundamental                 | ✓      | Public     |           |   |   |   |   |   | ✓       |
| SAM 05   | ESG incorporation strategies  | ✓      | Public     | ✓         | ✓ |   |   |   |   |         |
| SAM 06   | Selection processes (listed assets)                                       | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 07   | Appointment considerations (listed assets)                                | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 08   | Monitoring processes (listed assets)                                      | ✓      | Public     | ✓         |   |   |   |   |   |         |
| SAM 09   | Percentage of (proxy) votes cast  | 🔒      | n/a        |           | ✓ |   |   |   |   |         |
| SAM 10   | Selection processes (non-listed assets)                                   | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 11   | Appointment considerations (non-listed assets)                            | ✓      | Public     |           |   |   | ✓ |   |   |         |
| SAM 12   | Monitoring processes (non-listed assets)                                  | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 13   | Description of RI considerations in 'other' asset classes                 | 🔒      | n/a        | ✓         |   |   |   |   | ✓ |         |
| SAM 14   | Percentage of externally managed assets managed by PRI signatories        | ✓      | Public     | ✓         |   |   |   |   | ✓ |         |
| SAM 15   | Examples of ESG issues in selection, appointment and monitoring processes | ✓      | Public     |           | ✓ |   |   |   |   |         |
| SAM 16   | Disclosure of RI considerations   | ✓      | Public     |           |   |   |   |   | ✓ |         |

| Direct - Listed Equity Incorporation |   |        |            | Principle |   |   |   |   |   | General |
|--------------------------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator                            | Short description   | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| LEI 01                               | Breakdown by passive, quantitative, fundamental and other active strategies         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 02                               | Description of ESG incorporation  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 03                               | Percentage of each incorporation strategy   | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 04                               | Type of ESG information used in investment decision                                 | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 05                               | Information from engagement and/or voting used in investment decision-making        | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 06                               | Types of screening applied  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 07                               | Processes to ensure screening is based on robust analysis                           | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 08                               | Processes to ensure fund criteria are not breached                                  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 09                               | Types of sustainability thematic funds/mandates                                     | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 10                               | Description of ESG integration  | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 11                               | Review ESG issues while researching companies/sectors                               | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 12                               | Processes to ensure integration is based on robust analysis                         | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 13                               | Aspects of analysis ESG information is integrated into                              | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 14                               | ESG issues in index construction  | ⚡      | n/a        | ✓         |   |   |   |   |   |         |
| LEI 15                               | How ESG incorporation has influenced portfolio composition                          | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 16                               | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 17                               | Examples of ESG issues that affected your investment view / performance             | ✓      | Public     | ✓         |   |   |   |   |   |         |
| LEI 18                               | Disclosure of approach to ESG incorporation   | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |

| Direct - Listed Equity Active Ownership |  |        |            | Principle |   |   |   |   |   | General |
|---|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator                               | Short description  | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| LEA 01                                  | Description of approach to engagement  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 02                                  | Reasoning for interaction on ESG issues                                      | ✓      | Public     | ✓         | ✓ | ✓ |   |   |   |         |
| LEA 03                                  | Process for identifying and prioritising engagement activities               | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 04                                  | Objectives for engagement activities   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 05                                  | Process for identifying and prioritising engagement activities               | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 06                                  | Objectives for engagement activities   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 07                                  | Role in engagement process   | ✓      | Public     |           | ✓ |   | ✓ |   |   |         |
| LEA 08                                  | Monitor / discuss service provider information                               | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| LEA 09                                  | Share insights from engagements with internal/external managers              | ✓      | Public     | ✓         | ✓ |   |   |   |   |         |
| LEA 10                                  | Tracking number of engagements   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 11                                  | Number of companies engaged with, intensity of engagement and effort         | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 12                                  | Engagements on E, S and/or G issues  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 13                                  | Companies changing practices / behaviour following engagement                | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 14                                  | Examples of ESG engagements  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 15                                  | Disclosure of approach to ESG engagements                                    | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| LEA 16                                  | Description of approach to (proxy) voting                                    | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 17                                  | Typical approach to (proxy) voting decisions                                 | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 18                                  | Percentage of voting recommendations reviewed                                | 🔒      | n/a        |           | ✓ |   |   |   |   |         |
| LEA 19                                  | Confirmation of votes  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 20                                  | Securities lending programme   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 21                                  | Informing companies of the rationale of abstaining/voting against management | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 22                                  | Percentage of (proxy) votes cast   | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 23                                  | Proportion of ballot items that were for/against/abstentions                 | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 24                                  | Shareholder resolutions  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 25                                  | Examples of (proxy) voting activities  | ✓      | Public     |           | ✓ |   |   |   |   |         |
| LEA 26                                  | Disclosing voting activities   | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |

| Direct - Fixed Income |   |        |            | Principle |   |   |   |   |   | General |
|-----------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator             | Short description   | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| FI 01                 | Breakdown by passive, quantitative, fundamental and other active strategies         | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 02                 | Breakdown of investments by credit quality  | ✓      | Public     |           |   |   |   |   |   | ✓       |
| FI 03                 | Description of ESG incorporation  | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 04                 | Percentage of each incorporation strategy   | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 05                 | Type of ESG information used in investment decision                                 | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 06                 | Types of screening applied  | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 07                 | Processes to ensure screening is based on robust analysis                           | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 08                 | Processes to ensure fund criteria are not breached                                  | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 09                 | Types of sustainability thematic funds/mandates                                     | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 10                 | Description of ESG integration  | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 11                 | Review of ESG issues while researching companies/sectors                            | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 12                 | Processes to ensure integration is based on robust analysis                         | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 13                 | Incorporation of ESG issues into analysis and decision making                       | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 14                 | ESG issues in index construction  | 🔒      | n/a        | ✓         |   |   |   |   |   |         |
| FI 15                 | How ESG incorporation has influenced portfolio composition                          | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 16                 | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓      | Public     | ✓         |   |   |   |   |   |         |
| FI 17                 | Examples of ESG issues that affected your investment view / performance             | -      | n/a        | ✓         |   |   |   |   |   |         |
| FI 18                 | Disclosure of approach to ESG incorporation   | ✓      | Public     |           | ✓ |   |   |   | ✓ |         |
| FI 19                 | Engagement with corporate issuers   | 🔒      | n/a        |           | ✓ |   |   |   |   |         |
| FI 20                 | Engagement with government issuers  | ✓      | Public     |           | ✓ |   |   |   |   |         |



# Unipension Fondsmaeglerselskab A/S

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

| OO 01 | Mandatory | Gateway/Peering | General |
|-------|-----------|-----------------|---------|
|-------|-----------|-----------------|---------|

**OO 01.1** Select the category which best represents your primary activity.

- ☐ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☒ Corporate pension or superannuation or retirement or provident fund or plan
- ☐ Insurance company
- ☐ Foundation or endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Other, specify

**OO 01.2** Additional information. [Optional]

Unipension Fondsmæglerselskab A/S is owned by Architects' Pension Fund, the Pension Fund for Danish MA's, MSc's and PhD's and the Pension Fund for Agricultural Academics and Veterinary Surgeons. Unipension Fondsmæglerselskab A/S manages investments for these three pension funds and do not have private investors. The references to "Unipension" and "we" in this report refer to the Architects' Pension Fund, the Pension Fund for Danish MA's, MSc's and PhD's and the Pension Fund for Agricultural Academics and Veterinary Surgeons, and all investment related legal entities for these three pension funds.

| OO 02 | Mandatory | Peering | General |
|-------|-----------|---------|---------|
|-------|-----------|---------|---------|

**OO 02.1** Select the location of your organisation's headquarters.

Denmark

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

19

| OO 03 | Mandatory | Descriptive | General |
|-------|-----------|-------------|---------|
|-------|-----------|-------------|---------|

**OO 03.1**

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes  
☒ No

**OO 04**

**Mandatory**

**Gateway/Peering**

**General**

**OO 04.1**

Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2**

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

|               | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM     |           | 15       | 220      | 805       | 108      |
| Currency      | EUR       |          |          |           |          |
| Assets in USD |           | 19       | 961      | 951       | 585      |

**OO 04.5**

Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)  
☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as percentage breakdown

|                           | Internally managed (%) | Externally managed (%) |
|---------------------------|------------------------|------------------------|
| Listed equity             | 6                      | 27                     |
| Fixed income – corporate  | 0                      | 13                     |
| Fixed income – government | 13                     | 6                      |
| Fixed income – other      | 23                     | 0                      |
| Private debt              | 0                      | 0                      |
| Private equity            | 0                      | 5                      |

|                    |   |   |
|--------------------|---|---|
| Property           | 3 | 2 |
| Infrastructure     | 0 | 0 |
| Commodities        | 0 | 0 |
| Hedge funds        | 0 | 0 |
| Forestry           | 0 | 0 |
| Farmland           | 0 | 0 |
| Inclusive finance  | 0 | 0 |
| Cash               | 1 | 1 |
| Other (1), specify | 0 | 0 |
| Other (2), specify | 0 | 0 |

☐ Publish our asset class mix as broad ranges

☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

|       |   |         |         |
|-------|---|---------|---------|
| OO 07 | Mandatory to Report Voluntary to Disclose | Peering | General |
|-------|---|---------|---------|

OO 07.1

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

|  | % of externally managed assets   |
|--|--|
| Segregated mandate(s)                  | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50 % |
| Pooled fund(s)                         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50 % |
| <i>Total externally managed assets</i> | 100%   |

OO 07.2

Indicate the proportion of your externally managed assets in fund-of-funds.

|               |  |
|---------------|--|
|               | % of externally managed assets   |
| Fund-of-funds | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50 % |

|       |   |         |         |
|-------|---|---------|---------|
| OO 08 | Mandatory to Report Voluntary to Disclose | Peering | General |
|-------|---|---------|---------|

|         |  |
|---------|--|
| OO 08.1 | Indicate the breakdown of your organisation's AUM by market. |
|---------|--|

| Market breakdown                     | % of AUM   |
|--------------------------------------|--|
| Developed Markets                    | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50 % |
| Emerging, Frontier and Other Markets | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50 % |

|       |           |             |         |
|-------|-----------|-------------|---------|
| OO 09 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|

|         |   |
|---------|---|
| OO 09.1 | Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities. |
|---------|---|

Unipension is a responsible and active investor. In the beginning of 2009 our pension funds draw up "Guidelines for Responsible Investments" containing a description of the international principles (UN Global Compact, UN PRI, ICGN's Global Corporate Governance Principles) and legal acts on which the guidelines are based, the criteria for screening, and the description of processes for exclusion, inclusion and active ownership. UN Global Compact is used as a base for the topics in the guidelines. Besides, Unipension has chosen to add controversial weapons and sanctions to the guidelines. By the end of 2014 the guidelines cover all asset classes covering the same topics and using the same approach, where possible. The guidelines are being reviewed once a year.

