



# Policy for Responsible Investment

May 2026

**BANKiINVEST**

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### Policy scope

This policy for responsible investment is issued by the boards of directors of BI Holding A/S (BIH) and the subsidiaries BI Management A/S (BIM) and BI Asset Management Fondsmæglerselskab (BIAM), hereinafter referred to as BankInvest.

The policy applies to all investments performed by BIAM as well as external managers appointed by BIAM. Institutional clients can be exempted if they provided a commitment hereto. Third-party administrator services are exempt.

The policy covers financial derivatives. If investments in financial derivatives are used, the instrument must comply with this policy in the best possible way.

The respective boards update the policy as necessary, however at least once annually.

*Please note:* This document is an English translation of the original Danish Policy for Responsible Investment (Politik for ansvarlige investeringer), which is available on [www.bankinvest.dk](http://www.bankinvest.dk). In case of any discrepancies between the original Danish version and the English one, the Danish translation will always take precedence.

## Why do we work with sustainability?

BankInvest wants to be committed to and serious about its work with responsible investments. This policy is meant to help us achieve that goal.

The purpose of the policy is to set the framework for our work with environmental, social and governance (ESG) considerations and other sustainability risks in BankInvest's investment strategies and processes, including our contribution to the sustainable transition.

Sustainable transition is essential to meet the targets set by the EU and the UN, including the 17 Sustainable Development Goals. The financial sector plays a key role in supporting the sustainable transition as described in the European Commission's action plan for financing sustainable growth from 2018 as well as in the objectives in the Paris Agreement from 2015, which BankInvest backs.

BankInvest fundamentally believes that the businesses creating value are those who conduct long-term responsible business practices. Consequently, BankInvest has committed to invest in a responsible manner by investing in businesses with responsible business practices.

BankInvest works with responsible investment and sustainability on several levels:

### ESG Integration

- Handling of principal adverse impacts on sustainability factors
- Screening for sustainability factors
- Exclusion
- Active ownership
- Investor collaboration
- Climate
- Reporting

## Anchoring our work with responsible investments

BankInvest's Responsible Investment Committee is responsible for ensuring that BankInvest adheres to the policy for responsible investment, including developing policies in the area, maintaining BankInvest's exclusion list and ensuring that BankInvest meets the requirements imposed on BankInvest as an investment manager.

The committee meets at least four times annually and consists of members from BankInvest's Management Group as well as representatives from relevant departments. BankInvest's Executive Management chairs the committee.

The operation of the Responsible Investment Committee falls under the Head of ESG.

## ESG integration and sustainability risks

BankInvest integrates ESG matters in the investment process. This means that besides looking at traditional, financial ratios, the portfolio managers also include non-financial ratios and parameters in the investment analyses, including how the companies handle ESG matters. ESG matters can also be used to identify investment opportunities and risks.

To obtain ESG data for the purpose of analysing corporate investments, BankInvest cooperates with the international data supplier MSCI ESG, which specialises in analysing companies' ESG parameters. MSCI ESG provides ESG data and analyses at the company and industry level.

Both internal and external ESG analysis is used in the investment process.

In certain departments, it may not be possible to fully cover the ESG-related risks. This may be in funds, individual issuers, or alternative investments that are not yet covered by the data providers BankInvest collaborates with. In such cases, portfolio managers and ESG specialists will work together to identify the relevant ESG risks.

For BankInvest's handling of sustainability risks, please refer to the Policy for Sustainability Risks. A summary can be found on BankInvest's website.

### **Handling of principal adverse impacts on sustainability factors**

BankInvest has committed to preparing an annual statement on the principal adverse impacts (PAI statement).

The portfolio managers are therefore required to consider the identified principal adverse impacts (PAI indicators) in their investment decisions. The specific PAI indicators identified and prioritised in each division depend, among other factors, on data quality, availability, and relevance.

