

Responsible Investment Policy

1. Objective

The objective of this Responsible Investment Policy is to govern Danske Invest's approach to responsible investments while ensuring adherence to applicable laws and regulations such as the Sustainable Finance Disclosure Regulation, the fund laws and other sectoral regulations.

The Responsible Investment Policy also outlines our commitments to external standards such as the UN PRI, as a cornerstone in our ambition to integrate sustainability into our investment process and fund offerings.

When our investors entrust us with their savings, it is our aim to serve their interests by creating satisfactory returns. Our firm commitment to Responsible investment is an integral part of this duty.

2. Definitions

The below definitions apply to the terms used throughout the Policy.

Active Ownership	means the use of rights and position of ownership to influence the activities or behaviour of investee companies
Danske Invest	means Danske Invest SICAV, Danske Invest Allocation and Danske Invest SICAV - SIF
Do No Significant Harm	means a principle ensuring that neither the environmental nor the social objectives of the economic activities of an investment as defined under "Sustainable Investment" are significantly harmed.
ESG	means Environmental, Social or Governance
ESG Communication & Reporting	means communicating and reporting on sustainability risk and ESG activities
Environmental & Social Materiality	means external impacts of a company's activities on society and environment, including Principal Adverse Impact
Financial Materiality	means any factor reasonably likely to significantly impact the financial condition or operating performance of a company or investment
Group	means Danske Bank A/S with its subsidiaries.
Investment Products	means funds in Danske Invest
Investment Management	means the management of investments
Investment Manager	means the party undertaking investments of assets including securities transactions on behalf of the Danske Invest funds. This includes investment advisors giving investment advice and related services

Principal Adverse Impact	means the most significant impacts of investment decisions that result in negative effects on sustainability factors, (i.e. environmental social and employee matters, respect human rights, anti-corruption and anti-bribery matters)
Restrictions	means certain sectors or companies restricted from the investment universes in order to address sustainability risks and adverse sustainability impacts
Shareholders Rights Directive II	means Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 regarding the encouragement of long-term shareholder engagement
Sustainability Factors	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters
Sustainable Finance Disclosure Regulation	means Regulation (EU) 2019/2088 of the European Parliament and Council on sustainability-related disclosures in the financial services sector
Sustainability Risk	means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment
Sustainable Investment	means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance; ¹
Target Group	means Investment Managers and other employees involved in the management of the Investment Products
Screening	means reviewing the investment universe to identify sustainability risks related to portfolio holdings with reference to current regulation, industry best practice, international norms and voluntary frameworks for corporate responsibility.
UN PRI	means the United Nations Principles for Responsible Investments

¹ As defined in the Sustainable Finance Disclosure Regulation

3. Scope

This Policy outlines principles for responsible investments, including Sustainability Risk integration in investment decision making processes within Investment Products provided by Danske Invest.

The Policy content applies to all actively and passively managed investment strategies whenever relevant, but does not apply to specific investments in structured products, derivatives or in external funds used as components in Danske Invest funds.

The Responsible Investment Policy operationalisation is outlined in the Responsible Investment Operational Guidelines of Danske Bank A/S.

3.1 Target group

This Policy applies to Investment Managers and other employees involved in the management of the Investment Products including when delegating the Investment Management of Danske Invest funds.

4. Policy content

Principle 1: We incorporate Sustainability Risks into investment analysis and investment decision-making processes.

Incorporating Sustainability Risk into the investment process for all of our Investment Products is not only a legal obligation but also part of our fiduciary duty to investors and beneficiaries to identify the Sustainability Factors which may pose a Sustainability Risk.

To ensure a systematic approach, we expect our Investment Managers to rely on the concept of Financial Materiality in order to assess which Sustainability Factors are considered to have a potential material negative impact on the value of an investment. When looking at Financial Materiality, we expect the Investment Managers to consider sustainability risks through assessing ESG performance of investments based on industry best practice, as per international norms and voluntary frameworks for corporate responsibility such as e.g. the UN Global Compact and the OECD Guidelines for Multinational Enterprises, which Danske Bank supports².

The Investment Managers must identify and assess the Sustainability Factors in a systematic way and incorporate them in their decision to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest an investment. Investment Managers may develop new valuation models or include this information into already existing models.

The investment universes of our Investment Products are screened on an ongoing basis to identify Sustainability Risks related to portfolio holdings with reference to current regulation, industry best practice, international norms and voluntary frameworks for corporate responsibility. Based on the assessment and company dialogue, the Investment Manager may from time to time decide to divest or restrict investments in a company.

Our investment universe is subject to the restrictions laid down in Danske Bank Group position statements. This means that certain sectors, companies, products or activities are excluded from the investment universes in order to address Sustainability Risks and to address Principal Adverse Impacts. Investment restrictions and their definitions are published on our website. In addition in the restrictions laid down in the Danske Bank Group positions

² See Danske Bank Group Societal Impact & Sustainability Policy & Position Statements: <https://danskebank.com/societal-impact>

statements companies involved with tobacco products and companies involved in ESG related controversies, practices, or other activities considered unacceptable seen from a Nordic norms perspective are also excluded from the investment universe³. If a company is subject to the restrictions, it will as a rule be excluded from the investment universe. However, if the company is going through a transition phase and is likely to be within the restriction criteria in the near future, a governance structure exist for making an exception to exclusion. Exceptions are monitored by the Sustainable Investment team in Danske Bank.

