



Active Ownership Instruction

August 2025
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1. Objective

This Instruction aims to ensure the effective operationalisation of Danske Bank's approach to Active Ownership and adherence to applicable laws, regulations, internal governance and rules, as well international principles and market standards on active ownership and sound corporate governance.¹

2. Definitions

The definitions for the terms used throughout this Instruction are available in Appendix 1. Any term not defined herein shall have the meaning ascribed to it in the Responsible Investment Policy.

3. Scope and Target Group

The Instruction covers activities that are subject to the scope of the Responsible Investment Policy of Danske Bank. Meaning that for engagement, the Instruction applies to assets managed by Danske Bank on behalf of our customers through investment products, such as managed portfolios, alternative investment funds, insurance-based investment products (IBIPs), pension products/schemes, and UCITS funds as defined in the pre-contractual disclosures of the given investment product. For voting, the Instruction covers activities where customers have delegated voting activities to Danske Bank.

The Instruction applies differently depending on the asset class that Danske Bank is investing in. The Instruction does not apply to structured products, derivatives, Danske Bank's capital market activities (including but not limited to market making, securitiestrading etc.) or externally managed funds distributed by Danske Bank. Active Ownership for non-retail discretionary mandates is managed according to specific contractual obligations.

As a general rule, Active Ownership is not exercised on derivatives, commodities and real estate due the nature of such financial instruments and/ or exposures held through mutual funds that Danske Bank's managed investments products are investing into. Investments in private equity and private debt are not covered by our general processes on Active Ownership, but subject to a tailored approach as set out under our Engagement Guidelines and the relevant investment strategies.

This Instruction applies to all employees, functions, and units in Danske Bank Group that are involved in or oversee investment management activities. The Instruction is also applicable to any employee, function and/ or units in Group subsidiaries if adopted and/or incorporated by the subsidiary in accordance with applicable governance rules.

The Instruction is supplemented by other instructions and guidelines mandated under the Responsible Investment Policy in respect to Sustainability Risk Integration, Inclusions and Exclusions and any other instructions needed for an efficient implementation of the Responsible Investment Policy.

4. Active Ownership

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.

¹ A non-exhaustive list of the applicable sector regulations and standards that have been taken into in Danske Bank's approach to Responsible Investment and Active Ownership is listed in the Responsible Investment Policy.



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.

4.1 Methods of exercising Active Ownership

Danske Bank exercises Active Ownership through 1) Individual engagements, 2) Collaborative engagements, and 3) Voting at General Meetings.

Engagement and voting are interrelated and for corporate issuers, these two methods can support each other and be the initiator of the 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.

4.1.1 Individual Engagements

Engagements are carried out by the Responsible Investment team in Danske Bank and/or the investment teams that are responsible for the given mandates, including managers to whom investment management activities have been sub-delegated.

Engagements may consist of multiple interactions with an issuer. These interactions can take various forms, such as letters, emails, one-to-one meetings, active participation in organised events (e.g. conferences, site visits), and target representatives from the Board of Directors to Investor Relations, to state representatives and others.

When engaging on customers' assets we strive to address identified immediate or long-term financial and non-financial performance, risk, capital structure as well as corporate governance and material environmental and/or social issues.

For actively managed strategies, engagement forms part of the day-to-day management and monitoring of portfolios. Investment teams may engage with issuers when needed to discuss and seek information on investment performance and processes and/or when deemed otherwise required to enhance and protect the value of Danske Bank's investments. Investment teams may also engage with issuers as part of their due diligence for a given investment. Engagements associated with environmental and social aspects may be further prioritised and organised by the Responsible Investment team in accordance with the Engagement Scope.

Engagements can be used to, among others:

- inform voting decisions and advise on our Voting Guidelines
- clarify available disclosures from the issuer
- increase insights and conduct research
- understand performance and identify potential vulnerabilities
- develop insights into risks and opportunities that could impact the issuer
- identify potential regulatory developments that could impact the issuer
- provide feedback to issuers on the development of their respective processes, strategies and/or management systems

The Engagement process is further defined in the Engagement Guidelines.

4.1.1.1 Engagement scope

The engagement scope of individual engagement activities is steered by below principles and further outlined in the Engagement Guidelines:



- **Principle no. 1: Materiality assessment**

Engage with issuers with negative operational performance and/or when a severe sustainability event has occurred that prompt an engagement.

