



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 1

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant

CB European Quality Fund
LEI: 549300G6TK5TFMDMOC83

Summary

CB European Quality Fund (LEI: 549300G6TK5TFMDMOC83), considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of CB European Quality Fund.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

Description of the principal adverse impacts on sustainability factors

The table below presents the mandatory indicators for the negative consequences of sustainability factors that CB Fonder have taken into account. CB European Quality Fund are subject to consideration of the factors listed below. The two subsequent tables display the non-mandatory indicators for the negative consequences of sustainability factors that CB European Quality Fund have considered.

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	614.90	Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO ₂ e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 100%	<p>GENERAL APPROACH</p> <p>CB Fonder only invests in sustainability leaders. The Portfolio managers always analyze the size of any emissions before investing. As of Q4 2022, the implicit temperature rise for CB Save Earth Fund was estimated to be 2.06°C and for CB European Quality Fund 1,79°C (Calculated with data from MSCI). Holdings with a value less than 2°C implicit temperature rise are in line with the Paris Agreement.</p> <p>EXCLUSION</p> <p>CB Fonder supports the goals of the Paris agreement by not having any holdings in companies with e.g., fossil assets. CB Fonder does not invest in</p>
		Scope 2 GHG emissions	557.52	Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO ₂ e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 100%	
		Scope 3 GHG emissions	8854.86	Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO ₂ e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 99.32%	
		Total GHG emissions	9994.98	The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions	

					associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 99.32%	companies that mine or refine coal, natural gas, crude oil, or uranium for fuel. Neither does the fund invest in companies in the energy sector that extract energy from coal, natural gas, crude oil or uranium, i.e., companies mining/pumping the fuels or generating energy from the fuels. In the case of energy production from fossil fuels, the production capacity in Gigawatt (GW) must not exceed 5%.
2. Carbon footprint	Carbon footprint	126.94			The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 99.32%	
3. GHG intensity of investee companies	GHG intensity of investee companies	462.94			The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue). Coverage: 99.32%	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.00%			The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal. Coverage: 100%	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	63.01%			The portfolio's weighted average of issuers' energy consumption and/or production from non-renewable sources as a percentage of total energy used and/or generated. Coverage: 93.77%	
6. Energy consumption intensity per high	Energy consumption in GWh per million EUR of revenue of	NACE A 0.00%; NACE B			The portfolio's weighted average of Energy Consumption Intensity (Gwh/million EUR	

	impact climate sector	investee companies, per high impact climate sector	0.00%; NACE C 43.27%; NACE D 0.00%; NACE E 0.00%; NACE F 17.83%; NACE G 1.56%; NACE H 4.00%; NACE L 0.00%		revenue) for issuers classified within NACE Code A-H and L. Coverage: 92.96%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00%		The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment. Coverage: 100%	GENERAL APPROACH CB Fonder aims to invest in companies supporting the conservation of biodiversity. EXCLUSION CB Fonder refrain from investing in companies active within deforestation. The fund also refrains from companies with extensive greenhouse gas emissions and other toxic emissions which are some of the greater threats towards biodiversity.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.02		The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio . Companies' water emissions are apportioned across all outstanding shares and bonds (based on the	GENERAL APPROACH CB Fonder screen on water-related indicators. EXCLUSION CB Fonder does not invest in companies that cause

					most recently available enterprise value including cash). Coverage: 21.03%	significant negative impact on local water supply.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.12		The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 46.77%	GENERAL APPROACH CB Fonder screen on waste-related indicators and can consider waste footprint for companies in relevant sectors. EXCLUSION CB Fonder does not invest in companies that cause significant negative impact on waste issues.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00%		The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products. Coverage: 100%	GENERAL APPROACH Holdings and potential companies are examined for how they approach the 17 Global Goals. The funds currently has no minimum requirement but aims for the companies to work towards as many as possible. CB Fonder are committed to following global norms including: • United Nations Global Compact • ILO Conventions on labour standards
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling	48.20%		The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. Coverage: 100%	

	principles and OECD Guidelines for Multinational Enterprises	mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				<ul style="list-style-type: none"> • UN Declaration of Human Rights • UN Rights of the Child Convention • UN Climate Convention • The Kyoto protocol • UN Convention against Corruption
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.32%		<p>The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.</p> <p>Coverage: 51.13%</p>	<ul style="list-style-type: none"> • UN Convention against Corruption
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0.51		<p>The portfolio holdings' weighted average of the ratio of female to male board members.</p> <p>Coverage: 100%</p>	<p>EXCLUSION</p> <p>CB Fonder aims to invest in companies which promote human rights and should therefore show diligence in the management of funds with investments that pose a risk of contributing to:</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%		<p>The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.</p> <p>Coverage: 100%</p>	<ul style="list-style-type: none"> • Harmful forms of child labor and forced labor or unreasonable working environment (defined in the UN Rights of the Child Convention and ILO Conventions nr 29, 87, 98, 105, 138 and 182) • Deliberate discrimination of employees due to gender, race, or religion (defined in the UN Declaration of Human Rights and ILO Conventions nr 100 and 111) • Deliberate crimes against central international agreements in the environmental area

