Voting Guidelines 2026

January 2026

Danske Bank

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Purpose

These Voting Guidelines outline our approach to voting at general meetings of investee companies, in adherence with the Active Ownership Instruction. The Guidelines provide transparency to stakeholders, such as investee companies and customers, on how we are likely to vote in a given situation. The Guidelines are reviewed and updated on annual basis to reflect market developments and to ensure that our commitments are duly integrated into our voting approach.

Active Ownership is the use of rights and position of ownership to influence the activities or behaviour of investee companies. We regard Active Ownership as an effective mechanism to manage risks, maximise returns and contribute to a positive impact on society and the environment. It is embedded in our fiduciary duty to customers and beneficiaries to achieve the highest and most stable investment returns.

Voting refers to the exercise of ownership rights at general meetings of companies where we own shares. We vote on management and/or shareholder resolutions to approve or disapprove of corporate governance as well as relevant environmental and social matters. We exercise voting by ourselves or by proxy through a third-party adviser.

As an asset manager, Danske Bank acts as a steward of our customers' assets. We aim to use Active Ownership for the assets we have under management to the benefit of our customers, and as a measure to protect shareholders' rights and the value of investments. Addressing the long-term interests of our customers, we use Active Ownership to assess whether investments are managed responsibly in relation to financial, social and environmental aspects and, as relevant, to inform measures of escalation.

Active Ownership may also be leveraged as a measure to manage the Principal Adverse Impact of the investments we manage on behalf of our customers in accordance with commitments in those investment strategies.

As outlined under our Active Ownership Instruction, voting and engagement are interrelated and for corporate issuers, these two methods can support each other. For example, where relevant, we may use engagement to inform voting decisions on proposals at a company's general meeting and conversely a proposal may inform the focus or objectives of subsequent engagement with the issuer.

We publish our Active Ownership activities – engagement, voting, and collaborations with other investors and organizations – on our website.

Scope and application

Danske Bank seeks to vote shares held by our customers, where we are mandated to exercise voting. Our voting activities may be constrained by preconditions, resources, and the costs of exercising voting rights, however, voting is sought to be performed on the assets identified within the Voting Scope.

The Voting Guidelines apply to relevant investment teams and functions involved in voting activities. It is the responsibility of each manager to ensure that the Voting Guidelines are known, where relevant within the employees' respective areas of responsibility. All employees need to understand and comply with relevant Policies and Instructions, such as the Code of Conduct, Conflict of Interest Policy and Guidelines for the Management of Conflicts of Interest in Active Ownership.

Voting is done on a variety of management and shareholder resolutions, of which the majority targets corporate governance issues, which are required under local listing requirements. Voting is also conducted on proposals not specifically addressed by the Voting Guidelines, in which case we evaluate a proposal's likelihood of enhancing the long-term financial return or profitability of the company, and/or maximising long-term shareholder value.

For actively managed funds, the voting rights will be exercised in accordance with the respective fund's objective and investment strategy. The investment team in charge of the respective mandates will assess the resolutions and apply the Active Ownership Instruction and the Voting Guidelines, alongside market standards, to each agenda item. The investment teams have access to data, research and expertise, and voting decisions consider the sufficiency of information on particular matters.

Voting Guidelines

The Voting Guidelines are guided by internationally recognised corporate governance standards, e.g., the G20/OECD Principles of Corporate Governance, as well as voluntary principles on responsible business conduct, such as the UN Global Compact and OECD Guidelines for Multinational Enterprises.

The Voting Guidelines also consider local regulations and/or guidelines such as the Danish Stewardship Code, the Finnish Corporate Governance Code, the Norwegian Code of Practice for Corporate Governance, and the Swedish Corporate Governance Code, and variation in legal and regulatory requirements between countries. Note that countries vary on whether corporate governance is regulated by rules-based legislation or by a comply-or-explain principle.

Many resolutions have common and predictable attributes that allow for the direct application of the Voting Guidelines. Issues not covered by these Guidelines or where further review may be required, are decided on case-by-case with our fiduciary duty to clients guiding our approach.

Financial accounts

Allocation of Income
We would generally vote for approval of the allocation of income, unless the allocation of income, including dividends and share repurchases, does not reflect the company's financial situation and strategy.

Appointment of External Auditors and Auditor-related Fees
We would generally vote for proposals to (re)appoint external auditors and/or proposals authorising the board to fix auditor fees, unless:

- There are serious concerns about the effectiveness of the auditors;
- There is reason to believe that the auditor has rendered an opinion which is neither accurate nor indicative of the company's financial position;
- There are serious concerns about the statutory reports presented or the audit procedures used;
- Questions exist concerning any of the statutory auditors being appointed;
- The auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company;
- The name(s) of the proposed auditors has not been published;
- Fees for non-audit services exceed the audit-related fees and, if not properly explained by the board, questions arise about how the auditors' independence.

