

Active Ownership Report: H1 2020

Danske Invest

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August 2020



Active Ownership Report: H1 2020

When customers entrust us with their assets and savings, it is our duty to serve their interests by providing investment solutions with the goal to deliver competitive and long-term performance. Our firm commitment to **Sustainable Investment with ESG Inside** is an integral part of this duty.

ESG Inside is about making better-informed investment decisions – addressing issues of risk, problems, and dilemmas, and influencing portfolio companies through **active ownership** to contribute to a positive outcome.

Active ownership – through direct dialogue and voting at the annual general meetings – is an important part of our ability to create long-term value to the companies we invest in and to our customers.

We believe it is more responsible to **address material ESG matters** as investors rather than refraining from investing when issues of concern arise, leaving the problem to someone else to solve. Our portfolio managers are the change agents who can impact companies to manage risks and opportunities.

The aim of our **Active Ownership Report** covering two parts ‘**Engagement Report**’ and ‘**Voting Report**’ is to provide our customers and stakeholders with regular updates on our progress and results.

The two parts of the report



Part 1:
Engagement Report



Part 2:
Voting Report

Where to get additional information



Sustainable Investment Policy

[Click here](#)



Active Ownership Instruction

[Click here](#)



Voting Guidelines

Click here*



Our Sustainable Investment Journey

[Click here](#)



Active Ownership Stories

[Click here](#)



Proxy Voting Dashboard

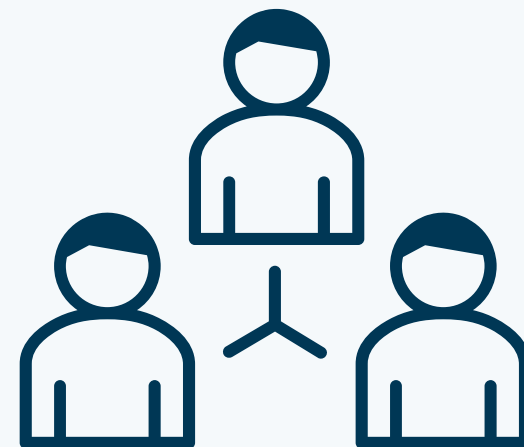
[Click here](#)

* Will be published shortly



Active Ownership Report: H1 2020

Part 1: Engagement Report



Engagement Report introduction



We believe that fund-manager-driven dialogue with companies is the most effective as the investment teams are the experts of their respective strategies and portfolios, and tasked with the buy/sell decision.



Our investment teams engage on a regular basis with companies on material ESG matters to understand their risks and opportunities, and to support their growth and development.



We log and monitor company dialogue and progress to ensure a structured engagement process.



