Financial market participant Danica Pension Livsforsikringsaktieselskab A/S (2138004VZX8CSGPTDX68)

Statement on principal adverse impacts of investment decisions on sustainability factors

28 June 2024

Contents

Summary

Danica Pension Livsforsikringsaktieselskab A/S, 2138004VZX8CSGPTDX68, ("**Danica Pension**") considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Danica Pension. This statement on principal adverse impacts on sustainability factors covers the reference period of 1 January 2023 to 31 December 2023. Principal adverse impacts are addressed through our pension products according to their materiality and type, as well as the nature and commitments of the products, and measured through mandatory and other indicators outlined in the Delegated Act (EU) 2022/1288 under the Sustainable Finance Disclosure Regulation 2019/2088 (EU).

The principal adverse impact indicators relate to investments in both investee companies, sovereigns/supranationals and real estate assets. Below table summarises our reported adverse impacts for year 2023. The impacts of the adverse impacts have been prioritised through the general approach applied at firm level, and strategy specific commitments. In addressing the adverse impacts we have used a set of tools available to us as an asset owner (inclusion, exclusion and active ownership). Further information on the reported impacts and actions taken can be found in the "Description of the principal adverse impacts on sustainablity factors" of this statement.

Indicators applicable to investments in investee companies			
Adverse sustainability indicator		Metric	Impact year 2023
Greenhouse gas emissions	GHG emissions (1,1)	Scope 1 GHG emissions	688,262 tCO2e
		Scope 2 GHG emissions	152,879 tCO2e
		Scope 3 GHG emissions	10,492,254 tCO2e
		Total GHG emissions	11,333,395 tCO2e
	Carbon footprint (1,2)	Carbon footprint	297 tCO2e/m€ invested
	GHG intensity of investee companies (1,3)	GHG Intensity of investee companies	1140 tCO2e/m€ of revenue
	Exposure to companies active in the fossil fuel sector (1,4)	Share of investments in companies active in the fossil fuel sector	3% share of investments in companies in the fossil fuels sector
	Share of non-renewable energy consumption and production (1,5)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Non-renewable energy consumption: 40% Non-renewable energy production: 1% share
	Energy consumption intensity per high impact climate sector (1,6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Page 9-10
	Investments in companies without carbon emission reduction initiatives (2,4)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	31% without initiatives
Biodiversity	Activities negatively affecting biodiversity-sensitive areas (1,7)	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.002% with negative impact on biodiversity
Water	Emissions to water (1,8)	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.001 tons/m€ invested
Waste	Hazardous waste and radioactive waste ratio (1,9)	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.1 tons / m€ invested

Indicators applicable to investments in investee companies			
Adverse sustainability indicator		Metric	Impact year 2023
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (1,10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.02% violations of UN Global Compact principles
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (1,11)	Share of investments in investee companies without policies 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	9% lack of processes
	Unadjusted gender pay gap (1,12)	Average unadjusted gender pay gap of investee companies	3% gender pay gap
	Board gender diversity (1,13)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	30% board gender diversity
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (1,14)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% exposure to controversial weapons
	Insufficient whistleblower protection (3,6)	Share of investments in entities without policies on the protection of whistleblowers	0.4% insufficient whistleblower protection
	Lack of a human rights policy (3,9)	Share of investments in entities without a human rights policy	27% lack of human rights policy
Indicators applicable to investments in sovereigns and supranationals			
Environmental	GHG Intensity (1,15)	GHG intensity of investee countries	47 tCO2e / m€ of country's GDP
Social	Investee countries subject to social violations (1,16)	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	68 investee countries subject to violations
Governance	Average corruption score (3,21)	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	0.4 average corruption score
	Non-cooperative tax jurisdictions (3,23)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0.05% non-cooperative jurisdictions
	Average rule of law score (24)	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator	0.3 average rule of law score
Indicators applicable to real estate			
Fossil fuels	Exposure to fossil fuels through real estate assets (1,17)	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0% involvement
	Exposure to energy-inefficient real estate assets (1,18)	Share of investments in energy-inefficient real estate assets	39% energy-inefficient real estate assets

Sammenfatning (DK)

Danica Pension Livsforsikringsaktieselskab A/S (2138004VZX8CSGPTDX68) ("**Danica Pension**") vurderer de vigtigste negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer. Denne erklæring er den konsoliderede erklæring om de væsentligste negative indvirkninger på bæredygtighedsfaktorer fra Danica Pension. Denne erklæring om de vigtigste negative indvirkninger på bæredygtighedsfaktorer omfatter referenceperioden fra 1. januar 2023 til 31. december 2023.

De vigtigste negative indvirkninger håndteres gennem forvaltningen af vores investeringer og addresses ud fra betragtninger om væsentlighed, type samt deres art, samt de forpligtelser Danica Pension varetager over for vores kunder. Indvirkningerne måles ud fra obligatoriske og valgfri indikatorer, der er anført i bilag til Kommissionens delegerede forordning (EU) 2022/1288 under henvisning til Forordning om bæredygtighedsrelaterede oplysninger i den finansielle sektor 2019/2088 (EU) (Disclosure Forordningen). Disse indikatorer vedrører investeringer i virksomheder, der investeres i, i stater/supranationale organisationer og ejendomsaktiver. Nedenstående tabel indeholder en summerisk fremstilling af de målte indvirkninger for referenceåret 2023, der er søgt addresseret gennem de midler Danica Pension som investor har til rådighed (inklusion, eksklusion og aktivt ejerskab). Yderligere information om målte og rapporterede indvirkninger er tilgængelige i afsnittet "Description of the Principal Adverse Impacts" (oversat: *Beskrivelse af de vigtigste negative indvirkninger på bæredygtighedsfaktorer*).

Indikatorer for investeringer i investeringsmodtagende virksomheder			
Indikator for negativ indvirkning på bæredygtighed		Parameter	Indvirkning 2023
Drivhusgas-emissioner	Drivhusgasemissioner (1, 1)	Anvendelsesområde 1 – drivhusgasemissioner	688.262 tCO2e
		Anvendelsesområde 2 – drivhusgasemissioner	152.879 tCO2e
		Anvendelsesområde 3 – drivhusgasemissioner	10.492.254 tCO2e
		Drivhusgasemissioner i alt	11.333.395 tCO2e
	CO2-aftryk (1,2)	CO2-aftryk	297 tCO2e/m€ investeret
	Investeringsmodtagende virksomheders drivhusgasemissioner (1, 3)	Investeringsmodtagende virksomheders drivhusgasemissioner	1140 tCO2e/m€ of omsætning
	Eksponering for virksomheder, der er aktive i sektoren for fossile brændstoffer (1,4)	Andel af investeringer i virksomheder, der er aktive i sektoren for fossile brændstoffer	3% andel af virksomheder aktive i den fossile sektor
	Andel af forbrug og produktion af ikke vedvarende energi (1,5)	Andel af investeringsmodtagende virksomheders forbrug af ikkevedvarende energi og produktion af ikkevedvarende energi fra ikkevedvarende energikilder i forhold til vedvarende energikilder udtrykt i procent af de samlede energikilder	Forbrug af ikke vedvarende energi: 40% andel Produktion af ikke vedvarende energi: 1% andel
	Energiforbrugsintensitet pr. sektor med stor indvirkning på klimaet (1,6)	Energiforbrug i GWh pr. mio. EUR i indtægter for investeringsmodtagende virksomheder pr. sektor med stor indvirkning på klimaet	Side 9-10
	Investeringer i virksomheder uden initiativer til reduktion af CO2-emissioner (2,4)	Andel af investeringer i investeringsmodtagende virksomheder uden initiativer til reduktion af CO2-emissioner med henblik på tilpasning til Parisaftalen	31% without initiatives
Biodiversitet	Aktiviteter, der påvirker biodiversitetsfølsomme områder negativt (1,7)	Andel af investeringer i investeringsmodtagende virksomheder med anlæg/aktiviteter i eller tæt på biodiversitetsfølsomme områder, hvis disse investeringsmodtagende virksomheders aktiviteter har en negativ indvirkning på disse områder	0,002% med negativ indvirkning på biodiversitet
Vand	Udledning til vand (1,8)	Ton udledning til vand, der genereres af de virksomheder, der investeres i, pr. mio. EUR investeret, udtrykt som et vægtet gennemsnit	0,001 ton/m€ investeret

