

Owner	Tina Hjorth Hetting Head of Fund Products Fund Products Danske Invest Management A/S 47DI	Date of approval	22 February 2021
Administrator	Claus Leisted Bertelsen Chief Product Manager Fund Products Danske Invest Management A/S 47DI	Next review date	February 2022
Approved and legally owned by	DIMA Board of Directors	Group Policy version	1.1
For external publication	Yes		

Attached is Danske Bank Group's Responsible Investment Policy of 25 January 2021 (version 1.1) (the "Group Policy")

Applicability to DIMA

The Group Policy is applicable to Danske Invest Management A/S ("DIMA") taking into account the amendments set out below.

Target group

The Group Policy, as amended below, applies to all employees of DIMA (including, for the avoidance of doubt, the executive management).

The Group Policy does not apply to the funds under DIMA's management.

Definitions

Capitalised terms used herein but not otherwise defined shall have the meaning ascribed to them in the Group Policy.

Relevant legislation not referred to in the Group Policy

None.

Amendments

Amendments:

- None.

Clarifications:

- The policy should be read in the context of DIMA, i.e.:
 - (i) The Executive Leadership Team must be understood as DIMA's Executive Management; and
 - (ii) Group Risk Management must be understood as DIMA Risk Management.
- The policy applies exclusively to DIMA's own investments. Several principles (e.g. principle 3) are therefore not relevant and hence not applicable.
- Principles regarding responsible investments made by the funds under DIMA's management will be set out by the respective funds.

Approval of the amendments by the Group Policy Administrator

Not applicable.

Owner	Head of Large Corporates & Institution Large Corporate & Institutions 34PY	Date of Approval	February 2021
Administrator	Head of Sustainable Investment Sustainable Investment 33LH	Policy Version	Version 1.1
Approved and legally owned by	Board of Directors	For external publication	Yes
The policy has exemptions	Yes		

Responsible Investment Policy

1. Objective

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

The Responsible Investment Policy also enshrines our commitments to external standards such as the UN PRI, as a cornerstone in our ambition to integrate sustainable finance into our core business and our vision to be recognised as the leading Nordic bank within the area of responsible investments.

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
Do no significant harm	means a principle ensuring that neither environmental nor the social objectives 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 and how the company significantly affects 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 and Investment Related Products	means managed portfolios, alternative investment funds, IBIPs, pensions products/schemes and/or UCITS products.
Investment Management	means the management of investments for a financial institution or client
Principal Adverse Impact	means the most significant impacts of investment decisions and advice 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, companies, products or activities 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 the group of people, subsidiaries, areas and/or functions, for whom the governing information is intended to be directly applicable.
Screening	means our 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, at Danske Bank.

Further, as specifically stated herein, the Policy provides for principles on how to integrate sustainability risk and meet clients' sustainability preferences when providing advice on Investment and Investment Related Products.

The Responsible Investments Policy does not apply directly to structured products, derivatives, Danske Bank's capital market activities (including but not limited to market making, securities trading etc.) or externally managed funds.

The Responsible Investment Policy operationalisation is outlined in the Responsible Investment Operational Guidelines.

3.1 Target group

This Policy is a Group Policy and applies to all employees, all functions, and all units in Danske Bank A/S that perform investment management or distribute investment products. The Responsible Investments Policy also applies to regulated subsidiaries and separate legal entities once adopted by their relevant governing bodies.

In case a Group Policy conflicts with local regulatory or other requirements, the regulated subsidiary may approve a similar policy with the necessary deviations. Any material deviations from a Group Policy, including deviations, which conflict with the overall business model for and/or the risk profile and risk appetite of Danske Bank A/S, must be reported to the Executive Leadership Team via the administrator of the Information Management Policy and the Policy administrator. The Executive Leadership Team shall report such material deviations to the Board of Directors of Danske Bank A/S.

The Responsible Investments Policy is particularly relevant for certain units/functions' daily work. It is the responsibility of each manager to ensure compliance with this Policy within a unit/function, where relevant.

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 and Investment Related Products is not only a legal obligation but also part of our fiduciary duty to clients and beneficiaries to identify the sustainability factors which may pose a risk and thereby affect financial performance of an investment.

To address which sustainability risks are considered to have a potential material negative impact on the value of an investment, we rely on the concept of Financial Materiality. This ensures a systematic approach into the most material issues for a given investment. In addition to looking at Financial Materiality, we consider sustainability risks through assessing ESG performance of investments based on industry best practice across sectors, 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 as a Group supports².

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

The sustainability risk factors are identified and assessed by the investment teams for both actively and passively managed strategies so that they can, in a systematic way, influence a decision to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest. Investment teams may develop new valuation models or include this information into already existing models.

We screen our 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. Based on our assessment and company dialogue, we may from time to time decide to divest or restrict investments in a company, in a specific investment strategy or across multiple strategies.