When investing in companies we prioritize targeted dialogue instead of exclusion. We vote on companies' general meetings globally. When investing in countries we assess the countries' recent developments and indications for positive developments in near future.

Our work with ESG is incorporated into our internal management processes in relation to our investments, our communication to the stakeholders, etc. When using external managers, the investment management agreements reflect the guidelines and the required processes to fulfill them.

We signed UN PRI in February 2009 and became a member of CDP and ICGN. In 2008 we co-founded Dansif and have been active on the board of Dansif since then - at the moment our Head of ESG, Zaiga Strautmane is Vice Chairman. Our CEO/CIO Niels Erik Petersen is a member of UN PRI Advisory Council (PRIAC). We became members of IIGCC in 2014. The "Guidelines for Responsible Investments" and our ESG-report for 2014 regarding responsible investments (in Danish) can be found on our website: [www.unipensioninvest.dk](http://www.unipensioninvest.dk)

## Gateway asset class implementation indicators

| OO 10 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|
|-------|-----------|---------|---------|

### OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☒ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- ☐ None of the above

### OO 10.3

Additional information. [Optional]

When negotiating investment management agreements we encourage the investment managers, who are not signatories of UN PRI to join, or at least have similar guidelines. We promote UN PRI and responsible investment when speaking at conferences and engaging with companies and regulators.

Regarding Principle 1 - we apply a norm-based screening model - we exclude companies and countries, and require the managers to sell the excluded companies and countries.

Regarding Principle 2 - we are an active investor on behalf of our pension funds by engaging with companies and executing the votes ourselves.

Please see LEA 16.1 for further information on the proxy voting service provided by Hermes Equity Ownership Services (Hermes EOS)

Please see LEA 1.1 for further information on the engagement service provided by Hermes EOS

| OO 11 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|
|-------|-----------|---------|---------|

### OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☐ Property
- ☐ Cash
- ☐ None of the above

### OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Private equity
- ☒ Property
- ☐ Cash
- ☐ None of the above

|       |           |         |         |
|-------|-----------|---------|---------|
| OO 12 | Mandatory | Gateway | General |
|-------|-----------|---------|---------|

|         |  |
|---------|--|
| OO 12.1 | The modules and sections that you will be required to complete are listed below. |
|---------|--|

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

### **Core modules**

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

### **RI implementation directly or via service providers**

|  |                                      |
|--|--------------------------------------|
|  | Direct - Listed Equity incorporation |
|--|--------------------------------------|

- ☒ Listed Equity incorporation

|  |   |
|--|---|
|  | Direct - Listed Equity active ownership |
|--|---|

- ☒ Engagements
- ☒ (Proxy) voting

|  |                       |
|--|-----------------------|
|  | Direct - Fixed Income |
|--|-----------------------|

- ☒ Fixed Income - Government

### **RI implementation via external managers**

|  |   |
|--|---|
|  | Indirect - Selection, Appointment and Monitoring of External Managers |
|--|---|

- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government
- ☒ Private Equity
- ☒ Property

### **Closing module**

- ☒ Closing module

# Unipension Fondsmaeglerselskab A/S

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Responsible investment policy

| OA 01 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|
|-------|-----------|-----------------------|---------|

|         |   |
|---------|---|
| OA 01.1 | Indicate if you have a responsible investment policy. |
|---------|---|

- ☒ Yes  
☐ No

|         |  |
|---------|--|
| OA 01.2 | Indicate if you have other guidance documents or more specific policies related to responsible investment. |
|---------|--|

- ☒ Yes  
☐ No

|         |   |
|---------|---|
| OA 01.3 | Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional] |
|---------|---|

"Guidelines for Responsible Investments" are based on the international principles (UN Global Compact, UN PRI, ICGN's Global Corporate Governance Principles) and legal acts. UN Global Compact is used as a base for the topics in the guidelines. We do not wish to invest in companies violating human rights, labour standards and the principles about environment and anticorruption. Besides, topics like controversial weapons and sanctions are incorporated in the guidelines. PRI is used to structure our overall approach to area of responsible investments.

| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|
|-------|-----------|---------------|-------|

|         |   |
|---------|---|
| OA 02.1 | Indicate if your responsible investment policy is publicly available. |
|---------|---|

- ☒ Yes

|         |  |
|---------|--|
| OA 02.2 | Provide a URL to your responsible investment policy. |
|---------|--|

|  |     |
|--|-----|
|  | URL |
|--|-----|

<http://www.unipensioninvest.dk/da/Investerings/Ansvarlige-investeringer/Publikationer>

- ☐ No

|         |   |
|---------|---|
| OA 02.3 | Indicate if your other policies or guidance documents related to responsible investment are publicly available. |
|---------|---|

- ☒ Yes  
☐ Yes, all  
☐ Yes, some

**OA 02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

| Policy or document name | URL   |
|-------------------------|---|
| Corporate Governance    | <a href="http://www.unipensioninvest.dk/da/Investering/Ansvarlige-investeringer/Publikationer">http://www.unipensioninvest.dk/da/Investering/Ansvarlige-investeringer/Publikationer</a> |

☐ No

**OA 02.5**

Additional information. [Optional]

We are transparent because we want to give our members and other stakeholders the possibility to understand our approach to responsible investments.

**OA 03**

**Mandatory**

**Core Assessed**

**PRI 1,2**

**OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

| Policy components/types   | Coverage by AUM  |
|---|--|
| <input checked="" type="checkbox"/> Policy setting out your overall approach<br><input checked="" type="checkbox"/> (Proxy) voting policy<br><input checked="" type="checkbox"/> Engagement/active ownership policy<br><input checked="" type="checkbox"/> Specific guidelines on corporate governance<br><input checked="" type="checkbox"/> Specific guidelines on environmental issues<br><input checked="" type="checkbox"/> Specific guidelines on social issues<br><input checked="" type="checkbox"/> Asset class-specific guidelines<br><input checked="" type="checkbox"/> Screening/exclusion policy<br><input checked="" type="checkbox"/> Other, specify<br><b>Class Actions</b><br><input type="checkbox"/> Other, specify | <input checked="" type="radio"/> Applicable policies cover all AUM<br><input type="radio"/> Applicable policies cover a majority of AUM<br><input type="radio"/> Applicable policies cover a minority of AUM |

**OA 04**

**Mandatory**

**Core Assessed**

**General**

**OA 04.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

**OA 04.2**Describe your policy on managing potential conflicts of interest in the investment process.  
[Optional]

Conflicts of interest is not very relevant for us, because we are owned by the pension funds, for whom we do asset management.

However, we do have guidelines insuring that any potential conflicts of interest do not arise. For example: unlisted investments have to be evaluated by an independent third party and portfolio managers are not allowed to receive gifts.

☐ No

## Objectives and strategies

**OA 05****Mandatory****Gateway/Core Assessed****General****OA 05.1**

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

☒ At least once per year

☐ Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

☐ Quarterly

☐ Biannually

☒ Annually

☐ Every two years or less

☐ It is not reviewed

☐ No

**OA 05.4**

Additional information. [Optional]

"Guidelines for Responsible Investments" are approved by the boards of our pension funds. Thus are the objectives, which are set for a year at a time and assessed every year.

**OA 06****Voluntary****Descriptive****General****OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

|                                |   |
|--------------------------------|---|
| Objective 1                    | "Guidelines for Responsible Investments" to cover sovereign bonds and class actions.  |
| Key performance indicators     | Seek to cover sovereign bonds and class actions in the "Guidelines for Responsible Investments".  |
| Describe the progress achieved | Guidelines have been updated, now covering sovereign bonds and class actions. Both guidelines for sovereign bonds and class actions are implemented, too. |

☒ Add responsible investment objective 2

|                                |  |
|--------------------------------|--|
| Objective 2                    | Implementation of guidelines for Private Equity and property.      |
| Key performance indicators     | Seek to implement Guidelines for Private Equity and property.      |
| Describe the progress achieved | Guidelines for Private Equity and property are partly implemented. |

☒ Add responsible investment objective 3

|                                |  |
|--------------------------------|--|
| Objective 3                    | Expectation letter to Danish companies regarding our interpretation of Danish Recommendations on Corporate Governance.                           |
| Key performance indicators     | Seek to draft and send an expectation letter to Danish companies regarding our interpretation of Danish Recommendations on Corporate Governance. |
| Describe the progress achieved | The expectation letter has been sent.  |

|                |   |
|----------------|---|
| <b>OA 06.2</b> | List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress. |
|----------------|---|

☒ Add responsible investment objective 1 for the next reporting year

|   |   |
|---|---|
| Objective 1 for the next reporting year | A more detailed environmental policy.   |
| Key performance indicators              | Due diligence regarding potential investment approaches and/or providers of environmental data. |

☒ Add responsible investment objective 2 for the next reporting year

|   |                                  |
|---|----------------------------------|
| Objective 2 for the next reporting year | Well educated ESG staff.         |
| Key performance indicators              | Delivery of continuous training. |

☒ Add responsible investment objective 3 for the next reporting year

|   |  |
|---|--|
| Objective 3 for the next reporting year | Improvement of corporate governance in Danish companies.   |
| Key performance indicators              | Update of the expectation letter to Danish companies regarding our interpretation of Danish Recommendations on Corporate Governance and participation in General Meetings. |

## Governance and human resources

| OA 07 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|
|-------|-----------|-------------|---------|

|         |   |
|---------|---|
| OA 07.1 | Provide a brief description of your organisation's governance, management structures and processes related to responsible investment. |
|---------|---|

"Guidelines for Responsible Investments" is approved by the boards of our pension funds. The boards review, update or reapprove the guidelines once a year. The boards set objectives for the ESG-work for the forthcoming year and assess once a year, whether the objectives have been met. The implementation of the guidelines lies with Unipension Fondsmaeglerselskab A/S. An ESG committee with employees from different departments at Unipension Fondsmaeglerselskab A/S functions as a consultative and decision making body. Day-to-day responsibility for our responsible investment activities lies with our Head of ESG.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

| OA 08 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|
|-------|-----------|-----------------------|---------|

|         |   |
|---------|---|
| OA 08.1 | Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment. |
|---------|---|

| Roles present in your organisation |
|------------------------------------|
|------------------------------------|

- ☒ Board members or trustees
  - ☒ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
  - ☐ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify
- ☐ Other role, specify

|                |   |
|----------------|---|
| <b>OA 08.2</b> | Indicate the number of dedicated responsible investment staff your organisation has. [Optional] |
|----------------|---|

|  |        |
|--|--------|
|  | Number |
|--|--------|

1.5

|              |                  |                            |                |
|--------------|------------------|----------------------------|----------------|
| <b>OA 09</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>General</b> |
|--------------|------------------|----------------------------|----------------|

|                |   |
|----------------|---|
| <b>OA 09.1</b> | Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element. |
|----------------|---|

**Board members/Board of trustees**

- ☒ Responsible investment included in personal development and/or training plan

**OA 09.2**

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

Seminar, held by an external organisation regarding the stranded assets' movement and reasons behind. Yearly reporting to boards regarding ESG, including an educational angle.

