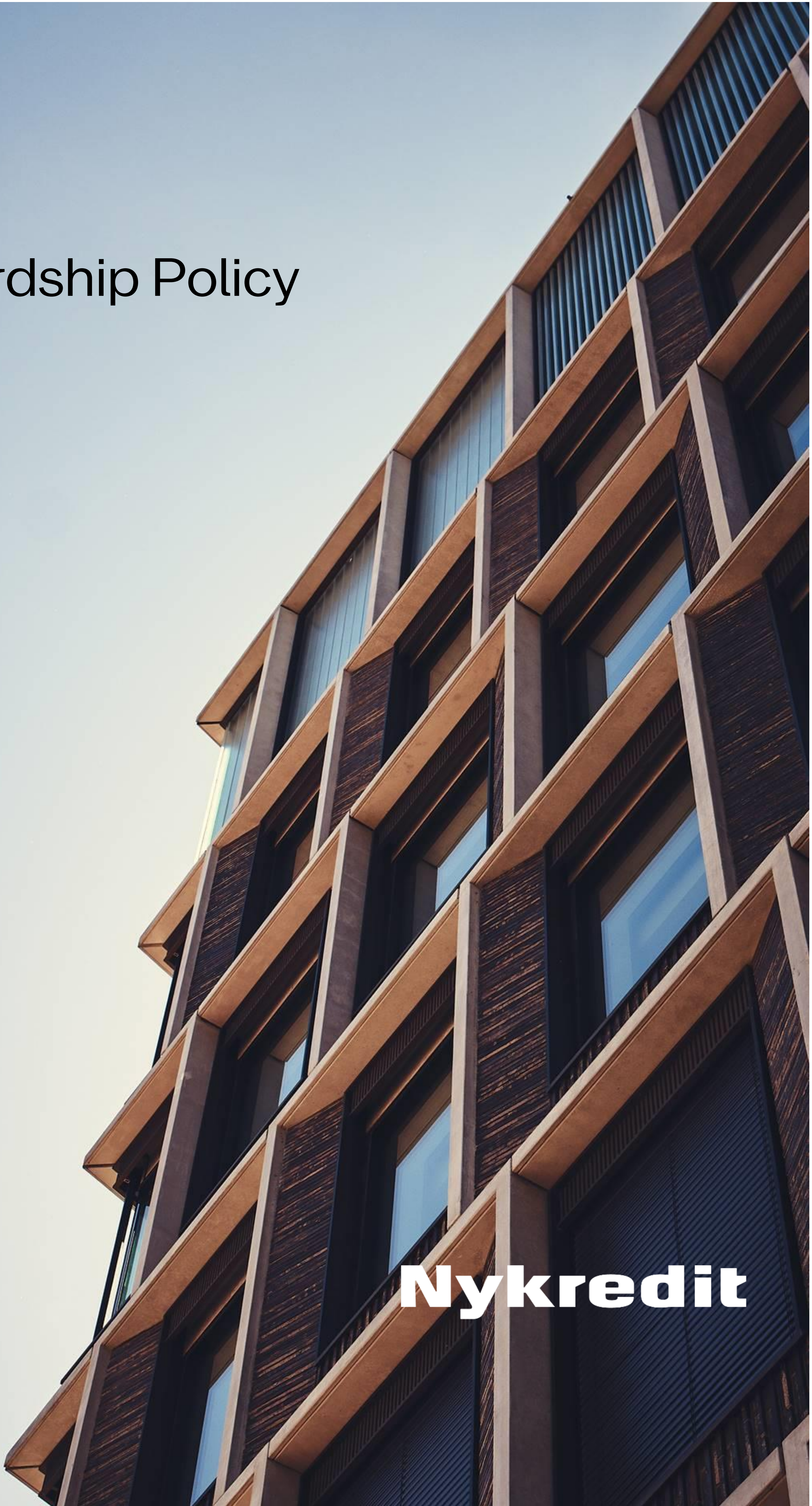
# Stewardship Policy



# Contents

## PURPOSE

The purpose of this Stewardship Policy is to describe the overarching set of principles guiding Nykredit's stewardship activities. This Stewardship Policy should be read in conjunction with Nykredit's Sustainable Investment Policy, which constitutes the overarching set of principles for Nykredit's sustainable investing practices. Furthermore, the Stewardship Policy should be read alongside Nykredit's Stewardship Framework, which provides further details on our approaches and processes for exercising stewardship. Our policies and governance documents relating to sustainable investing activities include:

- Sustainable Investment Policy
- Stewardship Policy
- Stewardship Framework
- Methodologies related to Sustainable Investments.

## NYKREDIT'S APPROACH TO STEWARDSHIP

We invest responsibly with a long-term perspective. We aim to safeguarding and enhancing the long-term value of our clients' investments, while encouraging companies to reduce sustainability-related risks, seize sustainability-related opportunities and address principal adverse impacts. We exercise stewardship through monitoring of companies, engagements and voting.