Indikatorer for investeringer i investeringsmodtagende virksomheder			
Indikator for negativ indvirkning på bæredygtighed		Parameter	Indvirkning 2023
Affald	Andel af farligt affald og radioaktivt affald (1,9)	Ton farligt affald og radioaktivt affald, der genereres af de virksomheder, der investeres i, pr. mio. EUR investeret, udtrykt som et vægtet gennemsnit	0,1 ton /m€ investeret
Sociale og Personale-mæssige spørgsmål	Overtrædelser af FN's Global Compact-principper og Organi sationen for Økonomisk Samar bejde og Udviklings (OECD's) ret ningslinjer for multinationale virksomheder (1,10)	Andel af investeringer i investeringsmodtagende virksomheder, der har været involveret i overtrædelser af FN's Global Compact principper eller OECD's retningslinjer for multinationale virksomheder	0.02% overtrædelser
	Mangel på processer og overholdelsesmekanismer til overvåg ning af overholdelsen af FN's Glo bal Compact-principper og OECD's retningslinjer for multi nationale virksomheder (1,11)	Andel af investeringer i investeringsmodtagende virksomheder uden politikker for overvågning af overholdelsen af FN's Global Compact- principper eller OECD's retningslinjer for multinationale virksomheder eller mekanismer til behandling af klager med henblik på at imødegå overtrædelser af FN's Global Compact- principper eller OECD's retningslinjer for multinationale virksomheder	9%
	Ukorrigeret lønforskel mellem kønnene (1,12)	Gennemsnitlig ukorrigeret lønforskel mellem kønnene i de investeringsmodtagende virksomheder	3%
	Kønsdiversitet i bestyrelsen (1,13)	Forhold i gennemsnit mellem kvindelige og mandlige bestyrelsesmedlemmer i de investeringsmodtagende virksomheder, udtrykt i procent af alle bestyrelsesmedlemmer	30% kønsdiversitet
	Eksponering for kontroversielle våben (personelminer, klyngeammunition, kemiske våben, biologiske våben) (1,14)	Andel af investeringer i investeringsmodtagende virksomheder, der er involveret i fremstilling eller salg af kontroversielle våben	0% eksponering til kontroversielle våben
	Utilstrækkelig beskyttelse af whistleblowere (3, 6)	Andel af investeringer i enheder uden politikker for beskyttelse af whistleblowere	0,4%
	Manglende menneskerettigheds-politik (3, 9)	Andel af investeringer i enheder uden en menneskerettighedspolitik	27%
Indikatorer for investeringer i stater og supranationale organisationer			
Miljømæssige	Drivhusgasintensitet (1,15)	Investeringsmodtagende landes intensitet	47 tCO2e/m€ af GDP
Sociale	Investeringsmodtagende lande forbundet med krænkelser af sociale rettigheder (16)	Antallet af investeringsmodtagende lande forbundet med krænkelser af sociale rettigheder (absolut tal og relativt talt divideret med alle investeringsmodtagende lande) som omhandlet i internationale traktater og konventioner, FN's principper og i givet fald national lovgivning	68 lande forbundet med krænkelser af sociale rettigheder
Forvaltningsskik	Gennemsnitlig korruption (3,21)	Måling af det opfattede korruptionsniveau i den offentlige sektor ved hjælp af en kvantitativ indikator	0,4 gns. korruptionsscore
	Ikke samarbejdsvillige skattejurisdiktioner (3,23)	Investeringer i jurisdiktioner på EU-listen over ikkesamarbejdsvillige skattejurisdiktioner	0,05%
	Gennemsnitligt retsstatsforhold 3,24)	Måling af korruptionsniveauet, manglende grundlæggende rettigheder og mangler på det civil- og strafferetlige område ved hjælp af en kvantitativ indikator	0,3 gns. retsstatsforholds-score
Indikatorer for investeringer i fast ejendom			
Fossile brændstoffer	Eksponering for fossile brændstoffer via fast ejendom (1,17)	Andel af investeringer i fast ejendom, der er involveret i udvinding, oplagring, transport eller fremstilling af fossile brændstoffer	0% involvering
	Eksponering for energiineffektiv fast ejendom (1,18)	Andel af investeringer i energiineffektiv fast ejendom	39% energieffektiv fast ejendom

Description of the principal adverse impacts on sustainability factors

By "principal adverse impacts" is meant the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to Danica Pension's investment decisions as defined by the principal adverse impact indicators. Sustainability factors include environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

Danica Pension works from the belief that by measuring and reporting the principal adverse impacts of our investments, we are best positioned to monitor and steer the overall sustainability performance of our portfolios. We aim to ensure that the impacts are managed in accordance with the expectations and the needs of our customers. This means that we prioritise the management of our principal adverse impacts according to their materiality and type, and in line with our commitments and the strategies of the products that we manage. In addressing the impacts, we as an asset owner have three main tools at our disposal: 1) Inclusion of investments, 2) Exclusion of investments and 3) Active Ownership[1]. For further information, see the "Actions Taken" in the table below.

Measured and reported principal adverse impacts

With this statement, Danica Pension reports the principal adverse impacts of our investments on sustainability factors in accordance with Article 4 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"). The report covers 18 mandatory principal adverse impact indicators ("**PAI indicators**") (as set out in Table 1 of Annex I No. 1–18 of the Commission Delegated Regulation (EU) 2022/1288) as well as the following six additional PAI indicators selected by Danica Pension:

- Investments in companies without carbon emission reduction initiatives (indicator 19)
- Insufficient whistleblowerprotection (indicator 20)
- Lack of a human rights policy (indicator 21)
- Average corruption score (indicator 22)
- Non-cooperative tax jurisdictions (indicator 23)
- Average rule of law score (indicator 24)

We report our principal adverse impacts as an average of impacts on 31 March, 30 June, 30 September and 31 December for the year. The PAI indicators are linked to different assets, with some indicators only eligible for investee companies, some for sovereigns and supranationals, and some for real estate assets. The impacts are measured against all investments made by Danica Pension. "All investments" include the following aggregates from the prudential balance sheet as defined in the Commission implementing regulation 2015/2452: holdings in related undertakings, equities, bonds, collective investment undertakings, derivatives, deposits other than cash equivalents, other investments, assets held for index-linked and unit-linked contracts, loans and mortgages and deposits to cedants and cash and equivalents.

For year 2023, the average total value of all Danica Pension's investments was 58,5bn EUR. For further information on the measured impacts, see impacts column in the table below.

[1] Whether and how inclusions, exclusions and active ownership are applied in the management of our savings products is dependent on the strategy of the given product as further described in the pre-contractual disclosures of that product. For those strategies that consider principal adverse impacts of investments on sustainability factors, impacts are managed through exclusions and active ownership activities. This may be supplemented by inclusion criteria that further addresses specific principal adverse impacts.

