STATEMENT ON PRINCIPAL ADVERSE IMPACT

Financial market participant: Fondsmæglerselskabet Maj Invest A/S

Legal entity identifier: 549300M1VQ0K5Z838B91

June 2025

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Fondsmæglerselskabet Maj Invest A/S , 549300M1VQ0K5Z838B91

Summary English

This statement on the principal adverse impacts of investment decisions on sustainability factors pertains to Fondsmæglerselskabet Maj Invest A/S (LEI: 549300M1VQ0K5Z838B91) ("Maj Invest") and covers the reference period from 1 January 2024 to 31 December 2024. Maj Invest considers the principal adverse impacts of its investment decisions on sustainability factors for all its listed strategies.

Adverse impacts are addressed based on an assessment of their materiality and relevance to the specific strategy and are measured using both mandatory and additional indicators, as outlined in the Delegated Act (EU) 2022/1288 under the Sustainable Finance Disclosure Regulation 2019/2088 (EU) (SFDR). Maj Invest considers the mandatory principal adverse impact indicators as set out in Table 1 of Annex I to the Commission Delegated Regulation (EU) 2022/1288. In addition to these indicators, Maj Invest has identified two supplementary PAI indicators that are considered relevant and material to the investment strategies in scope. These additional indicators have been selected to further enhance our ability to evaluate and manage adverse impacts on sustainability. These indicators include 1) Table 2, PAI Indicator 4: Investments in companies without carbon reductions initiatives aimed at aligning with the Paris agreement, 2) Table 3, PAI Indicator 9: Lack of a human rights policy. The principal adverse impact indicators cover investee companies, sovereigns, supranationals, and real estate. Due to data limitations, indicators for sovereigns and supranationals are not disclosed. We continue to improve our data access and will include this information once available. As Maj Invest does not invest in real estate, those indicators are not applicable.

The consideration of principal adverse impacts is integrated through various tools. Our approach includes: (i) ESG-exclusion, (ii) ESG-integration,(iii) ESG-focus and (iiii) Active ownership. The prioritization of adverse impacts has been guided by our overarching ESG House View and ESG Investment Framework. Further information is available in the description of principal adverse impacts on sustainability factors and in the "action taken" column of the principal adverse impact statement. Maj Invest does not consider the adverse impacts of its investment decisions on sustainability factors in relation to advisory services provided to Maj Invest Equity A/S ("Maj Invest Equity"), as relevant data for private equity investments is currently limited. Nonetheless, Maj Invest Equity assesses and monitors sustainability in line with its Sustainability Risk Policy.

Summary Danish

Denne erklæring om de væsentligste negative indvirkninger af investeringsbeslutninger på bæredygtighedsfaktorer vedrører Fondsmæglerselskabet Maj Invest A/S (LEI: 549300M1VQ0K5Z838B91) ("Maj Invest") og dækker referenceperioden fra 1. januar 2024 til 31. december 2024. Maj Invest tager hensyn til de væsentligste negative indvirkninger af sine investeringsbeslutninger på bæredygtighedsfaktorer for alle børsnoterede strategier.

Negative indvirkninger håndteres på baggrund af en vurdering af deres væsentlighed og relevans for den specifikke strategi og måles ved brug af både obligatoriske og supplerende indikatorer, som beskrevet i delegeret forordning (EU) 2022/1288 under forordning (EU) 2019/2088 om bæredygtighedsrelaterede oplysninger i finanssektoren (SFDR). Maj Invest tager hensyn til de 16 obligatoriske indikatorer for væsentlige negative indvirkninger, som angivet i Tabel 1 i Bilag I til Kommissionens delegerede forordning (EU) 2022/1288. Udover disse indikatorer har Maj Invest identificeret to supplerende indikatorer, der vurderes som relevante og væsentlige for de omfattede investeringsstrategier. Disse yderligere indikatorer er udvalgt for at styrke vores evne til at vurdere og håndtere negative indvirkninger på bæredygtighed. De omfatter: 1) Tabel 2, Indikator 4: Investeringer i virksomheder uden initiativer til reduktion af drivhusgasemissioner med henblik på overensstemmelse med Parisaftalen 2) Tabel 3, Indikator 9: Manglende politik for menneskerettigheder. Indikatorerne for væsentlige negative indvirkninger omfatter investeringer i porteføljeselskaber, stater, overstatslige enheder og ejendomme. På grund af begrænsninger i datatilgængelighed offentliggøres indikatorer for stater og overstatslige enheder ikke. Da Maj Invest ikke investerer i ejendomme, er disse indikatorer ikke relevante. Vi arbejder løbende på at forbedre vores data grundlag og vil inkludere disse oplysninger, når de bliver tilgængelige.