In circumstances where fees for non-audit services include fees related to significant one-time capital structure events (IPOs, bankruptcy emergencies, spinoffs) and the company publicly discloses the amount and nature of those fees (which are an exception to the standard "non-audit fee" category), such fees may be excluded from the non-audit fees considered in determining the ratio of non-audit to audit fees.

If there are concerns about the fees paid to the auditors, we may vote against the remuneration of the auditors, if it is presented as a separate voting item. If not, we may vote against the election of the auditors.

Financial Results/Director and External Auditor Reports
We would generally vote for the approval of financial statements and director and auditor reports, unless:

- There are concerns about the accounts presented or audit procedures used; or
- The company is not responsive to shareholder questions about specific items that should be publicly disclosed.

Companies are encouraged to incorporate material climate-related matters in their financial accounts and audit report. However, such matters are considered on a case-by-case basis and the absence of such information, would not, in general, lead to a vote against the accounts, or the director and/or external auditor reports, solely based on the absence of such information.

Board of Directors

The Board of Directors ("The Board") should have a combination of competences (knowledge and experience) appropriate to the company's operations and phase of development.

The Board, or the shareholder-led nomination committees in Nordic countries, should disclose the process for director nomination and election/re-election. Additional information should be disclosed about board candidates, including:

- Board member identities and rationale for appointment;
- Core competences (such as audit, risk, cybersecurity and AI), qualifications and professional background;
- Recent and current board and management mandates at other companies, as well as significant roles in organisations;
- Factors affecting independence, including relationship(s) with controlling or major shareholders;
- Length of tenure;

- Board and committee meeting attendance; and
- Any shareholdings in the company.

With regard to elections to Corporate Assemblies and similar corporate bodies, disclosure should be in line with market practice.

The Board should identify how sustainability issues may present risks to, and business opportunities for, the company. An annual evaluation of the board should consider board composition, diversity and how effectively the board and its members work to achieve objectives.

Board Elections
We would generally vote for management or shareholder-led nomination committees' qualified nominees in the election of directors, unless:

- Adequate disclosure has not been provided in timely manner;
- There are clear concerns over questionable finances or restatements;
- There have been questionable transactions with conflicts of interest;
- There are any records of abuse against minority shareholder interests;
- The board fails to meet minimum corporate governance standards, i.e., fails to comply with local corporate governance codes and laws regarding the information required in the company's remuneration policy, remuneration report, corporate governance report or sustainability report; or
- Repeated absences from board meetings have not been explained (in countries where this information is disclosed).

Under extraordinary circumstances, a vote against individual directors may be warranted if:

- There have been material failures of governance, stewardship or risk oversight;
- Egregious actions related to the director's service on other boards that raise substantial doubt about that director's ability to effectively oversee management and to serve the best interests of shareholders at any company; or
- There are specific concerns about the individual, such as criminal wrongdoing or breach of fiduciary responsibilities.

In addition, we may vote against relevant candidates due to concerns related to at least one of the following specific factors, which are presented below as separate subsections:

Independence
Vote for the election of a director nominated by management unless the board is not sufficiently independent according to local best practice standards.

Board Diversity
Diversity within the Board has been shown, through research, to support the company's business operations and long-term development. Examples of diversity principles include, but are not limited to, age, gender and international experience.

We believe that companies should recognise and strive for equal gender representation at the Board and executive level. In mature markets, we expect that at least one-third (33 percent), or any higher domestic threshold, of shareholder-elected directors on the Board of Directors to be of the underrepresented gender. In emerging markets, we expect at least one shareholder-elected director to be of the underrepresented gender.

Concretely, if this threshold is not met, we may abstain from voting in favour of members of the Nomination Committee, or any other relevant board members, in the below priority:

1. Members of the Nomination Committee;
2. Members of the Corporate Governance Committee;
3. The Board Chair, or Lead Independent Director; or
4. Other relevant directors on a case-by-case basis.

Possible reasons for not abstaining from voting on any directors include previous compliance with the board diversity standard and a firm public commitment to comply with the relevant standard within a reasonable time.

In markets where the disclosure on ethnic diversity is available and in line with market practice, we expect at least one shareholder-elected director to be ethnically diverse.

Combined Chair/CEO
We would generally vote against the (re)election of combined chair/CEO unless a Lead independent Director is present on the board. We expect companies to publicly disclose the reasons why the position of Chair and CEO has been assigned to the same officer. Situations where the Founder of the company holds a position as CEO and Chair will be treated on a case-by-case basis. When a Chairperson is also an employee of the company, an assessment is made as to whether the situation is comparable to a combined chair/CEO, or if a clear demarcation exists between the Chairperson and the executive management of the company (CEO).

In case of a combined CEO and Chair, a director having a substantial shareholding (20% of shares and voting rights) would be seen as a mitigating factor, as it would help ensure that there is alignment with shareholders.

Election of a Former CEO as Chairperson
We would generally vote against the election of a former CEO

as Chairperson if there is a market practice that prohibits this arrangement, unless the company can provide a strong justification as to why this non-standard governance arrangement is appropriate for their specific situation and for a limited period of time.