- **Principle no. 2: Commitments**

Engage with issuers that have been defined as part of target commitments established through Danske Bank's involvement in the Net Zero Asset Owner Alliance, Net Zero Asset Manager Initiative or through individual commitments established, such as with regards to the application of our proprietary Biodiversity Assessment Framework and Net-Zero Pathway Framework.²

- **Principle no. 3: Material exposure**

Engagements with issuers are predominantly undertaken with certain investments where we manage a stake exceeding a value of 75 DKK mil or >0.40% of the capital in an issuer. However, on an ad-hoc basis engagement and due to existing processes or commitments, engagements can be carried out with issuers where we hold a more limited stake and/or where none of our managed strategies are currently invested.

As a main rule, engagements are not exercised in the following situations:

- in markets involving excessive formalities or administrative requirements,
- under circumstances where it is difficult to justify the financial cost of exercising engagements.

Engagement is undertaken across asset classes for investment products where engagement forms an integral part of the investment strategy and/or to management Danske Bank's commitments. Engagement is in that respect treated as made on behalf of all managed investment products having that exposure.

4.1.2 Collaborative Engagements

Subject to regulatory limitations, internal governance and market practices, Danske Bank may join collaborative engagement activities with peers, like-minded investors and other relevant parties when deemed appropriate under guiding principles approved by the Responsible Investment Committee.

Collaborative engagements capture any interaction between a group of investors *vis-à-vis* an issuer with the goal of jointly addressing matters tied to the issuer, e.g. sustainability practices and/or disclosure.

Collaborative engagements can be done on an ad-hoc basis or through formal investor networks or membership forums, such as Climate Action 100+, Nature Action 100, the Institutional Investors Group on Climate Change (IIGCC). These engagements are not subject to any targets in relation to frequency.

Danske Bank also participates in investor initiatives that encourage increased transparency and sustainability standards in companies and financial markets. This includes, for instance, CDP (formerly the Carbon Disclosure Project).

The Responsible Investment Committee is mandated authority to approve any new commitments that Danske Bank signs up for in respect to Responsible Investment (including engagement focussed commitments) and is also mandated to decide on engagement requests of material impact to the areas of Danske Bank represented by decision making authority in the Committee. When such commitments have group-wide implications and impacts on other business units, the Business Integrity Committee has the mandate to decide on the participation of the bank.

² See Net-Zero Pathway Framework for investee companies at <https://danskebank.com/sustainability-related-disclosures>

4.1.3 Voting at General Meetings

A company's general meeting is an opportunity for investors to voice opinions on a company's corporate governance, financial and non-financial performance. Danske Bank votes by proxy, or in-person, at general meetings when authorised by customers to vote on their behalf. Our voting activities are guided by Danske Bank's Voting Guidelines and subject to the voting scope.

Our proxy voting provider supports with:

- Notices of general meetings and information about the companies and the items on the agenda,
- Voting recommendations based upon the Danske Bank Group's Voting Guidelines,
- Communication of our vote instruction on relevant items,
- Collection, summary and disclosure of voting records.

The placing and operational management of the votes are conducted by our appointed custodian in the respective jurisdictions.

The voting process is further defined in the Voting Guidelines.

4.1.3.1 Voting scope

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 scope covers listed shares in investment products that through product specific disclosures confirm to have voting activities performed. The voting scope is in that respect steered by the following principles:

- **Principle no. 1: At least 80% of Equity Portfolio Value – Aggregate Level**
Vote the largest holdings on an aggregated level (in terms of market value), meaning the sum of the voted holdings should exceed 80% of the total equity portfolio value (excluding Voting Scope Exemptions).
- **Principle no. 2: At least 80% of Equity Portfolio Value – Individual investment**
Vote the largest holdings on an individual portfolio in scope (in terms of market value), meaning the sum of voted holdings should exceed 80% of every individual equity portfolio value (excluding Voting Scope Exemptions).
- **Principle no. 3: Substantial ownership (>0.40%)**
Vote all shareholdings that have substantial ownership, meaning exceeding 0.40% of votes or capital in an investee company.
- **Principle no. 4: Issues of material importance**
Vote on issues of material importance, which could be related to, for example, shareholder proposals regarding the environmental, social area, board diversification, political lobbying and/or media attention.
- **Principle no. 5: Engagement scope**
Vote on relevant equity shareholdings identified under the engagement scope.