Hensyntagen til væsentlige negative indvirkninger er integreret i investeringsprocessen gennem forskellige værktøjer. Vores tilgang omfatter: (i) ESG-eksklusion, (ii) ESG-intergration, (iii) ESG-fokus og (iiii) aktivt ejerskab. Prioriteringen af negative indvirkninger er baseret på Maj Invests overordnede ESG House View. Yderligere oplysninger findes i beskrivelsen af væsentlige negative indvirkninger på bæredygtighedsfaktorer samt i kolonnen "action taken" i erklæringen om væsentlige negative indvirkninger. Maj Invest tager ikke hensyn til negative bæredygtighedsindvirkninger i forbindelse med investeringsrådgivning til Maj Invest Equity A/S ("Maj Invest Equity"), da relevante data for private equity-investeringer i øjeblikket er begrænsede. Maj Invest Equity vurderer og overvåger dog bæredygtigheden af sine investeringer i overensstemmelse med sin politik for bæredygtighedsrisici.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investmmets in investee companies						
Adverse Sustainability Indicator	Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned, and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	147.577 (Coverage 98%)	209.142 (Coverage 85%)	N/A	**Calculation:** GHG emissions are calculated as the Scope 1, 2, and, if available, Scope 3 emissions of investee companies in tons of CO2 equivalent. Emissions are calculated based on the size of our investment relative to the company's Enterprise Value Including Cash (EVIC) in mio. EUR and summed across the portfolio. **Data coverage and quality:** We use data from Clarity AI, including company-reported figures and estimated data. Scope 3 emissions are often estimated due to limited reporting, making them less reliable and more variable than Scope 1 and 2 emissions. Since the previous reporting period, we have revised our calculation methodology. As a result, the figures now reflect only listed equities, corporate bonds, and credit bonds. Foreign exchange, sovereign bonds, and mortgage bonds are not included due to data limitations. Coverage is calculated as a % of investments covered in the data.	**ESG-Exclusion:** Maj Invest has established minimum standards that define the types of activities we actively exclude from our investment universe. These standards among other include the exclusion of: - Companies deriving more than 10% of their revenue from the exploration and extraction of oil sands. - Companies deriving more than 10% of their revenue from the exploration and extraction of thermal coal. Our green transisiton-focused thematic strategy Net Zero 2050 adheres to the Paris-Aligned Benchmark exclusions, excluding activities with considerable negative environmental impacts, such as fossil fuels, to ensure consistency with sustainability focus of the strategy. **ESG-Intergration:** At Maj Invest, we assess the risks and opportunities associated with our investments. This includes those related to climate and environmental factors, such as GHG emissions. In 2024, we developed a proprietary tool that leverages third-party data to
		Scope 2 GHG emissions	69.905 (Coverage 98%)	92.566 (Coverage 86%)	N/A		
		Scope 3 GHG emissions	2.248.622 (Coverage 98%)	3.172.726 (Coverage 85%)	N/A		
		Total GHG emissions	2.738.510 (Coverage 98%)	3.497.183 (Coverage 85%)	N/A		

