

Owner	CEO	Date of approval	4 October 2023
Administrator	CEO	Next review date	September 2024
Governing Body	Board of Directors	For external publication	Yes
The policy has exemptions	n/a		

Active Ownership Policy

1. Objective

This Policy aims to describe our ambitions and general commitment to Active Ownership enshrined by the Responsible Investment Policy while ensuring adherence to applicable laws, regulations, internal governance and rules and market standards.

2. Definitions

The below definitions apply to the terms used throughout the Policy. Any term not defined herein shall have the meaning as ascribed to it in the Responsible Investment Policy:

Active Ownership	the use of rights and position of ownership to influence the activities or behavior of investee companies by taking an active interest as an investor in investee companies' circumstances, development, and management, and a long-term focus in the company
Danske Bank	Danske Bank A/S
Danske Private Equity	Danske Private Equity A/S
Environmental & Social materiality	external impacts of a company's activities and how the company significantly affects society and environment, including Principal Adverse Impact
ESG	environmental, social or governance
Financial Materiality	any factor reasonably likely to significantly impact the financial condition or operating performance of a company or investment
Funds	alternative investment funds managed by Danske Private Equity
Group	Danske Bank with its subsidiaries.
Management	the management of funds on behalf of investors
Manager	the party undertaking and/or advising on investments of assets on behalf of the Funds
Responsible Investment Policy	the Responsible Investment Policy for Danske Private Equity
Sustainability Factors	environmental, social and employee 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
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Target Group	the group of people, subsidiaries, areas and/or functions, for whom the governing information is intended to be directly applicable.
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3. Scope

The Policy covers the Active Ownership activities of Danske Private Equity that are associated with Management activities for our Funds. These are applied in manager and co-investment selection, monitoring through continuous dialogue and decisions on whether to invest in subsequent funds or other offerings by the same manager.

The Policy does not apply directly to investments in structured products or derivatives. As further described in Fund disclosures, specific deviations might also be needed at the level of individual strategies that do not – due to the nature of such strategies – enable us to abide to all principles outlined herein. This goes for instance to Funds designed in a manner to meet other voting needs.

3.1 Target group

This Policy applies to Management on behalf of Danske Private Equity as conducted by employees or third-party delegates involved in the management of the Funds.

4. Policy Content

4.1 Active Ownership Approach

We conduct Active Ownership as a measure to encourage portfolio fund managers to protect the value of our investors' investments and generate attractive returns. We seek to establish a framework encouraging portfolio fund managers to influence investee companies' impact on sustainability matters through our portfolio fund managers and thus enable positive contribution to society.

While there is no “one size fits all” to Active Ownership, Danske Private Equity performs Active Ownership, e.g. when required in order to protect the value of an investment.

We seek to be active owners and influence investee funds directly through dialogue, voting and collaboration with peers, like-minded investors and stakeholders. Our Active Ownership approach is based on the belief that applying Active Ownership in certain situations can facilitate the resolution of challenging issues more effectively than the imposition of exclusions and/or divesting, which could limit opportunities to be a responsible investor and make a positive impact through dialogue.

4.2 Monitoring of investee funds and their portfolio companies

Active monitoring of investee funds and, indirectly, their portfolio companies, is a prerequisite for Active Ownership and thus an integral part of our Active Ownership strategies and processes.

The investment team seeks to identify and consider Sustainability Factors that could impact an investment (e.g. as Sustainability Risks), or be impacted by an investment. This includes

understanding the investee funds' capability in formulating business models, strategies and ability to mitigate risks and leverage opportunities, and to assess the potential positive and negative impact of material financial factors and sustainability factors on performance and society.

The investment team of DPE is advised by Danske Bank Asset Management Responsible Investment Specialists as well as the delegated Finance and Monitoring function to review financial and sustainability information from multiple data sources (including but not limited to company reports). Topics and scope may be regularly decided upon, through an assessment of relevance. Topics include e.g., strategy, financial and non-financial results, risk, capital structure, social and environmental effect, and proper investee fund and corporate governance.

4.3 Managing conflicts of interest

The Managers shall pay particular attention to possible conflicts of interest when conducting Active Ownership activities. Conflicts of interest may arise from, but are not limited to:

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

The Managers must manage conflicts of interest according to the Conflict of Interest Policy as well as by making sure that any engagement is exercised in line with the best interest of the investors.

4.4 Reporting of Active Ownership activities to investors

The Active Ownership activities are disclosed in a semi-annual report online. Activities are also disclosed in annual reports of the Funds.

4.5 Ways of implementing Active Ownership

Active Ownership is conducted mainly through: 1) Individual engagements; 2) Collaborative engagements, and 3) Voting.

