



April 2026

# Tax Principles on Investments

Page 1 of 2

Danica's ambition is to be our customers' most trusted financial advisor. Hence, integrating sustainability in our core business is an integral part of our ambition. When our customers entrust us with their pension savings, it is our duty to serve their interests with the goal to deliver competitive, sustainable and long-term performance.

Danica's Tax Policy states the approach for how to conduct the Danica's tax affairs in a responsible manner. The Tax Policy serves as a guidance and standard for how Danica will apply this Tax Policy in practise on investments. Danica has a responsible and transparent approach to tax, and we pay our fair share of taxes in accordance with all applicable tax laws and regulations and interpreted with due respect to their intention. Further, we cooperate with the authorities in accordance with all applicable rules and regulations.

When it comes to investments, we expect the companies and funds we invest in to pay their fair share of taxes where economic value is generated in accordance with the relevant laws and regulations without challenging the boundaries of the tax law. In addition, as investor, Danica is subject to Danish corporate tax, and the investments are subject to pension yield tax.

We believe that tax planning or positioning should be driven by commercial objectives with due respect to intention of the tax law and not constitute aggressive tax practice. Tax regimes may offer various incentives, exemptions and allowances that constitutes legitimate and acceptable tax planning as well as reducing tax payments by legitimate and acceptable use of tax losses. Further, we believe using aggressive tax planning is contradictory to managing a business that delivers long-term growth and supports transparency.

By aggressive tax planning, we mean an exploitation of the tax legislation in one or more countries in combination, which only or primarily aims at obtaining a tax advantage, and that this advantage is obtained by using technicalities in the tax legislation. By this is meant an application of the rules which is

not commercially justified, which is contrary to known and expressed intentions with the legislation, and which reasonably can be considered to be outside the interpretation of the rules by the legislature and the tax authorities.

Indicators for aggressive tax planning may be but is not limited to:

- use of hybrid mismatches
- use of derivatives without commercial reasons
- tax treaty abuse
- round-tripping of funds
- tax havens
- aggressive transfer pricing arrangements.

We accept acquisition structures that are put in place in order to facilitate a neutral investment vehicle. Such structures should in general not generate additional tax payments nor tax savings. Acquisition structures made for tax saving purposes only are not accepted.

For all our investments, we adhere to Danske Bank Group's Policy for Responsible Investments. Addressing tax issues is an integral part of Danica's duty as an investor and managed through our sustainable investment approach, in which we identify and address material Environmental, Social and Governance (ESG) matters, including tax issues.

## Listed investments

We expect that listed companies behave responsibly and conduct their tax affairs in a prudent and transparent way. We continuously assess listed companies' tax affairs and we may decide to divest or restrict investments in a specific company as part of our sustainability risk screening processes.

If a listed portfolio company is identified as being involved in aggressive tax planning, we assess available facts and initiate a dialogue with the portfolio company to understand how they deal with the matters.



The goal is to ensure and support portfolio companies in managing tax in accordance with all applicable rules and regulations without challenging the boundaries of the tax law.

### **Unlisted investments**

For unlisted investments, Danica performs a tax due diligence of each investment before investing to ensure that the target pays its share of taxes where economic value is generated in accordance with the relevant laws and regulations. This includes legal and capital structures observing anti avoidance regulations and BEPS initiatives.

In order not to be involved in harmful tax practices, we avoid participation in artificial arrangements or artificial series of arrangements that have been put into place for the main purpose of avoiding taxation.

We do not invest in companies in countries that at the time of the investments are listed as noncompliant or non-cooperative countries on the OECD and EU lists. When we use external asset managers to invest on behalf of Danica, Danica expects them to act in an appropriate, prudent and transparent manner and meet our Tax Principles on Investments. In the event that we find that investments do not comply with our Tax Principles on Investments, we will initiate further dialogue with the external asset managers and agree on appropriate actions.

We support all international initiatives aimed at ensuring tax transparency, including country-by-country reporting, and we are continuously monitoring international tax practices in order for us to apply best practices when investing. We participate in forums and collaborate with e.g. investors, subject-matters experts or authorities to discuss initiatives that strengthen our ability to act as a responsible investor and support our ambitions within tax responsible investments.