As a main rule, voting is not exercised in the following situations:

- at general meetings of companies whose shares are listed on markets involving excessive formalities or administrative requirements,
- under circumstances where it is difficult to justify the financial cost of exercising voting rights,
- for investee companies domiciled in countries for which our custodians do not offer proxy voting services or where electronic voting may not be provided,
- for investee companies in markets which share-blocking is maintained.

4.2 Escalation of Active Ownership Activities

If Active Ownership is unsuccessful, the matter may be escalated. Examples of forms of escalation, include but are not limited to, decreasing weighting, selling/divesting the position and/or, where relevant, exclusion of the issuer from the investable universe. As with all actions undertaken under this Instruction, the guiding principle determining the best course of action for escalation is Danske Bank's fiduciary duty to safeguard its clients' interests. If exclusion of the issuer from our investable universe is identified as the best course of action, it is subject to the process and governance outlined under the Danske Bank Exclusion Instruction.

4.3 Delegated investment management activities

Active Ownership may be carried out by external managers that are responsible for managing sub-delegated strategies and segregated mandates on behalf of Danske Bank. Engagement activities undertaken by the managers with respect to these strategies are registered in Danske Bank's engagement registration application and reported with other engagement activities for the assets under management. Danske Bank remains responsible for the exercise of all voting activities in relation to these strategies unless specially agreed otherwise.

4.4 Research and Training

Employees exercising Active Ownership must obtain and maintain an appropriate level of competence to carry out their responsibilities and be aware of relevant requirements that is applicable to a specific asset class and investment strategy. Tools, knowledge, research, education and subject-matter expertise are provided by the Responsible Investment team to support Active Ownership processes.

5. Data Sources and Models

Continuous screening of managed portfolio and the investment universe is a prerequisite for Active Ownership and is therefore an integral part of Danske Bank's Active Ownership strategies and processes.

In relation to engagements, screenings of the portfolios and investment landscape are performed annually through the Responsible Investment team to identify prospective prompts for active ownership efforts. The screening is supplemented by investment management activities performed by the individual investment teams on a continuous basis as part of their monitoring of investments. The Responsible Investment team and the investment teams seek to identify sustainability, governance and financial factors that could impact an investment or be impacted by an investment and the need to evaluate relevant measures that could be implemented to address such actions.

For screening purposes, financial and sustainability information is leveraged from multiple data sources (including but not limited to company reports and third-party investment research). The teams have access to required ESG data and research. However, it is acknowledged that no universally accepted framework (legal, regulatory, or others) currently exists in relation to sustainability-related data, information, and assessments. As a financial institution investing globally in different asset classes, Danske Bank strives to the extent possible to leverage primary reported data and information. Where such is not available, best efforts are made to obtain data, including data estimates, information, and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research or making own reasonable assumptions/estimations.

Sustainability-related data, information, and assessments is therefore not comparable to that of financial information. This implies a risk of misrepresentation of data on sustainability-dimensions or impacts associated to an investment. Despite diligent due diligence in the onboarding of data and other resource and cost proportional considerations in place to ensure the accuracy, completeness, and reliability of the data, it not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data.



Therefore, a certain margin of error is still to be expected.

How sustainability-related data, information and assessments are utilized is subject to the specific models, methodologies, and processes applied and governed by Danske Bank's Responsible Investment Policy, Instructions as well as Guidelines.

6. Conflict of interest

Danske Bank handles Active Ownership in accordance with our Policies and Instructions for Code of Conduct and Conflicts of Interest. Furthermore, respective employees, functions and/or units are required to comply with these policies in their exercise of Active Ownership under this Instruction.

Conflicts of interest may arise from, but are not limited to:

- Affiliations
- Business relationships
- Cross-directorship
- Diverging interests of customers, beneficiaries and Danske Bank
- Employees linked personally or professionally to an investee company

Further information on our approach to identifying and managing conflicts of interest is available in the Guidelines on the management of Conflicts of Interest in Active Ownership.³

7. Disclosures

The registration and monitoring of engagement activities are conducted through an application developed for this purpose. The registration and monitoring of voting activities is maintained through a platform provided by our proxy voting provider.

Voting statistics are made available online on an ongoing basis, a day after a general meeting has taken place.⁴ Disclosures on the implementation of this Active Ownership instruction is provided through an annual report which is made available online.