						support our investment teams in integrating ESG considerations more effectively into their analysis.
2. Carbon footprint	Carbon footprint	277 (Coverage 98%)	372 (Coverage 85%)	N/A	**Calculation:** The carbon footprint is calculated by summing all GHG emissions (Scope 1, 2, and 3) from investee companies and dividing the total by the portfolio value. This gives emissions in CO2 equivalent per million EUR invested. **Data coverage and quality:** We rely on Clarity AI for data, which includes both reported company figures and modelled estimates.	**ESG-Focus:** Maj invest actively invest in companies contributing positivley to the green transition. Through our climate and environment-focused thematic strategies, Net-Zero 2050 and Solar Wind Nuclear we actively support climate and environmental initiatives that support the green transition. For such strategies we ensure that at least 80% of portfolio companies contribute to the value chain in the green transition through substantial positive revenue alignment with SDGs such as 7, 9, 11, 13, and 14, as well as through Science-Based Targets (SBTi) or EU Taxonomy-aligned CAPEX.
3. GHG intensity of investee companies	GHG intensity of investee companies	391 (Coverage 98%)	470 (Coverage 85%)	N/A	**Calculation:** GHG Intensity is calculated as the GHG emissions (Scope 1, 2, and 3) of investee companies, measured in tons of CO2 equivalent per million EUR of revenue. Each company's intensity is weighted by the size of our investment relative to the total portfolio, and these weighted values are summed to give the portfolio's overall GHG intensity. **Data coverage and quality**: We rely on Clarity AI for data, which includes both reported company figures and modelled estimates.	**Active ownership** Maj Invest actively engages with companies with high risks or controversies, engagement efforts are conducted through our third-party data provider, directly with the companies, or in collaboration with other investors. Our Danish Equities strategy takes a proactive approach to engagement, addressing ESG issues, including those related to GHG emissions and climate, with companies both prior to investment and throughout the holding period.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	12% (Coverage 97%)	8,5% (Coverage 86%)	N/A	**Calculation:** The proportion of investments in companies involved in the fossil fuel sector is determined by calculating the percentage of such companies relative to the total portfolio of managed investments. **Data coverage and quality:** The data reflects companies' operational and business activities.	Throughout 2024 we have engaged with companies on topics related to climate change and emissions, 5% of our engagements related to this topic, while 8% of our engagements related to environmental topics in general

5. Share of non-renewable energy consumption	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	45% (Coverage 82%)	57% (Coverage 79%)	N/A	**Calculation:** The impacts are calculated by summing the non-renewable energy consumption and production percentages of investee companies, weighted by the size of each investment in the total portfolio. Non-renewable energy is measured as a share of total energy sources. **Data coverage and quality:** We rely on Clarity AI for data, which includes both reported company figures and modelled estimates.	One of such engagements included direct engagement with a shipping company to discuss its advancements in adopting green fuels for its fleet operations. In adition, we engaged, through a third-party, with companies linked to serious environmental incidents, including industrial contamination and infrastructure failures. The focus was on remediation efforts, long-term environmental commitments, and improved transparency. These engagements aimed to promote accountability and better management of environmental risks.
5. Share of non-renewable energy production		0,1% (Coverage 98%)	0,11% (Coverage 84,8%)	N/A		
6. Energy consumption intensity per high-impact climate sector	Energy consumption in GWh per million EUR revenue of investee companies, per high-impact climate sector	0,24 (Coverage 96%)	0,25 (Coverage 86%)	N/A	**Calculation:** Calculated by assessing the energy consumption intensity of investee companies in high-impact climate sectors. For each company, energy consumption (in GWh) is divided by revenue (in million EUR) to determine energy intensity. These values are then weighted by the size of each investment in the portfolio and aggregated to provide the overall energy consumption intensity for the portfolio. **Data coverage and quality:** The data relies on information reported by companies. There is limited availability of company-reported figures for this metric. No further estimates have been made in case of no data availability	**Voting:** In 2024, 2% of the proposals we voted on were related to environmental topics.

