Responsible Investment Policy

1. Objective

The objectives of the Responsible Investment Policy (the "**Policy**") are to establish and communicate the Danica's approach to responsible investments and to ensure adherence to internal governance, applicable laws, and endorsed external standards while addressing the preferences of our customers and managing the fiduciary duties we owe to our customers.

The Responsible Investment Policy is a cornerstone of Danica's ambitions to integrate sustainability into core businesses, and it supports our vision to be recognised as a leading asset owner within the area of responsible investments. When customers entrust us with their assets and savings, it is our duty to serve their best interests by providing pension and insurance solutions that aim to deliver competitive and long-term performance. An integral part of this duty is to invest responsibly and to manufacture pension and insurance products that align with customers' preferences. As a responsible investor, we are therefore mindful of not only how investment performance is affected by Sustainability Factors, but also the impact on society that our investments may cause.

The intentions described in this policy do not change the fact that the purpose of the investments must always be to safeguard the interests of customers in the best possible way, including ensuring them the best possible financial basis for their retirement, in accordance with their investment preferences.

The Policy is incorporated and elaborated upon in Danica's Sustainability Risk Integration Instruction, Exclusion Instruction, Inclusion Instruction and Active Ownership Policy with supporting Guidelines and our Principal Adverse Impacts Statement (manufacturer statement).

2. Definitions

The definitions for the terms used throughout this Policy are available in Appendix 1.

3. Scope and target group

This Policy outlines principles for Responsible Investment, including Sustainability Risk integration in investment decision making processes, at Danica. The Responsible Investment Policy applies to the Investment Management activities of Danica in respect to pension and insurance products provided within Danica.

Further, the policy does not cover products where Danica is not in control of the design of the investment strategy and/or is not otherwise mandated to make investment decisions.

The Policy applies to all employees, all functions, and all units in Danica that perform asset/investment management activities as outlined herein. The Policy applies to In-Scope Subsidiaries once adopted appropriately by their relevant governing bodies.

4. Danica's Approach to Responsible Investments

At Danica, responsible investments play a key role when we invest our customers' assets through managed pension and insurance products. Danica's approach to responsible investments is based on the principle of Double Materiality.

As a responsible investment manager, we are mindful of not only how Sustainability Factors impact investment performance (**Financial Materiality**) but also how our investments may have positive and/or negative impacts on society (Environmental and Social Materiality). This is referred to as "Double Materiality" considerations. We believe that attentiveness to these sustainability dimensions when investing is a cornerstone of our fiduciary duty to create value for customers *and* to create a responsible pension and insurance product offering for our customers that supports the transition to a more sustainable society. Based on what is relevant for a specific asset class and investment strategy, these Double Materiality considerations can be addressed through Inclusions, Exclusions and Active Ownership.

We disclose our approach to responsible investments and report on our efforts to support transparency and accountability of our investment processes and activities. We also report on our progress within selected areas and initiativessuch as the UN-supported Principles for Responsible Investment (UN PRI).

The aim is to communicate in a way that enables our customers and stakeholders to find answers to relevant questions on our investment processes and activities in a clear and accessible way. The information is published on our sustainability-related disclosure websites and, whenever relevant, disclosed and reported directly to customers and other stakeholders.

Where appropriate and allowed per applicable laws, we collaborate with peers, like-minded investors and other relevant parties, to reduce negative impact and maximise positive impact on Sustainability Factors. We also welcome an open dialogue with our stakeholders and value the opportunity to collaborate, where relevant. We participate in investor initiatives that aim to increase transparency and sustainability standards in companies and financial markets, such as the CDP, the Institutional Investors Group on Climate Change (IIGC), the Paris Pledge for Action, the Net-Zero Asset Owner Alliance and UN PRI[1].

Principle 1: We aim to protect the value of investments and generate attractive returns

As a part of our fiduciary duties to customers, we are committed to identify negative risk exposures with a financial impact on investments. This implies a duty to systematically identify Sustainability Factors that may pose a risk of causing material negative impact to the value of an investment (Sustainability Risk) and integrating considerations of such factors into our pension and insurance products.