Table 1: Indicators applicable to investments in investee companies							
Adverse sustainability indicator			Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators							
Greenhouse gas emissions		GHG emissions (1,1)	Scope 1 GHG emissions	688,262 tCO2e (51%)	636.378 tCO2e (50%)	**Calculation:** GHG emissions are calculated as the Scope 1, Scope 2, Scope 3 emissions in investee companies expressed in tons of CO2 equivalent attributed to Danica Pension. The calculation is done through a calculation of the share of our investment in the investee company in relation to the investee company's overall enterprise value which is then multiplied with the company's emissions and aggregated for all investments in investee companies managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments, data coverage was 65% which is approximately 51% of all investments. **Data assumptions and quality:** The data used for the reported figures is based on company-reported numbers as well as estimated numbers from ISS ESG. Where GHG emission data were not available on an investee company through reported figures and/or information received from ISS ESG no further assumptions have been applied on the data of the investee company. Given the lack of investee company disclosures, Scope 3 GHG emissions are subject to more estimations than Scope 1 and 2. Significant uncertainties exist in relation to data reliability for Scope 3 emissions, which is also subject to high volatility potentially impacting the reported impacts in the different reference periods. **Severity of impacts:** Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur continuously and the probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment	**Company commitment:** As a signature to the Net Zero Asset Owners Alliance, Danica Pension is committed to contribute to the goals of the Paris Agreement and to achieve net zero carbon emissions by 2050. We have published a Net Zero Roadmap with sector targets and interim AuM carbon reduction targets for. This includes also Science Based Targets initiative (SBTi)-based temperature rating targets for listed equities and credits to further guide climate efforts and enhance transparency on progress towards becoming net zero. Our progress and actions taken to address these targets are reported in the Climate Action Plan Progress Report for 2023 for the Danske Bank Group. **Inclusions:** Danica Balance and Danica Balance Responsible Choice products apply inclusion criteria set out in the Inclusion Instruction, criteria linked to the carbon risk rating score of the portfolios. **Active Ownership:** During 2023, Danica Pension has had company dialogues with investee companies on climate related topics. Where relevant, Danica Pension has exercised active ownership through voting at the general meetings of high emitting companies. For voting, we generally support reasonable shareholder proposals relating to management of climate transition risks. This can be doe e.g. by supporting proposals
			Scope 2 GHG emissions	152,879 tCO2e (51%)	144.625 tCO2e (50%)		
			Scope 3 GHG emissions	10,492,254 tCO2e (51%)	6.500.324 tCO2e (50%)		
			Total GHG emissions	11,333,395 tCO2e (51%)	7.281.327 tCO2e (50%)		

Table 1: Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators					
				and societies, emissions are considered severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	related to climate risks or by voting against weak transition plans presented by board. **Exclusions:** Danica Pension applies firm wide exclusion on our investments in relation to thermal coal, tar sands and peat-fired power generation, applicable to our Danica Balance and Danica Balance Resposible Choice products. Further, climate considerations are at focus in the proprietary Enhanced Sustainability Screening managed by Danske Bank A/S on behalf of Danica Pension. As an average for the year, 362 companies have been on the thermal coal exclusion list, 22 companies for tar sands, no companies for peatfired power generation. Under the Enhanced Sustainability Standards Screening, 62 companies have been on the exclusion list for being identified to have high climate change contribution and 36 companies for harmful environmental practices. In addition, Danica Balance Responsible Choice have extended exclusions relating to among others fossil fuels. Exclusions based on thresholds for this indicator among others was introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** In the beginning of 2024, Danica Pension together with Danske Bank A/S communicated a new Fossil Fuel Transition Strategy setting out our approach for investing in companies in the fossil fuel sector. In 2024 we will initiate the implementation of the strategy. Further information on the scope and approach of the Fossil Fuel Transition Strategy is available in our Position Statement on Fossil
Carbon footprint (1,2)	Carbon foot print	297 tCO2e / m€ invested (51%)	155 tCO2e / m€ (50%)	**Calculation:** Carbon footprint is calculated as the total GHG emissions (Scope 1, 2, & 3) attributed to Danske Bank expressed as a ratio for all investments meaning that "Per million EUR in vested" is calculated by dividing the sum of emissions by the total value of all investments managed by Danica Pension in million EUR. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 65%, which is approximately 51% of all investments. **Data assumptions and quality:** The data used for the reported figures is based on company-reported numbers as well as estimated numbers from ISS ESG. Where carbon emission data were not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies with out data have the carbon footprint of the investee companies with data. For further information on data quality and severiy of impact see indicator 1.	
GHG intensity of investee companies (1,3)	GHG intensity of investee companies	**1140** tCO2e / m€ of revenue (51%)	404 tCO2e / m€ of (50%)	**Calculation:** GHG intensity is calculated as the total GHG intensity (Scope 1, 2 & 3) for all investments, by aggregating the GHG intensity of all investee companies (i.e., GHG emissions in metric tonnes per million EUR revenue), with each GHG intensity weighted by the relative share of the respective	

Table 1: Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators					
				investment in the overall portfolio of investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments.Of these eligible investments data coverage was 65%, which is approximately 51% of all investments. **Data assumptions and quality:** The data used for the reported figures is based on company-reported numbers as well as estimated numbers from ISS ESG. Where GHG intensity data were not available on an investee company through reported figures and/or information received from ISS ESG it has effectively been assumed that investee companies without data have the GHG Intensity of the investee companies with data For further information on data quality and severiy of impact see indicator 11.	Fuels dated February 2024: danske-bank-position-statement-fossil-fuels.pdf (danskebank.com)
Exposure to companies active in the fossil fuel sector (1,4)	Share of investments in companies active in the fossil fuel sector	3% share of investments in companies active in the fossil fuel sector (51%)	3% share of investments in companies active in the fossil fuel sector (50%)	**Calculation: S**hare of investments in companies active in the fossil fuel sectors is calculated as the share of companies active in the fossil fuel sector as calculated against all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 65%, which is approximately 51% of all investments. **Data assumptions and quality:** The data used for the reported figures is based on companies' business activities/operations and is thus subject to a low degree of estimations. Investments for which such data was not available were considered as companies without exposure to the fossil fuel sector. **Severity of impacts:** Fossil fuel companies are the main contributors to climate change. Investee companies active in the fossil fuel sector, generally, have fossil-related activities as their core business activity and the probability of occurrence is thus regarded as certain. Given the effects of global	

Table 1: Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators						
					warming on the environment and societies, fossil fuel involvement effects are considered to be severe. Given the lack of carbon capture technologies, emissions are considered irremediable.	
	Share of non-renewable energy consumption and production (1,5)	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	**Non-renewable energy consumption** 40% share (37%) **Non-renewable energy production** 1% share (50%)	**Non-renewable energy consumption** 53% share (16%) **Non-renewable energy production** 1% share (49%)	**Calculation:** The impacts are calculated by aggregating the percentage of non-renewable energy consumption and production (i.e., non renewable energy sources divided by total energy sources) of investee companies, with each such percentage weighted by the relative share of the relevant investment in the overall portfolio of investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 48% on non renewable energy consumption and 64% for non-renewable energy production, which is 37% and 50% coverage, respectively of all investments. **Data assumptions and quality:** The data used for the reported impacts is primarily based on company disclosures but with certain estimations applied by ISS ESG. Where data was not available on an investee company through reported figures and/or information received from ISS ESG, the weighted average percentage of non-renewable energy consumption and production of the investee companies with available data has been applied. **Severity of impacts:** Non-renewable energy consumption and production are core drivers of climate change. As companies are directly confirming their consumption and production of non-renewable energy, the probability of occurrence is to be regarded as certain. Given the effects of global warming on the environment and societies, non-renewable energy consumption and	