☐ None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Portfolio managers**

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**Dedicated responsible investment staff**

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

**OA 09.3**

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

It is not common in Denmark to set KPIs for responsible investment. Therefore, it is not common to reward performance within responsible investment.

**Promoting responsible investment****OA 10****Mandatory****Core Assessed****PRI 4,5****OA 10.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic  
☐ Moderate  
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

CEO/CIO Niels Erik Petersen at Unipension Fondsmæglerselskab A/S is a member of the Advisory Council of UN PRI (PRIAC).

- ☐ Asian Corporate Governance Association  
☐ Association for Sustainable & Responsible Investment in Asia  
☐ Australian Council of Superannuation Investors  
☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced
- ☐ CDP Forests  
☐ CDP Water  
☐ CFA Institute Centre for Financial Market Integrity  
☐ Council of Institutional Investors (CII)  
☐ Eumedion  
☐ Extractive Industries Transparency Initiative (EITI)  
☐ Global Investors Governance Network (GIGN)  
☐ Global Real Estate Sustainability Benchmark (GRESB)  
☒ Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic  
☐ Moderate  
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We became members of the organisation in 2014 and signed the Global Investor Statement on Climate Change.



- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We have been members since 2009 and participate in the conferences.

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☒ Local Authority Pension Fund Forum

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We are members of Danish Insurance Association. We participate in working groups in the association regarding responsible investments, state our views to the association regarding controversial subjects within responsible investments and represent the association in negotiations with government for national guidelines within responsible investments.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Dansif

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We co-founded Dansif and our Head of ESG is Vice Chairman on the board of Dansif.

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

| OA 10.2 | Additional information. [Optional] |
|---------|------------------------------------|
|---------|------------------------------------|

Our engagement service provider, Hermes EOS, is involved in the following key networks on our behalf.

- Asian Corporate Governance Association (ACGA)
- Assogestioni (Italy)
- Canadian Coalition of Good Governance (CCGG)
- Carbon Disclosure Project & Water Disclosure Project
- Corporate Reporting Users' Forum (Europe)
- Council of Institutional Investors (USA)
- Dansif (Denmark)
- DSW (German Shareholder Association)
- Eumedion (Netherlands)
- European Investors' Working Group
- Eurosif (Europe)
- FIR (French Social Investment Forum)
- Forest Footprint Disclosure Project
- International Corporate Governance Network (ICGN)
- International Investors Group on Climate Change (IIGCC)
- KOSIF (Korea)
- National Association of Pension Funds (UK)
- UKSIF
- UN Environment Finance Initiative (UNEP FI)

| OA 11 | Mandatory | Core Assessed | PRI 4 |
|-------|-----------|---------------|-------|
|-------|-----------|---------------|-------|

| OA 11.1 | Indicate if your organisation promotes responsible investment, independently of collaborative initiatives. |
|---------|--|
|---------|--|

- ☒ Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☐ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

**OA 11.3**

Additional information. [Optional]

When negotiating investment management agreements we encourage our investment managers to become signatories of UN PRI or have similar guidelines. We promote UN PRI and responsible investment when speaking at conferences, for example: The Nordic Pension Fund Roundtable conference in Stockholm, Responsible Investor Conference in London, PRI Academic Network Conference in Montreal and PRI in Person in Montreal.

**OA 12**

Voluntary

Additional Assessed

PRI 4,5,6

**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

- ☐ Yes, individually
- ☒ Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

- ☐ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☐ Drafted your own written submissions to governments, regulators or standard-setters
- ☐ Participated in face-to-face meetings with government members or officials to discuss policy
- ☒ Other, specify

Other [please see additional information for more detail on public policy conducted on our behalf by Hermes EOS]

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<http://www.hermes.co.uk/eos/en-gb/literature/publicpolicyconsultations.aspx>

☐ No

☐ No

**OA 12.4**

Additional information.

Hermes EOS engages on our behalf with regulators and policy-makers on matters relevant to long-term value of holdings. Hermes EOS contributes to the development of policy and best practice on corporate governance, corporate responsibility and stakeholder rights to protect and enhance the value of its clients shareholdings over the longer term. Hermes EOS actively participates in debates on public policy matters to protect and enhance value for clients by increasing stakeholder rights and boosting protection for minority stakeholders. This work extends across company law, which in many markets sets a basic foundation for stakeholder rights; securities laws, which frame the operation of markets and developing codes of best practice for governance, management of key risks and disclosure. In addition to undertaking this work on a country-specific basis we address regulations with a global remit, which are currently in areas of accounting and auditing standards. By playing a full role in shaping these standards we can ensure that they work in the interests of stakeholders rather than being moulded to the narrow interests of other market participants (such as companies, lawyers and accounting firms which tend to be more active than investors in these debates) whose interest may be markedly different.

## ESG issues in asset allocation

**OA 13**

Voluntary

Descriptive

PRI 1

**OA 13.1**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

☐ Yes

☒ No

**OA 14**

Voluntary

Descriptive

PRI 1

**OA 14.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

☐ Yes

☒ No

## Asset class implementation not reported in other modules

**OA 15**

Voluntary

Descriptive

General

**OA 15.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

| Asset Class          | Describe what processes are in place and the outputs or outcomes achieved                              |
|----------------------|--|
| Fixed income - other | This asset class (Danish mortgage bonds) is covered by the same guidelines as fixed income in general. |

## Innovation

| OA 18 | Voluntary | Descriptive | General |
|-------|-----------|-------------|---------|
|-------|-----------|-------------|---------|

|         |  |
|---------|--|
| OA 18.1 | Indicate whether any specific features of your approach to responsible investment are particularly innovative. |
|---------|--|

☒ Yes

|         |   |
|---------|---|
| OA 18.2 | Describe any specific features of your approach to responsible investment that you believe are particularly innovative. |
|---------|---|

We consider participation in securities litigations as active ownership, why guidelines for participation in these litigations are part of our Guidelines for Responsible Investments.

☐ No

## Assurance of responses

| OA 19 | Voluntary | Additional Assessed | General |
|-------|-----------|---------------------|---------|
|-------|-----------|---------------------|---------|

|         |   |
|---------|---|
| OA 19.1 | Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties. |
|---------|---|

☒ Yes

|         |  |
|---------|--|
| OA 19.2 | Indicate who has reviewed, validated and/or assured your reported information. |
|---------|--|

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

|         |   |
|---------|---|
| OA 19.3 | Describe the steps you have taken to review, validate and/or assure the content of your reported information. |
|---------|---|

CEO of Unipension Fondsmæglerselskab A/S reviews the reported information before it is submitted.

☐ No

As a member of Hermes Fund Managers Limited, our service provider Hermes EOS was subject to an AAF audit during 2014 which scrutinised the controls in place around its activities on behalf of clients. Hermes EOS is also subject to quarterly risk/control reviews by Hermes Fund Managers Limited internal audit, and reports monthly to the Hermes Fund Managers Limited compliance function.

# Unipension Fondsmaeglerselskab A/S

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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## Overview

| SAM 01 | Voluntary | Descriptive | PRI 1-6 |
|--------|-----------|-------------|---------|
|--------|-----------|-------------|---------|

### SAM 01.1

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Listed Equity and Fixed income-corporate: When negotiating investment management agreements with external managers we encourage them to be signatories of UN PRI or to have similar guidelines. We also ask them to comply with our exclusion lists, as we make exclusion decisions ourselves. Furthermore, we ask the managers to report back on implementation of the exclusion lists. We monitor the implementation by running a test on our holdings each week. Voting and engagement is done by ourselves or an external service provider, why we do not ask our managers to do it.

Private Equity: When negotiating agreements with external managers we encourage them to be signatories of UN PRI or have similar guidelines. The managers are asked to specifically accept guidelines for responsible investments in a side letter to the agreement and act upon them. We do monitor the managers by requiring yearly reports on ESG-matters, and by becoming members of Advisory Boards, where our size of holdings allow it.

Property: Agreements with the external managers contain a clause stating that we prefer investments in certified properties, and that we, to the extent possible, do not wish to rent our properties to companies on our exclusion lists. Guidelines and monitoring of the managers otherwise are similar to the asset classes, within which the investments are made. And, we ask the managers to report specifically on certified properties.

Fixed Income-government: When negotiating investment management agreements with external managers we encourage them to be signatories of UN PRI or have similar guidelines. Our external investment managers are asked to comply with our exclusion lists for countries. We monitor the implementation by running a test on our holdings daily.

| SAM 02 | Mandatory | Core Assessed | PRI 4 |
|--------|-----------|---------------|-------|
|--------|-----------|---------------|-------|

### SAM 02.1

Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

- ☐ Yes  
☒ No

| SAM 03 | Mandatory | Gateway | General |
|--------|-----------|---------|---------|
|--------|-----------|---------|---------|

### SAM 03.1

Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply



| Asset classes             | (a) Selection                       | (b) Appointment                     | (c) Monitoring                      |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Listed equity             | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Fixed income - corporate  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Fixed income - government | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Private equity            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Property                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

## Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

### Overview

| SAM 04 | Mandatory to Report | Voluntary to Disclose | Gateway/Peering | General |
|--------|---------------------|-----------------------|-----------------|---------|
|--------|---------------------|-----------------------|-----------------|---------|

#### SAM 04.1

Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

#### Listed equity (LE)

| Type of strategy                      | As % of externally managed listed equity  |
|---------------------------------------|---|
| Passive                               | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input type="radio"/> 0%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

#### Fixed income - corporate (FIC)

| Type of strategy                      | As % of externally managed corporate fixed income   |
|---------------------------------------|---|
| Passive                               | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

#### Fixed income - government (FIG)

| Type of strategy                      | As % of externally managed government fixed income  |
|---------------------------------------|---|
| Passive                               | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - quantitative (quant)         | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Active - fundamental and other active | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |

**SAM 05**

**Mandatory**

**Gateway**

**PRI 1,2**

**SAM 05.1**

Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

| Active investment strategies | LE                                  | FIC                                 | FIG                                 |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Screening                    | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Thematic                     | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Integration                  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

#### Passive investment strategies

| Passive investment strategies | LE                                  |  |  |
|-------------------------------|-------------------------------------|--|--|
| Screening                     | <input checked="" type="checkbox"/> |  |  |
| Thematic                      | <input type="checkbox"/>            |  |  |
| Integration                   | <input type="checkbox"/>            |  |  |
| None of the above             | <input type="checkbox"/>            |  |  |

#### SAM 05.2

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

|  | LE                                  | FIC                                 |
|--|-------------------------------------|-------------------------------------|
| We engage directly or via service providers on our externally managed assets | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| We require our external managers to engage on our behalf                     | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            |

#### SAM 05.3

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

|  |                                     |
|--|-------------------------------------|
|  | <b>LE</b>                           |
| We cast our (proxy) votes directly or via service providers on our externally managed assets | <input checked="" type="checkbox"/> |
| We require our external managers to cast our (proxy) votes on our behalf                     | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            |

**SAM 05.4** Additional information. [Optional]

In cases where voting is possible on corporate bonds, we ask our managers to engage and to vote.