In H1 2020, we have had the following engagement activities



Companies

237



Country domiciles

32



ESG engagement topics

90



Interactions

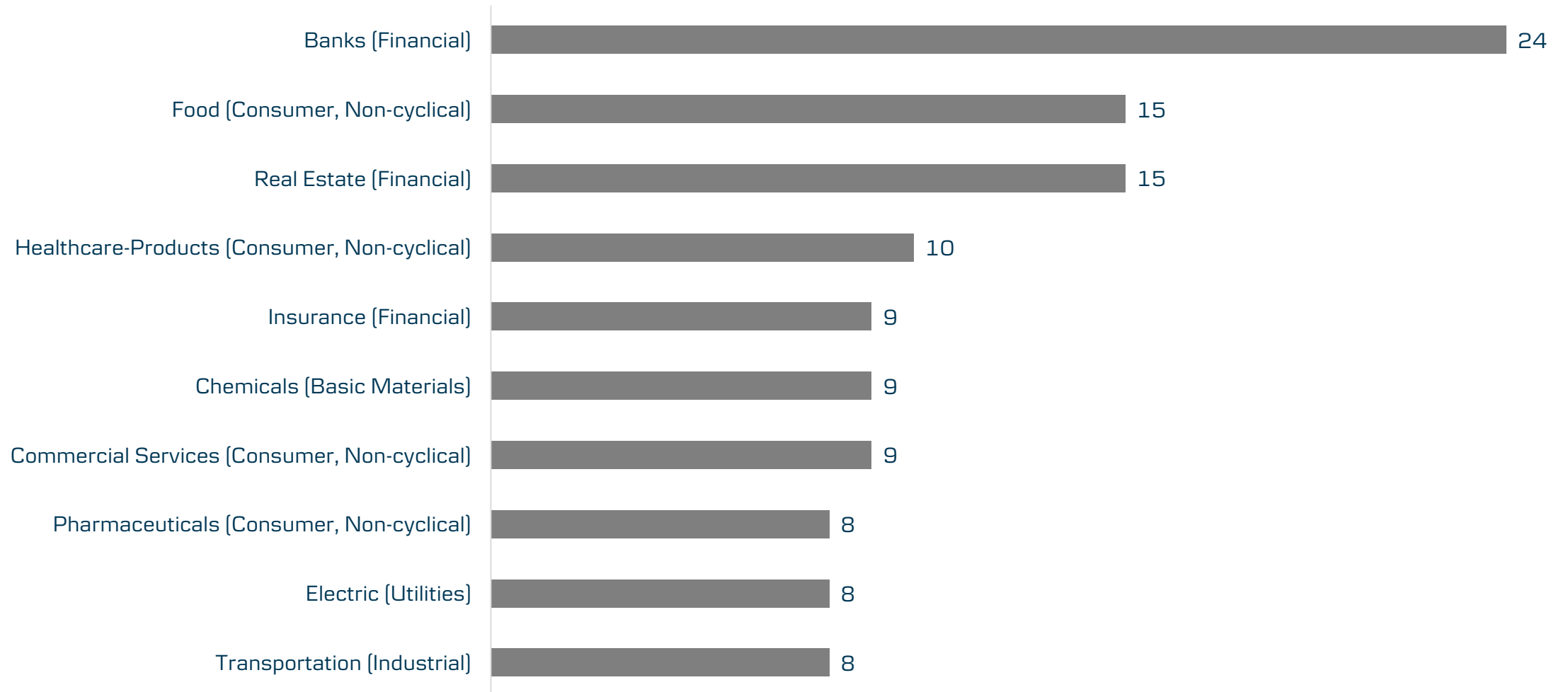
348





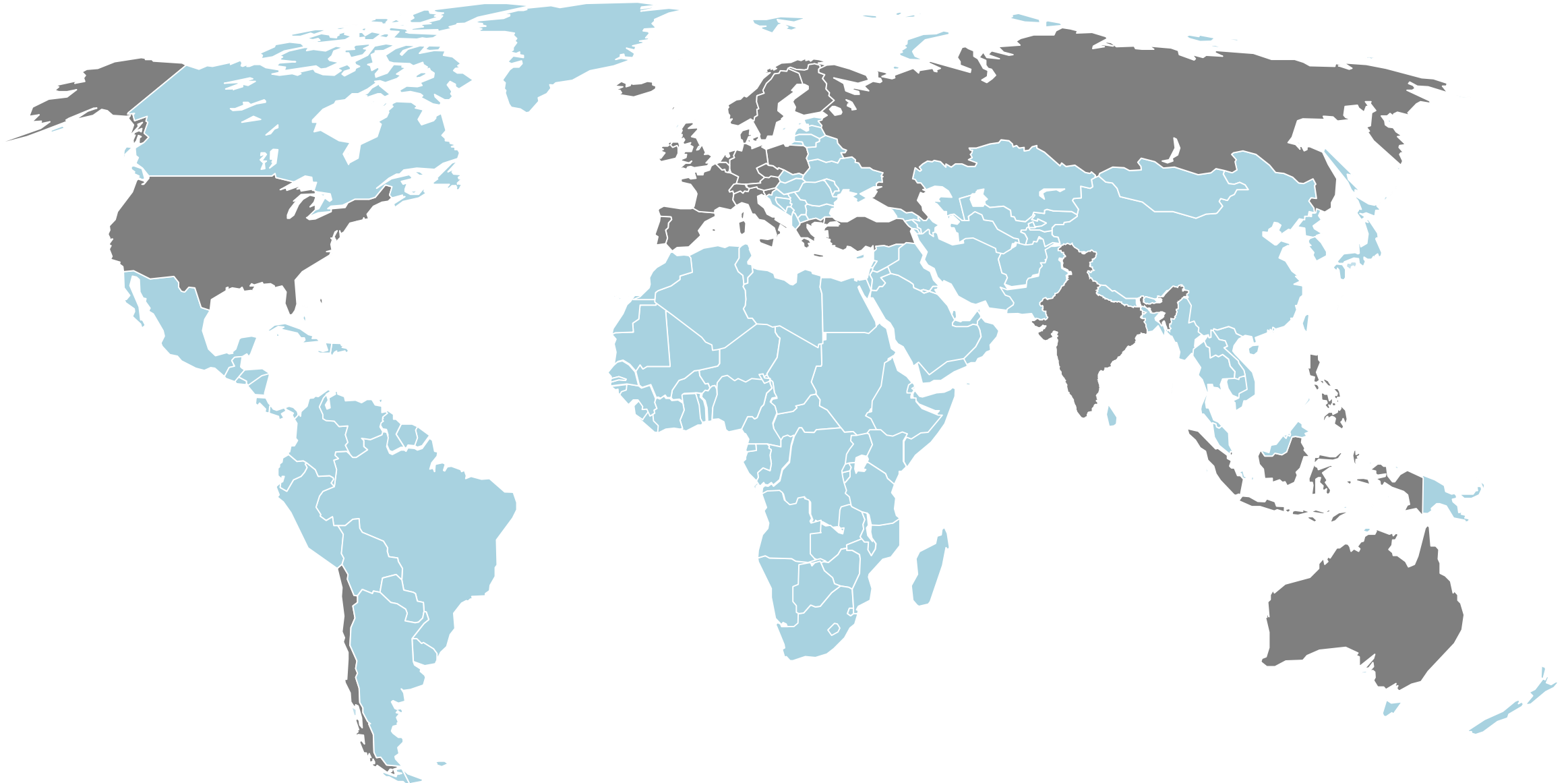
Top 10 industries most engaged with during H1 2020