Table 1: Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators						
					production is considered severe. Given the lack of carbon-capture technologies, emissions are considered irremediable.	
	Energy consumption intensity per high impact climate sector (1,6)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (6)	**Agriculture forestry and fishing** 0.377 GWh / m€ of revenue **Mining and quarrying:** 0.873 GWh / m€ of revenue **Manufacturing:** 0.203 GWh / m€ of revenue **Electricity gas steam and air conditioning supply** 1.676 GWh / m€ of revenue **Water supply, sewerage, waste management and remediation activities:** 0.560 GWh / m€ of revenue **Construction** 0.135 GWh / m€ of revenue **Wholesale and retail trade, repair of motor vehicles and motor cycles** 0.074 GWh / m€ of revenue **Transportation and storage**	**Agriculture forestry and fishing** 0.379 GWh/m€ of revenue **Mining and quarrying** 2.040 GWh / m€ of revenue **Manufacturing** 0.373 GWh / m€ of revenue **Electricity gas steam and air conditioning supply** 3.408 GWh / m€ of revenue **Water supply, sewerage, waste management and remediation activities:** 1.281 GWh / m€ of revenue **Construction** 0.294 GWh / m€ of revenue **Wholesale and retail trade, repair of motor vehicles and motor cycles** 0.860 GWh / m€ of revenue **Transportation and storage**	**Calculation:** The impacts are calculated by aggregating for each high impact climate sector (categorized by NACE Level 1) all relevant investee companies' energy consumption intensities, with each intensity weighted by the relative share of the relevant investment in the overall portfolio of investments in that high impact climate sector. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was up to 57% depending on the sector. **Data assumption and quality:** The data used for the reported impact is based on company disclosed data. There is however a low degree of company disclosed numbers for this metric globally. Where data was not available on an investee company through reported figures and/or information received from ISS ESG no further assumptions have been applied on the data of the investee company. **Severity of impacts:** Companies active in high impact climate sectors generally have much higher emission profile compared to companies in other sectors. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. The emissions occur continuously and the probability of occurrence is thus to be regarded as certain. Given the effects of global warming on the environment and societies, emissions are considered severe. Given the lack of carbon	

Table 1: Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators						
			2.277 GWh / m€ of revenue **Real estate activties** 0.452 GWh / m€ of revenue	2.193 GWh / m€ of revenue **Real estate activties** 0.159 GWh / m€ of revenue	capture technologies, emissions are considered irremediable.	
Biodiversity	Activities negatively affecting biodiversity-sensitive areas (1,7)	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.002% with negative impact on biodiversity (51%)	0.003% with negative impact on biodiversity (50%)	**Calculation:** The impacts are calculated as the share of investments in companies with activities negatively affecting biodiversity sensitive areas in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 65%, which is approximately 51% coverage for all investments. **Data assumptions and quality:** The data used for the reported impact is based on companies that have been linked/identified to having caused negative impacts on biodiversity-sensitive area as identified through company reported data or assessments made by ISS ESG. Investments for which data was not available was considered as companies without activities negatively affecting biodiversity-sensitive areas. Therefore there can be companies causing negative impacts that have not been identified and thus reported, or ambiguity concerning the effects. As such there is a degree of uncertainty in the data. **Severity of impacts:** Negative impacts on biodiversity-sensitive areas carries multiple negative effects, including the planet's reduced capacity to sequester carbon, and harming local wildlife and fauna that in some cases already are red listed. As such, the effects are to be considered severe. As the data used is based on companies	**Company commitment:** Through the Danske Bank Group, Danica Pension has signed up to the Partnership for Biodiversity Accounting Financials (PBAF) and the Finance for Biodiversity Pledge. Both initiatives enable us to measure, and in the long term, set concrete targets for our impact and dependencies on biodiversity. **Active Ownership:** During 2023, over 20 company engagements related to biodiversity impacts were logged. With Danske Bank, Danica Pension has pledged to engage with 30 companies within material sectors with the highest dependency and impact on biodiversity. A proprietary biodiversity assessment framework has been developed to evaluate the materiality of biodiversity for our investment portfolios and to identify laggards. The Voting Guidelines outline our expectations to have company reporting on biodiversity topics such as ecosystem preservation practices, natural species and protected areas, and deforestation. **Exclusions**: In year 2023 48 companies have been on the Exclusion List due to activities negatively affecting biodiversity under the Enhanced Sustainability Standards Screening. Exclusions based on thresholds for this indicator among others

Table 1: Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators						
					that have been found to cause negative impacts on biodiversity, the probability of occurrence is to be regarded as certain. Certain negative biodiversity impacts can be remediated over time, but the direct and immediate effects are considered to be irremediable.	were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** We will further work towards concrete target setting and further reporting relating biodiversity.
Water	Emissions to water (1,8)	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.	0.001 tons / m€ invested (1%)	0.003 tons / m€ invested (0.4%)	**Calculation:** The impacts are calculated by dividing the sum of all emissions to water (in tonnes) attributable to investments managed by Danica Pension by the value of all investments managed by Danica Pension in million EUR. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was close to 2%, which is around 1% coverage for all investments. **Data assumptions and quality:** The data used for the reported impact is based on company disclosures and is thus subject to a low degree of estimations. Company disclosure however remains low and thus data coverage is low. Metric used is chemical oxygen demand (COD), a commonly used indicator measuring emissions to water, which should be regarded as proxy data. Investments for which data was not available was considered as companies without emissions. **Severity of impacts:** Emissions to (waste) water can flow back to the ecosystem without having been properly treated and thereby causing harm. As the data is based on company reported figures the probability of occurrence is to be regarded as certain. As the data neither captures regional requirements nor whether the water has been treated prior to discharging, the severity is regarded as medium.	**Active Ownership:** In our Voting Guidelines, we outline that we generally support proposals in relation to supply chain water risk and performance of water risk assessments. **Exclusions:** In the year 2023, 17 companies with controversies tied to water pollution have been on the Exclusion List. For companies having significantly weak performance on indicators tied to emissions to water, pre-trade warnings have been set up for a vast part of our managed portfolios in relation to investments into these companies. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Climate and other related indicators						
Waste	Hazardous waste and radioactive waste ratio (1,9)	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.1 tons / m€ invested (28%)	8 tons / m€ invested (1%)	**Calculation:** The impacts are calculated by dividing the sum of all hazardous waste and radioactive waste (in tonnes) attributable to investments managed by Danica Pension by the value of all investments managed by Danica Pension in million EUR. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments, data coverage was 36%, which is around 28% coverage for all investments. **Data assumptions and quality:** The data used for the reported impacts is based on company reported hazardous waste numbers, relying on companies' own definitions. The data should thus be regarded as proxy data. Further company disclosure remains low and thus data coverage is low. Investments for which data was not available were considered as companies without hazardous waste / radioactive waste. Low data coverage implies that the indicator is sensitive to single investments with attributed large impacts. This is the main driver to the substantial decrease of the reported impacts from 2022 to 2023. **Severity of impacts:** Hazardous waste is a waste with properties that makes it dangerous or capable of having a harmful effect on human health or the environment. As the data is based on company reported figures the probability of occurrence is to be regarded as certain. As the data does not reflect whether the waste has been safely/adequately disposed/stored, the severity is regarded as medium. In general, hazardous waste regulations require safe disposal and hence the effects are considered to be irremediable.	**Exclusions:** Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024;** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in Investee Companies						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters						
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (1,10)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.02% involved in violations (51%)	0.1% involved in violations (50%)	**Calculation:** The impacts are calculated as the share of investments in investee companies with involvement in violations of UN Global Compact (UNGC) principles or OECD Guidelines for Multinational Enterprises in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments make up 78% of all investments. All investments have been subject to the Enhanced Sustainability Standards Screening process, meaning that data coverage for these investments was 100% . **Data assumptions and quality:** The data used for the reported impacts is based on companies that have been linked/identified to have violated the minimum social safeguards of UNGC principles and/or OECD Guidelines through our Enhanced Sustainability Standards Screening. As there can be companies violating UNGC principles/OECD Guidelines that have not yet been identified/reported, there is a degree of uncertainty in the data. **Severity of impacts:** Companies that violate the principles/guidelines laid out in the UNGC and OECD can have negative effects across multiple environmental and social areas. Whilst the scope and nature of violations can differ, violations are in general regarded as severe. As violations concerns incidents that have been reported/identified, the probability of occurrence is regarded as certain. Depending on the scope and nature of the violation, companies that have been found to violate UNGC Principles and/or OECD Guidelines generally have an opportunity to remediate the situation.	**Company commitment:** Danske Bank Group Position Statement on Human Rights outlines the Group's and Danica Pension's approach towards the companies we invest in, emphasising respect for international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Position Statement can be retrieved on: danske-bank-position-statement-human-rights.pdf (danskebank.com). For year 2023 further information on firm level actions taken and processes in place, including for investments, is available in the Human Rights Report 2023. **Active Ownership:** During 2023, there was engagement with several companies in relation to allegations of violations of UNGC principles and/or OECD Guidelines. **Exclusions:** As part of the Enhanced Sustainability Standards Screening, 234 companies (excl. Russia related companies) have been identified to have significant violations of the UNGC principles and/or OECD Guidelines for Multinational Enterprises. As a result of the Russian invasion of Ukraine, Russian state-owned/affiliated companies are excluded from Danica Pension's savings products. Exclusions based on thresholds for this indicator among others were introduced for