						<p>(defined in the UN Climate Convention and the Kyoto protocol)</p> <ul style="list-style-type: none"> • Corruption, extortion and / or bribery (defined in the UN Convention against Corruption) <p>Furthermore, CB Fonder does not invest in companies which violate international convention in accordance with the UN's Global Compact and the guidelines regarding environment, human rights, labor law and inhumane weapons outlined by the OECD. For example, CB Fonder refrains from holding investments in companies active within nuclear weapons, land mines or cluster weapons. Should a company violate any of the guidelines above and no preventive action is taken on the company's part, CB Fonder chooses to exclude the company.</p> <p>Both CB Save Earth Fund and CB European Quality Fund are connected to SWESIF Hållbarhetsprofilen and exclude all controversial products and services mentioned by SWESIF.</p> <p>The funds managed by CB Fonder do not invest in companies operating in any</p>
--	--	--	--	--	--	--

						<p>capacity in the production or sale of the following controversial weapons:</p> <ul style="list-style-type: none"> • Nuclear weapons • Chemical weapons • Biological weapons • Cluster munition • Landmines • Depleted uranium • White phosphorus
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	0.00		<p>The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP).</p> <p>Coverage: 0.00%</p>	<p>GENERAL APPROACH</p> <p>The portfolio managers monitor a set of countries regarding their climate performance. Furthermore, CB Fonder is a member of UN PRI, the principles regarding socially responsible investments sanctioned by the UN, and SWESIF, Sweden's forum for sustainable investments.</p>

						<p>EXCLUSION</p> <p>CB Fonder may invest in companies based in countries with bad climate performance if the company itself live up to the expectations of the fund. Furthermore, CB Fonder may not invest in government bonds issued by:</p> <ul style="list-style-type: none"> • Countries which the EU or the UN issued financial sanctions against • Countries that have not approved the following: <ul style="list-style-type: none"> ◦The UN Convention on Biological Diversity ◦ The Paris Agreement • Countries whose ranking in the Transparency International's Corruption Perception Index falls outside of the top 70.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0		The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports. Coverage: 0.00%	

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.00%		CB European Quality Fund does not invest in Real Estate.	
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0.00%		CB European Quality Fund does not invest in Real Estate.	

Other indicators for principal adverse impacts on sustainability factors

Additional climate and other environment-related indicators

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average	0.01		Coverage: 17.80%	
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average	0.01		Coverage: 16.62%	
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average	0.00		Coverage: 2.00%	
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	58.85%		Coverage: 99.32%	
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	Coal 0.19% ; Fossil fuel 10.52% ; Lignite 0.00% ; Natural gas 3.28% ; Nuclear 0.07% ; Oil&Gas 0.00% ; Other 62.27%		The energy consumption from Coal, Lignite, Natural Gas, Oil & Gas, Nuclear, Fossil Fuel and Other non-Renewable sources of energy respectively (GWh), as a percentage of total energy consumption. An issuers' energy consumption is apportioned across all outstanding shares and bonds (based on the most recently available	

					enterprise value including cash). Exposure to energy consumption is based on the portfolio's market value in the issuer to the issuer's EVIC, which is then multiplied by the issuer's total energy consumption by source. Coverage: 83.64%	
Water, waste and material emissions	7. Exposure to areas of high water stress	Share of investments in investee companies without water management policies	52.40%		Sum of companies' weight in portfolio that have Water Management Policies and Practices, expressed as a percentage. Coverage: 100%	
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0.00%		Sum of companies' weight in portfolio that have Exposure to Areas of High Water Stress and Lack of Water Management Policy, expressed as percentage. Coverage: 100%	
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0.00%		The percentage of the portfolio's market value exposed to issuers classified as manufacturers of pesticides and other agrochemical products by NACE Group (NACE Group Code 20.2). Coverage: 100%	
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing	7.01%		Sum of companies' weight in portfolio that have Reported Involvement in Activities Which Cause Land Degradation, Desertification, or Soil Sealing. Coverage: 100%	
	11. Land degradation, desertification, soil sealing	Share of investments in investee companies without sustainable land/agriculture practices or policies	40.74%		Sum of companies' weight in portfolio that have Company Reports Having Sustainable Land Management Policies and Practices. Coverage: 92.13%	

	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies	17.61%		Sum of companies' weight in portfolio that have Company Reports Having Sustainable Ocean Policies and Practices. Coverage: 100%	
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	0.14		The total annual non-recycled waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' nonrecycled waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). Coverage: 30.16%	
	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species	0.00%		The percentage of the portfolio's market value exposed to issuers with operations that affect IUCN Red List species and/or national conservation list species. Coverage: 100%	
	15. Deforestation	Share of investments in companies without a policy to address deforestation	1.31%		The percentage of the portfolio's market value exposed to issuers without a deforestation policy. Coverage: 96.33%	
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds	0.00%		Coverage: 100%	
Indicators applicable to investments in sovereigns and supnationals						
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	n/a		CB European Quality Fund does not invest in bonds.	

