

Sustainability Policy

January 2025

1. Objective

The objective of the Sustainability Policy (the “Policy”) is to codify and communicate the approach of Danica Pension to managing and contributing to the sustainability transition. This transition is of significant strategic importance for Danica Pension, as it presents both challenges and opportunities for our customers, our business, and for society. The Policy is aimed at ensuring that we manage sustainability-related opportunities, risks, and societal impacts accordingly. This includes ensuring that sustainability considerations are integrated in our own business operations as well as in our relationships with suppliers, partners and customers.

The Policy governs the approach that Danica Pension takes towards the sustainability transition and it confirms our commitment to responsible business and investment practices.¹ Furthermore, the Policy contributes to fulfilling regulatory obligations in relation to e.g. the Corporate Sustainability Reporting Directive (CSRD), the recommendation on corporate governance from the Danish Committee on Corporate Governance regarding corporate social responsibility, as well as voluntary sustainability commitments made by Danica Pension as part of its participation in initiatives such as those convened by the United Nations, which are listed on our website.² Moreover, it supports Danica Pension’s Purpose and Culture Commitments as stipulated in the Code of Conduct Policy.

The Policy functions together with several related policies and instructions (listed under Appendix 3) and serves as an overarching policy connecting these interlinked elements. Danica Pension incorporates sustainability into relevant policies, including those governing key risk types. Lack of adherence to the Policy may lead to disciplinary actions.

2. Definitions

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

3. Scope and target group

The Policy lays out the principles for managing sustainability opportunities, risks and impacts throughout Danica Pension. It is primarily relevant for employees who through their job function have an influence on our efforts to manage sustainability-related opportunities, risks and impacts.

4. Policy content

4.1 Principle 1: We assess the importance of sustainability topics based on double materiality and in line with regulatory and scientific guidance

From a Danica Pension perspective, we assess the importance of sustainability topics based on double materiality, i.e. examining both how sustainability issues can impact our financial performance, and how our activities can impact the environment and society – positively as well as negatively. This involves using empirical data as well as engaging with stakeholders to qualify our understanding of sustainability-related opportunities, risks and impacts. We strive to base our assessments on the best available data as well as

¹ Information on the Danica Pension’s sustainability strategy is publicly available [via our website](#).

² This list is available via [Vores tilgang og ambitioner \[danicapension.dk\]](#)

widely recognised methodologies and scientific guidance. Moreover, we seek to understand financial and societal materiality across our value chain. This includes using the framework of the European Sustainability Reporting Standards (ESRS) as part of applying a double-materiality perspective.

Moreover, as part of Danica Pensions policy for Own Risk and Solvency Assessment (ORSA) climate scenario analysis is defined and used to assess financial impact based on a solvency perspective.

4.2 Principle 2: We take a strategic approach to sustainability to manage our most material commercial opportunities, business risks and societal impacts

We focus our efforts on the topics, sectors and segments that are most financially material to our business and where we have the greatest actual and/or potential societal impact. We therefore define strategic priorities for managing our most material sustainability-related opportunities, risks and impacts.

To ensure that we deliver on our strategic priorities, we set and regularly calibrate ambitions and targets within our defined sustainability agendas. Furthermore, we take stances on sectors and sustainability themes that are relevant to our business and where there are elevated financial risks and potential impacts. These stances are anchored in respective staff and business functions and processes, in accordance with applicable governance requirements, and we communicate key aspects of these stances externally via our Position Statements together with the Danske Bank Group to ensure due transparency and accountability. To support our strategy execution and foster joint action, we also engage in voluntary sustainability initiatives and commitments that we deem to be relevant.

4.3 Principle 3: We integrate management of material sustainability-related opportunities, risks and impacts in our governance and key processes

We integrate material sustainability considerations in our governance and key processes, to ensure that we execute on our strategic priorities regarding sustainability-related opportunities, risks and impacts.