Table 1: Indicators applicable to investments in Investee Companies					
Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters					
					Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** We will continue to procure an enhancement to the screenings and methodologies relating to human rights impacts and risks.
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (1,11)	Share of investments in investee companies without policies 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	9% share of investments (49%)	8% share of investments (50%)	**Calculation:** The impacts are calculated as the share of investments in investee companies which lack processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments make up 78% of all investments. Of these eligible investments data coverage was 63%, which is around 49% coverage for all investments. **Data assumptions and quality:** The data used for the reported impacts demonstrate companies that lack policies, or grievance/complaints handling mechanisms to monitor compliance with the UN Global Compact principles or OECD Guidelines for Multinational Enterprises. As the data is based on companies' existing policies, the data is subject to a low degree of estimations. Interpretations of what are adequate policies/grievance mechanisms may however differ. Investments for which such data was not available were considered as not lacking processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines **Severity of impacts:** Given that data is based on companies current disclosures, the probability of occurrence is regarded as certain. Given that companies without policies may not necessarily find	See comments provided to indicator 1,10 above.

Table 1: Indicators applicable to investments in Investee Companies					
Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters					
				themselves in non-compliance with UNGlobal Compact principles/OECD Guidelines, the severity is regarded as medium. The effects are considered remediable.	
Unadjusted gender pay gap (1,12)	Average unadjusted gender pay gap of investee companies	3% pay gap (3%)	9% pay gap (7%)	**Calculation:** The impacts are calculated by aggregating the unadjusted gender pay gap of investee companies, with each gender pay gap weighted by the share of the relevant investment in the overall portfolio of investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 4%, which is around 3% coverage for all investments. **Data assumptions and quality:** The data used for the reported impacts is based on company disclosures and hence no estimations are used. As there is a limited number of companies disclosing relevant data, coverage is low. For investee companies without gender pay gap data, the weighted average unadjusted gender pay gap of investee companies with data was applied. **Severity of impacts:** The gender pay gap includes pay discrimination where women earn less than men for doing equal work or work of equal value. The effects are considered to be severe, as it e.g. can lead to lower retirement and quality of life for women. As the data is based on company disclosed numbers, the probability of occurrence is regarded as certain. Companies have a possibility to remediate gender pay gaps, but this will not help women that have been part of the work-force/affected in the past.	**Active Ownership:** According to the Voting Guidelines, Danica Pension may vote in favor of shareholder proposals aiming to increase disclosure regarding the gender pay gap ratio and measures taken to promote gender equality. In addition, if overall reporting is not seen as sufficient, a proposal requesting for the company to report in line with best practice may be supported. **Exclusions:** Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** At the time of the publication of this document no specific actions have been planned.

Table 1: Indicators applicable to investments in Investee Companies					
Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters					
Board gender diversity (1,13)	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	30% ratio (female directors / total directors) (48%)	25% ratio (female directors / total directors) (48%)	**Calculation:** The impacts are calculated as the percentage of female to all board members of an investee company. The weighted average board gender diversity is calculated by aggregating the board gender diversity of all investee companies, with each such diversity weighted by the relative share of the relevant investment in the overall portfolio of investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 62%, which is around 48% coverage for all investments. **Data assumption and quality:** Data used for the reported impacts is based on companies' board composition and hence not subject to any data estimations/proxies. For investee companies without board gender diversity data, the weighted average board gender diversity of investee companies with data was applied. **Severity of impacts:** There exist barriers to gender equality in leadership and board compositions, leading to negative effects on board dynamics and governance. It also leads to unfair discrimination of women that have the right credentials but that are neglected from board positions. As such, the issue is regarded as severe. As the data is based on a company's reported board composition, the probability of occurrence is regarded as certain. Companies have a possibility to improve/remediate the gender balance in their boards.	**Active Ownership:** We believe that companies should recognise and strive for equal gender representation at board and executive level. As set out in the Voting Guidelines, 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. Recognising that these expectations may lead market norms and practices, we will use voting and engagement as a means to support companies in achieving these objectives. **Exclusions:** Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to investments in Investee Companies

Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters					
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (1,14)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% involvement (51%)	0% involvement (50%)	**Calculation:** The impacts are calculated as the share of investments in investee companies with exposure to controversial weapons in relation to all investments man aged by Danica Pension **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 65%, which is around 51% coverage for all investments **Data assumptions and quality:** The data used for the reported impacts is based on company reports, or government sources, confirming involvement in controversial weapons. Where such data was not available, investments were considered as not having exposure to controversial weapons. **Severity of impacts:** The weapons are considered controversial as their production and use are assessed to conflict with the prohibitions set out in international conventions and national financing prohibitions because of their discriminate effects and the disproportionate harm they cause. Whilst the weapons might not be used in battle, the mere existence and potential use is regarded as severe. Given that data is based on confirmed company involvement, the probability of occurrence is regarded as certain. Given that the weapons have been produced, the effects are considered irremediable.	**Company Commitment**: For the listed companies we invest in, a screening is performed via the Responsible Investment team in Danske Bank in collaboration with research partners to make sure that investee companies act in line with the international principles and conventions in relation to controversial weapons, such as Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (The Ottawa Treaty), Biological Weapons Convention, Chemical Weapons Convention andConvention on Cluster Munitions. We strive to maintain similar screens for non-listed investments e.g. through our external managers. Further information on Danica Pension's company commitments relating to arms and defence is available in Danske Bank's Group Position Statement on Arms & Defence: danske-bank-position-statement-arms-and-defence.pdf (danskebank.com) **Exclusions**: In 2023, 98 companies where on the Exclusion List due to identified involvement in controversial weapon activities. Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 1: Indicators applicable to Sovereigns						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters						
Environmental	GHG intensity (1,15)	GHG intensity of investee countries	47 tCO2e / m€ of country's GDP (14%)	145 tCO2e / m€ of country's GDP (0.1%)	**Calculation:** The impacts are calculated by aggregating the GHG intensity of all investee countries, with each intensity weighted by the relative share of the relevant investment in the overall portfolio of investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 15% of all investments. Of these eligible investments data coverage was 95%, which is around 14% coverage for all investments **Data assumptions and quality:** The data used for the reported impacts includes Scope 1, 2 and 3 emissions. This is not the traditional way sovereign emissions are accounted for and available data is limited in this regard. The data factor used provides information on "production emissions", using the same boundary setting as UN Framework Convention on Climate Change (UNFCCC). For investee countries without such data the weigthed average GHG intensity of investee countries with emissions data was applied. **Severity of impacts:** Please refer to the severity of impacts outlined for indicator 1,1.	**Company Commitment:** Please see the action taken comments for indicators 1-6. **Active Ownership**: During 2023, there has been engagement with selected countries on climate related risk. **Exclusions:** As part of the Country Assessment (maintained by the Responsible Investment team) potentially leading to exclusions, a screening of a country's exposure to and management of sustainability factors, such as GHG Intensity, is performed. This aims at identifying countries that express weak sustainability practices, The screening framework is based on quantitative factors and a qualitative overlay. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.
Social	Investee countries subject to social violations (16)	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and,	**Absolute number:** 68 investee countries subject to violations (14%) **Relative number:** 4% of investments	**Absolute number:** 5 investee countries subject to violations (0.1%) **Relative number:** 0.24% of investments	**Calculation:** The impacts are calculated as the absolute number of investee countries subject to social violations and the share of these investments in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 15% of all investments. Of these eligible investments data coverage was 96%, which is around 14% coverage for all investments	**Company Commitment:** Please see the action taken comments for indicators 1,10-11. **Exclusions:** As part of the Country Assessment a country's exposure to and management of sustainability factors is performed. 40% of the assessment in the model relates to indicators such as for instance Freedom of assembly, Freedom of opinion and expression, Indigenous peoples'