Indicators applicable to investments in real estate assets						
Greenhouse gas emissions	18. GHG emissions	GHG emissions generated by real estate assets	n/a		CB European Quality Fund does not invest in bonds.	
Energy	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	n/a		CB European Quality Fund does not invest in bonds.	
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract	n/a		CB European Quality Fund does not invest in bonds.	
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations	n/a		CB European Quality Fund does not invest in bonds.	
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets	n/a		CB European Quality Fund does not invest in bonds.	
Additional indicators for social and employee matters, respect for human rights, anticorruption and anti-bribery						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	65.03%		The percentage of the portfolio's market value exposed to issuers without a workplace accident prevention policy.	

					Coverage: 99.58%	
2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0.00			The portfolio's weighted average of issuers' total recordable incident rate (TRIR) per million hours worked. The TRIR includes fatalities, lost time injuries, restricted work injuries and medical treatment injuries. Coverage: 23.80%	
3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	1.76			Sum of portfolio companies' Total number of lost workdays due to injuries, accidents, fatalities or illness weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. Coverage: 30.57%	
4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	41.49%			Sum of companies' weight in portfolio that have Supplier Code Covers Key Labour Provisions. Coverage: 100%	
5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	55.90%			The percentage of the portfolio's market value exposed to issuers without a workplace accident prevention policy. Coverage: 100%	
6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	78.47%			The percentage of the portfolio's market value exposed to issuers without a whistleblower protection policy. Coverage: 100%	
7. Incidents of discrimination	1. Number of incidents of discrimination reported in	0.00			The portfolio's weighted average of issuers' number of Severe and Very Severe controversy cases in last three	

		investee companies expressed as a weighted average			years related to the company's involvement in: Employee discrimination and workforce diversity issues. Coverage: 100%	
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	77.30		The portfolio's weighted average of issuers' ratio of CEO pay to average employee pay. Coverage: 71.17%	
Human rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	72.28%		The percentage of the portfolio's market value exposed to issuers without a formal human rights policy. Coverage: 100%	
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	58.98%		The percentage of the portfolio's market value exposed to issuers without defined processes, set targets or reported achievements for monitoring the effectiveness of its human rights policy. Coverage: 100%	
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings	48.90%		The percentage of the portfolio's market value exposed to issuers without a policy against trafficking in human beings. Coverage: 100%	
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in	15.91%		The percentage of the portfolio's market value exposed to issuers with disclosed operations and suppliers at significant risk of child labor incidents involving hazardous work based on	

		terms of geographic areas or type of operation			geographic location or type of operation. Coverage: 100%	
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation	10.59%		The percentage of the portfolio's market value exposed to issuers that have reported having operations and suppliers at significant risk of forced or compulsory labor incidents based on geographic location or type of operation. Coverage: 100%	
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0		The portfolio's weighted average of issuers' number of Severe and Very Severe controversy cases in the last three years related to human rights violations issues. Coverage: 100%	
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	79.73%		The percentage of the portfolio's market value exposed to issuers without an anticorruption and anti-bribery policy consistent with the United Nations Convention against Corruption. Coverage: 100%	
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	0.45%		The percentage of the portfolio's market value exposed to issuers that have not disclosed sufficient actions taken to address anti-corruption and/or anti-bribery policy or procedure violations. Coverage: 100%	
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	1		The sum of number of convictions against the portfolio's holdings for violation of anticorruption and anti-bribery laws.	

Coverage: 100%

Indicators applicable to investments in sovereigns and supranationals

					Coverage: 100%	
Indicators applicable to investments in sovereigns and supranationals						
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	

		indicator explained in the explanation column				
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column	n/a		CB European Quality Fund does not invest in sovereigns and supranationals.	

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The following description is taken from the funds managed by CB Fonder's Pre-Contractual Disclosures as well as the sustainability policy, which can also be found on CB Fonder's website ([link](#)). The sustainability policy was approved by the board in May 2021 and last updated in May 2023. The Pre-Contractual reports were approved in January 2023.