Overboarded Directors
We may vote against a candidate when they hold an excessive number of board appointments concurrently, as it could affect their availability and capacity to fulfil the new proposed appointment. In order to assess this, alongside consideration of whether they hold the relevant competencies, we will consider:

- If the candidate has other board mandates in listed companies, and if they hold five or more appointments;
- If the candidate holds a role as a non-executive chairperson in any listed company/ companies;
- If the candidate holds the role as an executive director;
- If the candidate represents a controlling shareholder.

An adverse vote will not be applied to a director within a company where he/she serves as CEO; instead, any adverse votes will be applied where seeking (re)appointment for an additional seats on other company boards.

For Chairpersons, a vote against would first be applied towards non-executive positions held, but the Chair position itself would be targeted when they are being elected as Chair for the first time, or when they hold three or more chair positions, on aggregate, or if the Chairperson holds an outside executive position.

On a case-by-case basis, we may vote against directors serving on many private company boards or holding executive positions of large private company.

We may deviate from the above where the executive director serves on multiple public company boards within the same group of connected companies, as there will be synergies that will result in fewer concerns about overboarding.

Composition of Committees
We would generally vote for the election of audit, remuneration, or nomination committee members unless:

- The committee is not considered sufficiently independent; or
- The committee is considered to lack the required expertise.

Contested Director Elections
For contested elections of directors, a case-by-case analysis is undertaken to consider which directors may be best suited to add value for shareholders.

Discharge of Directors
We would generally vote for the discharge of directors, including members of the management board and/or supervisory board, unless there is reliable information about significant incidents indicating that the Board has failed to fulfil its fiduciary duties. This may be evidenced by:

- A lack of oversight or actions by board members that invoke shareholder distrust related to malfeasance or poor supervision, such as operating in private or company interest rather than in shareholder interest; or
- Any legal proceedings (either civil or criminal) aiming to hold the board responsible for breach of trust in the past or related to currently alleged actions yet to be confirmed (and not only the fiscal year in question), such as price fixing, insider trading, bribery, fraud and other illegal actions; or
- Other egregious governance issues where shareholders will bring legal action against the company or its directors.

Director, Officer and Auditor Indemnification and Liability Provisions
We would generally vote for proposals seeking indemnification and liability protection for directors and officers on a case-by-case basis. In considering the stated rationale for the proposed change or inclusion of director and officer indemnification, liability protection, and exculpation, we will seek to determine that the directors and executives are acting in good faith on company business and are found innocent of any civil or criminal charges for duties performed on behalf of the company.

We would generally vote against proposals to indemnify external auditors.

Board Structure
We would generally vote for routine proposals to fix board size.

We would generally vote against proposals to alter the Board structure or size in the context of a fight for control of the company or the Board.

Capital Structure

We would generally vote for proposals to reduce capital for routine accounting purposes unless the terms are unfavourable to shareholders.

We would generally vote for proposals to reduce capital in connection with corporate restructuring on a case-by-case basis.
We would generally vote for resolutions that seek to maintain, or convert to, a one-share-one-vote capital structure unless it risks leading to extra costs for the company, or risks diluting the share capital.

We would generally vote against requests for the creation of dual-class capital structures, companies, or stocks with two or more classes of shares with different voting rights for each class. The one share – one vote principle is preferred. We would however not vote against directors if the existing structure is deemed to pose a low risk to shareholders, or if dual-class capital structures is common market practice (e.g., in Sweden).

We would generally vote against the company's acquisition of outstanding shares if it risks changing the ownership structure or treating shareholders with the same economic rights unequally. In companies with a dual class system, including shares with multiple voting rights, a more suitable method to change the capital structure would be through dividend, or redemption of, shares, as these methods do not risk changing the ownership structure and would treat shareholders with the same economic rights equally.

Share Issuances
We consider that existing shareholders should have preferential rights to subscribe for new shares. Any deviations from preferential rights should be clearly justified.

General Issuances
We would generally vote for cash and non-cash share issue requests without pre-emptive rights to a maximum of 10 percent of currently issued capital, except in certain situations where local best practice guidelines recommend a higher threshold.

We generally vote against directed share issuances for cash without pre-emptive rights for existing shareholders.

We would generally vote for issuance requests with pre-emptive rights to a maximum of 50 percent over currently issued capital. If there is a clear market practice suggesting lower levels, these should be adhered to unless there is a satisfactory justification.

Anything above the aforementioned thresholds will be evaluated on a case-by-case basis.

General authorization to issue convertible debt and other instruments that give access to shares will be subject to the same thresholds as those described for share issuances.

Share issuance without pre-emptive rights at pre-revenue and early-stage companies
We acknowledge that on occasion certain companies may have a need for additional funding in order to continue operating as a going concern. For example, companies may be pre-revenue biotech/biopharma companies with drug development, or companies that are still heavily investing into scaling the business and posting net losses, that are reliant on external financing through potentially dilutive capital raises. When a capital raise is needed for the company to continue its operations, a higher dilution is acceptable for issuances without pre-emptive rights.