Table 1: Indicators applicable to Sovereigns						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters						
		where applicable, national law			**Data assumptions and quality:** The data used for the reported impacts is linked to a spectrum of underlying social issues, including but not limited to freedom of speech and press concerns, death penalty status (e.g. USA and Japan), human rights concerns etc. Where such data was not available, investments were considered as not being subject to social violations **Severity of impacts:** Social violations are considered severe. Given that data is based on current/past performance on social criterion, the probability of occurrence is regarded as certain. Due to the (generally) large-scale implications of social violations the effects are considered irremediable.	rights, Women's and girls' rights, Arbitrary arrest and detention, Extrajudicial or unlawful killings, Security forces and human rights, Torture and other illtreatment. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.
Table 1: Indicators applicable to real estate						
Fossil fuels	Exposure to fossil fuels through real estate assets (1,17)	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0% involvement (8%)	0% involvement (9%)	**Calculation:** The impacts are calculated as the share of real estate investments involved relative to the total value our real estate investments. **Investment and data coverage:** Eligible investments made up 8% of all investments. Of these eligible investments data coverage was 100%, which is around 8% coverage for all investments **Severity of impacts:** Please refer to the severity of impacts outlined for indicator 1,4.	
Energy efficiency	Exposure to energy-inefficient real estate assets (1,18)	Share of investments in energy-inefficient real estate assets	39% energy-efficient real estate assets (8%)	61% energy-efficient real estate assets (9%)	**Calculation:** The impacts are calculated as the share of energy-inefficient real estate investments relative to the total value our real estate investments. **Severity of impacts:** Buildings account for a significant portion of greenhouse gas emissions through energy consumptions. For further	Danica (Ejendomme) continues to improve the energy efficiency of the real estate portfolio to achieve a lower exposure to energy- inefficient real estate assets. Danica monitor the carbon emission from each building in the portfolio and continuously improve energy efficiency through renovation projects focusing typically on insulation, improving HVAC

Table 1: Indicators applicable to Sovereigns						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Indicators for social and employeee, respect for human rights, anti-corruption and anti-bribery matters						
					information on severity of these impacts see indicator 1,1.	systems and more efficient and automatic monitoring and controlling of the systems

Otther indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken and actions planned and targets set for the next reference period
Table 2: Additional Indicators for Climate						
Indicators applicable to investments in investee companies						
Emissions	Investments in companies without carbon emission reduction initiatives (2,4)	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	31% without initiatives (51%)	**All:** 49% without initiatives (50%)	**Calculation:** The impacts are calculated as the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments.Of these eligible investments data coverage was 65%, which is around 51% coverage for all investments. **Data assumptions and quality:** The data used for the reported impacts is based on companies' disclosures. Where such information was not available, the weighted average percentage of companies without carbon emission reduction initiatives has been applied. **Severity of impacts:**. Anthropogenic (man-made) emissions contribute to global warming. Once emitted, emissions stay in the atmosphere. Lack of carbon emission reduction initiatives is not necessarily equivalent to poor carbon performance/decarbonisation. The severity is thus considered as medium. The companies also have the possibility to implement adequate reduction initiatives and remediate the situation. Given that data is based on companies' current disclosures, probability of occurrence is considered as certain.	See comments provided to "actions taken" in indicator 1,1-6.

Table 3: Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in investee companies						
Social and employee matters	Insufficient whistleblower protection (3,6)	Share of investments in entities without policies on the protection of whistleblowers	0.4% without policies (49%)	0.03% without policies (49%)	**Calculation:** The impacts are calculated as the share of investments in investee companies without policies on whisteblower protection in relation to all investments man aged by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 63%, which is around 49% coverage for all investments **Data assumptions and quality:** The data used does not only reflect the presence of policies on the protection of whistleblowers, but also on the existence of a confidential. Where such information was not available, the weighted average percentage of companies without whistle blower protection policies initiatives has been applied. **Severity of impacts:** Companies with insufficient whistleblower protection are at risk of having individuals/businesses engaging in fraudulent/unethical behaviour where employees do not feel protected in reporting such conduct. The absence of whistleblower protection can lead to prolonged periods of corporate misconduct or personal consequences. Lack of whistleblower protection is not equivalent to exposure to activities that should have otherwise been reported through whistleblower channels. Hence severity is considered medium.	**Active Ownership:** Companies are expected to have adequate whistle-blower protection policies. If that is not the case, or if there is reason to believe that these policies do not function as intended, suggestions to strengthen these policies are likely to be supported. **Exclusions:** Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 3: Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in investee companies						
Human Rights	Lack of a human rights policy (3,9)	Share of investments in entities without a human rights policy	27% lacks a human rights policy (49%)	**All:** 13% lacks a human rights policy (50%)	**Calculation:** The impacts are calculated as the share of investments in investee companies without human rights policies in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 78% of all investments. Of these eligible investments data coverage was 63%, which is around 49% coverage for all investments **Data assumptions and quality:** The data reflects companies lacking a human rights policy. The data does not require the policy to have been approved at board level and is hence a proxy. Where such information was not available, the weighted average percentage of companies without human rights policies has been applied. **Severity of impact:** Companies without a human rights policy are more at risk of contributing to human rights violations. Lack of a human rights policy is however not equivalent to being involved in human rights violations, hence severity is considered medium. Given that data is based on companies' disclosures, the probability of occurrence is regarded as certain. Companies without a human rights policy have the possibility to implement relevant policies and remediate the situation	**Company Commitment:** Please see the action taken comments for indicators 10-11. **Active Ownership:** Companies are expected to have a human rights policy, containing a due diligence process to identify, prevent, mitigate and address adverse human rights impacts. The policy should reflect the contents of: The Universal Declaration of Human Rights; The ILO Declaration of Fundamental Principles of Rights at Work; The UN Guiding Principles on Business and Human Rights. If a company has not published a policy, or if there is reason to believe that the policy does not function as intended, proposals to strengthen the policy is likely to be supported. **Exclusions:** Exclusions based on thresholds for this indicator among others were introduced for Danica Balance Responsible Choice ultimo 2023. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 3: Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in sovereigns and supranationals						
Governance	Average corruption score (3,21)	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column	0.4 average corruption score (14%)	**All:** 0.3 average corruption score (0.1%)	**Calculation:** The impacts are calculated as the average corruption score of investments in investee countries in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 15% of all investments.Of these eligible investments data coverage was 95%, which is around 14% coverage for all investments. **Data assumption and quality:** The data used is based on the degree to which corruption is perceived to exist among public officials and politicians measured by the Corruption Perception Index by Transparency International.This factor provides a rated entity's numeric grade from 1 (D-) to 4 (A+). Interpretations of the indicator may differ. For investments in investee countries without such information, the average score of the covered investments was applied. **Severity of impact:** Corruption can be defined as "the abuse of entrusted power for private gain". The suite of activities understood to be 'corrupt' varies, and can include for instance bribing public officials, embezzlement, and obstruction of justice. Given the scale of its detrimental effects, corruption is considered as severe. Given that the data is based on countries current historical performance on corruption issues, the probability of occurrence is deemed to be certain. Given the complexity and long timelines associated with "cleaning out" corruption, the effects are considered irremediable.	**Exclusions:** As part of the Country Assessment, potentially leading to exclusions under the Enhanced Sustainability Standards Screening, a country's corruption score is screened. This governance criteria constitute a weight of around 13% of the overall score. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 3: Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in sovereigns and supranationals						
Governance	Non-cooperative tax jurisdictions (3,23)	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0.05% non-cooperative jurisdictions (14%)	0% non-cooperative jurisdictions (0.1)	**Calculation:** The impacts are calculated as the share of investments in non-cooperative investee countries for tax purposes in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 15% of all investments. Of these eligible investments data coverage was 95%, which is around 14% coverage for all investments **Data assumptions and quality:** The data is based on EU's list of non-cooperative jurisdictions for tax purposes and is thus not subject to any estimations. **Severity of impacts:** The EU list of non-cooperative jurisdictions for tax purposes is part of the EU's work to fight tax evasion and avoidance. It is composed of countries which have failed to fulfil their commitments to comply with tax good governance criteria. Given the global nature of unfair tax competition, the impacts are considered severe. The probability of occurrence is regarded as certain given the existence of EU's list. Given that countries' can have contributed to negative tax effects for multiple years, the effects are considered irremediable.	**Exclusions:** As part of the Country Assessment potentially leading to exclusions under the Enhanced Sustainability Standards Screening, sources such as the Financial Action Task Force (FATF) list of "High-risk and other monitored jurisdictions", "EU list of non-cooperative jurisdictions", "OECD Global Forum on Transparency and Exchange of Information for Tax Purposes – EOR" are considered. Any country listed on any of the three lists outlined above, that is not subject to exclusion, is placed on the watchlist. A watchlist is maintained to monitor countries that are assessed as performing weak on certain sustainability dimensions, but do not meet exclusionary criteria. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Table 3: Other indicators for principal adverse impacts on sustainability factors						
Adverse Sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken and actions planned and targets set for next reference period
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Indicators applicable to investments in sovereigns and supranationals						
Governance	Average rule of law score (3,24)	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column	0.3 average rule of law score (14%)	1.9 average rule of law score (0.1%)	**Calculation:** The impacts are calculated as the average rule law score of investments in investee countries in relation to all investments managed by Danica Pension. **Investment and data coverage:** Eligible investments made up 15% of all investments. Of these eligible investments data coverage was 95%, which is around 14% coverage for all investments, **Data assumptions and quality:** the data used is based on a numerical score based on the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. Interpretations of the indicator may differ and should be regarded as a proxy.This factor provides a rated entity's numeric grade from 1 (D-) to 4 (A+). For investee countries not asigned an average rule of law score, the weighted average for the data covered countries was applied. **Severity of impacts:** Rule of law ensures that the political and judicial systems are predictable and act in the interest of society, fostering economic and social development. Given the large/societal-scale negative effects of failing of upholding the rule of law, the failure is regarded as severe. Given that data is based on current/past performance, the probability of occurrence is regarded as certain. Given the amount of people that have been affected by weak rule of law, and the challenges and timelines associated with implementing better practices, the effects are regarded as irremediable.	**Exclusions:** As part of the Country Assessment, potentially leading to exlcusions under the Enhanced Sustainability Standards Screening, a country's rule of laws score is screened. This governance criteria constitute a weight of around 13% of the overal score. **Planned actions for year 2024:** At the time of the publication of this document, no specific actions have been planned.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Governance and organisational framework