Number of companies per industry (Sector in bracket)



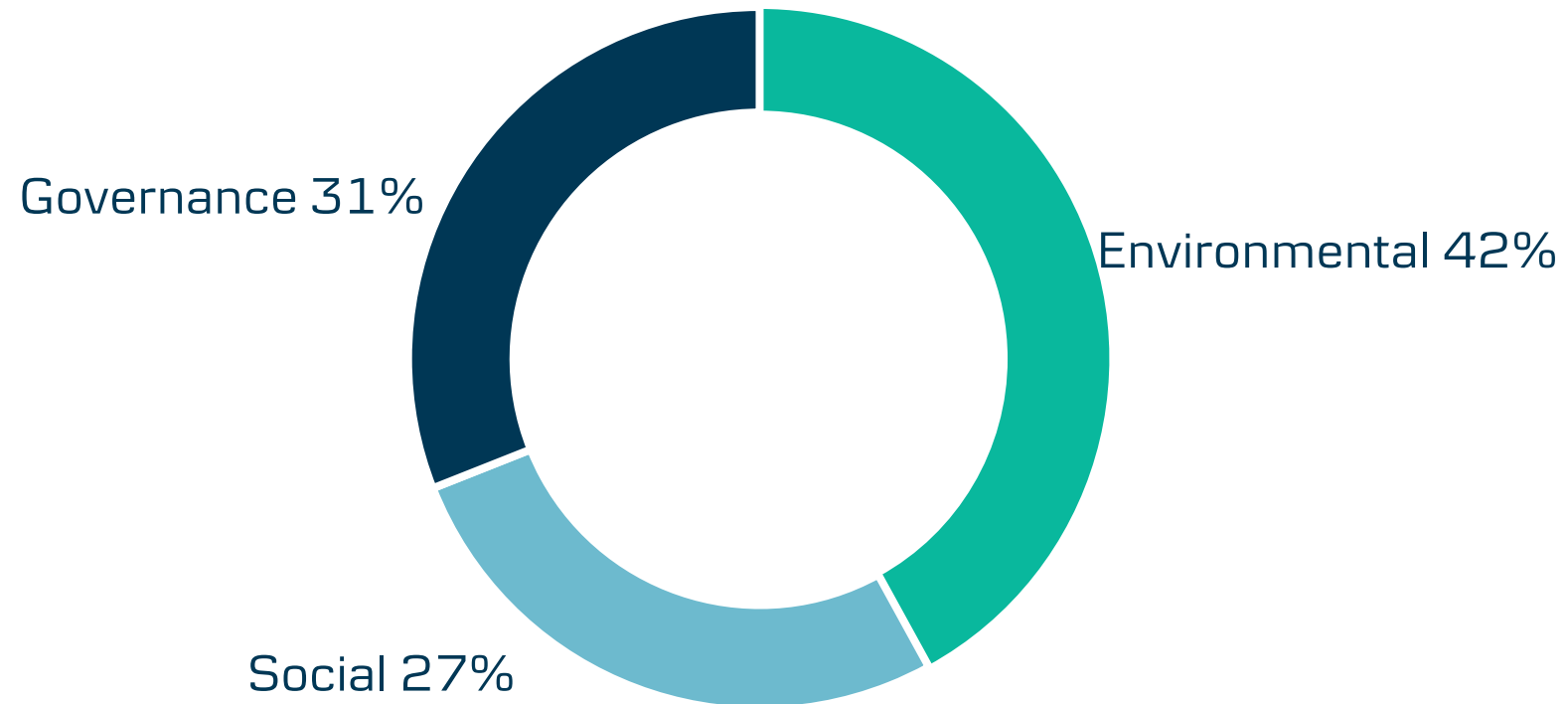


Engagement with