

Active Ownership Policy

1. Objective

This Policy aims to describe Danske Invest Fund Management Ltd's approach to Active Ownership on behalf of the Funds and adherence to applicable laws, regulations, internal governance and rules, as well international principles and market standards on active ownership and sound corporate governance.

2. Definitions

The definitions for the terms used throughout the Policy are available in Appendix 1. Any term not defined herein shall have the meaning ascribed to it in the Responsible Investment Policy¹:

3. Scope and Target Group

The Policy covers the Danske Invest Management's Active Ownership activities associated with investment management activities for the Funds. Principles stated herein in respect to Active Ownership are equally relevant to the equity capital of Danske Invest Management.

The Policy applies differently depending on the asset class that the Funds are investing in.

The Policy does not apply directly to investments in structured products, derivatives, or funds managed by other management companies. Investments in private equity and private debt are not covered by the general processes on Active Ownership, but subject to a tailored approach as set out in the Engagement Guidelines and relevant investment strategies of the Funds.

This Policy applies to investment management of the Funds and delegates involved in the investment management of the Funds, subject to agreement.

4. Active Ownership

Together with our Investment Managers Danske Invest Management acts as a steward of our investors' assets. We aim to use Active Ownership for the assets we have under management to the benefit of our investors, as a measure to protect shareholders' rights and the value of investments. Addressing the long-term interests of our investors, we use Active Ownership to assess whether investments are managed responsibly in relation to financial, social and environmental aspects and, as relevant, to inform measures of escalation.

Active Ownership may also be leveraged as a measure to manage the Principal Adverse Impact of the investments under management in accordance with commitments in the investment strategies.

¹ See the Responsible Investment Policy at: https://www.danskeinvest.com/docs/difm_responsible_investment_policy.pdf

4.1. Methods of exercising Active Ownership

Active Ownership is exercised through: 1) Individual engagements; 2) Collaborative engagements, and 3) Voting at General Meetings.

Engagement and voting are interrelated and for corporate issuers, these two methods can support each other and be the initiator of the other. For example, where relevant, engagement can be used to inform voting decisions on proposals at a company's general meeting and conversely a proposal may inform the focus or objectives of subsequent engagement with the issuer.

4.1.1. Individual Engagements

Danske Invest Management's approach to engagement is aligned with the Engagement Guidelines.

Engagement activities are carried out by the Investment Manager.

Engagements may consist of multiple interactions with an issuer. These interactions can take various forms, such as letters, emails, one-to-one meetings, active participation in organised events (e.g. conferences, site visits), and target representatives from the Board of Directors to Investor Relations, state representatives and others.

When engaging, the Investment Manager will be expected to strive to address identified immediate or long-term financial and non-financial performance, risk, capital structure as well as corporate governance and material environmental and/or social issues.

For actively managed strategies, engagement shall form part of the day-to-day management and monitoring of portfolios. The Investment Manager may engage with issuers when needed to seek improvement in performance and processes and/or when deemed required to enhance and protect the value of investments. The Investment Manager may also engage with issuers as part of the due diligence for a given investment. Engagement associated with environmental and social aspects should be further prioritized and organised in accordance with the Engagement scope of the Funds.

Engagements can be used to, among others:

- inform voting decisions and advise on the Voting Guidelines
- clarify available disclosures from the issuer
- increase insights and conduct research
- understand performance and identify potential vulnerabilities
- develop insights into risks and opportunities that could impact the issuer
- identify potential regulatory developments that could impact the issuer
- provide feedback to issuers on the development of their respective processes, strategies and/or management systems

4.1.1.1. Engagement scope

The engagement scope of individual engagement activities is steered by below principles and further outlined in the Engagement Guidelines:

- *Principle no. 1: Materiality Assessment*
Engage with issuers with negative operational performance and/or when a severe sustainability event has occurred.