Any issuance will be assessed on a case-by-case basis.

Specific Issuances
We vote on all requests, with or without pre-emptive rights, on a case-by-case basis.

Preferred stock
We would generally vote for the creation of a new class of preferred stock or for issuances of preferred stock up to 50 percent of issued capital unless the terms of the preferred stock would adversely affect the rights of existing shareholders.

We would generally vote for the creation of convertible preferred stock as long as the maximum number of common shares that could be issued upon conversion meets the Voting Guidelines on equity issuance requests.

Reissuance of Repurchased Shares
We would generally vote for requests to reissue any repurchased shares unless existing shareholders have pre-emptive rights to these shares, or there is evidence that this authority has been abused in the past.

We would generally vote for requests to reissue any repurchased shares if applying to non-cash issues without pre-emptive rights to a maximum of 10 percent of currently issued capital if specifically motivated by the company's situation and needs for the time of the authorisation period. This issue should be considered separate from authorities to issue new shares, and the shares available for reissuance should not count towards the ceiling for such authorities.

Share Repurchase Plans
In general, we accept share repurchase programs up to 10 percent of the share capital. Authorities to repurchase shares in excess of the 10 percent repurchase limit will be assessed case-by-case and under certain circumstances, support may be warranted provided that the proposal is in line with shareholders' interests.

We would also vote against any proposal where:

- The repurchase can be used for takeover defences;
- There is clear evidence of abuse;
- There is no safeguard against selective buybacks; and/or
- Pricing provisions and safeguards are deemed to be unreasonable seen from a cost effectiveness perspective. In markets where a dual class system exists, the proposal should clarify that the least-expensive shares will be acquired at share repurchases and based on market practice.

Prior to a vote being cast, we consider that it is important to follow up on the methods the Board will use for repurchase programmes, especially in situations where a company has issued shares with differentiated voting rights (as allowed in the Nordic countries with same economic rights to the company's assets and profits).

Remuneration

We consider that remuneration structure is unique to the issuer and should reflect their respective circumstances. Though each is assessed on a case-by-case basis, in general we consider that remuneration plans should be constructed to support the company in its strategic objectives and long-term value creation, while ensuring that it remains competitive, and promotes an appropriate balance between fixed and variable pay. In general, we consider that the design should reflect good governance and transparency practices, discourage excessive risk-taking, comply with legal and disclosure requirements, maintain internal equity and fairness and where relevant, incorporate ESG-related metrics to align executive incentives with responsible business practices. Our expectation of each component is further outlined below.

In rare cases, flexibility may be required in the evaluation of remuneration plans and performance outcomes, to support businesses in navigating unforeseen disruptions or external shocks. However, this is only to be applied exceptionally and in line with given governance practices, such as through robust documentation and rationale that is approved by the Board, and disclosed transparently in a manner that maintains fairness, consistency, and demonstrates alignment with long-term shareholder and organizational interests.

Remuneration to executive management
The Board should explain how the company's remuneration policy contributes to the business strategy, long-term interests and sustainability of the company. We would generally vote in favour of the policy or its implementation, unless:

- There is insufficient disclosure to assess the total amounts, metrics, or efficacy of the policy.
- There is excessive focus on short-term performance.
- The policy fails to align pay with performance.
- The total remuneration is excessive compared to peers and/or market practice.
- There is an overreliance on discretion or extraordinary pay items, without supporting rationale.
- The Board has been unresponsive to significant negative voting results at previous years' general meetings.

We consider it to be good practice that the implementation of the remuneration policy or the remuneration report, is approved by the general meeting annually.

Remuneration is expected to consist of a fixed and variable element, severance, pension and benefits. Disclosure of CEO-to-employee pay ratio is encouraged.

Fixed salary
Fixed remuneration should be in line with peer and market practice. Any significant increase should be supported with a clear rationale.

Variable remuneration and incentive plans
Variable remuneration should preferably include both short-term and long-term incentives, be based on predetermined, measurable and relevant targets that promote genuine value creation and discourage disproportionate risk-taking. We favour performance-based incentives, over solely time-based incentives, but time-based incentives are acceptable as a smaller portion of a broader incentive program.

Long-term variable remuneration should comprise the main part of the variable remuneration and have predetermined and measurable performance criteria aimed at promoting the company's performance over the long term. Short-term variable remuneration should not place the company's long-term development at risk.

There should be a maximum award limit in any short- or long-term remuneration program. The award levels for the different components of variable pay should have an upper limit, and the quantum shall be reasonable when compared to the company's peers and long-term income generating capacity.

Disclosure of the details of the long-term incentive plan is expected to include:

1) the exercise price/strike price (options);
2) discount on grant;
3) grant date/period;
4) exercise/vesting period; and, if applicable,
5) performance criteria.