companies domiciled in 32 countries



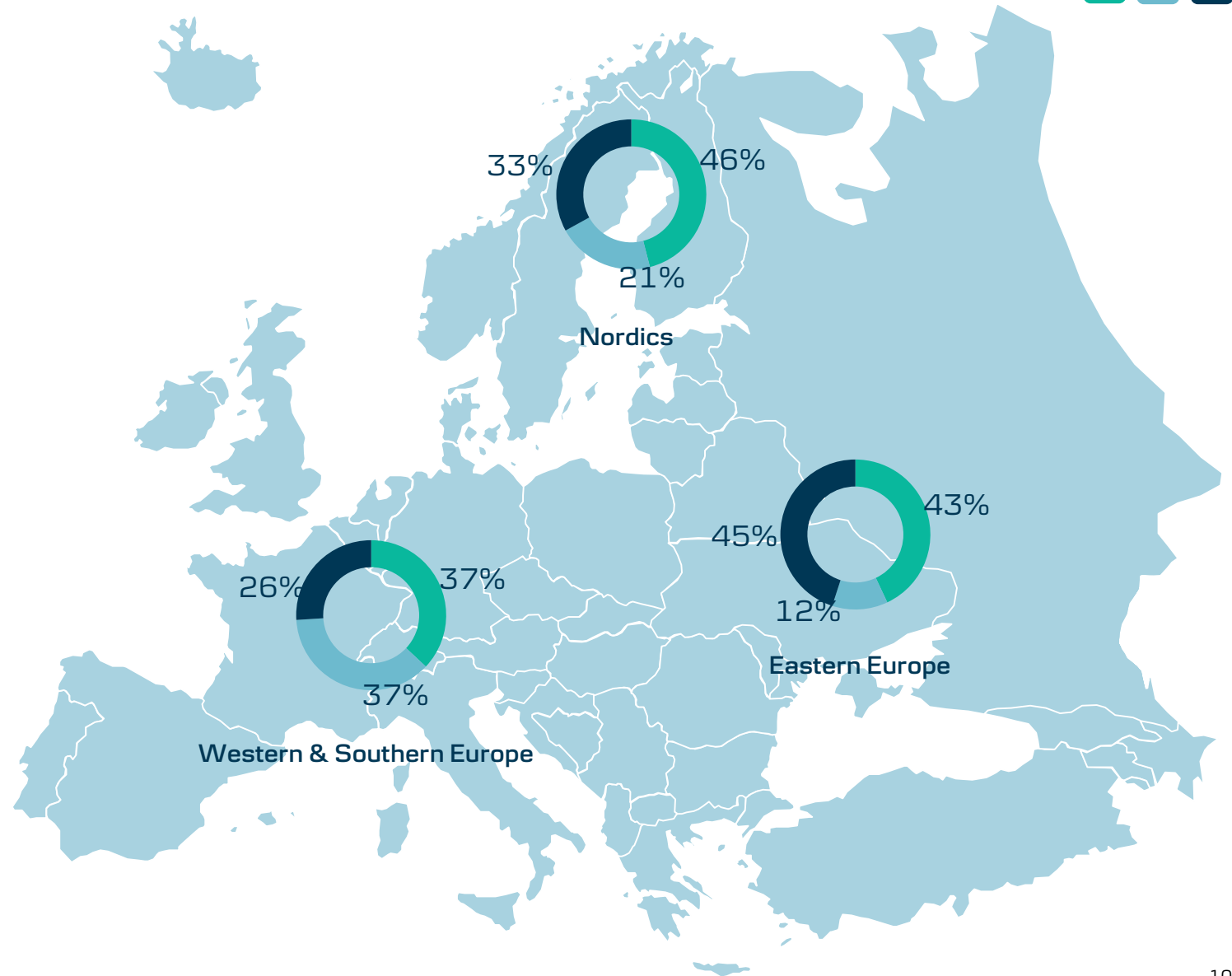
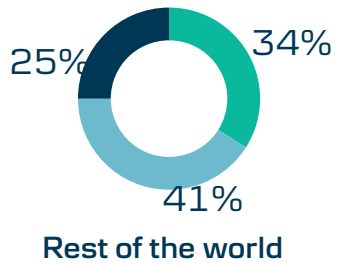