We apply overall restrictions across the investment universe based on Danske Bank Group position statements. This covers certain sectors, companies, products or activities restricted from the investment universes in order to address sustainability risks and for future purposes adverse sustainability impacts. Investment restrictions and their definitions are published on our website. In addition 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 restricted from the investment universe³. If a company is outside the above limits it will be restricted from our investment universe. The Sustainable Investment team may escalate specific company cases to the Sustainable Investment Committee if the company is going through a transition phase and is likely to be within our restriction criteria in the near future. Based on this the Sustainable Investment Committee may make exceptions. Exceptions are monitored by the Sustainable Investment team.

Roles & responsibilities relating to principle 1:

- The Executive Leadership Team is ultimately responsible for ensuring that sustainability risks are incorporated into investment analysis and investment decision-making processes in accordance with said principle.
- The Executive Leadership Team can delegate the implementation of this principle to employees, who have the necessary knowledge, insight and experience to exercise the authorities received appropriately and in accordance with said principle.
- Group Risk Management is responsible for challenging the setup, governance and implementation and providing independent oversight.
- All relevant models are identified, tiered and validated by 2nd line in accordance with Model Risk Policy.

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 company in line with for instance the EFAMA Stewardship Code and the Shareholder Rights Directive II. We seek 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 sustainable to address challenging issues through Active Ownership and dialogue rather than divesting.

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

We believe that investment manager-driven dialogue with portfolio companies is the most effective as the investment teams are the experts of their respective strategies and portfolios, and tasked with the buy/sell decision. The investment teams engage on a regular basis with investee companies on material ESG matters to seek improvement in financial performance and processes in order to enhance and protect the value of the investments.

We log and monitor company dialogue and progress to ensure a structured engagement process. The Active Ownership instructions are published online.

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

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

Roles & responsibilities relating to principle 2:

- The Executive Leadership Team is ultimately responsible for ensuring adherence with this principle and for setting the baseline criteria for Active Ownership and voting.
- The Executive Leadership Team can delegate the implementation of this principle to employees, who have the necessary knowledge, insight and experience to exercise the authorities received appropriately and in accordance with said principle.
- Group Risk Management is responsible for challenging the implementation and providing independent oversight.

Principle 3: We incorporate sustainability risk in advice on Investment and Investment Related Products, aim to identify our investment customers' sustainability preferences and seek to provide customers with products that meet their ethical and sustainability needs

We take sustainability risks into account in the selection process for Investment and Investment Related Products that we advise on. Sustainability risks are assessed on similar terms as other relevant risk types such as market risk, FX risk, and liquidity risk in the investment selection process and integrated into the advice. We further screen our 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.

We are committed to actively support our customers to achieve their sustainability ambitions by providing relevant Investment and Investment Related Products and thereto related advice. In that regard we recognise our responsibility and ability to enable sustainable progress by delivering leading investment solutions and advice that support and incentivise our customers in achieving their sustainability priorities.

We maintain high standards of transparency in respect of product governance and suitability assessments. In addition we respect roles and responsibilities as well as accountability for assessment, development, implementation, monitoring and approval of sustainable investment products and advice.

In addition to our Responsible Investments requirements for integration of sustainability risks and baseline screening applicable to all advice on Investment and Investment Related Products, we offer Investment and Investment Related Products that promote environmental and/or social characteristics and products with sustainable investments as their objective:

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

For Investment and Investment Related Products that promote environmental and/or social characteristics, environmental and social characteristics and good governance practices are defined as binding in the investment strategy.

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 investment management processes and activities such as the investment analysis and decision making, active ownership, screening and restrictions for which environmental and social materiality perspectives are incorporated in addition to the integration of sustainability risk. Further, the assessment of sustainability-related impacts are included in these processes and activities.

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

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

For Investment and Investment Related Products that will have sustainable investments as their objective we will define the environmental and/or social objectives and consider good governance practices as binding parts of the investment strategy.

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' is 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.

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

Roles & responsibilities relating to principle 3:

- The Executive Leadership Team is ultimately responsible for ensuring adherence with this principle and for setting the baseline criteria for incorporation of sustainability risk in investment advisory.
- The Executive Leadership Team can delegate the implementation of this principle to employees, who have the necessary knowledge, insight and experience to exercise the authorities received appropriately and in accordance with said principle, including but not limited to ensuring adherence with prevailing and upcoming regulation.
- Group Risk Management line is responsible for product governance through the New and Amended Product Approval (NAPA) process and independent oversight of product offering

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. We publish on our websites information about our policy on integration of sustainability risks. We also provide our annual progress report to the UN-supported Principles for Responsible Investment and the TCFD.