We may not support proposals where vesting of awards is not subject to the achievement of pre-determined performance criteria.

The plan(s) must be sufficiently long-term in nature/structure: the vesting of awards

(i) must be no less than three years from of the grant date, and
(ii) if applicable, should be conditioned on meeting performance targets that are measured over a period of at least three consecutive years.

If applicable, performance criteria must be fully disclosed, measurable, quantifiable, and long-term oriented. It is preferable that the targets are reported openly to shareholders ahead of the annual general meeting, to allow shareholders to assess whether the targets are sufficiently challenging. The targets and performance requirements should be designed to incentivize performance, whilst avoiding rewarding participants merely as an effect of a generally rising stock market performance.

ESG-related metrics in incentive plans
Companies that have developed sustainability strategies, are encouraged to include ESG-related performance metrics in their compensation structures (short-term and/or long-term incentive). We believe the company has discretion to decide the type of metrics that would be appropriate but consider that their choice of metrics should be related to their business activities, sector, and where relevant,

the targets articulated under their ESG strategy. We encourage the inclusion of metrics that are specific, measurable, comparable and achievable, and subject to the same disclosure requirement as financial performance metrics.

The performance period should be long enough to ascertain the link to the company's performance. The Board (or proponent, if shareholder proposal) should explain how the ESG performance metrics relate to the business strategy, long-term interests and sustainability of the company. As the metrics should be aligned with overall strategy, it is expected that the underlying metrics in the incentive plans will not have conflicting priorities (for example, the achievement of the financial/operating metrics should not lead to an inability to achieve the sustainability metrics, and vice versa).

The weight of the sustainability goals in the incentive program should be sufficient to influence behaviour and decision-making.

We may reserve support for the remuneration report, where significant ESG-related incidents or failures have been reported at the company.

Severance
The remuneration policy should clarify in which situations severance pay would be allowed, and payment could be/or have been paid in the event of failure. Severance should not exceed 24 months' pay or exceed any more restrictive provision pursuant to local legal requirements and/or market best practices. Severance payments should not normally be made to executives whose contracts have been terminated due to poor performance, or who have voluntarily chosen to leave the company. Deviation from such recommendations shall be accompanied by clear rationale and will be considered on a case-by-case basis.

Pension & other benefits
We consider that pensions should be proportionate to the length of employment in the position, and in line with broader workforce and market practice.

All other benefits should have a clear business rationale. We are not in favour of discretionary pay and consider it good practice for the Board or remuneration committee to disclose and provide a motivation for any discretionary authority or derogation clause to adjust pay outcomes.

Malus clause and clawbacks
We support the adoption of clawback measures.

Remuneration to non-executive directors
We consider that the overall remuneration to non-executive directors should be reflective of the company's size and complexity. Further, the members' expertise and the amount of time should also be taken into consideration. Remuneration should be reasonable and sufficient to attract relevant non-executive directors.

We would generally vote for proposals to award cash fees to non-executive directors, unless the amounts are excessive, as compared to other companies in the market or industry.

We consider proposals that include both cash and share-based components to non-executive director compensation proposals on a case-by-case basis.

We would generally vote against such proposals where:

- Documents (including general meeting documents, annual report) provided prior to the General Meeting do not disclose fees paid to non-executive directors;
- Proposals include share options for non-executive directors;
- Proposals to introduce retirement benefits for non-executive directors.

Other Corporate Governance Issues

Anti-bribery and corruption
Companies are expected to disclose their policies and procedures on anti-corruption and anti-bribery. These policies are recommended to be in line with international standards for responsible business conduct, such as the UN Global Compact and OECD Guidelines for Multi-National Enterprises. The scope of such policies is expected to extend to employees, subsidiaries and suppliers. To support adherence to these policies, companies are encouraged to implement a whistleblower mechanism, which includes a non-retaliation policy, and establish appropriate sanctions for individuals and entities that breach the policies and procedures.

Companies in the financial sector are expected to have established policies and procedures for anti-money laundering and terrorist financing.

Companies are expected to demonstrate full transparency in matters of breaches of standards of anti-corruption and anti-bribery and disclose convictions/fines for violation of these standards.

Where disclosures fall short, proposals to strengthen disclosure on such matters is likely to be supported, if considered material, reasonable in scope and not detrimental to shareholder value.

Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

- The adoption or strengthening of policies on the protection of whistleblowers;
- The adoption or strengthening of policies and processes to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Anti-takeover Mechanisms
We would generally vote against all anti-takeover proposals, unless they provide shareholders with the opportunity to decide on the proposal or offer.

Articles of association
We assess and vote on proposals related to articles of association on a case-by-case.

Same classes of shares shall be freely transferable without restrictions by clauses in the articles of association.

Authority to Reduce Minimum Notice Period for Calling a Meeting
The notice period for calling Annual General Meetings should be 21 days, or at least 14 days for an Extraordinary General Meeting if the company does not adopt a shorter notice period as a matter of routine for such meetings, but only as required for the given circumstances.