The Responsible Investment Policy of Danica Pension adopted by the Board of Directors in January 2024 confirms and outlines our commitment to identify and prioritise principal adverse impacts on sustainability factors. The Responsible Investment Policy is based on the Group Policy of Danske Bank and is subject to regular, not less than annual, reviews, with input from relevant stakeholders. The responsibility to implement is outlined in the policy, with the Responsible Investment Committee guiding its execution. The Responsible Investment Policy and its commitments to identify and prioritise principal adverse impacts are further operationalised through underlying instructions with supporting guidelines.

Methodologies

Principal adverse impacts are identified through the screening of external impacts of an investee company's or sovereign's activities that may have significant negative affect on society and environment. The screening focuses on the principal adverse impact indicators that always lead to principal adverse impacts and additional indicators we have committed ourselves to assess, as reported in the PAI table. Subject to data availability, the selection of additional adverse impact indicators has followed the methodology/guiding principle of selecting the indicators which are deemed most relevant to consider based on our investment management philosophy, exposures as well as data quality. We are continuously striving to expand the list to ensure that our processes capture negative dimensions to the largest extent possible.

The screening and due diligence processes are defined centrally through the processes supporting Danica Pension's Exclusions, Inclusion and Active Ownership framework and can lead to prioritised actions in accordance with what has been set out in this statement. For instance, our Enhanced Sustainability Standards Screening maintained by the Responsible Investment team in Danske Bank, is a proprietary model that supports exclusions of companies and other issuers that are engaged in activities and conduct harmful to society within our investment universe. The screening is conduced bi-annually unless prompted by other events and contains among others an incident-based review of companies alleged to be violating international norms as defined by international organizations such as the OECD, ILO, UN and other treaties or conventions deemed to be material. The screening is undertaken based on data from multiple sustainability data providers (ISS, MSCI, Sustainalytics), our investment teams, Danske Bank Group position statements as well as other relevant sources and stakeholders (e.g. NGOs).

Find more information on our Responsible Investment Policy, Inclusion Instruction, Exclusion Instruction, Active Ownership Instruction, Enhanced Sustainability Standards Screening and Excluded Investments on:

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Portfolio managers are also expected to monitor and follow-up on the principal adverse impacts of their managed portfolio for which relevant tools, knowledge, research, education and subject-matter expertise are provided to the investment team to support the due diligence processes.

Dataset used for reporting and margin of error

Data sources used for the measurement and reporting on the PAI indicators are continuously assessed. The assessments include, but are not limited to, assessments on data coverage, data quality, methodology, costs, and other operational considerations.

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, Danica Pension 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 is not possible to verify nor guarantee, directly or indirectly, the complete correctness of the underlying data. Therefore, a certain margin of error is generally to be expected in relation to ESG data.

At this point in time, it is difficult to assess the general magnitude of the margin of error in respect to the reported impacts in this report, but it is expected to be substantial. Indicators with low coverage is also more vulnerable for outliers, which will affect calculations where companies with coverage are used as proxies for companies without coverage. Due to the uncertainty and volatility related to scope 3 emissions, all indicators which includes scope 3 emissions do have some uncertainty connected to them. In general, scope 3 emissions account for 70-80 percent of the total emissions. We do expect the quality of scope 3 emissions to increase in the coming years, however the maturity level makes it currently challenging to compare one reference period to the next. Reference is also made to the descriptions outlined in the PAI table. As corporate disclosures are expected to improve and increase over time, we also expect the margin of error to be reduced in time.

On vendors, we have in general chosen one vendor, ISS ESG, in relation to the reporting. The selection was performed on basis of a thorough due diligence process, meaning that dimensions such as models used, data coverage and alignment of the definitions outlined in SFDR have been scrutinised. More information on ISS' methodology (ISS ESG SFDR Principal Adverse Impact Solution – Data Dictionary) is available through ISS ESG.

In utilising ISS ESG as a vendor no direct collection of data is in overall done from the companies or issuers that we invest into. We engage with ISS ESG in cases where data appears incorrect or if there are significant data gaps. For calculations requiring an average, these averages are based on holdings with coverage, is effectively assumed that all investee companies without coverage data have the weighted average of the companies with data coverage.

As of June 2024, ISS ESG had data coverage for up to 8,000 issuers for corporate principal adverse impacts, up to 26,000 issuers for corporate controversy linked principal adverse impacts, 28,500 issuers for controversial weapons and up to 190 countries for sovereign and supranational assets. The data coverage on individual principal adverse impacts may vary greatly, dependent of the quality of the corporate disclosures.

The alternative investment universe is also challenged by lack of data in respect to sustainability-dimensions such as the PAI indicators. To mitigate potential data gaps, Danske Bank has signed up for the ESG Data Initiative launched by ATP. The purpose of this initiative is to share and request data (including on the PAI Indicators) through an industry coordinated approach from the alternative investment fund managers. While the initiative has not enabled us to leverage 2023 data from these managers, we expect that this will help us mitigate data gaps in the forward-looking as the process matures. For 2023 the reporting on the principal adverse impacts is based on data measured and collected from managers of funds underlying the fund. Better data coverage on alternatives is a key priority for the year 2024.

