

# Policy for execution of active ownership



## 1. Maintenance

This policy shall apply to all legal entities and business areas of the Tryg Group, defined as Tryg A/S, and all subsidiaries (hereinafter "Tryg").

### Maintenance

The policy shall be updated and approved at least once a year, or more frequently in case of substantial changes in the conditions on which the policy is based.

## 2. Background

In 2016, the Corporate Governance Committee prepared the recommendations for active ownership.

Tryg is not legally bound to adhere to the above-mentioned recommendations, but will on an ongoing basis strive to act responsibly in relation to investments, also in listed companies.

## 3. Purpose

The purpose of the policy is to ensure that Tryg's investments are responsible and in accordance with the policy.

## 4. Overall policy for active ownership

In general, it is Tryg's policy to act as a responsible investor in all matters relating to investments.

In relation to investments in listed companies – Danish as well as foreign, in which Tryg possesses an equity interest of a suitable size, taking into account the total share capital of the company and the possibility of executing an active influence in the company, Tryg wishes to execute active ownership.

Also, Tryg has decided that the scope and execution of active ownership shall be based on an average principle which allows for the size of the equity interest in the company in question and specific needs for executing influence on operations and/or strategy of the company.

The Corporate Governance Committee recommends that an annual statement is prepared by investors in relation to execution of the recommendations for active governance.

At present, it is the assessment that Tryg does not possess any equity interest of a suitable size in listed companies, and therefore it has been decided that an annual statement will not be prepared.

Where the ongoing monitoring of Tryg's investments show exposures in listed companies deemed to be of a suitable size, it will be considered whether an annual statement should be prepared going forward.

## **5. Concrete management goals in current execution of active ownership**

Where Tryg possesses an equity interest of a suitable size in listed companies, the goal is to exercise active ownership based on the parameters below:

- Supervision of and dialogue with the company (including strategy, results, risk, capital structure, corporate governance, corporate social responsibility, company culture and remuneration of management). Tryg will relate to all significant information relevant to investments, which is released.

If it is a question of non-released knowledge, Tryg will consider the specific situation as to whether it is expedient to make Tryg an insider pursuant to the legislation in force at any time to be able to obtain non-released information about the company in question.

- Where, based on the supervision and dialogue mentioned above, Tryg finds the actions of the company to be worrying, it will be considered whether Tryg's active ownership activities should be escalated. Among other things by initiating a closer dialogue with the top management of the company, make declarations at an Annual General Meeting or forward proposals to be processed at an Annual General Meeting as well as escalate the cooperation with other investors. In worst case, Tryg may consider to dispose the shares in the company and add the company to an exclusion list.
- An ongoing assessment whether it would be beneficial to execute the active ownership in cooperation with other investors. However, always pursuant to applicable law.
- Preparation of a voting policy, e.g. describing how Tryg should act in matters of voting at Annual General Meetings – either in person or by proxy; the scope of release of Tryg's votes and decisions relating to equity loans and revoking of lent shares in relation to casting votes at Annual General Meetings.
- Ensuring that procedures for identification and handling of possible conflicts of interest have been prepared. Including e.g. in case Tryg should consider to execute active ownership in a company, which is a customer in Tryg or considered to be a competitor to Tryg.

## **6. Responsibility**

The CIO in Tryg Forsikring A/S is overall responsible for ensuring that the policy and any related business procedures are observed at all times.

## **7. Reporting**

The Executive Board in Tryg shall notify the Supervisory Board at the next board meeting of such occasions where Tryg has executed active ownership.

Approved at the Supervisory Board on 10 October 2018