

# Active Ownership Policy of

## Danske Invest SICAV, Danske Invest Allocation and Danske Invest SICAV-SIF

### 1. Purpose

The objective of the Active Ownership Policy (the “Policy”) is to describe how and when investment managers and advisors of the UCITS Funds and AIFs, if relevant, namely Danske Invest SICAV, Danske Invest Allocation and Danske Invest SICAV-SIF (hereinafter the “Funds”) exercise Active Ownership as an integral part of the investment strategy when investing on behalf of the Funds in companies

The Funds designated Danske Invest Management A/S (“DIMA”) to act as its management company within the meaning of Directive 2009/65/EC and as an alternative investment fund manager within the meaning of Directive 2011/61/EU. DIMA further delegated the function of portfolio management to Danske Bank A/S.

This section outlines how we live up to the Principle 2 of the Responsible Investment Policy and the overall framework and the operationalisation of Active Ownership through dialogue, voting, and collaboration, and describes how to:

1. Survey investee companies;
2. Manage conflicts of interest in relation to active ownership;
3. Monitor active ownership activities;
4. Ways of implementing Active Ownership in practice
  - Dialogue - Interact with investee companies
  - Voting - Exercise voting (and other) rights attached to shares in investee companies
  - Collaborate Engagements - Collaborate and communicate with other shareholders in investee companies

This document provides additional information to what is communicated in the Responsible Investment Policy.

### 2. Definitions

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

<b>Active Ownership</b>	means the use of rights and position of ownership to influence the activities or behaviour of investee companies
<b>ESG</b>	means environmental, social or governance
<b>Sustainability Factors</b>	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

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<b>Sustainability Risk</b>	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
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### 3. Scope

The scope of this Policy is Active Ownership processes associated with investment management and advice.

The investment managers and advisors invest in a number of different asset classes on behalf of investors. Therefore, the Active Ownership practices will largely be dependent on the asset class and the investment mandate given. It is the responsibility of each investment manager and advisor to incorporate Sustainability Risk into the investment process. Through this approach to Active Ownership, investment managers and advisors can manage risks in the portfolio, provide value to investee companies, and meet investors' demands. Active Ownership may be handled differently from one investment manager and advisor to another in accordance with investors' best interest.

In addition to this Policy, Danske Bank A/S handles Active Ownership in accordance with applicable policies and instructions for Code of Conduct and Conflicts of Interest.

### 4. Policy Content

Our Active Ownership approach takes into account internationally recognized corporate governance standards, e.g., the G20/OECD Principles of Corporate Governance, as well as voluntary principles, such as the UN Global Compact and OECD Guidelines for Multinational Enterprises.

We also consider local regulation and/or guidelines such as the Danish Stewardship Code (Komiteen for God Selskabsledelse), the Finnish Corporate Governance Code, the Norwegian Code of Practice for Corporate Governance, and the Swedish Corporate Governance Code, as well as variation in legal and regulatory requirements between countries. There are also country variations as to whether corporate governance is regulated by rules-based legislation or by a comply-or-explain principle that needs to be considered in this context.

The Active Ownership approach shall be based on the belief that it is more sustainable to address challenging issues through Active Ownership and dialogue rather than divesting and thereby refraining from an opportunity to make a positive impact and acting as a responsible investor.

#### 4.1 Survey investee companies

There is no 'one size fits all' approach to Active Ownership. In line with different investment strategies and processes, Sustainability Risks will be considered and applied in different ways depending on the specific case and the relevance to exercise Active Ownership

We expect investment managers and advisors to survey investee companies' financial and ESG information in order to carry out the following:

- a) identify material financial and Sustainability factors affecting a company, sector, and/or country and
- b) gain a better understanding of the companies' business models, strategies and ability to mitigate risks and leverage opportunities and to assess the potential positive and negative impact of material financial factors and Sustainability Factors on performance and society
- c) and thereby identify the relevant active ownership activities that consider all material factors, including Sustainability Factors, and

- d) influence companies to manage risks and challenges, and support business growth and development
- e) be able to create long-term value for investee companies and ultimately for the investors

The investment managers and advisors shall review financial and ESG information from multiple data sources (including but not limited to company reports and third-party investment research). The investment managers and advisors shall have access to required ESG data & research.

Topics and scope are regularly decided upon by the investment managers and advisors, based on relevance and financial, environmental and social materiality. Topics include e.g., strategy, financial and non-financial results, risk, capital structure, social and environmental effect, and proper corporate governance.

## 4.2 Managing conflicts of interest

The investment managers and advisors shall pay particular attention to possible conflicts of interest when conducting Active Ownership activities. Conflicts of interest may arise from, but are not limited to:

- Affiliations;
- Business relationships;
- Cross-directorship;
- Diverging interests of Investors and beneficiaries;
- Employees linked personally or professionally to an investee company.

We expect investment managers and advisors to manage conflicts of interest by e.g.:

- Making sure that any engagement is exercised in line with the best interest of the investors;
- Reviewing voting decisions and engagement activities on a regular basis;
- Mapping potential conflicts of interest and corresponding means of mitigation and periodically reviewing these;
- Reporting of incidents and potential conflicts;
- 'Chinese Walls' and confidentiality between entities responsible for Active Ownership activities, investment management, and other entities to ensure neutrality and independency
- An escalation procedure involving top management for unforeseen conflicts of interest.