For a Sustainability Factor to be considered financially material, it needs to have the potential to translate into investment performance and have a negative impact on either the revenue/expenses of the company, the value of its assets/liabilities or its cost of capital. By analysing Sustainability Factors in conjunction with other financial factors, it is possible to gain

[1] As further set-out in Appendix 2.

greater insights into the investments and thereby identify Sustainability Risks and investment opportunities.

Financially material Sustainability Factors are unique to each investment and are determined by, for instance, business activities, industry categorisation and domicile. Sustainability Risk exposures should be well managed and, as needed, lead to and/or influence a decision to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest or to engage through our Active Ownership activities. The proper management of Sustainability Risks can be challenged by several factors, including lack of comprehensive and standardised data and the fact that Sustainability Risk factors often are complex, multidisciplinary and interlinked, which can make them difficult to assess in their entirety.

Appreciating that investments have different characteristics and are affected differently by Sustainability Factors, the investment teams tailor the analysis of Sustainability Factors to the specific investment strategy and asset class.

Further information on how we identify, manage and control Sustainability Risks is outlined in our Sustainability Risk Integration Instruction, Inclusion Instruction, Exclusion Instruction and Active Ownership Policy.

Roles and responsibilities:

- The Executive Management 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 Management may 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.
- The work with responsible investments in Danica is supported by an internal Service Level Agreement between the Responsible Investment team in Asset Management in Danske Bank and Danica.
- The Responsible Investment Team is responsible for developing relevant instructions, guidelines and processes on the integration of sustainability risks. Instructions issued under the Responsible Investment Policy are subject to the review and approval by the Responsible Investment Committee. Danica is represented in the Responsible Investment Committee by the CIO and the Head of Sustainability.
- Investment teams have the responsibility to, in a systematic way, incorporate Sustainability Risks into investment analysis and investment decision-making processes, where relevant.
- The Responsible Investment Team is responsible for supporting investment teams in sustainability risk integration, through building the infrastructure required, including tools (e.g. mDash), and by providing knowledge, research, education and subject-matter expertise.
- Danica Risk Management and Compliance are responsible for challenging the setup, governance and implementation and providing independent oversight.

Principle 2: We aim to analyse and assess the impacts that investments may have on the environment and other societal dimensions

We aim to analyse and assess the negative impacts and positive contribution of our investments and to address these aspects in accordance with the preferences of our customers. As one of the largest financial institutions in Denmark, Danica has the ability to be part of solutions to the challenges our planet and societies are facing, including through the investment opportunities we offer to our customers. We support the goals of achieving net zero by 2050 in line with ambitions of the Paris Agreement.

Principal Adverse Impacts

Negative impacts on Sustainability Factors from investments are referred to as "**Principal Adverse Impacts**". Such impacts can materialise through activities and practices that are harmful to society such as, but not limited to, activities with high carbon emissions, activities in the fossil fuel sector, substantial waste levels, lack of gender diversity, breaches of human rights and lack of company policies to avoid corruption and bribery. We prioritise the management of these impacts through the strategy commitments of the pension and insurance products that we manufacture that are developed to align with the preferences of our customers and the overall responsible investment approach of Danica.

Principal Adverse Impacts are identified through our screening of Environmental and Social Materiality. Our screening focuses on a core set of universal mandatory indicators that always lead to Principal Adverse Impacts and additional selected voluntary indicators (see current full list of the Principal Adverse Impact indicators that we consider in our Principal Adverse Impact Statement).

We work from the belief that by measuring and reporting the Principal Adverse Impacts of our portfolios, we are better positioned to monitor and steer the overall sustainability performance of our portfolios. The voluntary indicators are selected and kept updated on basis of considerations of relevance to our investment management philosophy, exposures as well as data quality and coverage for the indicators.

The management and the prioritisation of Principal Adverse Impacts are defined by the investment strategy of our investment portfolios/activities. Subject to the investment strategy, Principal Adverse Impact considerations may lead to or influence decision-making to either buy/increase weighting, hold/maintain weighting, decrease weighting, or sell/divest. As a minimum standard, Principal Adverse Impacts are managed through Exclusions. This may be supplemented by other processes such as Active Ownership and Inclusion that further address the impacts.

