EUROPEAN
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ANNEX 5

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

ANNEX V

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

Product name: Den Sociale Kapitalfond Invest II K/S **Legal entity identifier:** CVR 44503239
Reference period: 01.01.2025 to 31.12.2025

Sustainable investment objective

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

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

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective:** 95%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Fund's investments during the reference period were made in companies operating within four defined social activity areas:

- **Socially run businesses**: providing employment and training opportunities for vulnerable people;
- **Socially sustainable communities**: creating local growth and opportunities in vulnerable or deprived areas;

- **Social products and services:** creating new opportunities for vulnerable people through socially oriented products and services.
- **Social prevention and rehabilitation:** prevent and rehabilitate people at-risk of becoming vulnerable or marginalized through products and services.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: *01.01.2025 – 31.12.2025*

Attainment of the sustainable investment objective is assessed using sustainability indicators defined at investment level and aggregated at portfolio level. Based on the results of these indicators during the reference period, as described in the section "How did the sustainability indicators perform?", the Fund considers that its sustainable investment objective was met.

How did the sustainability indicators perform?

The Fund's primary sustainability indicator is the Portfolio Social Impact Multiple (PSIM), which aggregates company-level social impact performance across the portfolio.

For each investment, social impact KPIs are defined ex-ante at the time of investment, based on the investee company's theory of change and aligned with one or more of the Fund's four social activity areas. These activity areas determine the type of social outcomes measured and therefore the nature of the KPIs selected.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Social impact performance is assessed by comparing realised outcomes against predefined intermediate targets and a lifetime ("unique") target. Performance against these targets is expressed as a company-level Social Impact Multiple (SIM), which is then aggregated into the PSIM at portfolio level.

During the reporting period, the Portfolio Social Impact Multiple (PSIM) reflects results against intermediate targets that are consistent with expectations for this stage of ownership, while results against unique targets reflect that the investment is in the initial phase of implementing and scaling its social initiatives.

	Intermediate Target	Unique Target
Portfolio SIM*	62%	26%

**Exited investments are included.*

…and compared to previous periods?

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

As the Fund entered the investment phase during the reporting period and holds a single active investment, no meaningful indicator comparison with previous periods can yet be established at portfolio level.

Portfolio SIM*	2025
Intermediate Target	62%
Unique Target	26%

**Exited investments are included.*

How did the sustainable investments not cause significant harm to any sustainable investment objective?

All investments undergo a pre-investment screening and ESG due diligence to ensure that the Fund will contribute to social objectives and will "do no significant harm" to other sustainable investment objectives.

The investments are assessed regularly through an internally developed model that considers each investment's positive and negative impacts on all UN SDGs and the extent of that impact in conjunction with each investment's qualitative and quantitative reporting on principal adverse impact indicators. Based on this assessment, no investment is deemed to have a significant negative impact on sustainability factors.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for adverse impacts on sustainability factors are integrated into the internal due diligence process and annual review for assessing whether an investment caused significant harm.

The Fund does not report externally on principal adverse impact indicators.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. All investments are required to report annually on their continued alignment and specific relevant governance practices, and this data is incorporated into the assessment model.

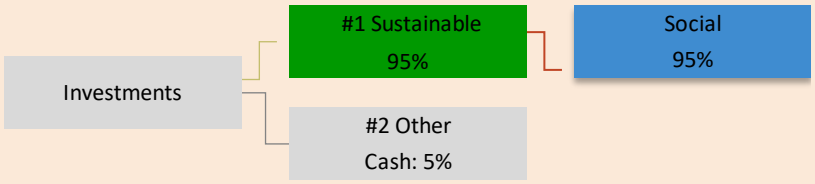
What were the top investments of this financial product?

Largest investments	Main Sector *(NACE code of portfolio company)*	% Assets*	Country
Hansens Flødeis ApS	105200 (DK) *Production of consumer goods*	>50%	Denmark

**The investments listed above together represent more than 50% of the Fund's investments at cost.*

What was the proportion of sustainability-related investments?

What was the asset allocation?



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

Asset allocation describes the share of investments in specific assets.

	2025
#Alignment with Sustainable investments	95%
#Other	5%

In which economic sectors were the investments made?

Investments were made in the sector of manufacture of consumer goods.

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

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[12]?

☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy

☒ No

What was the share of socially sustainable investments?

100% of investments were socially sustainable.

[12] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What investments were included under “Other”, what was their purpose and were there any minimum environmental or social safeguards?

The purpose of the remaining proportion of the investments of the Fund (2-5%) will be cash held for cash management purposes only.

What actions have been taken to attain the sustainable investment objective during the reference period?

Den Sociale Kapitalfond Invest II K/S assesses all potential investments for alignment with the sustainable investment objective prior to investing; companies that do not align with the objective are excluded from investment consideration. The Fund is commited to an active ownership and has undertaken a range of engagement activities with portfolio companies to encourage them to improve practices related to the social impact model investment objective and promote a long-term approach to decision-making, including providing education and external expert guidance to attain this.