We specify how we integrate sustainability in the governing documents for the individual key processes, including in the policies and other key governing documents listed under Appendix 3. To ensure that sustainability is integrated in the way we do business, our standard approach is to manage material sustainability-related opportunities, risks and impacts through our general policies, processes and functions, rather than through stand-alone policies on specific environmental, social or governance themes.³

Our approach to this integration is rooted in regulatory requirements as well as globally recognised frameworks, principles and standards for sustainability, including those mentioned in section 1. Our approach to the management of sustainability-related opportunities, risks and impacts is differentiated across business areas, depending on the customer segment, the financial products and services we offer, the business potential, the size of the transaction, potential customer impact and the assessed risk of negative impact on ESG factors.

4.4 Principle 4: We execute efficiently on our sustainability priorities through diligent monitoring and steering, supported by relevant competencies and a culture of responsible business

We enable execution on Danica Pension's sustainability strategy through effective monitoring and steering, including clear ownership of the respective strategy execution streams and targets as well as timely and relevant management information for the respective decision-making bodies.

We also strive to ensure that we have the right competencies and capabilities as well as a sound and responsible culture in place to deliver on our strategic sustainability priorities. We therefore conduct training activities across all levels of the organisation, with a differentiated approach according to

³ For example, material environmental, social and governance related opportunities, risks and impacts concerning our approach to integrating ESG topics in investment decisions is governed by our Responsible Investment Policy, and our Remuneration Policy governs how we integrate sustainability-related targets into our variable remuneration.

organisational roles and functions. Furthermore, we conduct leadership training and engagement to ensure that we foster a culture of responsible business in line with our Code of Conduct Policy.

4.5 Principle 5: We provide stakeholders with relevant information about our sustainability approach and performance through true and fair reporting and disclosures

We recognise the importance of providing transparency and clarity for establishing credibility and legitimacy within the sustainability agenda, implying a need for solid disclosures and reporting in line with regulatory requirements and stakeholder expectations. Our disclosures form the foundation for our stakeholder engagements by providing a shared understanding of our material opportunities, risks and impacts regarding sustainability.

- Taking a challenger role in relation to other units when it comes to their sustainability approach and performance to support the implementation of the principles set out in this Policy.

5. Escalation

Where a breach or potential breach of this Policy has been identified, an Employee must notify the Head of Sustainability in Danica Pension. 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.

Based on input and guidance from the Head of Sustainability, the owner of the Policy (CEO) must report to the BoD in case of significant breaches to the Policy in accordance with the Non-Financial Risk Event Escalation Instruction. Significant breaches include, but are not limited to, failures in relation to the following, where these lead to severe negative impact to Danica Pension, fulfilling the criteria of a 'large' or 'very large' risk events:

- Conduct the Double Materiality Assessment with sufficient quality.
- Formulate strategy and plans for material sustainability topics.
- Integrate management of material sustainability-related opportunities, risks and impacts in governance and key processes.
- Produce relevant and timely management information for steering on sustainability.
- Deliver true and fair reporting on sustainability.

Appendix 1 - Definitions

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

ESG	Environmental, social and governance
Position Statements	Publications outlining Danske Bank's stance on sustainability-related matters in relation to specific sectors and themes.
Sustainability	In broad terms, sustainability can be understood as meeting the current needs of society without compromising the needs of future generations by keeping economic, social and environmental factors in balance.

Appendix 2 – Related policies and instructions

Examples of related policies and instructions outlining how Danica Pension works with specific topics relating to sustainability include (in Danish):

- Forretningsgang for bekæmpelse af bestikkelse og korrupsion
- God governance i Danica
- Politik for Code of Conduct
- Forretningsgang for dataetiske principper
- Politik for interessekonflikter
- Politik for mangfoldighed og inklusion
- Politik for Risikostyring
- Politik for Aktivt Ejerskab
- Forretningsgang for integration af bæredygtighedsrisici
- Politik for Financial Crime
- Direktionsinstruks for Indkøb
- Aflønningspolitik for Danica Pension
- Politik for Ansvarlige Investeringer
- Direktionsinstruks for interessenthåndtering i Danica Pension
- Skattepolitik i Danica Pension
- Politik for Treating Customers Fairly i Danica
- Politik for Whistleblowing i Danica Pension
- Politik for produkttilsyn og styring i Danica
- Politik for ikke-finansielle risici