- *Principle no. 2: Commitments*

Engage with issuers that have been defined as part of target commitments established through the involvement of the Danske Bank Group - in the Net Zero Asset Manager Initiative or through individual commitments established, such as with regards to the application of the Danske Bank's proprietary Biodiversity Assessment Framework and Net-Zero Pathway Framework.²

- *Principle no. 3: Material exposure*

Engagements with issuers are predominantly undertaken with investments where Danske Invest Management manage a material ownership stake exceeding a value of 75 DKK mil or with an ownership stake of >0.4%. However, on an ad-hoc basis and due to specific commitments, engagements can be carried out with issuers where we hold a more limited ownership stake and/or where none of our managed strategies are currently invested.

As a main rule, engagements are not exercised in the following situations:

- in markets involving excessive formalities or administrative requirements
- under circumstances where it is difficult to justify the financial cost of exercising engagements

Engagement is undertaken across asset classes for investment products where engagement forms an integral part of the investment strategy. Engagement is in that respect treated as made on behalf of all managed Funds having that exposure.

4.1.2. Collaborative Engagements

Subject to regulatory limitations, internal governance and market practices, Danske Invest Management may through the Danske Bank Group be part of collaborative engagement activities with peers, like-minded investors and other relevant parties when deemed appropriate under guiding principles approved by the Responsible Investment Committee of Danske Bank

Collaborative engagements capture any interaction between a group of investors vis-à-vis an issuer with the goal of jointly addressing matters tied to the issuer, e.g. sustainability practices and/or disclosure.

Collaborative engagements can be done on an ad-hoc basis or through formal investor networks or membership forums, such as Climate Action 100+, Nature Action 100, the Institutional Investors Group on Climate Change (IIGCC). These engagements are not subject to any frequency targets.

Being part of the Danske Bank Group, Danske Invest Management also participates in investor initiatives to encourage increased transparency and sustainability standards in companies and financial markets. This includes, for instance, CDP (formerly the Carbon Disclosure Project).

4.1.3. Voting at General Meetings

Danske Invest Management's approach is to delegate the discretionary proxy to Danske Bank. The decision to give the discretionary proxy to Danske Bank can be redrawn with immediate effect.

To avoid conflicts of interests voting at the general meeting in Danske Bank is not part of the general discretionary proxy to Danske Bank and may only take place when individually

²See Net-Zero Pathway Framework for investee companies at <https://danskebank.com/sustainability-related-disclosures>

appointed to the independent Board Member referred to in the Finnish Mutual Fund Act. The Board of Directors of Danske Invest Management will also maintain the voting right for direct investments in the funds.

A company's general meeting is an opportunity for investors to voice opinions on a company's corporate governance, financial and non-financial performance.

By the delegation to Danske Bank, Danske Invest Management vote by proxy or in-person, at general meetings of companies. The voting activities are guided by the Danske Bank Group's Voting Guidelines and subject to the voting scope.

The Voting Guidelines are available on Danske Bank website.

4.1.3.1. Voting scope

Danske Invest Management seeks to ensure that votes are cast for shares, where Danske Invest Management is mandated to exercise voting. Voting activities may be constrained by preconditions, resources, and the costs of exercising voting rights, however, voting is sought to be performed for assets identified within the voting scope.

The voting scope covers listed shares in Funds that through disclosures confirm to have voting activities performed. The voting scope is in that respect further steered by the following principles:

- *Principle no. 1: At least 80% of Equity Portfolio Value – Aggregate Level*
Vote on the largest holdings in the Funds on an aggregated level (in terms of market value), meaning the sum of the voted holdings should exceed 80% of the total equity portfolio value of the Funds (excluding Voting Scope Exemptions).
- *Principle no. 2: At least 80% of Equity Portfolio Value – Individual investment*
Vote on the largest holdings on an individual Fund in scope (in terms of market value), meaning the sum of voted holdings should exceed 80% of every individual Fund's equity portfolio value (excluding Voting Scope Exemptions).
- *Principle no. 3: Substantial ownership (>0.40%)*
Vote all shareholdings that have substantial ownership, meaning exceeding 0.40% of votes or capital in an investee company.
- *Principle no. 4: Issues of material importance*
Vote on issues of material importance, which could be related to, for example, shareholder proposals regarding the environmental, social area, board diversification, political lobbying and/or media attention.
- *Principle no. 5: Engagement scope*
Vote on relevant equity shareholdings *identified* under the engagement scope.