All divisions must, at a minimum, use information on issuers' revenue within selected industries, their ESG ratings, and apply a norm-based screening. Information on issuers' CO2 emissions has also been identified as an important PAI indicator and will be used in divisions with sufficient data quality and availability.

For divisions that invest sustainably, the sustainable investments will, on an ongoing basis, be subject to monitoring of the 14 PAI indicators to ensure that the investments do not significantly harm any of the sustainable investment objectives. This is ensured, among other things, through a quantitative tool.

For further information on BankInvest's work with PAI indicators, please refer to the annual PAI statement, which can be accessed on the [bankinvest.dk](https://www.bankinvest.dk) website.

### **Sustainability factors and screening**

Sustainability factors are defined as environmental, social and human resources issues as well as issues concerning respect for human rights, anti-corruption and anti-bribery.

At least once a year, BankInvest's investments are subject to norm-based screening to identify breaches of international norms and conventions within human rights, labour rights and the environment. This covers among others:

The UN Global Compact

Ten principles on environment, anti-corruption, labour rights and child labour, human rights etc.

The UN Guiding Principles for Business and Human Rights

Guiding principles within responsible business conduct and compliance with human rights.

The UN Declaration of Human Rights

Including a prohibition against forced labour and discrimination, the right to a fair trial, the right to freedom of speech etc.

The OECD guidelines for multinational enterprises

Including how enterprises minimise the negative impact of their activities and how businesses can contribute to financial, social and environmental progress.

The ILO labour market conventions on dignified conditions for the labour force

Including the conventions on abolition of child labour, discrimination, forced labour and the protection of the right to organise and collective bargaining.

BankInvest collaborates with the international service provider Morningstar Sustainalytics, which performs the norm-based screening.

If the screening shows that a company breaches one or more international norms or standards, BankInvest will – through its collaboration with Morningstar Sustainalytics – seek to influence the company to take responsibility and change its behaviour rather than divesting the portfolio in the company at once.

If the dialogue does not show the desired progress as specified by Morningstar Sustainalytics, the company will receive “Dis-engage”. In addition, if the company is also categorised as “Non-compliant” it will be excluded from BankInvest’s investment universe.

Certain investment divisions may have another approach, where divestments are typically made earlier in the process, e.g. as soon as a breach of international norms is identified.

### **Exclusion**

BankInvest has a general ban on investing in companies involved in the production, trade and sale of controversial weapons such as cluster munitions, land mines, chemical- and biological weapons and nuclear weapons outside the Non-Proliferation Treaty. Furthermore, there is a general ban on investing in companies in which more than 5% of the revenue comes from coal mining, production of tar sands, oil- and gas exploration in offshore Arctic regions or production or distribution of tobacco.

Exclusion may also occur if a company breaches international norms and does not demonstrate willingness to take responsibility and change its behaviour as described in the section on norm-based screening.

The Responsible Investment Committee has the decision-making power to exclude a company from BankInvest’s investment universe.

The exclusion list is updated at least bi-annually and can be found on BankInvest’s website.

Moreover, certain divisions with special sustainability considerations may have stricter exclusion criteria for sectors and companies. In such case, this will be mentioned the divisions’ prospectuses.

## Government bonds

For government bond investments, BankInvest follows UN and EU sanctions and excludes countries that are subject to sanctions against investment in government bonds.

MSCI ESG makes an overall assessment of the countries according to E (Environment), S (Social) and G (Governance) based on a number of factors. The countries are then given an overall ESG rating between AAA and CCC. The country's ESG rating will be included in portfolio managers' sustainability analysis.

## Active ownership

Active ownership is a key element in BankInvest's approach to responsible investment.

Consequently, BankInvest has prepared a separate Policy for Active Ownership and Voting that can be found on BankInvest's website.

## Climate policy

BankInvest aims to contribute to a climate-friendly world and acknowledges the importance of limiting climate change and understanding the impact of climate-related risks for our investments.

In 2021, BankInvest joined the Net Zero Asset Managers initiative. BankInvest has thus committed to achieving carbon neutrality from our investments by 2050 in line with the targets of the Paris Agreement.

