

# ISSUE SPECIFIC GUIDELINES

## SDGs

The alignment of investments with the SDGs can be one relevant framework for considering their negative impacts and positive impacts. The SDGs cover a variety of topic areas including biodiversity, water use, pollution, waste, as well as gender and diversity. As described in our Methodology on Sustainable Investments, alignment with SDGs forms part of our methodology for identifying sustainable investments under SFDR.

## Taxation

All our strategies are subject to regular screening for alleged and confirmed violations of international norms. Our norm-based screening considers both illegal activities such as tax evasion, and controversial and aggressive corporate tax practices (tax avoidance, tax optimisation or aggressive tax planning), and the failure to comply with the spirit or intent of tax laws. As with other norm issues, where concerns are identified this can lead to securities being excluded from certain funds, or to engagement with companies. Corporate approaches to taxation are also among the fundamental issues considered on a materiality-tested basis in our internal ESG analysis and stewardship work, and in research and ESG data which we receive from service providers.

As described in our Methodology on Sustainable Investments, a consideration of tax compliance forms part of our assessment of good governance practices at investments.

Nykredit also has a tax policy applying to its own tax affairs:

<https://www.nykredit.com/en-gb/om-os/organisation/politikker/skattepolitik/>

## Oppressive regimes & Death penalty

Norms based exclusions include the review of human rights violations. In addition to this, there are also reviews for any breaches of various international initiatives and guidelines like the UN Global Compact, which includes respecting human rights and not being complicit in human rights abuses. Any potential investment involved in an oppressive regime would be flagged during the analysis looking to identify breaches of international norms. Any company involved in capital punishment i.e. drugs or other products used in the procedure will be flagged as a controversy and this will result in exclusion from the fund. This is part of the screening against breaches of human rights (International Decl. of Human Rights).

## Forward contracts on agricultural commodities

Nykredit does not invest in forwards on agricultural commodities. Nykredit does not have any plans to do so. Agricultural forwards can be an appropriate tool for hedging genuine risk for those operating within the agricultural sector, whereas certain uses of them for investment purposes may become speculative, and potentially contribute to pricing volatility, to the detriment of those using them for hedging genuine underlying risk.