As a main rule, voting is not exercised in the following situations:

- at general meetings of companies whose shares are listed on markets involving excessive formalities or administrative requirements
- under circumstances where it is difficult to justify the financial cost of exercising voting rights
- for investee companies domiciled in countries for which our custodians do not offer proxy voting services or where electronic voting may not be provided
- for investee companies in markets where share-blocking is maintained.

4.2. Escalation of Active Ownership Activities

If Active Ownership is unsuccessful, the matter may be escalated. Examples of forms of escalation, include but are not limited to, decreasing weighting, selling/divesting the position and/or, where relevant, exclusion of the issuer from the investable universe. As with all actions undertaken under this Policy, the guiding principle determining the best course of action for escalation is Danske Invest Management's fiduciary duty to safeguard its investors' interests. If exclusion of the issuer from our investable universe is identified as the best course of action, it is subject to the process and governance outlined under the Exclusion Instruction.

4.3. Research & Training

Employees exercising Active Ownership must obtain and maintain an appropriate level of competence to carry out their responsibilities and be aware of relevant requirements that is applicable to a specific asset class and investment strategy. This is also expected of Danske Invest Management's Investment Managers.

5. Conflict of interest

Danske Invest Management handles Active Ownership in accordance with the Policies and Instructions for Code of Conduct and Conflicts of Interest. Furthermore, respective employees, functions and/or units are required to comply with these policies in their exercise of Active Ownership under this Policy.

Conflicts of interest may arise from, but are not limited to:

- Affiliations
- Business relationships
- Cross-directorship
- Diverging interests of customers, beneficiaries and Danske Bank
- Employees linked personally or professionally to an investee company

Further information on the approach to identifying and managing conflicts of interest within the Danske Bank Group is available in the Guidelines on the management of Conflicts of Interest in Active Ownership³.

6. Disclosures

The registration and monitoring of engagement activities are conducted through an application developed for this purpose. The registration and monitoring of voting activities is maintained through a platform provided by the Proxy Voting Advisor to Danske Invest Management through Danske Bank.

³ See the Guidelines on the management of Conflicts of Interest in Active Ownership at <https://danskebank.com/sustainability-related-disclosures>

Voting statistics are made available online on an ongoing basis, a day after a general meeting has taken place. Disclosures on the implementation of this Active Ownership Policy is provided through an annual report which is made available online. Activities are also largely disclosed in Funds annual reports.

7. Review

This Policy is managed by the Board of Directors. The Policy must be reviewed and approved at least annually.

8. Change Log

Date	Version number	Comments/changes
20 Sep 2022	1.0	Alignment with updated Responsible Investment Policy
20 Sep 2023	2.0	Alignment with updated Responsible Investment Policy and Danske Bank active ownership instruction
18 Sep 2024	3.0	Updated structure and additional clarifications on scope of active ownership activities
23 Sep 2025	4.0	Alignment with updated Responsible Investment Policy and Danske Bank active ownership instruction

Appendix 1 – Definitions

The below definitions apply to the terms used throughout the policy. Any term not defined herein has the meaning ascribed to it in the Responsible Investment Policy.

Active Ownership	The use of rights and position of ownership to influence the activities or behaviour of investee companies and other issuers based on financial and/or impact materiality considerations.
Danske Bank or the Bank	Danske Bank A/S
Danske Bank Group or the Group	Danske Bank, its branches and its subsidiaries.
Danske Invest Management	Danske Invest Fund Management Ltd.
Engagement Guidelines	The Engagement Guidelines for Danske Bank
Funds	Funds managed by Danske Invest Fund Management Ltd..
Investment Manager	The party undertaking investments of the assets of the funds
Principal Adverse Impacts	A principal adverse impact is any impact of investment decisions or advice that results in a negative effect on sustainability factors, such as environmental, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters.
Proxy Voting Advisor	An external provider of research, analysis and corresponding services that supports investors in the execution of votes at the general meetings of companies.
Responsible Investment Policy	The Responsible Investment Policy for Danske Invest Fund Management Ltd.
Sustainability Factors	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters
Target Group	The group of people, subsidiaries, areas and/or functions, for whom the governing information is intended to be directly applicable.
Voting Guidelines	The Voting Guidelines for Danske Bank.