Split between ESG engagement themes





Split between ESG engagement themes across regions





90 ESG engagements topics have been addressed and discussed





Top 7 ESG engagement topics across the E, S, and G theme

E

Rank	Topic	Count
1	GHG Emissions	53
2	Energy Efficiency	39
3	Energy Transformation	32
4	Green Financing	25
5	Digitalisation	21
6	Sustainable Products	21
7	Circular Economy	20

S

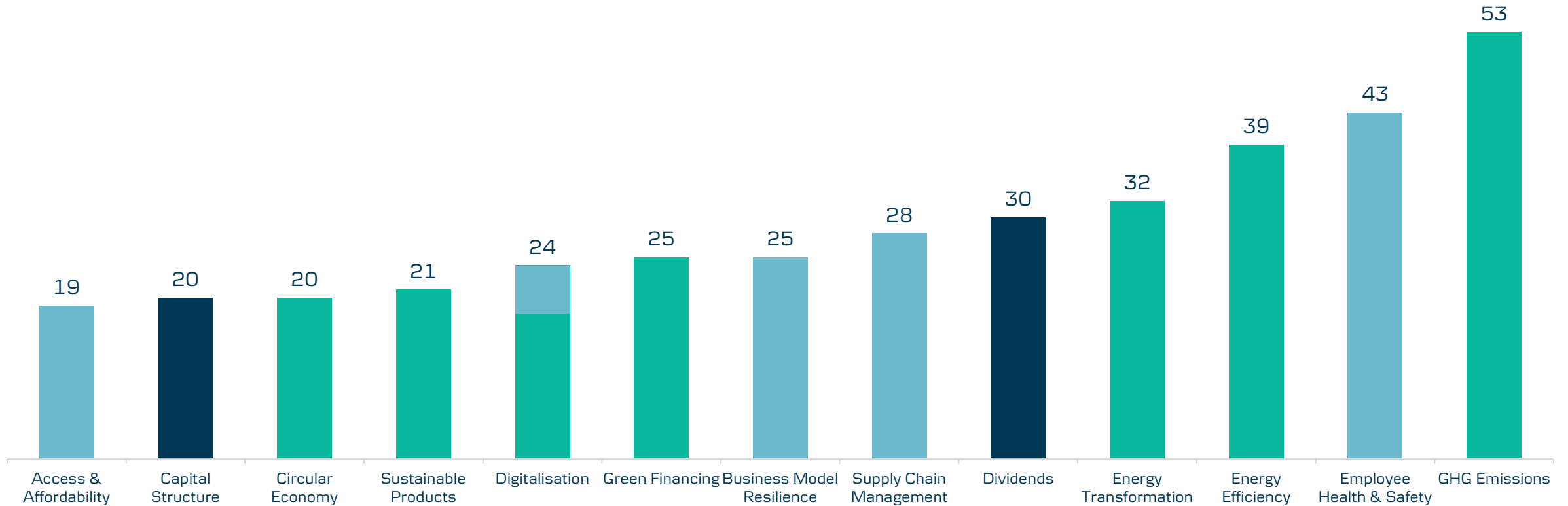
Rank	Topic	Count
1	Employee Health & Safety	43
2	Supply Chain Management	28
3	Business Model Resilience	25
4	Access & Affordability	19
5	Customer Welfare	16
6	Product Quality & Safety	15
7	Product Design & Lifecycle Management	13

G

Rank	Topic	Count
1	Dividends	30
2	Capital Structure	20
3	ESG Integration	18
4	M&A	17
5	Restructuring	15
6	Business Ethics	12
7	Corporate Governance	12



Top 3 among ESG engagement topics: GHG Emissions; Employee Health & Safety; and Energy Efficiency





Top 10 and engagement interactions across Nordic countries

Rank	Country	Count
1	Sweden	91
2	Norway	50
3	Denmark	35
4	United Kingdom	23
5	Germany	21
6	Finland	20
7	United States	20
8	France	13
9	Netherlands	12
10	Russia	11



Region	Count
Nordics	200
Western & Southern Europe	103
Rest of the world	29
Eastern Europe	16