Bundling of Proposals
We would generally vote against a bundled proposal in markets where bundling is not market practice if one or more items of significant governance importance raise serious concerns and shareholders have no opportunity to vote on each item individually at the General Meeting.

Mergers and Acquisitions, Takeover Bids and Reincorporation proposals
We assess and vote on proposals related to mergers and acquisitions (M&A) on a case-by-case. For every M&A analysis, we consider publicly available information as of the date of the report and evaluate the merits and drawbacks of the proposed transaction, balancing various and sometimes countervailing factors including, but not limited to, the following:

- valuation,
- market reaction,
- strategic rationale,
- conflicts of interest,
- equal treatment of shareholders; and
- governance.

We would generally against such proposals if the companies do not provide sufficient information upon request to support an informed voting decision.

We assess and vote on proposals to waive mandatory takeover bid requirements on a case-by-case basis.

Related Party Transactions & Auditor Report on Related Party Transactions
When evaluating resolutions that seek shareholder approval on related-party transactions (RPTs), we assess and vote on a case-by-case basis considering factors including, but not limited to, the following:

- The parties on either side of the transaction;
- The nature of the asset to be transferred/service to be provided;
- The pricing of the transaction (and any associated professional valuation);
- The views of independent directors (where provided),
- The views of an independent financial adviser (where appointed);
- Whether any entities party to the transaction (including advisers) are conflicted; and
- The stated rationale for the transaction, including discussions of timing.

If a transaction is deemed problematic and was not put to a shareholder vote, we may vote against the election of the director involved in the RPT or the full Board.

If there is a resolution seeking approval of the auditor reports on related-party transactions, screen for and evaluate agreements with respect to the following issues:

- Director Remuneration
- Consulting Services
- Liability Coverage
- Certain Business Transactions.

In general, companies are expected to provide the following:

- Adequate disclosure of terms under listed transactions (including individual details of any consulting, or other remuneration agreements with directors and for any asset sales and/or acquisitions);
- Sufficient justification on transactions that appear to be unrelated to operations and/or not in shareholders' best interests;
- Fairness opinion (if applicable in special business transactions); and
- Any other relevant information that may affect or impair shareholder value, rights, and/or judgment.

We would generally vote against these proposals if the company fails to provide an annual report in a timely manner, generally at least 21 days prior to the meeting.

Virtual Meetings
We would generally vote for proposals allowing for the convening of hybrid shareholder meetings if it is clear that the intention is not to hold virtual-only General Meetings.

Tax and transparency
Companies are expected to comply with all applicable tax laws and regulations in the markets in which it operates. We consider that

paying taxes is a way for businesses to contribute to the societies where they execute their business, and ensure that the communities benefit from their operations. As a general principle, we believe that taxes should be paid where economic value is generated.

We expect companies to adopt and disclose appropriate and prudent tax policies, and refrain from aggressive tax arrangements. The policies should apply to all controlled entities within a group. Market-by-market reporting is encouraged. Companies should disclose their full group structure, and the ultimate beneficiary of subsidiaries, branches, joint ventures or affiliates, in a manner that is easy to understand.

Where disclosures fall short, proposals to strengthen disclosure on such matters is likely to be supported, if considered material, reasonable in scope and not detrimental to shareholder value. Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

- The adoption or strengthening of policies and processes to monitor compliance with the OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the OECD Guidelines for Multinational Enterprises.

Environmental and Social Issues

The Voting Guidelines outline our approach to environmental and social topics that are assessed to be prevalent at the General Meetings of companies. The issues outlined in the Voting Guidelines are, however, non-exhaustive. A number of factors goes into each analysis, the overall principle guiding our consideration on how to vote is whether the proposal may enhance or protect shareholder value in either the short or long term.

We assess and vote on a case-by-case basis. Examples of factors that we consider in our analysis include, but are not limited to, the following:

- Whether the issues presented in the proposal are more appropriately or effectively dealt with through legislation or government regulation;

- Whether the company has already responded in an appropriate and sufficient manner to the issues raised in the proposal;

- Whether the proposal's request is unduly burdensome (scope, timeframe or cost) or overly prescriptive;

- Whether the issue at hand is at a level of materiality sufficient to warrant action from shareholders;

- The company's approach compared with any industry standard, or compared with the practices of its peers, for addressing the issues raised by the proposal;

- Whether there are significant controversies, fines, penalties, or litigation associated with the company's environmental or social practices;

- If the proposal requests increased disclosure or greater transparency, whether reasonable and sufficient information is currently available to shareholders from the company or from other publicly available sources; and

- If the proposal requests increased disclosure or greater transparency, whether implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage.