Biodiversity	7. Activities negatively affecting biodiversity sensitive areas	Share of investments in investee companies with sites/operations located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas	0% (Coverage 97%)	3% (Coverage 86%)	N/A	**Calculation**: Proportion of the portfolio exposed to companies whose activities have potential adverse impacts on biodiversity-sensitive areas. **Data coverage and quality**: We rely on data from Clarity AI, which identifies companies associated with negative impacts on biodiversity-sensitive areas. These assessments are based on company disclosures or evaluations conducted by Clarity AI using relevant environmental criteria.	**ESG-Intergration:** Through our third-party data provider, we evaluate and monitor companies' performance on environmental issues. This includes assessing how effectively they manage risks that are material to their business. Our evaluation covers areas such as land use and biodiversity, water usage, and emissions, effluents, and waste. We aim to identify and prioritize companies that excel in managing these environmental risks. **ESG-Focus:** Through some of our ESG focused strategies, Net-Zero 2050, Planet and People and Solar Wind Nuclear, we
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as the weighted average	0 (Coverage 32%)	0 (Coverage 23%)	N/A	**Calculation**: Calculated as the total water emissions (in tonnes) from all managed investments and divided by the total investment amount in million EUR. **Data coverage and quality**: The data relies on information disclosed by companies. However, due to limited disclosure overall data availability and coverage remains low.	seek to promote positive environmental outcomes by investing in companies that actively work to reduce their ecological footprint and contribute to sustainable solutions. Companies in these strategies must have a revenue contribution of 20% or more to selected SDGs, including SDG 6, 13, and 14. **Active ownership:** Maj Invest actively engages with companies with high risks or controversies related to biodiversity, waste, and water management are identified. Engagement efforts are conducted through our third-party data provider, directly with the companies,

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as the weighted average	47 (Coverage 95%)	18 (Coverage 86%)	N/A	**Calculation:** Calculated by aggregating all hazardous and radioactive waste (in tonnes) from managed investments and dividing it by the total investments in million EUR. **Data coverage and quality:** The data relies on companies reported hazardous waste figures, based on their own definitions. data is limited by low levels of company disclosure, resulting in incomplete coverage.	or in collaboration with other investors. Our Danish Equities strategy takes a proactive approach to engagement, addressing ESG issues, including those related to biodiversity, with companies both prior to investment and throughout the holding period. In 2024, we engaged directly with companies on biodiveristy issues, 3% of our engangements related to topics within biodiversity and landuse. One of these engagements was with a company in the shipping industry, with a specific focus on underwater noise pollution. In addition, we engaged, through a third-party, with a mining company in response to a significant toxic wastewater spill and a subsequent chemical leak. This engagement centered on the company's remediation efforts, including environmental cleanup, ongoing monitoring, and improvements to its tailings and waste management systems.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD guidelines for multinational enterprises	10% (Coverage 97%)	6% (Coverage 86%)	N/A	**Calculation**: Calculated as the proportion of investments in companies associated with breaches of UN Global Compact principles or OECD Guidelines for Multinational Enterprises. **Data coverage and quality**: Impacts are based on Clarity Ai's research and data identifying companies connected to or implicated in violations of the minimum social safeguards outlined in the UN Global Compact principles and OECD Guidelines.	**ESG-Exclusion:** At Maj Invest, we work with third-party data providers to monitor social factors across our portfolios. Key areas include labour and human rights. We also assess social risks, such as labour and human rights violations, ensuring that companies in our portfolios comply with international standards like the UNGC. We exclude companies with breaches on UNGC and OECD guidelines who have not shown a willingness to change behaviour within a defined timeframe, currently 61 companies are exlcuded from our investment univers due to breach with UNGC and/or OECD Guidelines.

11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD guidelines for multinational enterprise	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (Coverage 96%)	0% (Coverage 86%)	N/A	**Calculation**: The impacts are measured as the proportion of investments in companies without established processes or compliance systems to ensure adherence to the UN Global Compact principles and OECD Guidelines for Multinational Enterprises, relative to the total investments. **Data coverage and quality**: The reported data reflects companies that do not have policies or mechanisms in place, such as grievance or complaint handling systems, to ensure compliance with UN Global Compact principles or OECD Guidelines for Multinational Enterprises. Interpretations of what is an adequate policy is object to subjectivity.	Guidelines. **Active-ownership:** In cases where companies are at risk of severe and/or systematic violations of international norms, such as UNGC and OECD guidelines, we initiate dialogue and engagement directly or through a third-party. In 2024 we engaged with 12 companies on social issues including topics such as forced labour, occupational health and safety, human rights violations, labour rights, data privacy and security and consumer interests. **Voting:** In 2024 5% of proposals we voted on related to social issues.