Most commonly addressed ESG topics across geography

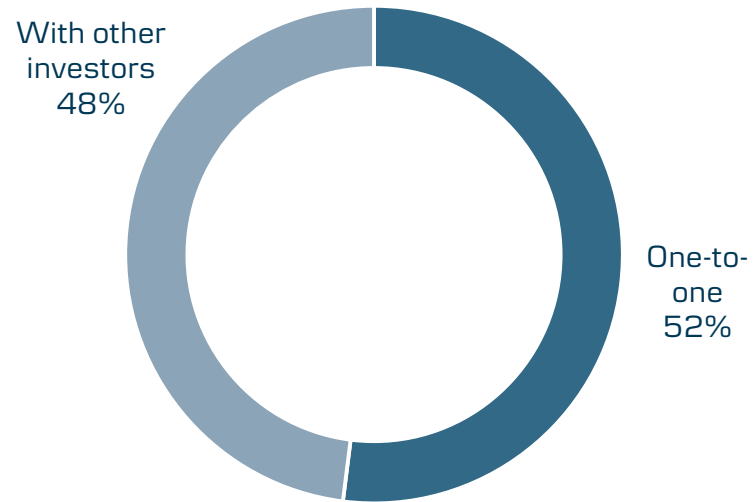


ESG Integration

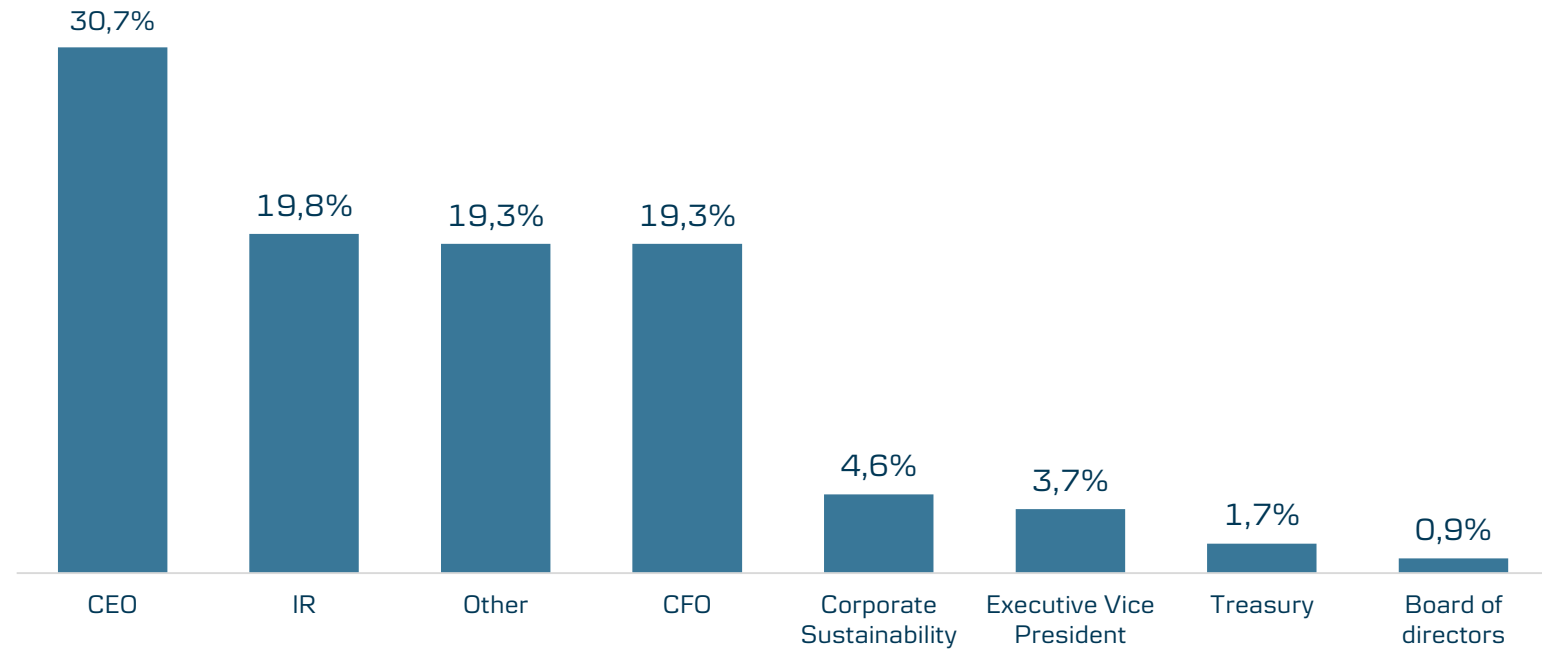


Company interactions are mainly with one-to-one and with CEO

Type of meeting



Share of meetings by level of participants



Engagement examples: GHG Emissions

53 engagements



Among the 348 total engagements focused on GHG Emissions.