## Selection

| <b>SAM 06</b>   | <b>Mandatory</b>  | <b>Core Assessed</b> | <b>PRI 1-6</b> |
|-----------------|---|----------------------|----------------|
| <b>SAM 06.1</b> | Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following: |                      |                |
|                 | General   |                      |                |

|   | LE                                  | FIC                                 | FIG                                 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Review the manager's responsible investment policies  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Discuss managers' governance and management of responsible investment activities                            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Meet staff with responsible investment responsibilities to assess their skills and competence               | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Discuss minimum responsible investment expectations that managers must meet                                 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Discuss the role managers have played in collaborative initiatives  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Discuss the type of ESG reporting you expect  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Assign specific weighting to ESG factors in your manager evaluation   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Other general aspects in your selection process, specify  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

ESG incorporation

|  | LE                                  | FIC                                 | FIG                                 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Evaluate the quality and coverage of ESG research used by managers   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Assess how the manager incentivises brokers to provide ESG research  | <input type="checkbox"/>            | n/a                                 | n/a                                 |
| Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Evaluate index providers' ESG incorporation when designing the index   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Other ESG incorporation issues in your selection process, specify  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

If you select any 'Other' option(s), specify

We require that our external managers can act in accordance with an exclusion list provided by Unipension.

## Appointment

|               |                  |                            |              |
|---------------|------------------|----------------------------|--------------|
| <b>SAM 07</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 4</b> |
|---------------|------------------|----------------------------|--------------|

### SAM 07.1

When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

|   | LE                                  | FIC                                 | FIG                                 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other general RI considerations in investment management agreements, specify  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

|                   |
|-------------------|
| ESG incorporation |
|-------------------|

|  | LE                                  | FIC                                 | FIG                                 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Specific requirements relating to the incorporation of ESG issues into investment decision-making  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other RI considerations relating to ESG incorporation in investment management agreements, specify | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

|           |
|-----------|
| Reporting |
|-----------|

|  | LE                                  | FIC                                 | FIG                                 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Reporting on the agreed responsible investment activities                                  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Reporting on the ESG characteristics of the portfolio                                      | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Reporting on the impact of ESG issues on financial performance                             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Other RI considerations relating to reporting in investment management agreements, specify | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

|                 |   |
|-----------------|---|
| <b>SAM 07.2</b> | Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets. |
|-----------------|---|

When negotiating investment management agreements with external managers regarding listed assets we encourage them to be signatories of UN PRI or have similar guidelines. We also ask them to comply with our exclusion lists, as we make exclusion decisions ourselves. Furthermore, we ask the managers to report back on implementation of the exclusion lists. We monitor the implementation by running a test on our holdings each week. Voting and engagement is done by ourselves or an external service provider, why we do not ask our managers to do it.

|                   |
|-------------------|
| <b>Monitoring</b> |
|-------------------|

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>SAM 08</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 1</b> |
|---------------|------------------|----------------------|--------------|

|                 |   |
|-----------------|---|
| <b>SAM 08.1</b> | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following: |
|-----------------|---|

## General

|  | LE                                  | FIC                                 | FIG                                 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Include responsible investment as a standard agenda item at performance review meetings  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Highlight examples of good responsible investment practice by other managers   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Include responsible investment criteria as a formal component of overall manager performance evaluation  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Request information on whether your manager's approach to ESG issues has impacted financial performance  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Request information on whether your manager's approach to ESG issues has impacted risk or volatility   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Request information on whether your manager's approach to ESG issues has impacted ESG performance  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Other general aspects of your monitoring, specify  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

## ESG incorporation

|   | LE                                  | FIC                                 | FIG                                 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Request information on ESG incorporation in specific investment decisions | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other ways you monitor ESG incorporation, specify                         | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |



If you select any 'Other' option(s), specify

Listed Equity and Fixed Income-corporate: We ask the managers to report back on implementation of the exclusion lists. We monitor the implementation by running a test on our holdings each week.

Fixed Income-government: Our external investment managers are asked to comply with our exclusion lists for countries. We monitor the implementation by running a test on our holdings daily.

## Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

### Selection

| SAM 10   | Mandatory   | Core Assessed | PRI 1-6 |
|----------|---|---------------|---------|
| SAM 10.1 | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following: |               |         |
|          | General   |               |         |

|  | PE                                  | PR                                  |  |
|--|-------------------------------------|-------------------------------------|--|
| Review the manager's/general partner's responsible investment policy   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Discuss the manager's governance and management of responsible investment  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Meet staff with responsible investment responsibilities to assess their skills and competence  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Discuss minimum responsible investment expectations that managers must meet  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Discuss the role managers have played in collaborative initiatives   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Ask whether the organisation is a signatory to the PRI and/or other relevant organisations   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Review the manager's responsible investment disclosure, including PRI reporting  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Assign specific weighting to ESG factors in your manager evaluation  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other general aspects in your selection process, specify   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

#### Investment selection (pre-investment) of underlying holding

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other pre-investment aspects reviewed in your selection process, specify  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |

#### Investment monitoring (post-investment) of underlying holding

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings              | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other post-investment aspects reviewed in your selection process, specify   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |

## Appointment

| SAM 11 | Voluntary | Additional Assessed | PRI 4 |
|--------|-----------|---------------------|-------|
|--------|-----------|---------------------|-------|

|                 |   |
|-----------------|---|
| <b>SAM 11.1</b> | When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets: |
|-----------------|---|

|  |         |
|--|---------|
|  | General |
|--|---------|

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Other general RI considerations in your agreements, specify   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

|  |   |
|--|---|
|  | Investment selection (pre-investment) of underlying holding |
|--|---|

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Specific requirements relating to how ESG issues are identified and managed in investment decision-making | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Other RI considerations relating to investment selection in your agreements, specify                      | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

#### Investment monitoring (post-investment) of underlying holding

|  | PE                                  | PR                                  |  |
|--|-------------------------------------|-------------------------------------|--|
| Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other RI considerations relating to investment monitoring in your agreements, specify                                      | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |

#### Reporting

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Reporting on the agreed ESG implementation activities                     | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Reporting on the ESG characteristics of the portfolio                     | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Reporting on company incidents relating to ESG issues                     | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Reporting on the impact of ESG issues on financial performance            | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other RI considerations relating to reporting in your agreements, specify | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

If you select any 'Other' option(s), specify

The managers are asked to vote on shares in accordance with our voting policy.

**SAM 11.2**

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets.

**Private Equity:** When negotiating agreements with external managers we encourage them to be signatories of UN PRI or have similar guidelines. The managers are asked to specifically accept guidelines for responsible investments in a side letter to the agreement and act upon them. We do monitor the managers by requiring yearly reports on ESG-matters, and by becoming members of Advisory Boards, where our size of holdings allow it.

**Property:** Agreements with the external managers contain a clause stating that we prefer investments in certified properties, and that we, to the extent possible, do not wish to rent our properties to companies on our exclusion lists. And, we ask the managers to report specifically on certified properties.

## Monitoring

**SAM 12****Mandatory****Core Assessed****PRI 1-6****SAM 12.1**

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

**General**

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Include responsible investment as a standard agenda item at performance review meetings   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Highlight examples of good responsible investment practice by other managers  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Review manager's responsible investment reporting, for example PRI-generated responsible investment reports   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Include responsible investment criteria as a formal component of overall manager performance evaluation   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Request information on whether your manager's approach to ESG issues has impacted financial performance   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Request information on whether your manager's approach to ESG issues has impacted ESG performance   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other general aspects of your monitoring, specify   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

## Investment selection (pre-investment) of underlying holding

|  | PE                                  | PR                                  |  |
|--|-------------------------------------|-------------------------------------|--|
| Discuss how the analysis of ESG issues affected investment decisions during the reporting period | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other ways ESG issues are incorporated in the pre-investment process, specify                    | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |

## Investment monitoring (post-investment) of underlying holding

|   | PE                                  | PR                                  |  |
|---|-------------------------------------|-------------------------------------|--|
| Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| Request examples of ESG issues identified within the portfolio and action taken in response   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Request details of how ESG factors were considered when preparing to exit from investments  | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| Other ways ESG issues are monitored in the post-investment process, specify   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| None of the above   | <input type="checkbox"/>            | <input type="checkbox"/>            |  |

If you select any 'Other' option(s), specify

Private Equity: We do monitor the managers by requiring yearly reports on ESG-matters, and by becoming members of Advisory Boards, where our size of holdings allow it.

Property: Monitoring of the managers is similar to the asset classes, within which the investments are made. We ask the managers to report specifically on certified properties.

## Outputs and outcomes

| SAM 14          | Mandatory to Report  | Voluntary to Disclose | Descriptive | PRI 1-6 |
|-----------------|--|-----------------------|-------------|---------|
| <b>SAM 14.1</b> | Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories. |                       |             |         |
|                 | %  |                       |             |         |

80

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>SAM 15</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                 |   |
|-----------------|---|
| <b>SAM 15.1</b> | Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year. |
|-----------------|---|

- ☐ Add Example 1
- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5

|                 |                         |
|-----------------|-------------------------|
| <b>SAM 15.2</b> | Additional information. |
|-----------------|-------------------------|

We have not had any special cases in 2014. Manager selection, appointment and monitoring have followed our guidelines - all managers have signed the contracts regarding ESG and reported back in accordance with our guidelines.

## Communication

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>SAM 16</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 6</b> |
|---------------|------------------|----------------------|--------------|

|                 |   |
|-----------------|---|
| <b>SAM 16.1</b> | Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments. |
|-----------------|---|

- ☒ Yes, we disclose information publicly

|  |             |
|--|-------------|
|  | provide URL |
|--|-------------|

<http://www.unipensioninvest.dk/da/Investering/Ansvarlige-investeringer>

|  |             |
|--|-------------|
|  | provide URL |
|--|-------------|

<http://www.unipensioninvest.dk/en/Investment/Responsible-investments>

|                 |  |
|-----------------|--|
| <b>SAM 16.2</b> | Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries. |
|-----------------|--|

- ☒ Yes

**SAM 16.3**

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- ☐ How responsible investment considerations are included in manager selection, appointment and monitoring processes
- ☐ Details of the responsible investment activities carried out by managers on your behalf
- ☐ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- ☒ Other, specify

The homepage contains guidelines, approach, exclusion lists and exclusion decisions, voting statistics and results, engagement statistics and names of external managers.