			Impact [2024]	Impact [2023]	Impact [2022]	Explanation	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	5% (Coverage 37%)	14% (Coverage 42%)	N/A	**Calculation**: Calculated as a percentage difference in average gross earnings between male and female employees for investee companies. The pay gap for each investee company is weighted by the size of the investment in the portfolio, and the weighted values are aggregated to provide a portfolio-wide average. **Data coverage and quality**: Due to the small number of companies disclosing this information, the data availability is limited.	**ESG-Intergration** Leveraging third-party data, we evaluate companies' exposure to risks related to human capital, including labour relations. We prioritize companies that demonstrate strong performance in managing these risks, by assessing their gender pay equity programs and other initiatives that promote fair and inclusive workplaces, especially if such topics are material to a company. **Active ownership** Our voting guidelines typically support proposals that promote improved transparency and disclosure of corporate governance practices, including those aimed at achieving greater gender diversity at the board level. **Voting:** In 2024, 54% of the proposals we voted on were related to director and board matters, including proposals requesting disclosure on gender pay gaps.
	13. Board gender diversity	The average ratio of female to male board members in investee companies expressed as a percentage of all board members	30% (Coverage 97%)	34% (Coverage 86%)	N/A	**Calculation**: The average percentage of female board members in investee companies, weighted by the size of each investment relative to the total portfolio. **Data coverage and quality**: Data relies on companies own reported data.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% (Coverage 98%)	0% (Coverage 86%)	N/A	**Calculation**: Calculated by the total value of investments in companies involved in the manufacture or sale of controversial weapons divided by the total portfolio value and expressed as a percentage. **Data coverage and quality**: Data is based on companies' business activities reported through own reports, or information retrieved from other public sources.	**ESG Exclusion:** Controversial weapons are excluded, which currently includes companies involved in landmines, cluster bombs, chemical weapons, and biological weapons.

Indicators applicable to investments in sovereigns and supranationals							
Adverse Sustainability Indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Environment	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A		

Social and employee matters	16. Investee countries subject to social violations	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	N/A	N/A	N/A		

Indicators applicable to investments in real estate assets							
Adverse Sustainability Indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Fossil Fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A	N/A
Energy efficienc	18. Exposure to energy inefficient real estate	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A	N/A

Other indicators for principal adverse impacts on sustainability factors

Maj Invest considers additional PAIs from table 2, this includes PAI 4 - Investments in companies without carbon reductions initiatives aimed at aligning with the Paris agreement

Maj Invest considers additional PAIs from table 3, this includes PAI 9 - Lack of a human rights policy

N/A

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

Maj Invest's Sustainability Risk Policy outlines our commitment to identifying and prioritizing principal adverse sustainability impacts and indicators. The policy also provides information on Maj Invest's sustainability efforts, which are available on our website, majinvest.com. Maj Invest's Policy on Sustainability Risks is reviewed and approved annually by the Board of Directors, with the most recent approval granted on 30 October 2024.

The selection of additional adverse impact indicators has been based on an assessment of their relevance, considering the likelihood and severity of these impacts, including their potential irreversibility. The assessment has prioritized indicators that we determine as most significant in relation to the exposure of investments and the quality of available data. All Maj Invest strategies undergo norms-based screening, as well as exclusions, to ensure that principal adverse impact indicators leading to negative impacts are properly addressed. Maj Invest excludes companies whose activities are misaligned with sustainability. We apply a set of minimum standards that exclude or restrict investment in companies operating in specific sectors, such as companies deriving more than 10% of their revenue from the exploration and extraction of oil sands and companies deriving more than 10% of their revenue from the exploration and extraction of thermal coal (Indicator 1.4). The selection of additional PAI indicators (Indicators 2.4 and 3.9) is aligned with Maj Invest's ESG House View, emphasizing our commitment to both climate action and societal well-being. This approach supports our range of climate and transition-focused funds while ensuring our portfolios contribute positively and avoid causing harm to society.