CB Fonder invests in companies with strong ESG practices and excludes companies that might harm matters of ESG. Further, sustainability risks are considered in the investment process and continuous screening to exclude such companies. If such a screening comes back negatively, CB Fonder investigate the issues of the company. If measures are taken to combat such issues, CB Fonder follows the process. If no sufficient measures are taken, CB Fonder usually divest the holding. CB Fonder considers the 18 mandatory indicators, as well as 21 non-mandatory environmental indicators and all 24 non-mandatory social indicators. CB Fonder aims to consider negative impacts on all sustainability indicators, both mandatory and non-mandatory, provided that reliable data is available. CB Fonder monitor all holdings daily through:

- MSCI ESG screening reports
- News feeds
- Bloomberg
- Infront
- Relations with other investors
- Contact with brokers
- Ongoing dialogue with companies

These data sources are also used in sustainability analysis, where MSCI provides a significant portion of ESG data through its comprehensive ESG Research platform. Additionally, relevant information is collected from companies' sustainability reports, financial reports, and websites. CB Fonder primarily aim to use actual data and secondarily to use estimated data from companies or providers.

Engagement policies

The company acts in the interests of its investors to promote long-term positive development in its holdings. This can be done through meetings or other communication with management and / or by attending a general meeting and voting. Voting can also be done through a representative. Methods should be chosen based on the expected opportunity to influence relative to the resources required for the effort.

Currently, all holdings are so small (0.2% or less of the market cap and voting rights of the holdings) that voting at a general meeting is not meaningful, and participation in general meetings would make efficient management difficult. Instead, if a company management acts in a direction that we consider to be unfavorable to the shareholder, we normally divest the holdings in the company. Our assessment is that from a return perspective, it is more favorable for the investors to sell in the face of dissatisfaction than to try to influence the management.

We are engaged in several industry initiatives in the form of communications with the management of companies. The communication is partly carried out by us alone, but more often we participate in collaboration with several other asset managers. This communication is not limited to our holdings. The reason for participating in such collaboration rather than engaging ourselves is to join forces and thus get a bigger effect on the companies.

An example of our engagements includes a collaboration with multiple companies in the investment industry who has been in contact with manufacturers of domestic and commercial washing machines to fit, as a standard feature, filters to their products to prevent plastic microfibers entering the world's marine ecosystems. Filter technology is currently available and today is not systematically utilised

across the industry. The objective is to influence the target companies to commit to having factory fitted plastic microfiber filters fitted as standard in all new machines by the end of 2023. In addition, the engagement aims to influence policy makers to implement legislation prohibiting the sale of new machines without filter mechanisms built in.

Another initiative that CB Fonder is active in is the tackling of conflict mineral content in the semiconductor supply chain. Tantalum, tin, tungsten, gold and cobalt are vital materials and building blocks of the semiconductor industry. Over the last decade there has been a large shift in the sourcing of these minerals to central Africa, where many mines operate with poor labour and environmental standards. This is a newly started and global initiative aimed at individual companies within the industry requesting that they take a leadership position in developing conflict mineral free supply chains.

We have also been part of a collaboration with multiple companies in the investment industry who has been in contact with companies regarding a reduction in their use of plastic pellets in manufacturing processes. We demanded that no pellets would be used and that a standard for measuring would be constructed. This initiative resulted in an improved dialogue between companies and their suppliers regarding the issue as well as at least one company adding “zero pellet loss” to their sustainability procurement policy.

CB Fonder has also been active in is the reduction of harmful chemicals in food packaging. This is a global initiative focusing on removing PFAS chemicals. This initiative started contacting companies during the second part of 2020 and is still actively having discussions with companies. The scope has widened, and the initiative now contact companies in the whole supply chain of the food industry. So far, this initiative has been quite successful, getting big companies such as McDonald’s, Tesco, and Coca Cola to begin a phase out of these chemicals.

During 2021 and 2022, approximately 70 and 30 company dialogues, respectively, were conducted through collaborations with other companies. One of these companies is a current holding in the fund.

References to international standards

CB Fonder are committed to the following global norms and do not invest in companies that violate them:

- United Nations Global Compact
- ILO Conventions on labour standards
- UN Declaration of Human Rights
- UN Rights of the Child Convention
- UN Climate Convention
- The Kyoto Protocol
- UN Convention against Corruption

Historical comparison

Not applicable.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies

		without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without

		a water management policy
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested,

		expressed as a weighted average
	14. Natural species and protected areas	<p>1.Share of investments in investee companies whose operations affect threatened species</p> <p>2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas</p>
	15. Deforestation	Share of investments in companies without a policy to address deforestation
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds

Indicators applicable to investments in sovereigns and supranationals		
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds
Indicators applicable to investments in real estate assets		
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions generated by real estate assets
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter

Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious

		work, child labour and forced labour)
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average

	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations

		and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with

		identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies
Indicators applicable to investments in sovereigns and supranationals		
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator

		explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and

		the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column
--	--	---