



Policy for active ownership

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BANK INVEST

Handler
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Area of applicability and scope

This policy applies to BI Asset Management Fondsmæglerselskab A/S ("BIAM"), including the associations that in their respective fund instructions have delegated the right to exercise voting rights at corporate events to the associations' advisor, BIAM. The policy also covers institutional mandates managed by BIAM if BIAM has been delegated the right to vote for the holdings within the mandate. The policy is approved by the board of directors of the BankInvest group and the BankInvest associations.

The policy covers BIAM's corporate investments and provides the foundation for BIAM's active ownership efforts, including dialogue with companies and the exercising of voting rights. This is done in accordance with BankInvest's Policy for Responsible Investment.

The general work around active ownership is anchored with and monitored by BankInvest's internal Responsible Investment Committee of which the CEO is chair.

The relevant boards update the policy, when necessary, though at least once a year.

Definition of active ownership

Active asset management is the foundation of BankInvest's investment policy. This means that BankInvest acts as an active owner of the companies we invest in.

The quality of management and the company's strategic decisions are fundamental elements in our investment processes. The purpose of active ownership is to promote long-term value creation for the companies we invest in for the benefit of our investors. This applies to both strategic, financial and non-financial parameters within areas such as the environment, social and governance parameters, where active ownership can help create a better understanding of companies' actions and reduce their sustainability-related risks. It is BankInvest's fundamental belief that good governance practices and reduction of negative impacts on environmental and social parameters contribute positively to companies' ability to attract capital and reduce risks for shareholders.

Active ownership can be exercised through dialogue and/or voting. At BankInvest, we engage in dialogue for both equity and fixed income investments, whereas we only exercise voting rights for our equity investments.

Engagement

For BankInvest, dialogue with the companies we are invested in is an important part of understanding the opportunities and risks that each company faces. In this way, we can try to influence the companies to move in a certain direction and thereby promote long-term value creation. We can do so individually, through investor collaboration and/or through external partnerships.

Individually: BankInvest's portfolio managers may engage in direct dialogue with a company, if there is an area they want to understand better or seek influence on. This may be related to topics such as strategy, performance, capital structure and/or executive remuneration. The individual dialogue only applies to BankInvest's fundamentally managed strategies.

Investor collaboration: BankInvest may choose to engage with companies in collaboration with other investors to try to increase the impact of the dialogue. As an example, this could be through Climate Action 100+, the UN Principles for Responsible Investment (UN PRI), IIGCC, etc.

External partnerships: In many cases, BankInvest's ownership stake in a company will be minimal. To increase the impact on the companies we engage with, we therefore collaborate with external service providers and advisors. Our service providers represent large groups of investors and thus a significant share of assets under management. Through our service providers, we conduct in-depth dialogue with many companies across key sustainability areas, where we also have the opportunity to participate in relevant meetings.

Options for escalation

We have several escalation options for cases in which BankInvest has identified strategic issues where we disagree with management and initial dialogue has not led to a change in company behavior. As an example, we can seek to influence the company through further dialogue with employees higher up in the management hierarchy, increase the frequency or change the format of the dialogue. We can join forces with other investors and enter a joint dialogue in an attempt to influence the company with a larger collective voice. This can be done through investor

collaborations (e.g. Climate Action 100+) or via our external service providers. We can also use our voting rights to try to further influence a company's actions.

Should a company continue to act irresponsibly over a longer period of time and not show willingness to change behavior after attempts of escalation, BankInvest's Responsible Investment Committee has the authority to exclude the company from the investment universe. This should be seen as a last resort.

Exercising of voting rights

As an advisor, BIAM is responsible for:

1. Monitoring relevant company events
2. Ensuring that voting rights are exercised pursuant to the fund's investment targets and strategies
3. Preventing and managing any conflicts of interest arising from the exercise of voting rights

BankInvest seeks to vote in alignment with the engagement we have with companies, where possible.

BankInvest collaborates with a proxy voting service provider, who supports us in the handling of voting across our investments. Our proxy voter provides voting monitoring, research and a platform, and ensures that voting is handled in alignment with the principles of this policy. For all votes, BankInvest can actively alter a vote prior to it being cast, if this is assessed to be in better accordance with this policy. In all cases, BIAM is responsible for ensuring that the voting is done for the benefit of the fund's and investors' long-term interests. Through our proxy voting agreement, BankInvest has the opportunity to vote at the majority of the general meetings of the

companies in which we are invested. Exceptions may include if a share is traded too close to the date of general meeting, or if a power-of-attorney is not properly in place.

Principle of proportionality

As a Danish institutional investor, BankInvest has a special focus on Danish companies listed on regulated markets. This is typically due to larger ownership stakes, a closer dialogue with the companies' management as well as a deeper understanding of the players on the Danish market.

BankInvest operates with the following principles for when the size of an investment requires special attention at the general meeting:

- If BankInvest collectively owns more than 5% of the share capital in a company listed on Nasdaq OMX Copenhagen, then BankInvest is considered a significant shareholder, and the general meeting requires special attention
- If BankInvest collectively owns more than 2% of the share capital in a non-listed company or of a company listed on First North Denmark, then BankInvest is considered a significant shareholder, and the general meeting requires special attention

The principle of proportionality applies to actively managed strategies. If a company is part of multiple investment strategies, BankInvest aims to vote similarly across all holdings, where possible.

Share lending

BIAM does not use share lending as part of its investment strategy.

External advisors

For some investment strategies, BIAM has delegated the investment management to an external advisor. If deemed appropriate for the fund, BIAM may also choose to delegate the management of voting rights to the selected advisor, provided that BIAM's voting guidelines are followed. However, in most cases, BIAM will be responsible for voting.

Conflicts of interest

BankInvest identifies and manages conflicts of interest in relation to active ownership activities as described in the Conflicts of Interest Policy for BI Holding A/S ("BIH") and subsidiaries BI Management A/S ("BIM") and BI Asset Management Fondsmæglerselskab A/S ("BIAM")

If additional conflicts of interest are identified in relation to active ownership activities, the Policy for Conflicts of Interest will be updated. For more information about the process for identification and handling of conflicts of interest, please visit our website: [**Governance - BankInvest**](#)

Reporting

Once annually, BIAM provides a report of which companies it has been in dialogue with. The report is made available on www.bankinvest.dk

On a semi-annual basis, BIAM provides a report of votes cast at each general meeting. This report is shared with the boards of the associations.

A full history of the voting rights exercised by the associations over the past year can be found on www.bankinvest.dk, including matters where we have voted against management's recommendations. This helps ensure BankInvest's voting transparency.



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