- ☐ No
- ☐ Yes, we disclose information to clients/beneficiaries only
- ☐ We do not proactively disclose information to the public and/or clients/beneficiaries



# Unipension Fondsmaeglerselskab A/S

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

| LEI 01 | Mandatory to Report Voluntary to Disclose | Gateway/Peering | PRI 1 |
|--------|---|-----------------|-------|
|--------|---|-----------------|-------|

### LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

### Strategies

☒ Passive

% of internally managed listed equities

☒ <10%

#### Report on your strategies that represent <10% of listed equities

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

% of internally managed listed equities

☐ <10%

☒ 10-50%

☐ >50%

☒ Active – fundamental and other active strategies

% of internally managed listed equities

☐ <10%

☐ 10-50%

☒ >50%

| LEI 02 | Voluntary | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|
|--------|-----------|-------------|-------|

### LEI 02.1

Provide a brief overview of how you incorporate ESG issues into listed equity investments.

We do quarterly global screening of listed equities to identify, which companies violate our "Guidelines for Responsible Investments". Companies that are screened out are individually assessed to find out, whether they are suitable for engagement or need to be excluded. We ask our managers to comply with our exclusion lists. We ask the managers to report back on implementation of the exclusion lists. We monitor the implementation by running a test on our holdings each week. Voting and engagement is done by ourselves or an external service provider.

## ESG incorporation in actively managed listed equities

### Implementation processes

| LEI 03 | Mandatory | Gateway/Core Assessed | PRI 1 |
|--------|-----------|-----------------------|-------|
|--------|-----------|-----------------------|-------|

#### LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

☒ Screening alone (i.e. not combined with any other strategies)

|  |  |  |   |     |  |
|--|--|--|---|-----|--|
| Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%) | <table> <tr> <td></td><td>%</td></tr> <tr> <td>100</td><td></td></tr> </table> |  | % | 100 |  |
|  | %  |  |   |     |  |
| 100  |  |  |   |     |  |

- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed listed equities

100%

#### LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

We use norm-based screening to find companies violating our "Guidelines for Responsible Investments". Companies in violation are assessed individually to decide on either exclusion or engagement.

| LEI 04 | Voluntary | Additional Assessed | PRI 1 |
|--------|-----------|---------------------|-------|
|--------|-----------|---------------------|-------|

#### LEI 04.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

#### Type of ESG information

- ☐ Raw ESG company data
- ☒ Company-related analysis or ratings

#### Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Country-related analysis or ratings
- ☐ Screened stock list
- ☒ ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

**LEI 04.2**

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Information received from the ESG research provider (Hermes EOS) is used to identify, which companies are in violation of our "Guidelines for Responsible Investments". Sector-related analysis and information from in-house portfolio managers are used to identify objectives for engagements with the companies.

**LEI 04.3**

Indicate if you incentivise brokers to provide ESG research.

- ☐ Yes
- ☒ No

**LEI 05**

**Voluntary**

**Additional Assessed**

**PRI 1**

|                 |   |
|-----------------|---|
| <b>LEI 05.1</b> | Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making. |
|-----------------|---|

☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

## (A) Implementation: Screening

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEI 06</b> | <b>Mandatory</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|---------------|------------------|--------------------|--------------|

|                 |  |
|-----------------|--|
| <b>LEI 06.1</b> | Indicate and describe the type of screening you apply to your internally managed active listed equities. |
|-----------------|--|

### Type of screening

- ☒ Negative/exclusionary screening

#### Screened by

- ☒ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

|  |             |
|--|-------------|
|  | Description |
|--|-------------|

We screen quarterly for controversial weapons (cluster munitions, landmines, nuclear weapons, biological- and chemical weapons).

- ☐ Positive/best-in-class screening
- ☒ Norms-based screening

#### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☒ Other, specify

ICGN Global Corporate Governance Principles, conventions regarding controversial weapons and UN/EU-sanctions.

|  | Description |
|--|-------------|
|--|-------------|

Our norm-based screening applies to all our funds.

|                 |   |
|-----------------|---|
| <b>LEI 06.2</b> | Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made. |
|-----------------|---|

Screening criteria are set by the boards of the pension funds in the "Guidelines for Responsible Investments", which are reviewed once a year, or when necessary. Our ESG-service providers and managers are informed about the changes immediately.

|                 |                                    |
|-----------------|------------------------------------|
| <b>LEI 06.3</b> | Additional information. [Optional] |
|-----------------|------------------------------------|

Hermes EOS provides us with the following screening information on companies: breach/risk of breach of norms including the UN Global Compact Principles, the Ottawa Convention on landmines, the Oslo Convention on cluster munitions, the Biological Weapons Convention and the Chemical Weapons Convention. Involvement in nuclear weapons (product), infringements on trade and arms embargos (Norms-based screening - other) and material corporate governance concerns are also provided to us.

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>LEI 07</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 1</b> |
|---------------|------------------|----------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 07.1</b> | Indicate which processes your organisation uses to ensure that screening is based on robust analysis. |
|-----------------|---|

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 07.2****Additional information. [Optional]**

Our service provider Hermes EOS employs its research partner Sustainalytics to ensure screening of issuers is based on robust analysis. Hermes EOS analysts provide an independent, engagement perspective which complements Sustainalytics' rigorous approach to company research which ensures that the screening services provided to us are not only based on thorough research but also take into account company circumstances and engagement considerations. At Sustainalytics, comprehensive research is undertaken or sourced to determine issuers' ESG performance. Issuers are given the opportunity by Sustainalytics to review ESG research on them and correct inaccuracies. External research and data used to identify issuers to be excluded/included is subject to internal audit by its staff. Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies. A periodic review of the quality of the research undertaken and provided is carried out at Sustainalytics. For all of its company ESG research, Sustainalytics contacts companies directly and asks them to provide feedback on their company ESG report. This process aims to give companies an opportunity to provide Sustainalytics with additional inputs in regard to some of their ESG management systems and policies and correct any potential inaccuracies. Furthermore, companies may also provide further clarification in regard to specific company involvement in particular controversial issues, and how these are managed.

Sustainalytics considers quality management of key importance. Its analysts have clear and detailed research guidelines across indicators and industries to inform their analysis. Its Quality Management System (QMS) ensures continuous monitoring and improvement while its QMS team, whose responsibilities are described below, assists with particularly challenging issues requiring further consideration. In addition, all company profiles are peer reviewed before being uploaded to the database to ensure consistency and thoroughness.

The QMS includes the following elements: Clear and detailed research guidelines for all products and services, Detailed research procedures including sourcing requirements, archiving systems, process documentation and reporting, Peer review of all company reports, Assignment of clear responsibilities for conducting research and monitoring adherence to research guidelines and procedures, Systematic tracking of incidents as raised by analysts, other company staff and external parties such as clients or the companies that it researches, Requests for feedback from the companies we cover, Periodic review of the QMS, including evaluation and identification of priorities for action, and On-going training for our analysts on quality standards and procedures.

Sustainalytics implements strict procedures to ensure the proper management of research data as part of all its deliverables. It regards the independence and objectivity of its analysis fundamental to the quality of its work. It ensures that its ratings and any other analytical assessments are only influenced by factors relevant to research and are not affected by actual or potential business relationships between Sustainalytics and the companies it researches.

**LEI 08****Voluntary****Additional Assessed****PRI 1****LEI 08.1****Indicate which processes your organisation uses to ensure that fund criteria are not breached**

☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

☒ Systematic

☐ Occasional

☐ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☒ Audits of fund holdings are undertaken regularly by internal audit function

☐ Other, specify

☐ None of the above

**LEI 08.2**

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

If breaches are identified, the portfolio managers are asked to sell the holdings immediately. The breach has to be reported to the compliance officer.

## Outputs and outcomes

**LEI 15****Voluntary****Descriptive****PRI 1****LEI 15.1**

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☒ Screening

Specify the percentage reduction

%

0.9

**LEI 16****Voluntary****Additional Assessed****PRI 1****LEI 16.1**

Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.

☒ We measure whether our approach to ESG issues impacts funds' financial performance

| Describe the impact on:             | Impact   | Strategies considered                         |
|-------------------------------------|--|---|
| <b>Funds' financial performance</b> | <input type="radio"/> Positive<br><input checked="" type="radio"/> Negative<br><input type="radio"/> No impact | <input checked="" type="checkbox"/> Screening |

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

| Describe the impact on:          | Impact   | Strategies considered                         |
|----------------------------------|--|---|
| <b>Funds' risk or volatility</b> | <input type="radio"/> Reduced risk or volatility<br><input checked="" type="radio"/> Increased risk or volatility<br><input type="radio"/> No impact | <input checked="" type="checkbox"/> Screening |

☐ We measure whether our approach to ESG issues impacts funds' ESG performance

☐ None of the above



|                 |  |
|-----------------|--|
| <b>LEI 16.2</b> | Describe how you are able to determine these outcomes. |
|-----------------|--|

Our risk-system is able to calculate on single assets. Increased relative risk due to the fact that our benchmark includes excluded companies. Marginal impact on our absolute risk. Marginal impact on the portfolio's performance.

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEI 17</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 1</b> |
|---------------|------------------|--------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEI 17.1</b> | Provide examples of ESG issues that affected your investment view and/or performance during the reporting year. |
|-----------------|---|

☒ ESG issue 1

|   |  |
|---|--|
|   | ESG issue and explanation                    |
| In accordance to our "Guidelines for Responsible Investments" we do not wish to invest in companies, which are involved in controversial weapons, why these companies were excluded from our investment universe. |  |
|   | ESG incorporation strategy applied           |
| <input checked="" type="checkbox"/> Screening   |  |
|   | Impact on investment decision or performance |
| Exclusion of producers of controversial weapons resulted in a slightly higher performance in 2014.  |  |

☐ ESG issue 2

☐ ESG issue 3

☐ ESG issue 4

☐ ESG issue 5

## Communication

|               |                  |                      |                |
|---------------|------------------|----------------------|----------------|
| <b>LEI 18</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 2,6</b> |
|---------------|------------------|----------------------|----------------|

|                 |   |
|-----------------|---|
| <b>LEI 18.1</b> | Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity. |
|-----------------|---|

☒ We disclose it publicly

|  |             |
|--|-------------|
|  | Provide URL |
|--|-------------|

<http://www.unipensioninvest.dk/da/Investering/Ansvarlige-investeringer/Publikationer>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

# Unipension Fondsmaeglerselskab A/S

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Engagement

### Overview

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 01 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

**LEA 01.1** Provide a brief overview of your organisation's approach to engagement.

Hermes EOS engages with companies on our behalf on environmental, social, governance and strategic issues with the goal of achieving beneficial change with respect to risk management, value creation and fund reputation. Engagement is objective-driven and follows a structured, milestone-driven approach. Engagement interactions are sought at board and senior management level, liaising with other investors as appropriate. Work is carried out by a multinational team drawn from the major investment regions around the world. All corporate engagement work is sought to be complementary to and integrated with public policy and best practice engagement and voting work.