As an organisation, Danica reports on Principal Adverse Impacts that have been measured on an annual basis, and we also strive to report on Principal Adverse Impact on the majority of our responsible pension and insurance product offerings. Further information on how we identify, manage and control Principal Adverse Impacts is outlined in our Principal Adverse Impact Statement, Exclusion Instruction, Inclusion Instruction and Active Ownership Policy.

Positive Contribution

Positive contribution of investments can be identified through the screening of issuers/companies for activities with positive contribution to environmental or social objectives as well as investments with other positive attributes, including but not limited to, best-in-class operations, sound sustainability practices and sound environmental stewardship. The screening is based on criteria and thresholds set out in regulatory defined frameworks, such as the EU Taxonomy, market setting initiatives, own proprietary models and methodologies, and other defined sustainability indicators.

Investment strategies with positive contribution use Inclusions such as individual stock picking, tracking of climate indices or overall portfolio alignment.

Responsible Pension and Insurance Products

Danica manufactures pension and insurance products with different levels of sustainability ambitions that enable the distribution of products designed to cater for different levels of preferences of customers. Notwithstanding sustainability ambitions, all pension and insurance products manufactured by Danica take due account of Sustainability Risk dimensions.

For pension and insurance products that promote environmental and/or social characteristics, these characteristics and good governance practices are binding elements of the investment strategy and are managed in accordance with the frameworks defined through our Inclusion Instruction, Exclusion Instruction and Active Ownership Policy. Information about such products is disclosed under Article 8 of the SFDR in accordance with the specific requirements herein. Products promoting environmental and/or social characteristics have varying degrees of sustainability related ambitions.

For pension products that have Sustainable Investments as their objective, the environmental and/or social objectives are equally binding elements of the investment strategy as further governed through the Inclusion Instruction. The 'Do No Significant Harm' principle is applied following the regulatory requirements for such products. The assessment of Principal Adverse Impact is also added to this exercise. Information about such products is disclosed under Article 9 of the SFDR in accordance with the specific requirements herein.

For further information on how we incorporate considerations to adverse impacts and positive contribution in our individual responsible pension and insurance products, reference is made to the pre-contractual documentation and reporting for managed pension and insurance products.

Roles and responsibilities:

- The Executive Management is responsible for ensuring adherence to this principle but may 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.
- The Responsible Investment Committee is responsible for decisions related to Responsible Investment related commitments of Danske Bank and Danica. Danica is represented in the Responsible Investment Committee by the CIO and the Head of Sustainability. The Responsible Investment Team is responsible for overseeing the development of these initiatives. Commitments with Group wide implications are subject to the approval of the Business Integrity Committee.
- The Responsible Investment Team is responsible for developing relevant instructions, guidelines and processes on the consideration and management of societal impacts, including instructions on Inclusions, Exclusions and the Active Ownership Policy. Instructions, including as relating to Active Ownership, shall ensure adherence and

reference to Group policies on the management of conflict of interest. Instructions issued under the Responsible Investment Policy are subject to the review and approval through endorsement by the Responsible Investment Committee.

- The Responsible Investment Team is responsible for developing the reporting frameworks and ensuring that the required disclosures are in place.
- Business Development & Product Management in Danica is responsible for developing sustainability-related value propositions.
- Product governance is managed in accordance with roles and responsibilities set out in through the New and Amended Product Approval (NAPA) process.

5. Governance

Governance is key when it comes to ensuring an efficient execution of our Responsible Investment Policy.

Our governance structure sets clear roles and responsibilities. The Executive Management acts under the mandate of the Board of Directors and is responsible for operational execution through underlying instructions in Danica. Effective oversight is delegated to the Responsible Investment Committee acting under the mandate of and reporting to the Business Integrity Committee in Danske Bank. The Responsible Investment Committee and the ESG Integration Council guide the execution of the Responsible Investment Policy and underlying instructions.

6. Escalation

Where a breach or potential breach of this Policy has been identified, an Employee must notify the owner of the Policy. Where the breach is also defined as an event, this must be registered and categorised immediately in ORIS according to the Non-Financial Risk Event Escalation Instruction.

The owner of the Policy must report to the Executive Management on significant breaches to the Policy in accordance with the Non-Financial Risk Event Escalation Instruction.

