

Sustainable Investments Policy

1. Background and purpose

Sustainable investments is a cornerstone of our ambition to integrate societal impact into our investment process.

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

This Sustainable Investment Policy governs and outlines our approach for:

- Environmental, social and corporate governance (ESG) integration
- Active ownership through dialogue, voting, and collaboration
- Screening and restrictions
- Communication and reporting

2. Approach

Our Sustainable investment approach is based on environmental, social, and corporate governance (ESG) integration, active ownership, collaboration, and disclosure and reporting, in line with the UN-supported Principles for Responsible Investment as well as the Danish Stewardship Code.

ESG integration

We expect our investment managers and advisors to integrate ESG matters into the investment process as factors alongside financial factors. We encourage them to assess portfolio companies' ESG performance, identify risks and opportunities, and engage through dialogue on material matters to support business growth and good governance and standards of conduct.

We expect our investment managers and advisors' ESG assessment to be guided by industry best practice across sectors, 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 supports.

In our view, integrating ESG help our investment managers and advisors to:

- understand more about the quality of companies and how they manage risks and opportunities,
- make better-informed investment decisions based on a holistic assessment,
- meet the demand from our investors for an integrated approach to sustainable investment including active ownership with a focus on outcome i.e. actual results.

Active ownership through dialogue, voting, and collaboration

We seek to be active owners and influence companies through our investment managers and advisors dialogue, voting and collaboration with peers, like-minded investors and stakeholders.

Single Engagement, Collaborative Engagement and Voting topics and scope are decided by the investment teams based on what is relevant and material ESG topics. We also

apply a proportionality principle and adhere to national or international principles and stewardship codes.

In relation to our Active Ownership, we have a set of guidelines to identify circumstances which may give rise to conflicts of interests. Voting must always benefit each investment fund's investors in order to avoid conflicts of interest. Our voting policy is published on the homepage.

Active Ownership through Single Engagement, Collaborative Engagement and Voting is logged and monitored.

Single Engagement

We believe that fund-manager-driven dialogue with portfolio companies is effective as they are the experts of their respective strategies and portfolios, and tasked with the buy/sell decision. When portfolio managers engage with portfolio companies on material ESG matters, they are able to understand more about their risks and opportunities, and to support their growth and development.

We encourage our investment managers and advisors to log and monitor company dialogue and progress to ensure a structured engagement process.

Voting

The annual 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 exercise our right to vote at annual general meetings of Nordic and European companies where we represent relevant holdings. Unless required by special circumstances, holdings in passively managed funds are not subject to voting activities. We vote either by ourselves or through Danske Bank.

We log and publish our voting records.

Collaborative engagement and investor initiatives

When appropriate, we through our investments 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. We also through our investments managers participate in investor initiatives to encourage increased transparency and sustainability standards in companies and financial markets, such as e.g. the Carbon Disclosure Project, Institutional Investors Group on Climate Change, Paris Pledge for Action, The Task Force on Climate-Change Financial Disclosure, 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 sustainable investment with positive impact.

Screening and restrictions

We view screening of the investment universe as an efficient tool for our investment managers and advisors to identify ESG risks related to portfolio companies with reference to industry best practice, international norms and voluntary frameworks for corporate responsibility. Based on their assessment and company dialogue, our investment managers and advisors, will from time to time decide to divest or restrict investments in a company.

There are three different categories of investment restrictions, based on screening:

- Portfolio manager level: Convictions
- Product level or across several or all products: Values or specific preferences
- Danske Bank Group level: Sustainability positions

Portfolio manager level

The investment teams may from time to time decide to refrain from investing in a company, sector or country based on conviction or analysis conclusion stemming from ESG matters or sustainability themes. This is embedded in the investment process including a thoughtful approach to screen based on clear definitions, and where understanding of the implications is vital.

Product level

Certain funds can be restricted from investing in companies and/or countries according to set criteria relating to sectors, companies, products, or activities, commonly applying either revenue-, exposure-, or activity-based thresholds. In addition, Danske Banks ESG Integration Council may decide on restrictions on special cases related to issues such as e.g., norms, ethics, or dilemmas; actions by other asset managers or investors, or negative outcome from dialogue, collaborative engagements, or voting.

Danske Bank Group level

Danske Bank Group has, based on its sustainability positions on Climate Change and the Arms & Defense industry, decided on investment restrictions in certain companies involved in tar sands and thermal coal, and in controversial weapons according to established criteria.

In addition, overall investment restrictions apply to issuers targeted by sanctions as defined by Danske Bank's AML/CTF and Sanctions Policy.

Our exclusion criteria do not apply to investments in structured products, derivatives and external funds.

Communication and reporting

We communicate to our investors and stakeholders via channels such as, publications on the homepage, the annual report and investor meetings.

Our commitment to sustainable investments can at times create dilemmas. We aim to be open about these dilemmas and engage in dialogue with our investors and stakeholders to navigate and to find the best possible solutions.

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Board of Directors of

Investeringsforeningen Danske Invest
Investeringsforeningen Danske Invest Select
Investeringsforeningen ProCapture