

Document P–MB 18.06 – 24 August 2023**Sustainability Risk Policy (ESG Policy)****1. In general concerning sustainable financing and sustainability risks**

- 1.1 This policy (“ESG Policy” or “the ESG Policy”) applies to Maj Bank A/S and the bank’s employees – referred to collectively as “Maj Bank”.
- 1.2 The ESG Policy is an element of Maj Bank’s approach to sustainability and describes how Maj Bank will handle and integrate sustainability risks. The EU regime for sustainable financing (SFDR or the EU Disclosure Regulation) requires Maj Bank to have a separate ESG policy.
- 1.3 Maj Bank endorses the following general **policy statements** in the Maj Invest Group:

The Maj Invest Group’s initiatives to contribute to social responsibility and climate measures:

- The Maj Invest Group has the goal of donations from the Maj Invest Group of DKK 10 million during a five-year period (up to and including 2027), with focus on socially vulnerable groups and or nature/climate measures.
- The Maj Invest Group has a permanent employee committee, the Committee for Social Purposes, which works with donations to socially vulnerable groups.
- The Maj Invest Group has a permanent employee committee that works with opportunities internally within the Maj Invest Group to choose solutions with a smaller climate impact, including reduction of carbon emissions (Scope 1).
- The Maj Invest Group has a permanent employee committee that works with diversity and inclusion in the Maj Invest Group.

The Maj Invest Group's initiatives to support investments and products to promote climate measures and sustainability:

- The Maj Invest Group seeks to adhere to internationally recognised principles for sustainability screening and goals in its sustainability work.
- The Maj Invest Group actively seeks to offer investment strategies and/or products with direct investment in sustainable energy and enterprises that change behaviour, or create technology and products that reduce carbon footprints (Scope 2 and 3).

The Maj Invest Group's policy statements are positions with which the Maj Invest Group will seek to comply in the companies and for the investment strategies in the Maj Invest Group for which this best supports the intention and is relevant. The Maj Invest Group advises on and manages investments for clients. The client's preferences in terms of sustainability are therefore included in the Maj Invest Group's assessment of initiatives that can affect the individual client.

The Maj Invest Group's business partners, codes of conduct for responsible business practices, internationally recognised due diligence standards and sustainability reporting are presented in Appendix 1.

2. Overall goal and scope of the policy

- 2.1 The purpose of this policy is to describe how Maj Bank handles and integrates sustainability risks in its investment advisory services.
- 2.2 *As Maj Bank advises on mutual fund products, but is not an asset manager, some elements, but not all, of the EU Disclosure Regulation are relevant for Maj Bank. For example, requirements concerning portfolio management are not relevant.*
- 2.3 *Since Maj Bank does not develop products, but intermediates other providers' mutual fund products, Maj Bank's approach to and documentation of sustainability risks are to some extent related to how the product providers approach and document sustainability risks.*

3. Definitions

- 3.1 Sustainability risks or ESG risks are defined – according to SFDR – as an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material adverse impact on the value of an investment.

3.2 Sustainability factors are – according to SFDR – environmental, social and governance matters (ESG factors), respect for human rights, anti-corruption and anti-bribery matters.

4. Are you a Maj Bank client?

4.1 If you are a Maj Bank client, you receive information about sustainability risks when you enter into an agreement with Maj Bank, including (i) how Maj Bank integrates sustainability risks in its investment advisory services; and ii) probable impacts of sustainability risks on the return on the investment association products on which Maj Bank advises; or iii) information that sustainability risks are not assessed to be relevant for the advisory services you receive from Maj Bank.

4.2 As a Maj Bank client, your own preferences concerning sustainable products will be reviewed as an element of the establishment of our client relationship, and Maj Bank will assess whether the bank can match your preferences, which means that the eligibility assessment will include sustainability.

4.3 As a client, you will also receive information about the mutual fund products on which Maj Bank advises, including products of which the purpose is sustainability, or for which this is one of several characteristics. These requirements will be implemented later.

4.4 If you would like to learn more about how Maj Bank handles sustainability risks, including in its remuneration policy, see under the link in section 6.2.

5. About Maj Bank's investment advisory services and sustainability risks

5.1 Maj Bank advises on mutual fund products. This includes advisory services concerning products that promote sustainability, and products that do not promote sustainability. Whether sustainability is promoted and how sustainability risks are integrated depends on the individual product. To the relevant extent, agreements with the clients will state how Maj Invest includes sustainability risks in investment advisory services, and to the relevant extent and in step with the implementation of the rules, the probable impacts of sustainability risks on investment returns.

5.2 At each ordinary meeting of the Board of Directors, Maj Invest provides a briefing on sustainability conditions for Maj Invest. The extent to which it is relevant to include

sustainability risks, and which risks, in investment advisory services will depend on the client agreement and the client's sustainability preferences.