Strategies which have confirmed that active ownership is performed will report on the activities performed through their respective annual disclosures.

8. Escalation of Policy breaches

Where a breach or potential breach of this Instruction has been identified, an Employee must notify the owner of the Instruction. 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.

The owner of the Instruction must report to the Executive Management on significant breaches to the Instruction in accordance with the Non-Financial Risk Event Escalation Instruction.

³ See the Guidelines on the management of Conflicts of Interest in Active Ownership at <https://danskebank.com/sustainability-related-disclosures>

⁴ See the Danske Bank Voting Dashboard at <https://vds.issgovernance.com/vds/#/NzIzNA==/>



Instruction owner must escalate to the governing body in case of breaches to their instruction and if the maintenance of their instruction is not able to be completed in accordance with the Responsible Investment Policy.

9. Review

The Responsible Investment team will, in cooperation with the relevant business unit or group function, evaluate and adhere to Instruction. In case of any differences in views or in case of material decisions related to this Instruction, these can be addressed by the Responsible Investment Committee who decides on the issue, and who can choose to report to the Business Integrity Committee.

The Responsible Investment Committee and the ESG Integration Council will annually receive an update on the implementation of this Active Ownership Instruction.

10. Change Log

Date	Version number	Comments/changes
August 2020	Version 1.0	Instruction created
December 2020	Version 2.0	Alignment with the Shareholders Rights Directive II (SRDII)
August 2021	Version 3.0	Clarification of discretionary mandates are addressed
01 March 2021	Version 4.0	Alignment with the Sustainable Finance Disclosure Regulation (SFDR)
August 2022	Version 5.0	Alignment with updated Responsible Investment Policy Updated voting scope Further clarifications on how Principal Adverse Impacts are addressed in active ownership activities
April 2023	Version 6.0	Updated to align with the updated Responsible Investment Policy
April 2024	Version 7.0	Updated structure and additional clarifications on scope of active ownership activities, engagement scope, responsibilities of external managers, role of proxy providers.
July 2025	Version 8.0	Updated descriptions to clarify and specify language.



Appendix 1 – Definitions

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The below definitions apply to the terms used throughout the Instruction. Any term not defined herein has the meaning ascribed to it in the Responsible Investment Policy⁵.

Active Ownership	The use of rights and position of ownership to influence the activities or behaviour of investee companies and other issuers based on financial and/or impact materiality considerations.
Danske Bank or the Bank	Danske Bank A/S
Danske Bank Group or the Group	Danske Bank, its branches and its subsidiaries.
Engagement Guidelines	The Engagement Guidelines for Danske Bank
Engagement	Refers to the interactions between the investor and current or potential issuers (which may be companies, governments, agencies, municipalities, etc.) on financial, sustainability or other material topics. Engagements may be undertaken to seek information related to the sustainability and/or financial performance of the investment and/or to influence sustainability practices. Danske Bank exercises engagement directly with issuers or, if relevant, in collaboration with other investors and organisations.
Enhanced Sustainability Standards	Danske Bank's proprietary screening model that supports the exclusion of certain companies/issuers engaged in certain activities and conduct deemed harmful to society.
Environmental and Social materiality	The inside-out impacts that an issuer's economic and financial activities may have on sustainability factors
ESG	Environmental, social and/or governance.
Financial Materiality	The outside-in impacts that sustainability factors may have on an issuer's economic and financial activities throughout their entire value chain (both upstream and downstream), affecting the value (returns) of such activities.
Principal Adverse Impacts	A principal adverse impact is any impact of investment decisions or advice that results in a negative effect on sustainability factors, such as environmental, social and employee concerns, respect for human rights, anti-corruption, and anti-bribery matters.
Proxy Voting Advisor	An external provider of research, analysis and corresponding services that supports investors in the execution of votes at the general meetings of companies.
Responsible Investment Policy	The Responsible Investment Policy for Danske Bank.
Sustainability factors	Environmental, social and employee-related matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability risk	An environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.
Target group	The group of people, subsidiaries, areas and/or functions, for whom the governing information is intended to be directly applicable.
Voting Guidelines	The Voting Guidelines for Danske Bank.
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 on corporate governance, environmental and social matters. We exercise voting by ourselves or by proxy through a third-party adviser.

⁵ See the Responsible Investment Policy at <https://danskebank.com/sustainability-related-disclosures>