Principle 2: We are active owners and incorporate environmental, social, and governance criteria and sustainability issues into our ownership guidelines and practices

Active Ownership is the use of rights and position of ownership to influence the activities or behaviour of investee companies by taking an active interest as an investor in investee companies' circumstances, development, and management, and a long-term focus in the companies in line with national or international principles and stewardship codes for instance the EFAMA Stewardship Code and the Shareholder Rights Directive II. We expect our Investment Managers - on our behalf - to be active owners and influence companies directly through dialogue, voting and collaboration with peers, like-minded investors and stakeholders.

The Active Ownership approach is based on the belief that in general it is more appropriate to address challenging issues through Active Ownership and dialogue rather than by divesting.

We believe that an Investment Manager-driven dialogue with portfolio companies is the most effective as the Investment Managers are the experts of their respective strategies and portfolios, and tasked with the buy/sell decision. The Investment Managers engage on a regular basis with investee companies on material ESG matters in order to enhance and protect the value of the investments.

We encourage our Investment Managers to log and monitor their dialogue with, and the progress of, the companies to ensure a structured engagement process.

The general meeting of a company is an opportunity to voice opinions, vote on issues of key importance, and contribute to the good governance. We seek to vote on all shares held, while taking into account preconditions, resources, and the costs of exercising voting rights. Danske Bank's Voting Guidelines serve as the default position for all proposals, but our Investment Managers managing our active portfolios can deviate based on case specific details. Voting is carried out by our Investment Managers through the use of a service provider. Voting must always be carried out to the benefit of the investors to avoid conflict of interest.

The Voting Guidelines are published online. We also log and publish our voting records.

Principle 3: We seek to provide investors with products that meet their ethical and sustainability needs

We are committed to actively support our investors to achieve their sustainability ambitions by providing relevant Investment Products. In this regard we recognise our responsibility to enable sustainable progress by providing leading Investment Products that support and incentivise our investors in their endeavour to fulfil their sustainability priorities.

Sub-principle 3.1: We offer Investment Products that promote Environmental and/or Social Characteristics

These products are categorised under article 8 of the Sustainable Finance Disclosure Regulation and adhere to the specific disclosure requirements herein.

³ <https://danskebank.com/-/media/danske-bank-com/file-cloud/2018/3/investment-restrictions.pdf>

For Investment Products that promote environmental and/or social characteristics, the investment strategy defines binding environmental and social characteristics and good governance practices.

Based on what is relevant for a specific asset class and investment strategy, environmental and/or social characteristics and good governance practices are promoted through the investment analysis, processes and decision making, Active Ownership, screening and restrictions including environmental and social materiality perspectives and in addition Sustainability Risk are taken into account. Further, the assessment of sustainability-related impacts are included in these processes and activities.

Sub-principle 3.2: We aim to offer Investment Products that have Sustainable Investments as their objective

These products are categorised under article 9 of the Sustainable Finance Disclosure Regulation and adhere to the specific disclosure requirements herein.

For Investment Products that will have sustainable investments as their objective the investment strategy defines binding environmental and/or social objectives and governance practices.

Based on what is relevant for a specific asset class and investment strategy, the sustainable investment objective and good governance practices are met through processes and activities such as the investment analysis and decisions, Active Ownership, screening and restrictions for which environmental and social materiality perspectives are addressed in addition to the integration of Sustainability Risk.

The principle of Do No Significant Harm must be in place for these products to warrant that neither the environmental nor the social sustainable objectives are significantly harmed with the investment. Further, an assessment of sustainability-related impacts are included in these processes and activities.

Principle 4: We report on our activities and progress towards implementing Responsible Investments and disclose impacts of our investments.

We seek to deliver high quality reporting about our Responsible Investments efforts. Reporting allows for robust monitoring and accountability towards investors, beneficiaries, regulators, standard setters and other stakeholders. We aim to communicate in such a detail that our stakeholders can find answers to questions in a clear and effective way. On our websites information about our Responsible Policy including the integration of Sustainability Risks are published.

Principle 5: We promote the development of Responsible Investments across our industry

We actively promote the development and implementation of Responsible Investments. This is done via our Investment Manager's efforts to improve the quality of external ESG data, promoting the acceptance of processes to ensure responsible investments within the investment industry and via collaboration with other investors.

Sub-principle 5.1: We will seek appropriate disclosure on environmental, social, and governance criteria and sustainability issues by the corporate entities in which we invest.

Supporting the journey for better quality of ESG data and corporate disclosures requires a collaborative effort that involves investors, companies and policy-makers. We encourage standardised reporting on ESG issues and for these to be an integrated part of annual financial reports and seek to contribute to stronger disclosure frameworks.

Sub-principle 5.2: We will promote acceptance and implementation of Responsible Investments within the investment industry and work together with others to enhance effectiveness in implementing responsible investment.

When appropriate, we will, through our Investment Managers, collaborate with peers, like-minded investors and other relevant parties, engage in joint dialogue, and contribute to a positive impact.

Through our Investment Managers, we will also participate in investor initiatives to encourage increased transparency and sustainability standards in companies and financial markets, such as e.g. CDP (formerly Carbon Disclosure Project), SASB, Institutional Investors Group on Climate Change, Paris Pledge for Action, Net-Zero Asset Owner Alliance, The Montreal Pledge, The Task Force on Climate-related Financial Disclosures (TCFD), and the UN-supported Principles for Responsible Investment.

We welcome an open dialogue with our stakeholders and value the opportunity to collaborate with subject-matter experts in support of sustainability with a positive impact.

5. Review

This Policy is managed by the Board of Directors. The Policy must be reviewed and approved at least annually or more frequently where required.