A broad range of ESG factors can have a material impact on investment risks and returns (financial materiality) as well as on the environment and wider society (environmental and social materiality). We believe that most social or environmental impacts have the potential to become financially material. This is especially true over long time horizons – for example, as externalities are priced in. These factors may have an impact on financial conditions and ratios, including underlying income, costs, liabilities and cash flows of investee companies. Additionally, they may have an impact on the valuation that financial markets are willing to attribute to these investments.

## STEWARDSHIP: MONITORING OF COMPANIES

At Nykredit, we continuously monitor our investments in line with relevant regulatory requirements as well as our own policy-driven considerations. This includes monitoring our investee companies, covering areas such as strategy, financial performance, risk and ESG-related factors. In our monitoring approach, we acknowledge the differences between investment approaches, styles and asset classes. As a result, our monitoring may vary depending on the nature of the investment product. For instance, there is a distinction between actively managed and passively managed products, the latter being designed to replicate the returns of a specific index.

Across our product range, we monitor investments in accordance with the applicable exclusion criteria. Furthermore, all investments are consistently monitored for compliance with recognised international standards and conventions. The monitoring is based on widely acknowledged UN conventions, including, but not limited to, the UN Global Compact, the UNGPs on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Investments are also monitored based on a range of criteria related to climate and the environment, along with other activity-based criteria.

In addition, for our actively managed, fundamental strategies, the relevant investment managers also monitor the portfolio companies as an integrated part of the investment process, drawing on a wide range of information, including material ESG factors. In our monitoring, we may use a range of information sources, including, but not limited to, corporate reporting, information from data supplies and external research, meetings or other forms of communication with the companies, as well as exercisesing voting rights at general meetings. We may also use information from other external sources, such as news media, NGOs, civil society and professional organisations.

Monitoring provides insights into sustainability-related risks and opportunities as well as adverse impacts. The information obtained through our monitoring activities form part of how we prioritise our stewardship efforts. We may also use this information in connection with exclusion decisions, in investment analyses and valuations as well as in investment decisions and considerations relating to portfolio construction.

Reference is made to the following sections on engagement, as well as Nykredit's Stewardship Framework for further information on prioritisation and implementation of our stewardship activities. In addition, a detailed description of our exclusion criteria, along with disclosure on how we monitor investments, can be found in Nykredit's Methodologies related to Sustainable Investments.

## STEWARDSHIP: ENGAGEMENT

As investors, it is natural to engage in dialogue with investee companies. For example, where deemed necessary, investment managers managing our actively managed, fundamental strategies communicate with companies as part of the investment process to deepen their understanding of the companies and highlight certain issues.

The goal is to have an honest and constructive dialogue, and we strive at all times to sustain the long-term value of our investments by encouraging companies to both mitigate risks and exploit opportunities related to ESG or other areas. We only classify dialogues as engagements in cases where we have set a specific objective. Reference is made to our Stewardship Framework for more information on our approach.

### *How do we prioritise engagements?*

Our guiding principle is to focus on exercising meaningful engagements that can influence how companies manage material issues. In selecting and prioritising engagements, we focus on key themes that we consider material to our portfolios. These themes include climate, nature, human rights and international standards and conventions.

We may also identify other material company-specific ESG risks, opportunities or impacts suggesting a need for engagement. Reference is made to Nykredit's Stewardship Framework for further information on our approach to selecting and prioritising engagements.

### *How do we engage?*

To maximise the impact of our stewardship, we engage with companies in three different ways:

- **Direct engagements:** We enter into direct dialogue with the company on our own. For our actively managed, fundamental investment strategies, the investment managers are typically involved, leveraging the investment team's existing knowledge of the company to enhance the dialogue. It also sends a signal to the company that the issue is important to the investment team.
- **Engagements through collaboration:** We enter into dialogue with companies through collaboration with other institutional investors. We can take on the role of *lead investor*, assuming a significant part of the engagement efforts, including developing the engagement strategy, or

participate as a contributor in dialogues led by other investors.

- **Engagements through a service provider:** We engage with a number of companies through a professional, market-leading service provider. In some cases, we participate in meetings and directly contact selected companies to inform them that we are a stakeholder in the relevant engagement, if we believe it brings value.

***Monitoring of engagements and escalation***
When we enter into engagements, we strive to set clear objectives and consistently monitor progress. If our engagement does not progress as desired, we may choose to escalate the matter. We assess the appropriate escalation steps on a case-by-case basis, and, in line with our engagement prioritisation, consider the materiality of the matter and the potential for meaningful change when determining the need for escalation.

Reference is made to Nykredit's Stewardship Framework for further information on our approach to monitoring and escalation, including the specific measures we can take.