Principal adverse impacts are assessed in the pre-investment by the investment team through a screening process. This includes an overall assessment of the PAI indicators we are committed to evaluating, as outlined in the PAI table. The identification and assessment of principal adverse impacts is carried out through a structured methodology. Maj Invest has developed an internal tool designed to assist portfolio managers in assessing the principal adverse impacts of each investment. This tool integrates data on principle adverse impact indicators as well as ESG risk data from multiple trusted third-party providers, including Sustainalytics and Clarity AI. By providing a centralized platform for evaluating principle adverse impacts and sustainability risks and opportunities, the tool enhances the ability of portfolio managers to make informed decisions and prioritize key indicators effectively. The screening process supports our three approaches to investment: ESG-exclusion, ESG-intergration, ESG-focus and active ownership. All Maj Invest Funds are screened daily for compliance with international norms set by organizations such as, but not limited to, the OECD, ILO, and UN (Indicator 1.10 and Indicator 1.11)

While we strive for the highest level of accuracy in our assessments, we recognize that there are inherent limitations in the data we use. These limitations may arise from incomplete or inconsistent reporting by investee companies or variations in methodologies employed by data providers. Due to incomplete data, Maj Invest does not report principle adverse impacts of investments in sovereigns and supranational. To address these challenges, we acknowledge the potential margin of error.

Engagement policies

Maj Invest has adopted an active ownership policy that aligns with international principles, such as the UN-supported Principles for Responsible Investment (PRI). We integrate ESG considerations into our policies and investment practices to ensure responsible and sustainable asset management. Furthermore, active ownership is carried out in accordance with the guidelines set in Maj Invest Code of Ethics and Conflict of Interest Policy and underlying procedures.

Maj Invest takes principal adverse impacts into account as part of its active ownership strategy, using two main engagement approaches. For some clients, we combine direct engagement with companies alongside engagement carried out through third-party data providers or in collaboration with other investors. For other clients, all engagement is handled solely through third-party providers. The main goals of our engagement activities are to reduce ESG-related risks that could affect financial performance and to address both required and selected voluntary PAIs. We also seek to ensure that the companies we invest in meet basic standards for good governance. We engage with companies involved in serious or repeated breaches of international standards, such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises (PAI indicators 1.10 and 1.11) trough a third-party. The aim is to encourage these companies to address and resolve the incidents in a manner that improves their future ESG performance and risk management, thereby avoiding similar controversies in the future. Among the voluntary indicators, we place special focus on companies that set CO_2 reduction targets (Indicator 2.4) and those that implement human rights policies (Indicator 3.9).

Maj Invest exercises voting rights on behalf of clients in accordance with individual agreements and in line with our voting policy. We engage a third-party data provider to support the voting process by offering recommendations and assisting with vote execution. However, Maj Invest always retains the final authority on voting decisions. The voting guidelines promote strong corporate governance, responsible business conduct, and long-term shareholder value. They cover a wide range of issues, including board elections, executive compensation, audit practices, mergers and acquisitions, and broader corporate responsibility topics such as climate risk, employee rights, workplace safety and other ESG related topics.

If principal adverse impacts do not show improvement across more than one reporting period, Maj Invest will revisit its engagement approach with the relevant companies. This may involve adjusting the focus or expectations of ongoing dialogues to better address the areas of concern. Where appropriate, the outcome of such reviews will also inform our broader engagement priorities and be reflected in our reporting.

References to international standards

Maj Invest adheres to internationally recognized standards for responsible business conduct, due diligence, and reporting. We evaluate principal adverse impacts through indicators aligned with key international standards, including the UN Global Compact (UNGC) and the Science-Based Target Initiative (SBTi). The UNGC, relevant to Table 1 PAI 10 and 11, provides principles related to human rights, labor rights, environmental protection, and anti-corruption, while the SBTi, relevant to Table 1 PAI 1-6 and Table 2 PAI 4 provide a framework for assessing companies' alignment with greenhouse gas (GHG) reduction targets in accordance with the latest climate science and the goals of the Paris Agreement.