Examples of proposals that we support include, but are not limited to:

- Gender/Racial Pay Equity Report
- CEO and Employee Pay Ratio Report
- Report on Lobbying Payments and Policy
- Climate Lobbying Report
- Report on Human Rights Impact Assessment
- Report on Compliance with International Human Rights Standards
- Adopt Supply Chain Deforestation Policy
- Report on Supply Chain Water Risk
- Conduct Water Risk Assessment
- Report on Tax Transparency
- Audit on Working Conditions
- Report on Efforts to Reduce Plastic Use
- Report on Plastic Pollution
- Report on use of Artificial Intelligence
- Adopt a board skills matrix/review of director skills

Below are some specific environmental and social issues, together with examples of how proposals related to those issues would be approached. In general, where disclosures fall short of outlined expectations, proposals to strengthen disclosure on such matters are likely to be supported, if considered material, reasonable in scope and not detrimental to shareholder value.

Environmental issues
Climate-related Disclosure
Companies are expected to take steps to understand, assess and mitigate the material risks and impacts related to climate change. Following from which, we expect companies to communicate their efforts to mitigate and combat climate change and their governance over such issues.

- Detailed disclosure of climate-related risks. Utilising the framework established by the Task Force on Climate-related Financial Disclosures (TCFD), these should include:

  a. Board governance measures;
  b. Corporate strategy;
  c. Risk management analyses; and
  d. Metrics and targets.

- Appropriate GHG emissions reduction targets.

For companies that are significant greenhouse gas (GHG) emitters, through their operations or value chain, including companies in scope under our proprietary Net-Zero Pathway Framework for investee companies[1] , Danske Bank will generally vote against the responsible incumbent director(s), or any other appropriate item(s) in cases where it is determined that the company is not taking the minimum steps to address their emissions. If the company has not published targets for greenhouse gas emissions (broken down by scope 1, 2 and 3 carbon emissions) or if these are insufficiently ambitious, a proposal to set and publish such targets is likely to be supported if the proposal is seen as reasonable in its scope and not detrimental to shareholder value. Available research, if appropriate, will be considered when evaluating the need for more extensive reporting.

Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

- The inclusion or enhancement of reporting relating to the company's greenhouse gas emissions, including information on scopes 1-3, the company's carbon footprint and share of non-renewable energy consumption and production; and

- The adoption or strengthening of policies and processes to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Say on Climate and Transition plans
We encourage companies to allow shareholders a vote on their strategy or transition plan but consider that such longer-term strategy initiatives do not require a vote annually

Our preferred strategy on climate and transition plans is to engage with companies and have an open dialogue to understand the dilemmas, challenges and opportunities within the industry to participate in just transition, and correspondingly how real-world outcomes may be supported through the company's efforts. If a proposed plan is not aligned with the targets set by the Paris Agreement, we will seek to engage with the company to understand its ambition and ability to transition. If we determine that the company has disclosed a plan that supports progress towards a just transition, we may vote for the plan, despite being misaligned in the year that it is presented.

All say on climate and transition plan proposals are reviewed on a case-by-case basis. Our assessment of a transition plan considers, while not an exhaustive list, the factors below:

- Alignment with operating and regulatory environment
- Ambition and emission targets
- Decarbonisation strategy
- Capital allocation alignment
- Climate policy engagement
- Climate governance
- Just transition
- Overall climate-related disclosure

The factors are assessed as deemed most relevant for the industry and circumstances for the company in question. See sections on Climate Disclosure above for an outline of expectations of a company's transition plan.

Climate-related lobbying
Companies are expected to be transparent with regards to their public policy advocacy activities, such as climate lobbying, and membership in trade/industry organizations. Companies are expected to align such activities with their stated climate objectives. If that is not the case, proposals to strengthen disclosure on such matters is likely to be supported.

Nature-related Disclosures
Companies are expected to take steps to understand, assess and mitigate the material risks and impacts related to their nature dependencies.

Disclosures from this exercise are recommended to follow the guidance of the Taskforce on Nature-related Financial Disclosures (TNFD), which provides a globally accepted framework for reporting by companies on their nature-related impact and dependencies, risk and opportunities. At the minimum, reporting should be in line with market practice and legal requirements, and sufficient to provide investors and other stakeholders with adequate information on nature-related dependencies.

Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations on nature will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

- Activities that may negatively affect biodiversity-sensitive areas, which includes Natura 2000 network of protected areas, UNESCO World Heritage sites Key Biodiversity Areas, wetlands covered by the Ramsar convention and areas defined under categories I-IV of the International Union for Conservation of Nature;

- Activities that may affect natural and protected species, including the European Red List and IUCN Red List[2] species and/or national conservation list species;

- Activities that may affect protected areas, including area of high biodiversity value outside protected areas, and natural forests, bogs, mangroves and rainforests, as described in the high conservation value (HCV) concept;

- The inclusion or enhancement of reporting relating to water and waste management.

[1] *Not including strategies that are exempted from the fossil fuel restrictions.*

Deforestation
Companies with material deforestation risks are expected to report on their exposure and management of deforestation related risks and opportunities. Such companies should set deforestation free targets, work with suppliers and partners to halt and stop deforestation, and work towards designing deforestation free products and services. These companies are expected to disclose their overall approach and content of commitments.