## STEWARDSHIP: VOTING

We view the exercise of voting rights on behalf of investors as one of our key responsibilities as an asset manager. We are committed to transparency in our voting process. This includes disclosing our voting principles and actual votes on our website.

***When do we vote?***

Nykredit strives to exercise all voting rights. In rare cases, however, operational challenges may arise in the value chain that prevent us from voting. We aim to minimise such cases.

***Voting principles***

Our voting principles outline key principles on matters such as corporate governance and other issues related to voting. The purpose of these principles is to minimise risks and enhance value creation, guided by the principle of serving the long-term interests of our investors.

The principles cover the following areas:
- Governance factors
- Board composition
- Remuneration
- Dividends, share buybacks and capital allocation
- Reporting and audit
- Environmental and climate-related conditions
- Social conditions.

Reference is made to Nykredit's Stewardship Framework for detailed information on our voting principles.

***Execution of voting process***

When making voting decisions, we consider the agenda items of the companies' general meetings based on our voting principles. Nykredit uses proxy adviser services to assist with operational aspects of voting and to provide tailored research aligned with Nykredit's voting principles. For general meetings of companies included in our actively managed, fundamental strategies, and for prioritised companies within other strategies – including passive and externally managed strategies – we review the agenda items internally alongside the tailored research we receive from our service provider. In actively managed, fundamental strategies, our investment teams play a central role in this process, given their knowledge of the companies. The relevant investment teams will make the final voting decisions within the scope of this policy.

We vote against agenda items at general meetings if the items are deemed to be in conflict with our voting principles. Voting decisions may exceptionally deviate from the principles if this is in the best interest of our investors. Furthermore, there may be situations where certain principles appear to conflict with other principles; in such cases, as always, Nykredit expects management to act in the best interest of long-term shareholders.

Reference is made to our Stewardship Framework for further information.

***Stewardship: Communication in relation to voting***

We consider the exercise of voting rights a central aspect of our stewardship, serving as a complementary element to monitoring, dialogue and engagement. At general meetings of companies held in our actively managed, fundamental strategies, and in prioritised companies in other strategies where we vote against management's recommendations, we strive to inform the company of the rationales behind. If time permits, the company will be informed before the general meeting. In some cases, we may use voting as an escalation mechanism. Reference is made to our Stewardship Framework for further information.

## STEWARDSHIP: COMMUNICATION WITH RELEVANT STAKEHOLDERS

We recognise that our stewardship activities may involve a wide circle of stakeholders, including, but not necessarily limited to, the media, NGOs and other independent institutions and organisations, the broader society as well as stakeholders in investee companies. We seek to stay informed about the potential impact of our work on relevant stakeholders and may engage in dialogue with selected stakeholders where appropriate.

## EXTERNAL MANAGERS

When Nykredit selects external managers, their approach is subjected to due diligence. Nykredit will, as far as possible, also seek to comply with this policy in connection with these strategies, but the external manager's approach to stewardship will apply to these investments. As a general rule, Nykredit exercises the voting rights for such strategies in accordance with this policy.

## MANAGING CONFLICTS OF INTEREST

In the context of our stewardship, situations may arise where Nykredit's interests diverge from those of our customers. To ensure that all customers are treated honestly, fairly and professionally and to mitigate any potential conflicts of interest as much as possible, Nykredit has established procedures to prevent, identify and handle conflicts of interest.

As part of our efforts to prevent conflicts of interest, Nykredit has prepared a Conflicts of Interest Policy at Nykredit Bank and a Guideline on Conflicts of Interest as well as associated business procedures. Internal training programmes for selected employees have been established on how to identify and manage existing and potential conflicts of interest, and a register of conflicts of interest is kept.

For further information, please refer to Nykredit Bank's Conflicts of Interest Policy and the Guideline on Conflicts of Interest. When conflicts of interest are identified, the immediate manager of the relevant unit as well as Nykredit's Compliance unit are notified. The conflict is then analysed and managed in light of the given case, and workflows are adapted as necessary to prevent future cases. In cases where the measures established by Nykredit to manage conflicts of interest are not sufficient to reasonably ensure that customers' interests are not harmed, the affected customers are informed of the situation and incident.

## MONITORING AND REPORTING

Nykredit's Sustainable Investment Committee is responsible for implementing this Stewardship Policy. We report on our stewardship activities and compliance with this policy in various ways and through different channels, including our reporting, reporting under the UN Principles for Responsible Investment (UN PRI) and reporting on stewardship.

## GOVERNANCE

The Board of Directors approves the Stewardship Policy, which is reviewed at least every two years or as needed. Prior to the approval by the Board of Directors, the Policy is presented to relevant boards and committees.

Approved by the Boards of Directors of

- Nykredit Bank A/S, 4 May 2026
- Nykredit A/S, 6 May 2026
- Nykredit Realkredit A/S, 6 May 2026

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