Engagement with Danish companies is done internally due to knowledge of local market, national legislation and companies' structure, history, etc. based on the same principles as mentioned above.

|        |           |         |           |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

**LEA 02.1** Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

| Type of engagement                           | Reason for interaction  |
|--|---|
| <b>Individual/Internal staff engagements</b> | <input type="checkbox"/> To support investment decision-making (e.g. company research)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input type="checkbox"/> Other, specify<br><input type="checkbox"/> We do not engage via internal staff            |
| <b>Collaborative engagements</b>             | <input type="checkbox"/> To support investment decision-making (e.g. company research)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input type="checkbox"/> Other, specify<br><input type="checkbox"/> We do not engage via collaborative engagements |
| <b>Service provider engagements</b>          | <input type="checkbox"/> To support investment decision-making (e.g. company research)<br><input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues<br><input checked="" type="checkbox"/> To encourage improved ESG disclosure<br><input type="checkbox"/> Other, specify<br><input type="checkbox"/> We do not engage via service providers         |

|          |                                    |
|----------|------------------------------------|
| LEA 02.2 | Additional information. [Optional] |
|----------|------------------------------------|

See LEA 1.1 for further information on the engagement service provided by Hermes EOS for companies outside Denmark.

Engagement in Denmark is done also by internal staff.

## Process

### Process for engagements run internally

|        |           |               |       |
|--------|-----------|---------------|-------|
| LEA 03 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

|          |   |
|----------|---|
| LEA 03.1 | Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff. |
|----------|---|

☒ Yes

|          |   |
|----------|---|
| LEA 03.2 | Describe how you identify and prioritise engagements. |
|----------|---|

Prioritisation of engagement with Danish companies is based on holdings in the companies and whether there have been any ESG issues registered in the companies. The process is reviewed and approved annually by our ESG committee.

☐ No

|          |                                    |
|----------|------------------------------------|
| LEA 03.3 | Additional information. [Optional] |
|----------|------------------------------------|

Engagement by internal staff is done only in Danish companies.

|        |           |               |       |
|--------|-----------|---------------|-------|
| LEA 04 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

|          |  |
|----------|--|
| LEA 04.1 | Indicate if you define specific objectives for your engagement activities. |
|----------|--|

☒ Yes

- ☒ Yes, for all engagement activities
- ☐ Yes, for the majority of engagement activities
- ☐ Yes, for a minority of engagement activities

☐ No

**LEA 04.2** Indicate if you monitor the actions that companies take following your engagements.

- ☒ Yes
  - ☒ Yes, in all cases
  - ☐ Yes, in the majority of cases
  - ☐ Yes, in the minority of cases

**LEA 04.3** Describe how you monitor and evaluate the progress of your engagement activities.

ESG issues within Danish companies are usually not very serious. Therefore, it is not necessary to have comprehensive engagements and engagement plans for them. Most of the issues we bring to the companies are solved within a short period of time. Generally, there is continuous contact with all Danish companies, and monitoring of their developments take place. Companies are contacted as soon as an ESG issue arises.

- ☐ No

### Process for engagements conducted via collaborations

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>LEA 05</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 2</b> |
|---------------|------------------|----------------------|--------------|

**LEA 05.1** Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- ☐ Yes
- ☒ No

**LEA 05.3** Additional information.[Optional]

Initiatives around collaborative engagements are being followed, especially under PRI Clearinghouse, and decisions about participation are made on a case-by-case basis.

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>LEA 06</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 2</b> |
|---------------|------------------|----------------------|--------------|

**LEA 06.1** Indicate if the collaborative engagements in which you are involved have defined objectives.

- ☒ Yes
  - ☒ Yes, for all collaborative engagement activities
  - ☐ Yes, for the majority of collaborative engagement activities
  - ☐ Yes, for a minority of collaborative engagement activities
- ☐ No

**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

☒ Yes☒ Yes, in all cases☐ Yes, in the majority of cases☐ Yes, in the minority of cases**LEA 06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Participation in discussions and dialogues within the group around the collaborative engagements takes place and we make sure that the group completes the planned engagement activities and reaches the goals with the particular companies.

☐ No**Process for engagements conducted with/on your behalf by service providers****LEA 07****Mandatory****Core Assessed****PRI 2,4****LEA 07.1**

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

☒ Yes**LEA 07.2**

Indicate what role you play in engagements that your service provider conducts on your behalf.

- ☒ Specify the issues for the engagement
- ☒ Specify the objectives for the engagement
- ☒ Select the companies to be engaged with
- ☒ Participate directly in the engagements with your service provider
- ☒ Actively monitor and review the activities of the service provider
- ☐ Other, specify

☐ No**LEA 07.3**

Additional information. [Optional]

We carefully monitor and review the activities of our service provider Hermes EOS through quarterly calls and regular reports.

**LEA 08****Mandatory****Core Assessed****PRI 2,6****LEA 08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

**LEA 08.2** Additional information. [Optional]

We receive reports quarterly and newsletters weekly on engagements.

### General processes for all three groups of engagers

|               |                  |                            |                |
|---------------|------------------|----------------------------|----------------|
| <b>LEA 09</b> | <b>Voluntary</b> | <b>Additional Assessed</b> | <b>PRI 1,2</b> |
|---------------|------------------|----------------------------|----------------|

**LEA 09.1** Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

| Type of engagement                           | Insights shared   |
|--|---|
| <b>Individual/Internal staff engagements</b> | <input type="radio"/> Yes, systematically<br><input checked="" type="radio"/> Yes, occasionally<br><input type="radio"/> No |
| <b>Collaborative engagements</b>             | <input type="radio"/> Yes, systematically<br><input checked="" type="radio"/> Yes, occasionally<br><input type="radio"/> No |
| <b>Service provider engagements</b>          | <input type="radio"/> Yes, systematically<br><input checked="" type="radio"/> Yes, occasionally<br><input type="radio"/> No |

**LEA 09.2** Additional information.

Our internal equity team is participating in engagements with Danish companies and discussions with Hermes EOS, why insights from engagements are automatically shared with them.

|               |                  |                              |              |
|---------------|------------------|------------------------------|--------------|
| <b>LEA 10</b> | <b>Mandatory</b> | <b>Gateway/Core Assessed</b> | <b>PRI 2</b> |
|---------------|------------------|------------------------------|--------------|

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.



| Type of engagement                             | Tracking engagements  |
|--|---|
| <b>Individual / Internal staff engagements</b> | <input checked="" type="radio"/> Yes, we track the number of our engagements in full<br><input type="radio"/> Yes, we partially track the number of our engagements<br><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers<br><input type="radio"/> No, we do not track and cannot estimate our engagements |
| <b>Collaborative engagements</b>               | <input checked="" type="radio"/> Yes, we track the number of our engagements in full<br><input type="radio"/> Yes, we partially track the number of our engagements<br><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers<br><input type="radio"/> No, we do not track and cannot estimate our engagements |
| <b>Service provider engagements</b>            | <input checked="" type="radio"/> Yes, we track the number of our engagements in full<br><input type="radio"/> Yes, we partially track the number of our engagements<br><input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers<br><input type="radio"/> No, we do not track and cannot estimate our engagements |

|                 |                                    |
|-----------------|------------------------------------|
| <b>LEA 10.2</b> | Additional information. [Optional] |
|-----------------|------------------------------------|

Hermes EOS' regular reporting provides full disclosure on the number of engagements conducted on behalf of the pension funds. Engagements done by internal staff with Danish companies are being tracked internally.

## Outputs and outcomes

|               |  |                      |              |
|---------------|--|----------------------|--------------|
| <b>LEA 11</b> | <b>Mandatory to Report Voluntary to Disclose</b> | <b>Core Assessed</b> | <b>PRI 2</b> |
|---------------|--|----------------------|--------------|

|                 |  |
|-----------------|--|
| <b>LEA 11.1</b> | Indicate the number of companies with which your organisation engaged during the reporting year. |
|-----------------|--|

|   | <b>Number of companies engaged</b><br>(avoid double counting, see explanatory notes) |
|---|--|
| Individual / Internal staff engagements | 3  |
| Collaborative engagements               | 0  |
| Service provider engagements            | 275  |

## LEA 11.2

Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

| Type of engagement                      | % Comprehensive engagements  |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="radio"/> > 50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input type="radio"/> None |
| Collaborative engagements               | <input type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> None  |
| Service provider engagements            | <input checked="" type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input type="radio"/> None  |

## LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

| Type of engagement        | % Leading role  |
|---------------------------|---|
| Collaborative engagements | <input type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> None |

## LEA 11.4

Indicate for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

| Type of engagement           | % High involvement  |
|------------------------------|---|
| Service provider engagements | <input type="radio"/> >50%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> <10%<br><input type="radio"/> None |

## LEA 12

Voluntary

Additional Assessed

PRI 2

## LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

| Type of engagement                      | Coverage   |
|---|--|
| Individual / Internal staff engagements | <input checked="" type="checkbox"/> Environmental<br><input checked="" type="checkbox"/> Social<br><input checked="" type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information |
| Collaborative engagements               | <input type="checkbox"/> Environmental<br><input type="checkbox"/> Social<br><input type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information                                  |
| Service provider engagements            | <input checked="" type="checkbox"/> Environmental<br><input checked="" type="checkbox"/> Social<br><input checked="" type="checkbox"/> Corporate Governance<br><input type="checkbox"/> We do not track this information |

#### LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Overlapping ESG issues

100

100%

Collaborative engagements

100%

Service provider engagements

% Environmental only

11

% Social only

21

% Corporate Governance only

68

100%

|                 |                         |
|-----------------|-------------------------|
| <b>LEA 12.3</b> | Additional information. |
|-----------------|-------------------------|

Our service provider Hermes EOS tracks engagement issue coverage on a per topic basis and includes a fourth category of "Strategy and risk." Therefore the percentage value given for our service provider engagements on Governance includes Strategy and risk. It is a deliberate feature of Hermes EOS' approach to engagement that conversations with companies are holistic in nature and therefore cover a range of ESG/strategic matters where appropriate

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEA 13</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                 |  |
|-----------------|--|
| <b>LEA 13.1</b> | Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities. |
|-----------------|--|

☒ Yes

|                 |  |
|-----------------|--|
| <b>LEA 13.2</b> | Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities. |
|-----------------|--|

|   | Number of company changes or commitments to change |
|---|--|
| Individual / Internal staff engagements | 0  |
| Collaborative engagements               | 0  |
| Service provider engagements            | 144  |

☐ No

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEA 14</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEA 14.1</b> | Provide examples of the engagements that your organisation carried out during the reporting year. |
|-----------------|---|