- 5.3 Maj Bank adheres to a fixed process for the selection of recommended mutual fund products. In this process, sustainability factors are included among several different factors. Maj Bank undertakes an overall assessment of portfolio managers linked to the individual mutual fund products, including such factors as screening, access to the ESG area and classification, as well as reporting under SFDR, etc. Maj Bank aims for the recommended mutual fund products to include products with a higher sustainability classification (Article 8 or 9) for clients with different risk profiles.
- 5.4 In step with the incorporation of the sustainability classification requirements by product providers, Maj Bank will present and report sustainability information for the recommended mutual fund products and include this information in its investment advisory services.
- 5.5 Maj Bank's management continuously monitors whether actual ESG events or incidents have occurred which entail sustainability risks of significant to its investment advisory services.

6. About Maj Bank's information on its website

- 6.1 On its website, Maj Bank must continuously disclose whether the bank's investment advisory services take account of principal adverse sustainability factors, or alternatively, why the bank's investment advisory services do not take account of the adverse impacts of investment decisions on the sustainability factors, and if relevant, whether and when account will be taken of such adverse impacts.
- 6.2 Information on Maj Bank's general approach to sustainability is available at: <https://www.majbank.dk/>
- About Maj Bank's **ESG Policy**
 - About Maj Bank's **mandatory information** concerning sustainability
 - About Maj Bank's **management's assessment of principal adverse impacts** on sustainability factors
 - About Maj Bank's **remuneration policy and sustainability factors**, including
 - About Maj Bank's **general information concerning salary policy and remuneration, and compliance with governance requirements**

- 6.3 Prior to the full implementation of sustainability information and reporting requirements for individual mutual fund products, Maj Bank has published the following:

This declaration concerning the principal adverse impacts of investment advisory services on sustainability factors applies to Maj Bank A/S (LEI: 5493006MHPAV2BNIGO24). Maj Bank provides investment advisory services concerning mutual fund products and is subject to some elements of the EU Disclosure Regulation. Maj Bank does not itself develop mutual fund products, but intermediates other providers' mutual fund products. Maj Bank's investment advisory services will to some extent depend on and be based on how the product providers approach and document sustainability risks. In step with the incorporation of the sustainability classification requirements by product providers, Maj Bank will to a greater extent be able to include sustainability factors in investment advisory services and information on recommended mutual fund products, and in the selection of recommended mutual fund products. Maj Bank selects recommended mutual fund products according to a fixed process whereby screening, access to the ESG area and classification, as well as reporting under SFDR, etc. are included in Maj Bank's assessment. In this process, Maj Bank aims for the recommended mutual fund products to include products with a higher sustainability classification (Article 8 or 9) for clients with different risk profiles. In the Sustainability Risk Policy, Maj Bank has described in further detail how Maj Bank includes sustainability factors in the selection of recommended mutual fund products.

7. Infringement and revision

- 7.1 Responsibility for compliance with this policy is held by the CEO of Maj Bank A/S.
- 7.2 If the Executive Board of the company subject to the policy finds an instance of non-compliance with the policy, the Executive Board must notify this to the Board of Directors. In collaboration with the Board of Directors, the Executive Board will take the measures necessary to ensure that the policy is complied with once again.
- 7.3 The policy is revised annually by the company's Executive Board, or as required, including on any significant changes in the assumptions underlying the policy. This is thereafter approved by the company's Board of Directors.
- 7.4 Questions concerning Maj Bank's ESG Policy may be addressed to the CEO at info@majbank.dk.

8. Entry into force

8.1 This policy enters into force on 24 April 2023.

Maj Bank A/S:

Adopted by the Board of Directors on 24 April 2023.

Board of Directors:

Chairman of the
Board of Directors
Cato Baldvinsson

Board member

Nils Bernstein

Board member
Henrik Parkhøi

Board member
Marianne Settnes

Adopted by:

CEO
Brian Buus Madsen

APPENDIX 1: Relevant reference to codes of conduct for responsible business practice and internationally recognised standards for due diligence and reporting, etc.

Important business partners, codes of conduct, standards, etc. for sustainability.	Companies
Cooperation with Sustainalytics on sustainability screening and engagement	MI, MIE
Collaboration with ComplyAdvantage on sanction screening	MI, MIE and MB
Collaboration with ISS on voting	MI
Adoption of PRI	MI, MIE
Adoption of IIGCC (The Institutional Investors Group on Climate Change)	MIE
Transparency International Danmark	MI
Various standards for sustainability and reporting, as a consequence of SFDR and other EU and DK regulation	MI, MIE and MB
Code of conduct CFA Asset Manager Code	MI
Code of conduct: International PE and Venture Capital Valuation Guidelines	MIE
Code of conduct: Active Owners' tax code	MIE
IA 50	MIE