GHG Emissions is the first most common topic for our portfolio managers to engage with companies on during H1 2020. **GHG Emissions** are emissions into earth’s atmosphere of any type of various gases contributing to the greenhouse effect.

Company Example



Sector: Basic Materials
“Discussion around company's efforts to lower scope 1&2 emissions through more renewable energy.”



Sector: Utilities
“Discussed hydrogen opportunity and potential place for green hydrogen in the future energy mix.”



Sector: Energy
“Company’s adoption to net zero emission target and discussion about how facilitate energy transformation to lower carbon energy.”

Topic addressed in the following countries



Engagement examples: Employee Health & Safety

43 engagements



Among the 348 total engagements focused on Employee Health & Safety.

Employee Health & Safety is the second most common topic for our portfolio managers to engage with companies on during H1 2020. **Employee Health & Safety** focuses on creating and maintaining safe and healthy workplace environment that is free of accidents, injuries, fatalities, and illness.

Company Example



Sector: Consumer, Non-Cyclical
"Safety for workers during Covid-19."



Sector: Consumer, Non-Cyclical
"Company's approach to employee safety."



Sector: Financial
"Covid-19 impact on business."

Topic addressed in the following countries



Engagement examples: Energy Efficiency

39 engagements



Among the 348 total engagements focused on Energy Efficiency.

Energy Efficiency is the third most common topic for our portfolio managers to engage with companies on during H1 2020. **Energy Efficiency** means using less energy to perform the same task -thus limiting energy waste. It is the cheapest and often the most immediate way in order to reduce the use of fossil fuels.

Company Example



Sector: Energy
"Discussed about company's energy transition strategy."

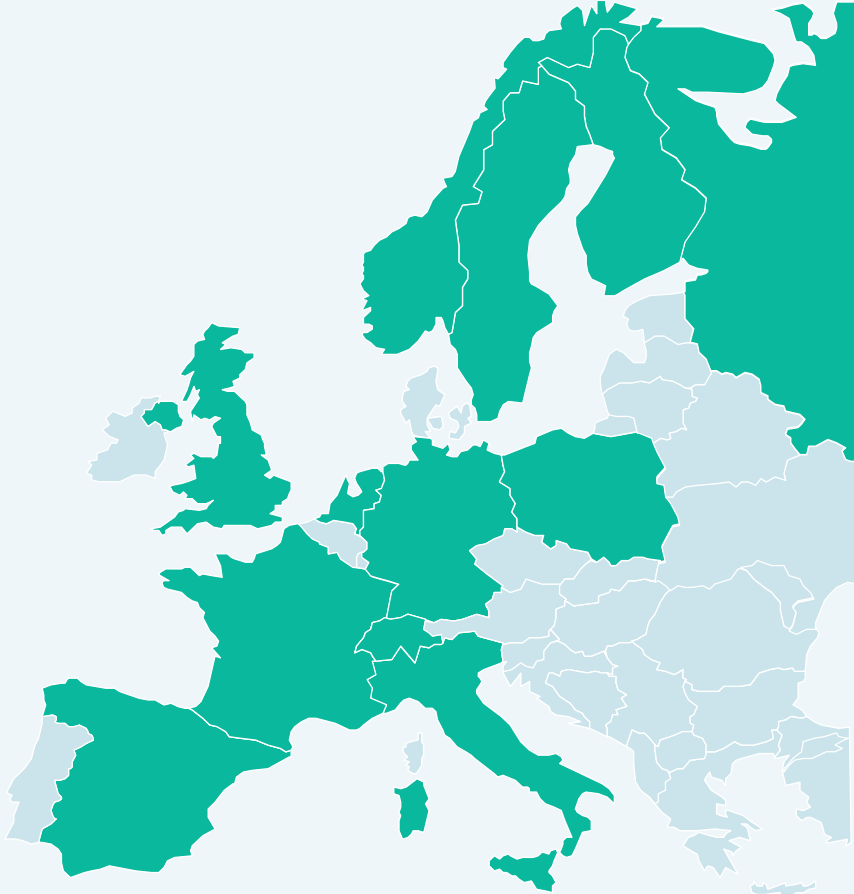


Sector: Basic materials
"Company's CO2 reductions."



Sector: Industrial
"Discussed about company's sustainability targets to reduce CO2 emissions."