Roles & responsibilities relating to principle 4:

- The Executive Leadership Team is responsible for ensuring adherence with this principle and for setting the baseline criteria for reporting and disclosure.
- The Executive Leadership Team can delegate the implementation of this principle to employees, who have the necessary knowledge, insight and experience to exercise the authorities received appropriately and in accordance with said principle.

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

We actively promote the development and implementation of Responsible Investments through our 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.

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. As an investor, we can ask for standardised reporting on ESG issues and for these to be integrated within annual financial reports. We also 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 collaborate with peers, like-minded investors and other relevant parties, engage through joint dialogue, and contribute to a positive impact.

We 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 positive impact.

Roles & responsibilities relating to principle 5:

- The Executive Leadership Team is responsible for ensuring adherence with this principle, but can delegate the implementation of this principle to employees, who have the necessary knowledge, insight and experience to exercise the authorities received appropriately and in accordance with said principle.

5. Escalation

The administrator of the Responsible Investment Policy must report to the Executive Leadership Team the following significant breaches to the Policy.

- Overdue Policy exemptions
- Policy not approved annually

Any potential problematic case concerning the Group must be escalated in accordance with the Escalation Policy.

Policy owner must escalate to the governing body in case of breaches to their policy and if the maintenance of their policy is not able to be completed in accordance with the Investment Policy.

6. Review

This Policy is managed by the Board of Directors. The Policy must be reviewed and approved at least annually. It is the responsibility of Sustainable Investment team to ensure that the Policy is updated and approved. 2nd line is a required reviewer prior to the approval to challenge the governing information.

Danske Bank's Business Integrity Committee receives updates on the implementation of the Responsible Investment Policy annually.

The Sustainable Investment Committee and the ESG Integration Council guides the execution of the Sustainable Investment Strategy and provides policy and strategy advice. The Committee shall report on issues, actions and decisions taken by the Committee to the Business Integrity Committee.

7. Input providers

The stakeholders who have provided input for this Policy is listed below:

Name:	Role:
Andreas Dankel	Head of Portfolio Management, Fixed Income & Credit
Annette Olesen	Executive Vice President, Group Non-Financial Risk
Antti Malava	Chief ESG Analyst
Antti Raappana	Head of GEM Solutions
Atila Olesen	Head of Asset Management
Brian Hansen	Chief Operating Officer, Group Risk Management
Christian Heiberg	Chief Investment Officer
Christoffer Kanstrup	Executive Vice President, Market & Liquidity Risk
Claus Bertelsen	Chief Product Manager
Claus Jensen	Senior Vice President, C&I Institutional
Claus Lyngdal	Head of Alternative Investments
Dan Kjerulf	Partner at Danske Private Equity
Dorte Eckhoff	Head of Societal Impact & Sustainability, Danica
Erik Eliasson	Head of Sustainable Investment
Esben Larsen	Senior Portfolio Manager, Danica Pension
Henriette Ramm	Senior Analyst, AM and Investment Risk
Henrik Rye Petersen	Head of Client Services

Jakob Paikin	Senior Legal Counsel, Wealth Management
Jens Leyde	Chief Risk Consultant
Jesper Neergaard Poll	Chief Portfolio Manager, Danish Equities
Julia Staunig	Head of Banking, Business Development
Kasper Brix-Andersen	Head of Fundamental Equities
Kim Larsen	Head of Group Communications
Kristina Møller	Senior Analyst, Group Sustainability Risk
Kristina Sjøberg Øgaard	Head of Sustainability Strategy & Governance
Lars Erik Moen	Head of Norwegian Equities
Maja Pedersen	Chief ESG Specialist
Maria Bolvig	Senior Sustainability Consultant
Maria Simonson	Head of Group Societal Impact
Martin Frandsen	Senior Portfolio Manager
Mattias Cullin	Head of Swedish Equities
Michael Petry	Head of Hedge Funds
Morten Lund Ligaard	Chief Portfolio Manager, East. European Equities
Niels Madsen	Head of Group Sustainability Risk
Peter Lindström	Chief ESG Specialist
Peter Nielsen	Chief Portfolio Manager, European Equities
Poul Kobberup	Chief Investment Officer, Danica Pension
Rene Ebbesen	Chief Portfolio Manager, Quant & Overlay
Samu Slotte	Head of Sustainable Finance
Stine Lehmann Schack	Senior Legal Specialist, Alternative Investment
Thomas Fabricius	Chief ESG Analyst and Senior Portfolio Manager
Thomas Haugaard	Senior Emerging Markets Portfolio Manager
Thomas Otbo	Global Head of Solutions
Tina Hjorth Hetting	Head of Fund Products

8. Change log

Date	Version number	Comments/changes
16 October 2020	Version 1.0	Policy created
19 January 2021	Version 1.1	Minor changes after receiving clarifications on proposed framework for investment products