It is noted that investee funds seldom put issues relevant to ESG or sustainability matters to a vote, whether in the fund context or in relation to co-investments. However, when applied, engagement and voting practices are interrelated and feed into each other. As such, one activity can be the initiator or the complement of the other.

4.6 Individual Engagements

The Managers engage on a regular basis with investee companies on material sustainability matters to seek improvement in performance and processes in order to enhance and protect the value of our investments.

Reasons for dialogue can be, but are not be limited to, the following:

- Inform about voting decisions and guidelines
- Clarify publicly disclosed information from company
- Conduct research
- Identify and assess quality of available data

- Understand performance and identify potential vulnerabilities
- Develop insights into risks and opportunities
- Identify potential regulatory developments and impacts

The Managers can interact with companies in different ways (e.g. letters, emails, one-to-one meetings, conferences, site visits, etc.) and with preferred company representatives (e.g. Board, chairman, CEO, Investor Relations, Sustainability).

The teams must be aware of the risk that they may have obtained insider knowledge with a need to adhere to Danske Bank's Market Abuse Policy and Market Abuse Directive.

If an engagement is unsuccessful, the further process may eventually proceed to a full or partial realization of the affected interest, whether as a sale or as a contractual carve-out. The decision-making process would be expected to involve the general partner of the Funds, their investor boards and possibly even a full investor vote..

4.7 Collaborative Engagements

When appropriate, we collaborate with peers, like-minded investors and other relevant parties to exercise Active Ownership through our Managers by engaging through joint dialogue, and contributing collectively to a positive impact. It might be appropriate to raise the issue with others, in instances where our own engagement may have proven to be unsuccessful.

Collaborative engagements capture any interaction between a group of investors joining forces vis-à-vis the investee company on sustainability matters, with the goal of improving (or identifying the need to influence) sustainability practices and/or disclosure. Collaborative engagements also include reaching out to other investors to get support on engagement activities, discuss voting issues, and make proposals for general meetings. This can be done on an ad-hoc basis or through formal investor networks or membership forums. Cooperating with other shareholders takes place on a regular basis and is not subject to any frequency targets.

Collaborative engagements may, depending on the jurisdiction and situation, be subject to market abuse and insider trading regulations.

4.8 Voting

As investors, a general meeting is an opportunity to voice our opinion on issues of key importance to corporate governance, and contribute to a company's sustainability performance. We will access such interest holder rights as we are afforded to vote in line with our fiduciary duty, which is to consider what is in the best interests of each managed fund.

4.9 Research & Training

The investment team must obtain and maintain an appropriate level of competence to carry out their responsibilities and be aware of relevant requirements that may be applicable to a specific asset class and investment strategy.

7.1 Change Log

Date	Version number	Comments/changes
4 October 2023	Version 1.0	n/a

Appendix A

A non-exhaustive list of applicable sectoral regulations and external standards that have been taken into account by the Danske Bank Group Active Ownership Instruction forming the basis for the present policy:

EU Regulations and Directives (as implemented under national laws):

- Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 regarding the encouragement of long-term shareholder engagement (**Shareholders Rights Directive II**)
- Regulation (EU) 2019/2088 of the European Parliament and Council on sustainability related disclosures in the financial services sector (**Sustainable Finance Disclosure Regulation**)
- Regulation (EU) 2014/596 of the European Parliament and Council on market abuse (**Market Abuse Regulation**)
- Directive (EU) 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (**UCITS**)
- Directive (EU) 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (**AIFMD**)
- Directive (EU) 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (**MiFID II**)

External Standards & External Commitments

- UN Sustainable Development Goals (**SDGs**)
- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN Principles for Responsible Investment
- G20/OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- SASB
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- The Danish Stewardship Code
- The Swedish Stewardship Code
- The Norwegian Stewardship Code
- The Finnish Stewardship
- EFAMA Stewardship Code
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- Net-Zero Asset Managers Initiative
- Net-Zero Asset Owners Alliance
- The Task Force on Climate-related Financial Disclosures (TCFD) o CDP (formerly Carbon Disclosure Project)
- Emerging Markets Investor Alliance (EMIA)
- Climate Action 100+
- Institutional Investors Group on Climate Change
- ESG4Real
- LuxFLAG
- Paris Pledge for Action
- The Montreal Carbon Pledge

Danske Bank Group position statements

- Danske Bank Position Statement Agriculture
- Danske Bank Position Statement Climate Change February 2022
- Danske Bank Position Statement Fossil Fuels

- Danske Bank Position Statement Mining and Metals
- Danske Bank Position Statement Arms and Defence
- Danske Bank Position Statement Forestry
- Danske Bank Position Statement Human Rights