7. Review

The Policy is managed by the Board of Directors. The Policy must be reviewed annually as a minimum. It is the responsibility of the Sustainability team to ensure that the Policy is updated and approved. Compliance and 2nd line Risk Management are required reviewers prior to the approval to challenge the governing information.

Danske Bank's Business Integrity Committee receives updates on the implementation of the Group Responsible Investment Policy annually from the Responsible Investment Team in Danske Bank Asset Management.

Appendix 1 - Definitions

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

Active Ownership	The use of rights and position of ownership to influence the activities or behaviour of investee companies and other issuers based on financial and/or impact materiality considerations.
Danica	Danica Pension, Livsforsikringsaktieselskab with its subsidiaries
Danske Bank, or the Bank	Danske Bank A/S
Do No Significant Harm	A principle ensuring that neither environmental nor social objectives are significantly harmed when investing sustainably as measured against indicators on principal adverse impacts, minimum social and environmental safeguards and/or screening criteria defined by regulations.
Double Materiality	The determination of whether a sustainability factor is of relevance when investing from either the perspective of Financial Materiality and/or Environmental and Social Materiality.
Environmental and Social materiality	The inside-out impacts that an issuer's/company's economic and financial activities may have on sustainability factors. Also referred to as "impact materiality".
ESG	Environmental, social and/or governance.
Exclusions	The exclusion of certain sectors, companies/issuers and activities from investments on the basis of defined criteria and thresholds or identified controversies, adverse sustainability impacts, or failure to meet minimum sustainability safeguards.
Financial Materiality	The outside-in impacts that sustainability factors may have on a company's/issuer's economic and financial activities throughout their entire value chain (both upstream and downstream), affecting the value (returns) of such activities.
Inclusion	The active inclusion of a company/issuer in investments on basis of sustainability-related considerations.
Principal Adverse Impacts	Any impact of investment decisions or advice that results in a negative effect on sustainability factors, such as environmental, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters.
Principal Adverse Impacts Statement	The Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors of Danica .
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council on Sustainability-Related Disclosures in the Financial Services Sector as supplemented by underlying delegated acts.
Sustainability Factors	Environmental, social and employee-related matters, respect for human rights, anti-corruption, and anti-bribery matters.
Sustainable Investment	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.
Sustainability Risks	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.[2]

[2]Sustainability factors that impose a risk to Danica are not covered by the term "sustainability risk" in this policy, but instead managed and defined in the Danica Risk Management Policy.

Appendix 2

A non-exhaustive list of the applicable sectoral regulations and external standards that have been taken into account by the Responsible Investment Policy is available below:

- Sectoral Regulations and Directives as implemented in local laws:
    - Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)
    - Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)
    - Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (AIFMD)
    - Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 regarding the encouragement of long-term shareholder engagement (Shareholders Rights Directive II)
    - Regulation (EU) 2019/2088 of the European Parliament and Council on sustainability-related disclosures in the financial services sector (SFDR) and underlying delegated acts

- External Standards and Collaborative Initiatives
    - UN Sustainable Development Goals (SDGs)
    - UN Global Compact
    - UN Guiding Principles on Business and Human Rights
    - UN Principles for Responsible Investment
    - OECD Guidelines for Multinational Enterprises
    - G20/OECD Principles of Corporate Governance
    - Sustainability Accounting Standards Board (SASB)
    - Net-Zero Asset Owners Alliance
    - ISSB
    - CDP (formerly Carbon Disclosure Project)
    - Paris Pledge for Action
    - Climate Action 100+
    - The Partnership for Biodiversity Accounting Financials (PBAF)
    - The Partnership for Carbon Accounting Financials (PCAF)
    - Science Based Targets Initiative
    - Nature Action 100
    - Finance for Biodiversity Pledge

- The position statements[3]
    - Position Statement Agriculture
    - Position Statement Climate Change
    - Position Statement Fossil Fuels

- Position Statement Mining and Metals
- Position Statement Arms and Defence
- Position Statement Forestry
- Position Statement Human Rights

[3] See Danica's Sustainability Policy & Position Statements: Vores tilgang og ambitioner