As of December 30, 2022, ~62% of BankInvest's total assets under management are to be managed in accordance with the Net Zero Asset Managers initiative. For the covered assets, BankInvest has set a 55% reduction target for the carbon emissions from the end of 2019 to 2030. The target is based on the benchmarks of the covered assets. Information about BankInvest's targets can be found in our Climate Action Plan on the BankInvest website.

The work with the reduction targets involves reallocating BankInvest's investments in a more sustainable direction. This entails a shift away from the highest carbon emitters towards companies that provide solutions beneficial to the climate.

As part of this effort, BankInvest has developed guidelines for our investments in fossil fuel companies. BankInvest aims to invest in fossil fuel companies that meaningfully address climate change within their organizations by demonstrating sufficient transition readiness. Consequently, a target has been set to gradually phase out investments in fossil fuel companies assessed to show insufficient transition readiness.

The phase-out is measured from the exposure to these companies in the benchmarks of the covered assets as of the end of 2022 and will be completed by the end of 2030. For investments in companies from Emerging Markets countries, a longer phase-out period applies, extending to 2035. The phase-out applies only to companies. Please refer to BankInvest's website for further information on the guidelines for investments in fossil fuel companies.

The work on climate change aligns with our commitment to ensuring, promoting, and respecting human rights and should consider a just transition.

BankInvest continuously works on improving the tools used to analyse climate-related risks and the impact that our investment decisions have on the climate. Reporting on this to the board is done at least once a year.

### **External managers**

A part of BankInvest's portfolios is managed externally. When using external managers, BankInvest must endeavour to integrate ESG considerations in the agreed Investment Guidelines to the greatest possible extent. This means that the external managers commit to using BankInvest's exclusion list, which is described in this policy.

In the selection of external managers, assessments of the manager's support for initiatives such as PRI and CDP, the use of data suppliers, carbon targets, etc.

As part of the ongoing control with the delegated tasks, the external managers are required to answer a series of questions each year, including questions regarding their ESG management, exercise of active ownership etc.

### **Alternatives**

BankInvest also offers funds investing in alternatives such as real estate. These are typically under external management. BankInvest collaborates with managers who integrate sustainability and climate considerations into their investment process focusing on topics such as the reduction of carbon footprint.

BankInvest regularly meets with the alternative investment fund managers to ensure focus on sustainability in the investment process, including setting sustainability ambitions.

### **Objects for the ESG work**

BankInvest wants to contribute positively to the industry's efforts to integrate sustainability considerations into the investment process and continuously sets targets for how the investment divisions should approach ESG and carbon emissions.

BankInvest wants to be transparent in these efforts and consequently issues quarterly reports on the individual divisions' sustainability considerations. For further details, see the section on Reporting.

Furthermore, BankInvest offers both partially and fully sustainable products targeting investors who want to invest with a focus on sustainability.

### **Investor collaboration**

As a natural and key element in BankInvest's responsible investment efforts, we have joined the following networks and initiatives:

The UN-backed Principles for Responsible Investment

In February 2008, BankInvest signed the UN-backed Principles for Responsible Investment (called UN PRI), and much of the work with responsible investment in BankInvest is based on these principles.

## The UN Global Compact

Since 2019, BankInvest has supported the UN Global Compact, which consists of ten principles on responsibility within human rights, labour rights, the environment and anti-corruption.

## The Net Zero Asset Managers Initiative

In 2021, BankInvest joined the Net Zero Asset Managers Initiative, joining forces with an extensive number of the world's largest asset managers to neutralise the carbon emissions of our investments by 2050 or sooner.

## CDP

In 2021, BankInvest joined CDP, the world's largest investor and corporate partnership for environmental data. CDP is a non-profit organisation that collects environmental data from companies, cities and regions all over the world through dialogue.