UN Global Compact
(Table 1 PAI 10 & 11)
The UNGC is a voluntary initiative launched by the United Nations to encourage businesses and organizations to adopt sustainable and socially responsible policies and practices. It provides a framework for companies to align their operations and strategies with ten universally accepted principles in the areas of human rights, labor rights, environmental protection, and anti-corruption.
Maj Invest utilizes data from Sustainalytics and Clarity AI to evaluate adherence to the UNGC principles and progress toward science-based targets. Their methodologies include quantitative and qualitative analyses of companies' policies, practices, and performance. This approach ensures that the most significant adverse impacts are identified, considering the scope and scale of potential violations or misalignments. Our internal ESG tool also enables portfolio managers to assess ESG risks, allowing them to anticipate potential adverse impacts, such as human rights violations or significant GHG emissions.

Science-Based Target initiative
(Table 1 PAI 1-6, Table 2 PAI 4)
The Science Based Targets initiative (SBTi) is a collaborative effort between CDP, the UNGC, the World Resources Institute (WRI), and the World Wildlife Fund (WWF). SBTi provides a framework and guidance for companies to set science-based targets to reduce GHG emissions in line with the latest climate science and the goals of the Paris Agreement.
Maj Invest does not currently utilize external climate scenarios due to the limited availability of standardized, sector-specific scenarios that are directly applicable to our investment universe. Instead, our approach focuses on integrating sustainability data from reliable sources, such as Sustainalytics and Clarity AI, to assess and manage climate-related risks and opportunities.

Historical comparison

A historical comparison has been provided from reporting year 2022, when the first PAI statement was published.

Table 2

Additional climate and other environment-related indicators

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse Sustainability Indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Emissions	4. Investments in companies without carbon reductions initiatives aimed at aligning with the Paris agreement	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	55% (Coverage 98%)	41% (Coverage 86%)	N/A	**Calculation**: Calculated as the share of investments in companies that lack carbon reduction initiatives aligned with the Paris Agreement. This is determined by dividing the total value of such investments by the overall portfolio. **Data coverage and quality**: Data relies on companies own reported data. Interpretations of what constitutes an adequate initiative is subject to variability and judgment.	See comments provided in Tabel 1:Climate and other environment-related indicators, "Actions taken (…)" 1-6

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Indicators applicable to investments in investee companies							
Adverse Sustainability Indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	5% (Coverage 98%)	3% (Coverage 86%)	N/A	**Calculation**: Calculated as the share of investments in companies without a publicly disclosed human rights policy. This is determined by dividing the total value of such investments by the overall portfolio value and expressing it as a percentage. **Data coverage and quality:** Data relies on companies own reported data. Interpretations of what is an adequate policy is object to subjectivity.	See comments provided in table 1: Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters" Actions taken (…)" 10-11

Change log

Date	Version Number	Changes/Comments
21.06.2022	1.0	Principle Adverse Impact Statement published
23.10.2024	2.0	Inclusion of missing data points in Principle Adverse Impact Statement
05.12.2024	3.0	Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors, amended to include more nuanced descriptions. Further nuanced descriptions on methods for identification of principle adverse impacts. Further nuanced description of data sources, data quality and error margins. Further nuanced description on engagement policies and how these are amended. Further nuanced description on methods and data sources used to adhere to international standards and how these might predict principle adverse impacts. Further description of stand on climate scenarios.

| 24.06.2025 | 4.0 | Updated PAI statement format to reflect Appendix 1 of (EU) 2022/1288.

Updated and expanded descriptions of actions taken in 2024, including voting statistics and examples of engagement activities.

Revised calculation methodology. Relevant indicators now reflect only listed equities, corporate bonds, and credit bonds. Foreign exchange, sovereign bonds, and mortgage bonds are not included due to data limitations. |