

Active Ownership Policy of

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

1. Purpose

This Active Ownership Policy (the “Policy”) describes 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”) should exercise Active Ownership (as defined below) as an integral part of their investment strategy when investing on behalf of the Funds in companies in compliance with Chapter 1^{er}ter of the Grand-Ducal Law of 1 August 2019, transposing the Directive (EU) 2017/ 828 on Shareholders’ Rights into Luxembourg legislation.

Both Danske Invest SICAV and Danske Invest Allocation are authorised pursuant to Part I of the Luxembourg law of 17 December 2010 on Collective Investment Undertakings in Transferable Securities and qualify as undertakings for collective investments into transferable securities (UCITS).

Danske Invest SICAV-SIF is authorised pursuant to Part II of the Luxembourg law of 13 February 2007 on the specialised investment fund and qualifies as alternative investment fund (AIF) in accordance with the law of 12 July 2013 on alternative investment fund managers.

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.

The Funds expect that Danske Bank A/S when investing on behalf of the Funds exercises Active Ownership in accordance with the principles laid out in this Policy.

The Policy outlines the overall framework and the operationalisation of Active Ownership through dialogue, voting, and collaboration, and describes how to:

1. Survey investee companies;
2. Interact with investee companies;
3. Exercise voting (and other) rights attached to shares in investee companies;
4. Collaborate with other shareholders in investee companies;
5. Communicate with other stakeholders in investee companies;
6. Handle conflicts of interest in relation to Active Ownership.

2. Scope and application

The Funds 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 managers and advisors to integrate ESG matters into the investment process as factors alongside financial factors. The investment managers and advisors may decide in what way Active Ownership should be applied. Through this investment-team-driven 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 cases may be handled differently from one investment manager or advisor to another in accordance with investors' best interest.

3. Active ownership approach

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 investee companies in line with the EFAMA Stewardship Code.

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.

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 investment managers and advisors' 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.

The investment managers and advisors shall survey investee companies' financial and ESG information in order to

- a) identify material financial and ESG factors affecting a company, sector, and/or country and
- b) influence companies to manage risks and challenges, and support business growth and development
- c) gain a better understanding of the companies' business models, strategies and ability to mitigate risks and leverage opportunities
- d) be able to create long-term value for investee companies and ultimately for the investors of the Funds.

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).

Active Ownership shall be 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:

- Dialogue captures any interaction between the investor and the investee company on ESG matters, with the goal of improving (or identifying the need to influence) ESG practices and/or disclosure. It involves a structured process for dialogue, information exchange, and a continuous monitoring on progress.
- Collaborative engagements can have the same scope and focus as dialogue but involves groups of investors joining forces, on an ad-hoc basis or through formal investor networks or membership forums.
- Voting refers to the exercise of voting rights at the general meetings (GM) of companies where Funds own shares.

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

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-directorships;
- Diverging interests of customers and beneficiaries;
- Employees linked personally or professionally to an investee company.

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

- Making sure that any engagement is exercised in line with the best interest of the Funds' investors;
- A forum 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 Bank A/S, so that the Board itself is not actively involved in the voting decision with regards to the election of board members.

We aim that Active Ownership through dialogue, engagement and voting is logged, monitored and disclosed online at www.danskeinvest.com. The Active Ownership activities are disclosed in a semi-annual report online, whereas voting statistics are updated online approximately 30 days after a GM has taken place.

a. Dialogue

The investment managers and advisors shall 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 the investments.

Reasons for dialogue can be, but is not be 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 team 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 teams shall follow applicable Market Abuse Policies and Market Abuse Directives.

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

b. Collaborative Engagements

When appropriate, the investment managers and advisors shall 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 (where we are one member) 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 Disclosure, and the UN-supported Principles for Responsible Investment. The complete list of initiatives is available online.

Collaborative engagements may, depending on the situation, be subject to market abuse and insider trading regulations and hence should 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.

c. Voting

As investors, the general meeting is an opportunity to voice an opinion on issues of key importance to corporate governance, and contribute to a company's sustainability performance. As a general guideline, the investment managers and advisor should vote in line with the fiduciary duty to consider what is in the best interests of the investors.

The Board of Directors of the Funds has decided to give a discretionary proxy to DIMA, which 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 DIMA adopted by the Funds.

Danske Bank A/S should vote at GMs of companies where the Fund holdings' represent relevant holdings in accordance with the voting scope. Danske Bank A/S vote 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 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.

C1. Voting scope

Danske Bank A/S should seek to vote all shares held while also taking into account preconditions, resources, and the costs of exercising voting rights. The voting scope is therefore based on the following principles:

1. Vote the largest holdings 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 (excluding Voting Scope Exemptions).
2. Vote all shareholdings that have substantial ownership meaning exceeding 0.4% of votes or capital in an investee company.
3. Vote on issues of principal importance meaning exercise voting rights if there are matters of specific concern for the organisation or for a specific Fund. Matters of specific concern could be related to, for example, shareholder proposals regarding the environmental area, board diversification, political lobbying or media attention.
4. Vote on issues related to specific present and previous engagements.

The exercising of voting is not conducted in the following situations:

- Voting at general meetings of companies whose shares are listed on markets involving excessive formalities or administrative costs;
- Voting when it is difficult to justify the cost of exercising voting rights;
- Voting at general meetings of companies that require blocking share;
- Voting in countries for which custodians used do not offer proxy voting services;
- Voting on loyalty shares.

If Danske Bank A/S as proxy holder achieves 15% or more of the votes in a company comprised by the voting proxy from the Funds, the proxy will cease to be effective with respect to votes concerning the company in question.

Acting as a fiduciary for investors, incremental income generation from the investors' asset base through securities lending is compared to the costs of abstained voting activity.

C.2 Voting Guidelines

Danske Bank A/S shall vote on a variety of management and shareholder resolutions. However, the majority target corporate governance issues required under local listing requirements, including but not limited to: approval of directors; accepting reports and accounts; approval of incentive plans; capital allocation; reorganisations; and mergers. Danske Bank A/S shall vote according to its Voting Guidelines.

The Voting Guidelines consists of the following eight overall principles for Corporate Governance, Environmental, and Social matters:

1. The board should act in the best long-term interests of the company for the benefit of shareholders, and take into account relevant stakeholders. The board should have a sufficient mix of directors with adequate competence and independence appropriate to the company's operations. Chair of the board and CEO should not be the same person.
2. Remuneration to executive management should align with company and shareholder interest with the aim to achieve long-term performance and sustainable value creation. Remuneration to non-executive directors (NED) should reflect company size and complexity as well as NEDs' expertise and board position requirements.
3. The board should strive to achieve an effective and well-balanced capital structure. Capital exceeding the company's needs in relation to its long-term strategies should be distributed to the company's shareholders.
4. Audit should be carried out by external auditors, independent from the company and its management.

5. Rights of all shareholders should be equal and protected. The principle of one-share-one-vote is recommended. Minority shareholders should have voting rights on key decisions or transactions, which can affect their interest in the company.
6. All shares in a company carrying the same rights to the company's assets and profits should be treated equally in public offers to acquire shares.
7. Companies should seek to establish an open dialogue with their shareholders. Information and disclosure should be clear, correct, and transparent.
8. Companies should seek to manage financial and economic implications of environmental and social matters, which may have an impact not only on the reputation but may also represent operational risks and cost to the business.

The Voting Guidelines are available online.

4. Approval and Review

The Board has approved this Policy and is responsible for its review on an annual basis, or on the occurrence of events triggering the need for earlier review and adjustments.