☒ Add Example 1

|                    |   |
|--------------------|---|
| Topic or ESG issue | Governance – board structure  |
| Conducted by       | <input type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input checked="" type="checkbox"/> Service provider  |
| Objectives         | To improve corporate governance standards worldwide, in particular to manage risk effectively. A good board structure is essential to this. Company boards should comprise independent members who are equipped with the right skills. Ideally each board member will enhance the diversity of the board, be it by gender, ethnicity, nationality, background or skillsets. Regular board refreshment - the avoidance of long tenures - and succession planning are also crucial.   |
| Scope and Process  | Longstanding engagements with companies have given Hermes EOS access to executive and non-executive board members of companies that were reluctant to engage in the past. Hermes EOS' good relationships with companies proved fruitful for the continuation of dialogue on board structure and recruitment processes. Companies explained the rationale behind their current board structure before Hermes EOS suggested improvements where applicable. Sometimes Hermes EOS also drew on the support of other institutional investors - or filed shareholder proposals in the US to seek proxy access or appoint an independent chair - to meet its objectives. Hermes EOS also engaged with the relevant regulatory bodies in different jurisdictions on board structures. |
| Outcomes           | Hermes EOS' engagement in 2014 helped facilitate substantial changes to companies' board structure in line what it had called for. Where the roles of chair and CEO could not be undertaken by separate individuals, Hermes EOS pushed for lead independent directors to be in place to provide some counterbalance. Several companies in Hermes EOS' engagement programme appointed such individuals in 2014. Hermes EOS also contributed to board appointments to protect the rights of minority shareholders. Hermes EOS suggested that a process of formal board evaluation be instigated and regularly undertaken where this was not previously done. It particularly welcomed appointments of individuals that enhanced the diversity and skillsets of the boards.      |

☒ Add Example 2

|                    |   |
|--------------------|---|
| Topic or ESG issue | Social and ethical – Supply chains  |
| Conducted by       | <input type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input checked="" type="checkbox"/> Service provider  |
| Objectives         | To protect fundamental labour rights which cover the company and its supply chain, including the right to effective health and safety, rights of association, management of child labour, lack of discrimination and the payment of a fair and preferably living wage.  |
| Scope and Process  | Hermes EOS engaged with several global retailers on their supply chains. As part of the engagement, Hermes EOS visited the supplier factories of four global retailers in Bangladesh where it gained first-hand impressions of the lives and working conditions of their factory employees. Hermes EOS noticed that the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety initiatives that were launched in the wake of the 2013 Rana Plaza building collapse appear to have greatly improved building safety in the country. In addition to engaging with the companies on the ground in Bangladesh and with their head offices, Hermes EOS met NGOs, representatives of the initiatives and other key stakeholders to press for education of the industry on health and safety, the fair living wage, environmental issues and the empowerment of women. |
| Outcomes           | As a result of its good relationship with one global retailer, Hermes EOS was the first investor representative to visit the company in Bangladesh on a one-to-one basis. That retailer has worked very hard to reduce the human rights risks in its Bangladeshi supply chain. Hermes EOS is also optimistic that the company's dedication to ethical behaviour and supply chain integrity will encourage it to better manage its human resources at home. Its announcement to increase the pay of many of its home market staff and to substantially invest in staff training and career development confirmed that optimism. The other three retailers whose factories Hermes EOS visited also showcased good and best practice management of supply chains and health and safety and demonstrated long-term alignment with its thinking.   |

☒ Add Example 3

|                    |  |
|--------------------|--|
| Topic or ESG issue | Land use change  |
| Conducted by       | <input type="checkbox"/> Individual / Internal<br><input type="checkbox"/> Collaborative<br><input checked="" type="checkbox"/> Service provider   |
| Objectives         | To promote careful management of environmental risks arising from forestry and agricultural operations, including direct operations and dependency on other operations through the supply chain.   |
| Scope and Process  | Hermes EOS raised concerns with companies involved in the plantation of palm oil. Noting a lack of public disclosure of sustainability issues at one company in particular, Hermes EOS urged it to publish a policy commitment, emphasising the significance of reputational risks faced by palm oil producers. Hermes EOS discussed the company's progress in obtaining certification from the Roundtable on Sustainable Palm Oil (RSPO) for all of its plantations to ensure that the company was on track to meet its targets.  |
| Outcomes           | In July 2014, the company - together with several other palm oil growers and traders - published the Sustainable Palm Oil Manifesto. The manifesto commits the companies to refrain from deforestation of high carbon stock (HCS) forest, to create traceable and transparent supply chains and to protect peat areas. This was followed by an announcement that these companies would halt development of potential HCS areas while an HCS study is underway. In addition the company informed Hermes EOS that it obtained RSPO certification for all of its plantations and mills in Malaysia and that it is on track to achieve its 2015 target for Indonesia. The company also published its first sustainability policy and will engage with its contractors and suppliers to ensure their adherence to the policy. |

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

## Communication

| LEA 15   | Mandatory  | Core Assessed | PRI 2,6 |
|--|--|---------------|---------|
| LEA 15.1   | Indicate whether your organisation proactively discloses information on its engagements. |               |         |
| <input checked="" type="radio"/> We disclose it publicly |  |               |         |

|  |             |
|--|-------------|
|  | provide URL |
|--|-------------|

<http://www.unipensioninvest.dk/da/InvesteringsAnsvarlige-investeringer/Publikationer>

|                 |   |
|-----------------|---|
| <b>LEA 15.2</b> | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries. |
|-----------------|---|

☒ Yes

|                 |  |
|-----------------|--|
| <b>LEA 15.3</b> | Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public. |
|-----------------|--|

|  |                                  |
|--|----------------------------------|
|  | Engagement information disclosed |
|--|----------------------------------|

- ☐ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

|                 |   |
|-----------------|---|
| <b>LEA 15.4</b> | Indicate how frequently you typically report engagements information. |
|-----------------|---|

- ☐ Disclosed continuously (prior to and post engagements)
- ☒ Disclosed quarterly
- ☐ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

|                 |                                    |
|-----------------|------------------------------------|
| <b>LEA 15.8</b> | Additional information. [Optional] |
|-----------------|------------------------------------|

We upload quarterly reports regarding engagement on our homepage. They are removed and replaced by an yearly report at the end of each calendar year.

## (Proxy) voting and shareholder resolutions

### Overview

|               |           |             |       |
|---------------|-----------|-------------|-------|
| <b>LEA 16</b> | Voluntary | Descriptive | PRI 2 |
|---------------|-----------|-------------|-------|



|          |  |
|----------|--|
| LEA 16.1 | Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable). |
|----------|--|

**Regarding companies outside Denmark:** Hermes EOS undertakes intelligent voting on our behalf according to our own proxy voting policy. This means that all proxies are voted in line with the individual circumstances of the company and the vote, rather than using a box-ticking approach or as a compliance driven activity. The vote is viewed as an annual governance health check and voting work is strongly linked with corporate engagement. The vote is not perceived as an end in itself but rather as a mechanism which precipitates further change where required. Hermes EOS files shareholder proposals in markets where it is relevant to do so, typically in Germany and the US, either as lead filer or as co-filer alongside other investors. Consistent with its intelligent voting approach, this typically forms part of a wider engagement with the company and is used as a tool for leverage in its dialogue with management. Where, in accordance with its policies, Hermes EOS has executed a vote against management on large holdings or otherwise high-profile companies, it seeks to follow up with the company either in writing to explain the reasons giving rise to a vote against and the steps that it would like to see the company take to rectify the issue. As necessary, Hermes EOS will look to engage with the company before the meeting to ensure that the issue giving rise to the vote against is addressed so that it can vote in line with management's recommendation, a vote 'for' management 'by exception,' in subsequent years. It may look to vote against management in a number of different scenarios. While it is difficult to provide a general description, typically this will be where a vote with management would not serve the best long-term interests of shareholders. This may be either in terms of remuneration or where there are insufficient skills on the board to take the company forward. There may also be specific instances where a vote in favour of management would be actively detrimental to the company, for example in the case of a merger or acquisition. Hermes EOS rarely abstains on votes. In the very rare instances that it does consider abstaining, this may be because it is unable to vote with management - typically due to inadequate information being provided - but where a vote against management may appear unduly harsh. Hermes EOS always seeks to obtain the required information to make an informed voting decision but this may not always be possible.

**Regarding companies in Denmark:** The guidelines on corporate governance and voting are based on the recommendations in force from time to time prepared by the Committee on Corporate Governance of the Copenhagen Stock Exchange. Votes are casted at general meetings on all voting shares and bonds when voting is possible. When a vote is executed against management, we seek to follow up with the company to explain the reasons for voting against.

## Process

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 17 | Mandatory | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |   |
|----------|---|
| LEA 17.1 | Indicate how you typically make your (proxy) voting decisions and what this approach is based on. |
|----------|---|

|          |
|----------|
| Approach |
|----------|

☐ We use our own research or voting team and make our own voting decisions without the use of service providers.

☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

|  |                    |
|--|--------------------|
|  | Based primarily on |
|--|--------------------|

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 19 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |   |
|----------|---|
| LEA 19.1 | To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following. |
|----------|---|

- ☐ Obtain confirmation that votes have been received by the company:
- ☒ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

|          |  |
|----------|--|
| LEA 19.2 | Provide additional information on your organisation's vote confirmation efforts. |
|----------|--|

The voting platform does not provide us with the confirmation of votes having reached the destination. Therefore, we do random checks of our votings and contact the companies directly to make sure that our votes have reached them.

|        |           |                     |       |
|--------|-----------|---------------------|-------|
| LEA 20 | Voluntary | Additional Assessed | PRI 2 |
|--------|-----------|---------------------|-------|

|          |   |
|----------|---|
| LEA 20.1 | Indicate if your organisation has a securities lending programme. |
|----------|---|

- ☐ Yes
- ☒ No

|        |           |               |       |
|--------|-----------|---------------|-------|
| LEA 21 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

|          |   |
|----------|---|
| LEA 21.1 | Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations. |
|----------|---|

- ☒ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

|          |                                    |
|----------|------------------------------------|
| LEA 21.2 | Additional information. [Optional] |
|----------|------------------------------------|

See LEA 16.1 for more information on the approach to proxy voting taken by Hermes EOS on our behalf and our internally approach.