Derivatives are captured by our PAI impacts reporting but challenged in respect to mapping of the impacts of the underlying instrument to the derivative. For security lending and single CFDs (Contracts for Difference) instruments, PAI impacts have been calculated for the underlying instrument (subject to data availability). For future measurements and reporting, we will strive to further extend PAI impact measurements and reporting to other derivative types.

Engagement policies

In Danica Pension, the approach to active ownership is governed through our Active Ownership Policy, Voting Guidelines and Engagement Guidelines. As stated in the Active Ownership Policy, Danica Pension leverages active ownership to influence the impact that issuers have on sustainability-related matters, and thereby make a positive contribution to society. As such, Danica Pension can exercise active ownership when required in order to manage principal adverse impacts, including adverse impacts managed through our net zero commitments under the Net Zero Asset Owners Initiative. Our framework and infrastructure support considerations of all PAI indicators and with such considerations to be further outlined in underlying engagement (including voting) guidelines.

Active ownership is conducted mainly through 1) Dialogue; 2) Collaborative engagement, and 3) Voting. Engagement and voting practices are interrelated and feed into each other and one can be the initiator or the complement of the other. Our investment teams engage in direct dialogue with the companies in which they invest with the aim of influencing the companies' behaviour, strategies and performance in relation to business-critical sustainability aspects and principal adverse impacts.

Investment teams can use their in-depth knowledge of the companies to manage principal adverse impacts on sustainability factors, for example, whenever relevant, influence them to reduce their CO2 emissions, increase diversity on the board of directors, strengthen waste management processes, create safe and healthy working conditions for employees, or fight corruption.

At the same time, investment teams focus on supporting companies' long-term value creation. The dialogue also provides our investment teams with greater insight into companies – insights that the teams then use to make better-informed investment decisions that can benefit the potential return for our investors. In engagements we consider our commitments to internationally recognised principles governing responsible business conduct, such as the UN Global Compact principles and OECD Guidelines for Multinational Enterprises and other corporate governance standards, such as the G20/OECD Principles of Corporate Governance.

Through Danske Bank, we are a member of several investor organisations and investor initiatives, and we collaborate with a range of other relevant stakeholders. By doing this, we aim to contribute to the development of responsible investments and to promote transparency and sustainability standards in companies and in the financial markets. We work with other investors and stakeholders to exert active ownership and engage in joint dialogue with companies to contribute to positive change. By working together, we and the investment industry gain a stronger voice, and this enables us to put additional pressure on companies to address and improve on sustainability-related issues and have responsible business practices.

We use our voting rights at companies' annual general meetings to voice our opinion on key business issues. It is an important part of our efforts to support and influence companies to address business-critical aspects. We vote on a wide array of topics, including remuneration policies, capital structure and shareholders' rights, CO2 emissions, energy efficiency, gender diversity, biodiversity, human rights and anti-corruption. Through voting, we seek to support a company's long-term growth potential, mitigate its sustainability risks and minimise companies' adverse impacts on society. We are transparent on how we vote, and all voting activities including our voting guidelines can be found on our voting portal.

Find more information in our Active Ownership Policy, Voting Guidelines and Engagement Guidelines on:

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References to international standards

We prioritise the management of principal adverse impacts in accordance with Danica Pension Group position statements and other sustainability-related strategies and commitments. This includes, but is not limited to the following international standards and commitments, mapped to the respective PAI indicators used for measurement and reporting:

Climate and GHG emissions - PAI indicator 1-6 (Table 1) and PAI indicator 4 (Table 2)

Our ambition at Danica Pension is to contribute to the transition to a carbon-neutral society and invest in line with the Paris Agreement's goal of limiting global temperature rise to a maximum of 1.5°C. Through our membership of the global investor initiative Net Zero Asset Owners Alliance, Danica Pension has committed to achieving a net-zero investment portfolio by 2050 or sooner in line with the Paris Agreement and to limiting global temperature increase to a maximum of 1.5°C. We have set a number of climate targets to support this commitment, in alignment with guidelines from the Science Based Targets initiative and the Net Zero Asset Managers initiative. Please see the Climate Action Plan for Danske Bank for more details, and the progress.

Initiatives linked to climate and GHG emissions:

- The Task Force on Climate related Financial Disclosures (TCFD)
- CDP (formerly Carbon Disclosure Project
- Climate Action 100+
- The Partnership for Carbon Accounting Financials (PCAF)
- Net Zero Asset Owners Alliance
- Science Based Target initiative (SBTi)

Biodiversity, water and waste - PAI indicator 7-9 (Table1) and PAI indicator 13 (Table 3)

Danica Pension are aware that the future profitability and success of many companies relies upon the health of global biodiversity. Conversely, the economic activity of companies amounts to one of the largest contributors to biodiversity loss, which furthermore significantly reduces the capacity of our planet to sequester carbon and hence mitigate global warming. These negative impacts not only have direct implications for the environment and society as a whole, but they also present material challenges for business in the form of increased physical and transitional risks.

Initiatives linked to biodiversity, water and waste:

- The Partnership for Biodiversity Accounting Financials (PBAF)

Social and employee matters - PAI indicator 10-11 (Table 1) and PAI indicator 6 and 13 (Table 3)

The Danske Bank Group has signed and honour the ten principles of the UN Global Compact. To ensure we are not investing into companies, activities and countries which are in breach of the international guidelines mentioned below, we undertake an Enhanced Sustainability Standards screening through a model maintained by the Responsible Investment team in Danske Bank. Please read more about our Enhanced Sustainability Standards here.

- UN Global Compact
- OECD Guidelines for Multinational Enterprises,
- UN Guiding Principles on Business and Human Rights

Corporate governance – PAI indicator 12-13 (Table 1)

For Danica Pension being a responsible investor comes down to use our rights as a shareholder and vote and go into dialogue with our investee companies. We are fully transparent about our voting which are disclosed on an ongoing basis on our voting platform which can be found here. Our voting guidelines follow those defined for Danske Bank and take into account internationally recognised corporate governance standards and voluntary principles mentioned below. Please see the voting guidelines for a full overview.

- G20/OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises

International standards and commitments, not related to a specific PAI indicator

- UN Sustainable Development Goals (SDGs)
  The framework is among other things used to determine if an investment is sustainable in regard s to the SFDR regulation.
- UN Principles for Responsible Investment
  Danica Pension is yearly reporting on how we are adhering to the principles and our developments and progress when it comes to responsible investments.
- Sustainability Accounting Standards Board (SASB)

Historical comparison

Please see the principal adverse impact statement for the reference year of 2022 under “Description of the principal adverse impacts on sustainability factors”. For reported impacts on year 2022, we have added assumptions on data for certain indicators and thus made relevant back-calculations for indicator 2, 3, 5, 12, 13, 15, 19, 20, 22 and 24. This is to ensure alignment and comparability with the approach taken for year 2023 figures.

Change Log

Date	Date Version number	Comments/changes
10 March 2021	1.0	Principal Adverse Impact Statement created
28 December 2021	2.0	Indicators amended to reflect Regulatory Technical Standards (applicable from 1 January 2023) Indicators expanded to cover sovereigns and supranational as well as Real Estate Additional indicators added Further nuanced descriptions on Identification of principal adverse impacts. Prioritisation of principal adverse impacts as well as Engagement policies and references to international standards
30 June 2022	3.0	Further nuanced descriptions on Identification of principal adverse impacts, Prioritisation of principal adverse impacts as well as Engagement policies and references to international standard
30 December 2022	4.0	Aligned with Annex 1 Template Updated based on the updated Responsible Investment Policy Updated based on the updated Active Ownership Instruction Updated based on the updated Exclusion Instruction
23 January 2023	4.1	Summary section updated
30 June 2023	4.2	Reporting on 2022 principal adverse impacts included Further nuanced descriptions on Identification of principal adverse impacts.
27 November 2023	4.3	References to international standards updated with mapping to the principal adverse impact indicators.
28 June 2024	4.4	Reporting on 2023 impacts and adjustments of specific impacts.