A conflict of interest may arise in the event that a fund holds shares in a company where one of the Fund Board members is also represented in the board of the company. This situation is mitigated by the delegation of voting right to Danske Invest Management A/S, which has further appointed Danske Bank A/S, so that the Board itself is not actively involved in the voting decision with regards to the election of board members.

However, the Board of Directors will maintain the voting right for investments in Danske Bank A/S. Voting at the GM in Danske Bank A/S is not part of the general discretionary proxy and may only take place when individually approved by the Chairman or, at his/her discretion, by the entire Board of Directors.

## 4.3 Monitoring Active Ownership activities

Monitoring of Active Ownership activity is conducted by the Danske Bank A/S Responsible Investment Team using a proprietary tool developed for this purpose. The Active Ownership activities are disclosed in a semi-annual report online, whereas Voting statistics are updated shortly after a general meeting has taken place.

## 4.4 Ways of implementing Active Ownership

Active Ownership is conducted mainly through: 1) Dialogue; 2) Collaborative engagement, and 3) Voting. Engagement and Voting practices are interrelated and feed into each other and one can be the initiator or the complement of the other.

## 4.5 Dialogue

The investment managers and advisors engage on a regular basis with investee companies on material ESG matters to seek improvement in performance and processes in order to enhance and protect the value of our investments.

Reasons for Dialogue can be, but are not limited to the following:

- Inform about voting decisions and guidelines;
- Clarify publicly disclosed information from company;
- Conduct research;
- Identify and assess quality of available data ;
- Understand performance and identify potential vulnerabilities;
- Develop insights into risks and opportunities;
- Identify potential regulatory developments and impacts.

Each investment manager or advisor is responsible for outlining which key ESG issues to engage on and which standards companies are expected to adhere to. This can be done both in a preventive manner, or reactive to address issues that may have already occurred.

The investment managers and advisors can interact with companies in different ways (i.e. letters, emails, one-to-one meetings, conferences, site visits, etc.) and with preferred company representatives (e.g., board, chairman, CEO, Investor Relations, Sustainability).

The investment managers and advisors must be aware of the risk that they may have obtained insider knowledge. As such, the investment managers and advisors follow applicable Market Abuse Policies and Market Abuse Directives.

If an engagement is unsuccessful, the investment manager or advisor can decide to escalate the engagement, vote at the GM, or decide to either hold/maintain weighting, decrease weighting, or sell/divest.

## 4.6 Collaborative Engagements

When appropriate, the investment managers and advisors collaborate with peers, like-minded investors and other relevant parties to exercise Active Ownership, engage through joint dialogue, and contribute to a positive impact. It might be appropriate in instances where Dialogue has proven to be unsuccessful.

Collaborative engagements capture any interaction between a group of investors joining forces vis-à-vis the investee company on ESG matters, with the goal of improving (or identifying the need to influence) ESG practices and/or disclosure. Collaborative engagements also include reaching out to other investors to get support on engagement activities, discuss voting issues, and make proposals for General Meetings. This can be done on an ad-hoc basis or through formal investor networks or membership forums. Cooperating with other shareholders takes place on a regular basis and is not subject to any frequency targets.

The investment managers and advisors can also participate in investor initiatives to encourage increased transparency and sustainability standards in companies and financial markets, such as e.g. the CDP, Institutional Investors Group on Climate Change, Paris Pledge for Action, The Task Force on Climate-Change Financial Disclosure, The Montreal Pledge, The Task Force for Climate-related Financial Disclosures (TCFD), and the UN-supported Principles for Responsible Investment. The complete list of initiatives is available online.

Decisions regarding Collaborative engagement activities are taken by the investment manager or advisor and is always anchored in the fiduciary responsibility.

The investment managers and advisors must be aware of the risk that they may have obtained insider knowledge. As such, the investment managers and advisors shall follow applicable Market Abuse Policies and Market Abuse Directives.

Trading should not be conducted based on knowing another investor's intentions and collective engagement may, depending on the situation, be subject to flagging according to applicable regulation.

## 4.7 Voting

As investors, the general meeting is an opportunity to voice our opinion on issues of key importance to corporate governance, and contribute to a company's sustainability performance. As a general guideline, we support company management; however we will access our shareholder rights to vote in line with our fiduciary duty to consider what is in the best interests of our investors.

The Board of Directors of the Funds has decided to give a discretionary proxy to DIMA, which in turn, has further appointed Danske Bank A/S, to vote on behalf of the Funds. This decision can be redrawn with immediate effect. Further voting principles are described in the Voting Policy of Danske Bank A/S . Danske Bank A/S will follow their voting scope and voting guidelines are published online.

Danske Bank A/S vote at GMs of companies where the fund holdings' represent relevant holdings in accordance with the voting scope. Danske Bank A/S votes either through a service provider by proxy or in person by attending AGMs/EGMs (or a combination of both).

The proxy voting advisor provides:

- notices of general meetings and comprehensive information about the companies, the voting items on the agenda and voting recommendations, and
- voting recommendations based upon Danske Bank Group's Voting Guidelines.

Before voting Danske Bank A/S shall assess resolutions, applying Voting Guidelines of Danske Bank Group and market standards to each agenda item.

However, the Board of Directors will maintain the voting right for investments in Danske Bank A/S. Voting at the GM in Danske Bank A/S is not part of the general discretionary proxy and may only take place when individually approved by the Chairman or, at his/her discretion, by the entire Board of Directors.

## 4.8 Research & Training

The investment managers and advisors 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.

9 September 2021

The Board of Directors of

Danske Invest SICAV  
Danske Invest SICAV-SIF  
Danske Invest Allocation