## IIGCC

BankInvest is part of IIGCC (Institutional Investors Group on Climate Change), a European network forum for institutional investors that have joined forces to ensure a more sustainable and climate-friendly future. IIGCC is behind several of the other networks in which BankInvest is involved.

## Climate Action 100+

BankInvest has signed Climate Action 100+, an investor initiative that seeks to influence 161 of the world's largest carbon-emitting companies to head in a more climate-friendly direction.

## Task Force on Climate-related Financial Disclosures (TCFD)

BankInvest supports the TCFD recommendations, which are a number of recommendations on climate reporting and the handling of climate-related risks.

## Danish Social Investment Forum (Dansif)

The membership gives BankInvest access to a wide network of members and the opportunity to influence and build the Danish market for responsible investment.

Besides the above initiatives, BankInvest satisfies the Danish Investment Association's industry recommendation on the minimum management of sustainability.

## Reporting

On BankInvest's website [bankinvest.com](https://bankinvest.com), you can find a range of reports and additional information including:

- Information about the carbon footprint of the funds, proportion of sustainability-related investments and ESG rating.
- BankInvest's exclusion list, which is updated at least bi-annually.
- The annual report on BankInvest's voting activities.

## Changes

May 2026

- Adjustment of the phase-out model for Emerging Markets investments

December 2025

- Clarification of the exclusion criteria for controversial weapons, as well as an update of investor collaborations

December 2024

- Update of the composition of the chair of the Committee for Responsible Investment
- Linguistic adjustments
- Deletion of the comply-or-explain requirements related to investments in CCC-rated companies

August 2024

- Adjustments to the process for ESG integration and the comply-or-explain approach when investing in CCC-rated companies
- Discontinuation of the comply-or-explain principle for companies breaching international standards
- Update of the Responsible Investment Committee members
- Adjustment of the text regarding the section on government bonds
- The section on Darwin has been removed due to the liquidation
- Update of the layout, including a new front page

December 2023

- Clarification of policy scope
- The Climate policy section has been updated with a description of guidelines for investments in fossil fuel companies

August 2023

- Update of the Responsible Investment Committee members

May 2023

- Linguistic adjustments and updates according to product offerings
- Addition of a section on handling of principal adverse impacts on sustainability factors

April 2023

- Climate policy section has been updated

December 2022

- Update of the name of the policy
- Clarification of the scope of the policy.
- Section regarding the mobile app Darwin has been updated.
- Description of the CO2 commitment in accordance with the obligations in the Net Zero Asset Manager Initiative.
- Oil- and gas exploration in offshore Arctic regions and production and distribution of tobacco has been added to the section regarding exclusions.

## August 2022

- By way of clarification, it has been added that ESG-related risks cannot be expected to be identified in full for certain divisions due to insufficient data.
- The section on government bonds has been expanded and the wording adjusted so that the “Alert” category in FFP's Fragile States Index is subject to the comply-or-explain principle.

## December 2021

The policy has undergone a major restructuring, adjusting the sequence of certain sections. In addition, the following material changes have been made, among other things reflecting the decisions made in 2021 by BankInvest's Responsible Investment Committee:

- If MSCI ESG has not subjected an issuer to ESG analysis, this may now be performed by the dedicated ESG Investment Experts
- Tar sand issuers have been added to the exclusion criteria, and the threshold for coal extraction has been reduced from 25% to 5%.
- The section on sustainability factors has been expanded so as to also include the required response by portfolio managers to a confirmed breach of the screening.
- It has been clarified that external managers are obliged to follow BankInvest's exclusion policy. Going forward, the selection of external managers will also be guided by their approach to sustainability initiatives and their use of data suppliers and carbon targets.
- Greater focus on sustainability efforts in relation to alternative managers.
- A new section has been added on investor collaboration concerning the networks and initiatives joined by BankInvest.
- A new section has been prepared concerning BankInvest's climate policy with respect to BankInvest's ambitions and goals in the climate area.
- The approval process and scope of the policy has been made clearer.