Where relevant proposals have been tabled at companies with high exposure to deforestation risk commodities (such as, palm oil, cattle, soy, coffee, cocoa, timber, rubber), and products derived from the listed commodities (such as beef, furniture, or chocolate), through their operations or value chain, we may abstain from supporting relevant board members if the company is assessed to be mismanaging the identified deforestation related risks by failing to implement robust policies, processes, and appropriate targets.

Financed emissions
Through their investment, lending, underwriting and advisory services, the banking and financial sectors play a critical role in supporting the transition to a low-carbon world by the real economy. The financial sector has negligible direct emissions (Scope 1 and 2 emissions), but significant indirect impact through financing and advisory activities (financed emissions, Scope 3 category 15, in practice, the emissions of a bank's client). We consider that companies within this sector should facilitate investments and lending that are consistent with the targets set by the Paris Agreement, and demonstrate how they are addressing risks associated with activities that may be misaligned.

Banks and financial companies are expected to:

- Commit to becoming net zero by 2050 in at least one material business segment (investment banking, global markets, retail and commercial banking, asset and wealth management);
- Disclose their financed emissions, both the absolute emissions and emission intensities, and the methodology of such calculations;
- Establish and disclose short- and medium-term reduction targets for their financed emissions; and
- Have a decarbonisation strategy to support sustained progress on their reduction targets, such as through engagement with clients and investee companies on decarbonisation efforts.

Social issues

Human rights-related Disclosures
Companies are expected to have a human rights policy, outlining a human rights related due diligence process to identify, prevent, mitigate and address adverse human rights impacts across operations and activities, inclusive of supply chains.

Proposals related to disclosures on the management of ongoing or historic human rights incidents will be considered on a case-by-case basis. The number and nature of identified cases of severe human rights issues and incidents shall be disclosed and failure to do so is likely to lead to support for proposals seeking to increase transparency.

Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations on nature will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

- The adoption or strengthening of disclosures on human rights;
- The adoption or strengthening of policies and processes to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Labour rights-related Disclosures
As part of general human rights efforts, companies are expected to respect the human rights of its workers. Company policy and practice is expected to be in line with best practice in the market and aligned with international standards for responsible business conduct, such as the UN Global Compact, and OECD Guidelines for Multinational Enterprises. Companies are expected to ensure safe working conditions, through for example the establishment maximum set of working hours, and equal treatment and working conditions for all employees, including migrant workers. As part of this policy, companies are expected to address, either through a standalone policy, or as part of a broader strategy initiative:

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labour;
- The effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation; and
- A safe and healthy working environment

We expect that the scope of policies and measures to cover all operations, and employees regardless of employment form (full-time, part-time, contractor, etc.).

Proposals aimed at strengthening the identification and disclosure of prospective adverse impacts of activities and operations on nature will be assessed on a case-by-case basis on their materiality, and may be supported, when assessed to be reasonable in scope. Examples of such disclosures may concern:

[2] *https://www.iucnredlist.org/*

- Measures taken to promote gender equality across the company such as through the disclosure of a gender pay gap ratio;

- The adoption or strengthening of policies and processes to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Living wage
Companies are expected to provide the minimum wage outlined within the market of operations. They are encouraged to adopt a robust wage policy and appropriate wage management systems, to ensure suitable and fair wages to all employees. If that is not the case, or if there is reason to believe that these policies do not function as intended, proposals seeking to strengthen such efforts are likely to be supported.

Proposals relating to the adoption of a living wage are assessed and evaluated on a case-by-case basis. We believe that there is no "one-size-fits-all" when it comes to wage determinations, but that all workers should be able to afford the basic needs of life, such as food, housing, clothing and transportation, with a margin to address unforeseen events. Nonetheless, we do not consider it appropriate to require a company to implement a standard that is not required of its competitors, as it would not solve the systemic issue at hand.

Political spending and lobbying
Companies are expected to be transparent with regards to their political spending and lobbying practices.

Escalation

The Responsible Investment team will collaborate with relevant Asset Management functions to assess alignment with the principles outlined in the Voting Guidelines before casting a vote. Where we are unable to reconcile our assessment of a given proposal and the best course of action for our clients in line with the approach outlined under the Voting Guidelines, we will be escalate the matter to the Head of Asset Management, Chief Investment Officer, and Head of Responsible Investment for evaluation. Voting decisions must align with our fiduciary duty, which requires us to prioritize the best interests of our clients.

Review

The Voting Guidelines are reviewed and updated annually. The review is done at the end of the calendar year.

The review involves an analysis of the overall adherence to the Voting Guidelines, market and regulatory developments. The review includes stakeholder input from the investment teams and the Responsible investment team.

The conclusion of this review is provided to the Responsible Investment Committee and the ESG Integration Council, as part of the annual update on Active Ownership activities and is used to inform the review of subsequent iterations of the Voting Guidelines.