## Outputs and outcomes

|        |           |               |       |
|--------|-----------|---------------|-------|
| LEA 22 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

|          |   |
|----------|---|
| LEA 22.1 | For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year. |
|----------|---|

☒ We do track or collect this information

|  |                                |
|--|--------------------------------|
|  | Votes cast (to the nearest 1%) |
|--|--------------------------------|

|  |   |
|--|---|
|  | % |
|--|---|

100

|  |  |
|--|--|
|  | Specify the basis on which this percentage is calculated |
|--|--|

- ☒ of the total number of ballot items on which you could have issued instructions
- ☐ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

☐ We do not track or collect this information

|          |                                    |
|----------|------------------------------------|
| LEA 22.3 | Additional information. [Optional] |
|----------|------------------------------------|

Our service provider Hermes EOS submits vote instructions on all ballots available to vote in the portfolios for which we have subscribed to their proxy voting service.

|        |           |             |       |
|--------|-----------|-------------|-------|
| LEA 23 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|

|          |  |
|----------|--|
| LEA 23.1 | Indicate if you track the voting instructions that you and/or your third party have issued on your behalf. |
|----------|--|

☒ Yes, we track this information

|          |   |
|----------|---|
| LEA 23.2 | Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were: |
|----------|---|

| Voting instructions                           | Breakdown as percentage of votes cast       |
|---|---|
| For (supporting) management recommendations   | <div> <div></div> <div>%</div> </div><br>94 |
| Against (opposing) management recommendations | <div> <div></div> <div>%</div> </div><br>6  |
| Abstentions                                   | <div> <div></div> <div>%</div> </div><br>0  |

100%

**LEA 23.3** For the reporting year, describe your approach towards voting on shareholder resolutions.

With typically less than 10 companies, shareholder resolutions will be led or co-sponsored by Hermes EOS. See LEA 16.1 for more information

☐ No, we do not track this information

| LEA 24 | Voluntary | Descriptive | PRI 2 |
|--------|-----------|-------------|-------|
|--------|-----------|-------------|-------|

**LEA 24.1** Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☒ Yes

**LEA 24.2** Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

3

**LEA 24.3** Indicate what percentage of these ESG shareholder resolutions.

|   |   |
|---|---|
| Went to vote  | <div><div></div><div>%</div></div><br>0   |
| Were withdrawn due to changes at the company and/or negotiations with the company | <div><div></div><div>%</div></div><br>100 |
| Were withdrawn for other reasons  | <div><div></div><div>%</div></div><br>0   |

|                        |       |
|------------------------|-------|
| <div><div></div></div> | Total |
| 100%                   |       |

|                 |   |
|-----------------|---|
| <b>LEA 24.4</b> | Of the ESG shareholder resolutions that you filed or co-filed and that were put to vote (i.e. not withdrawn) how many received: |
|-----------------|---|

|                        |               |
|------------------------|---------------|
| <div><div></div></div> | >50% approval |
| 0                      |               |

|                        |                 |
|------------------------|-----------------|
| <div><div></div></div> | 50-20% approval |
| 0                      |                 |

|                        |               |
|------------------------|---------------|
| <div><div></div></div> | <20% approval |
| 0                      |               |

|                 |  |
|-----------------|--|
| <b>LEA 24.5</b> | Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved. |
|-----------------|--|

Hermes EOS is not in a position to disclose details of shareholder proposal discussions relating to resolutions which do not go to a shareholder vote. However in order to withdraw a proposal we expect a company to engage in constructive dialogue and take steps which materially address all or part of our underlying concerns. In 2014 the following companies saw shareholder proposals (co-)filed by Hermes EOS which were subsequently withdrawn:

International Business Machines Corporation, Wal-Mart Stores, Inc.& The Walt Disney Company

☐ No

|               |                  |                    |              |
|---------------|------------------|--------------------|--------------|
| <b>LEA 25</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 2</b> |
|---------------|------------------|--------------------|--------------|

|                 |   |
|-----------------|---|
| <b>LEA 25.1</b> | Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year. |
|-----------------|---|

☒ Add Example 1

|                    |  |
|--------------------|--|
| Topic or ESG issue | Remuneration   |
| Decision made by   | <input type="checkbox"/> Internal staff<br><input checked="" type="checkbox"/> Service provider  |
| Objectives         | Companies should have an efficient capital structure which will minimise the long-term cost of capital.  |
| Scope and Process  | Consistent with its intelligent voting approach, in instances of material holdings or otherwise high-profile companies, our service provider Hermes EOS endeavoured to contact companies wherever possible when it recommended a vote against. Sometimes this contact enabled Hermes EOS to vote 'with management by exception.' Subsequent to the vote, Hermes EOS follows up with companies wherever possible to explain the rationale for voting against and what changes it would like to see. |
| Outcomes           | Voting activity in relation to capital structure during 2014 supported and built on engagements with companies on this issue. Using Hermes EOS' milestone approach to measure progress in engagements, a number of conversations with companies around the vote led to governance changes with companies. Other conversations around the vote contributed towards continuing engagements at companies where the required change is still outstanding.  |

- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

|                 |                         |
|-----------------|-------------------------|
| <b>LEA 25.2</b> | Additional information. |
|-----------------|-------------------------|

Hermes EOS is our service provider.

## Communication

**LEA 26**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**LEA 26.1** | Indicate if your organisation proactively discloses information on your voting activities.

- ☒ We disclose it publicly

provide URL

<http://vds.issproxy.com/SearchPage.php?CustomerID=8267>

**LEA 26.2** | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ☒ Yes

**LEA 26.3** | Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions  
☐ Some voting decisions  
☐ Only abstentions and opposing vote decisions  
☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions  
☐ Explain some voting decisions  
☐ Only explain abstentions and votes against management  
☒ No explanations provided

**LEA 26.4** | Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)  
☒ Continuously (soon after votes are cast)  
☐ Quarterly or more frequently  
☐ Between quarterly and annually  
☐ Less frequently than annually  
☐ Other, specify  
☐ No
- ☐ We disclose it to clients/beneficiaries only  
☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

# Unipension Fondsmaeglerselskab A/S

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Overview

| FI 01 | Mandatory to Report | Voluntary to Disclose | Gateway/Peering | PRI 1 |
|-------|---------------------|-----------------------|-----------------|-------|
|-------|---------------------|-----------------------|-----------------|-------|

### FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – government

#### Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

| FI 02 | Mandatory to Report | Voluntary to Disclose | Peering | General |
|-------|---------------------|-----------------------|---------|---------|
|-------|---------------------|-----------------------|---------|---------|

### FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

| Credit quality   | Fixed Income - Government   |
|------------------|---|
| Investment grade | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input checked="" type="radio"/> >50% |
| High yield       | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Distressed       | <input checked="" type="radio"/> 0%<br><input type="radio"/> <10%<br><input type="radio"/> 10-50%<br><input type="radio"/> >50% |

### FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

| Market                      | Fixed Income - Government   |
|-----------------------------|---|
| Primary market (new issues) | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50% |
| Secondary market            | <input type="radio"/> 0%<br><input type="radio"/> <10%<br><input checked="" type="radio"/> 10-50%<br><input type="radio"/> >50% |

## ESG incorporation in actively managed fixed income

|       |           |             |       |
|-------|-----------|-------------|-------|
| FI 03 | Voluntary | Descriptive | PRI 1 |
|-------|-----------|-------------|-------|

|  |                           |
|--|---------------------------|
|  | Fixed Income - Government |
|--|---------------------------|

The investigation of countries accused of breaching the "Guidelines for Responsible Investments" consist of global screening, which is done quarterly. If the breach is deemed to be serious, the country is entered on a surveillance list. Countries on the surveillance list are kept under observation with a view to assessing developments. It can be decided that a country must be entered on the exclusion list, if investment in the country's government bonds is prohibited due to sanctions, or the breach is deemed to be very serious and no recent, positive developments in the country can be ascertained and there is no indication of imminent positive developments in the country.

## Fixed income - Government

|       |           |               |       |
|-------|-----------|---------------|-------|
| FI 13 | Mandatory | Core Assessed | PRI 1 |
|-------|-----------|---------------|-------|

|         |   |
|---------|---|
| FI 13.1 | Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments. |
|---------|---|

☒ Yes

|         |   |
|---------|---|
| FI 13.2 | Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making. |
|---------|---|

- ☐ <10%  
☐ 10-50%  
☐ 51-90%  
☒ >90%

|         |  |
|---------|--|
| FI 13.3 | Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers. |
|---------|--|

| ESG issues           | Coverage/extent of review on these issues   |
|----------------------|---|
| Environmental        | <input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly<br><input type="radio"/> We do not review environmental issues                      |
| Social               | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly<br><input type="radio"/> We do not review social issues   |
| Corporate Governance | <input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly<br><input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly<br><input type="radio"/> We do not review corporate governance issues |

☐ No

## Outputs and outcomes

| FI 15   | Voluntary  | Descriptive | PRI 1 |
|---------|--|-------------|-------|
| FI 15.1 | Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe. |             |       |

### Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe  
☒ Buy / sell / weight decisions  
☐ Other, specify

|         |                         |
|---------|-------------------------|
| FI 15.2 | Additional information. |
|---------|-------------------------|

We do have exclusion lists for both companies and countries, which require that our managers sell/buy certain company- or country products from time to time.

| FI 16   | Voluntary  | Descriptive | PRI 1 |
|---------|--|-------------|-------|
| FI 16.1 | Indicate whether your organisation measures how your approach to ESG issues in Fixed Income investments has affected financial and/or ESG performance. |             |       |

- ☒ We measure whether our approach to ESG issues impacts funds' financial performance

Fixed Income - Government

| Describe the impact on:             | Impact  | Strategies considered  |
|-------------------------------------|---|--|
| <b>Funds' financial performance</b> | <input type="radio"/> Positive<br><input type="radio"/> Negative<br><input checked="" type="radio"/> No impact<br><input type="radio"/> We do not measure the impact for this asset class | <input checked="" type="checkbox"/> ESG incorporation (actively managed funds) |

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Fixed Income - Government

| Describe the impact on:          | Impact  | Strategies considered  |
|----------------------------------|---|--|
| <b>Funds' risk or volatility</b> | <input type="radio"/> Reduced risk or volatility<br><input type="radio"/> Increased risk or volatility<br><input checked="" type="radio"/> No impact<br><input type="radio"/> We do not measure the impact for this asset class | <input checked="" type="checkbox"/> ESG incorporation (actively managed funds) |

☐ We measure whether our approach to ESG issues impacts funds' ESG performance

☐ None of the above

**FI 16.2**

Describe how you are able to determine these outcomes.

Our risk-system is able to calculate on single assets. We monitor our portfolio daily to assess risk, volatility and performance.

**Communication**

**FI 18**

**Mandatory**

**Core Assessed**

**PRI 2,6**

**FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

☒ We disclose it publicly

|  |             |
|--|-------------|
|  | Provide URL |
|--|-------------|

<http://www.unipensioninvest.dk/da/Investering/Ansvarlige-investeringer/Publikationer>

|                |   |
|----------------|---|
| <b>FI 18.2</b> | Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries. |
|----------------|---|

☒ Yes

|                |   |
|----------------|---|
| <b>FI 18.3</b> | Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation. |
|----------------|---|

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

|                |  |
|----------------|--|
| <b>FI 18.4</b> | Indicate how frequently you typically report this information. |
|----------------|--|

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

## Engagement in fixed income investments

### Fixed Income - Government

| FI 20 | Voluntary | Descriptive | PRI 2 |
|-------|-----------|-------------|-------|
|-------|-----------|-------------|-------|

|                |   |
|----------------|---|
| <b>FI 20.1</b> | Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness. |
|----------------|---|

- ☐ Yes
- ☒ No

|                |                         |
|----------------|-------------------------|
| <b>FI 20.3</b> | Additional information. |
|----------------|-------------------------|

Engagement with such entities is not practically possible.