Topic addressed in the following countries



Sovereigns: We have had 5 engagements with 4 governmental entities



Sovereigns: In total, have 10 topics been discussed



Active Ownership Report: H1 2020

Part 2: Voting Report



Engagement Report introduction



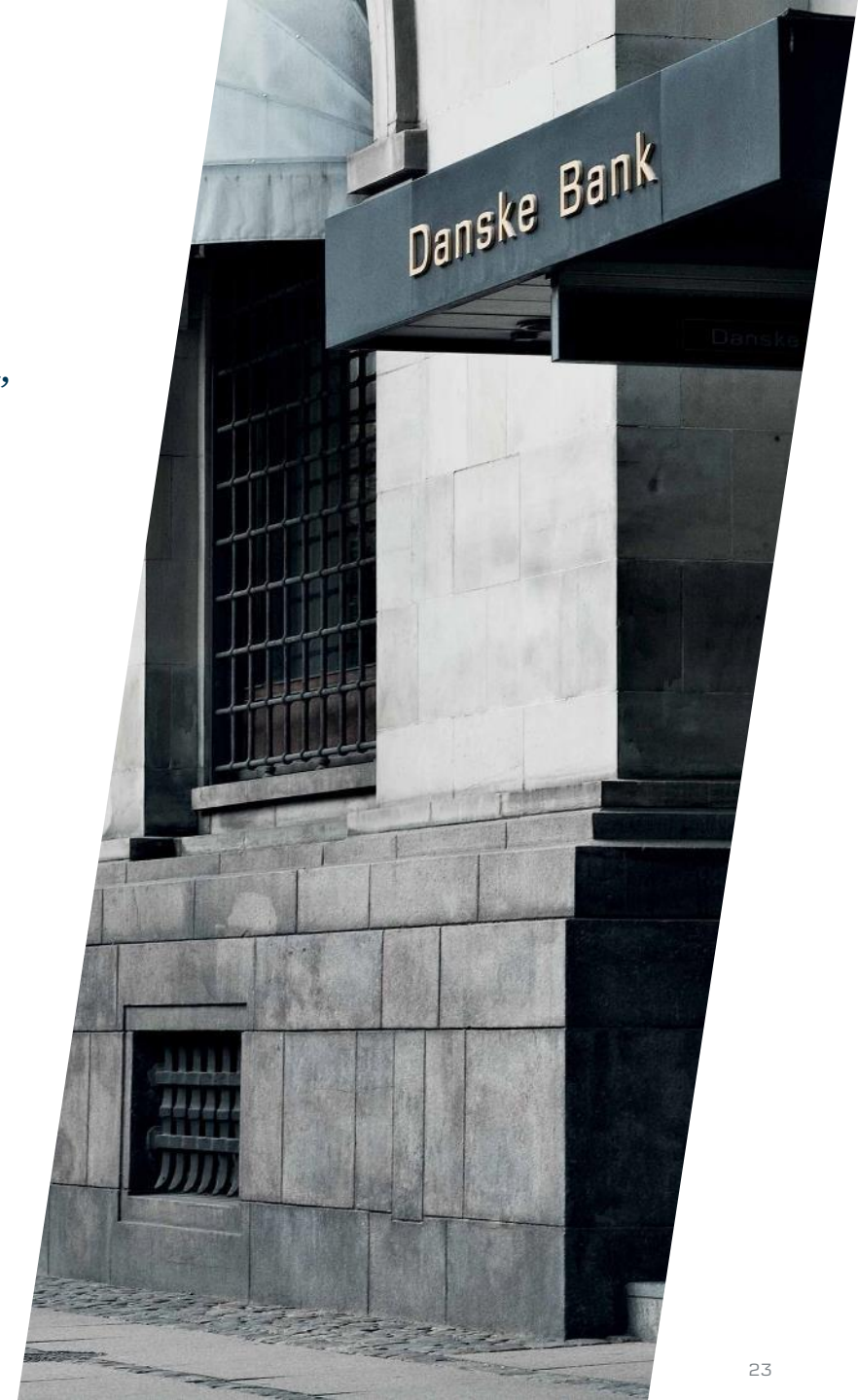
The annual general meeting is an opportunity to voice our opinion, vote on issues of key importance to the running of a company, and contribute to the good governance of the company.



We exercise the right to vote at annual general meetings of Nordic and European companies where we represent relevant holdings. Unless required by special circumstances, holdings in passively managed funds are not subject to voting activities.



We vote either by ourselves or through a service provider. We log and publish our voting records.



In H1 2020, we have had the following voting activities



Companies

2 979



Country domiciles

55



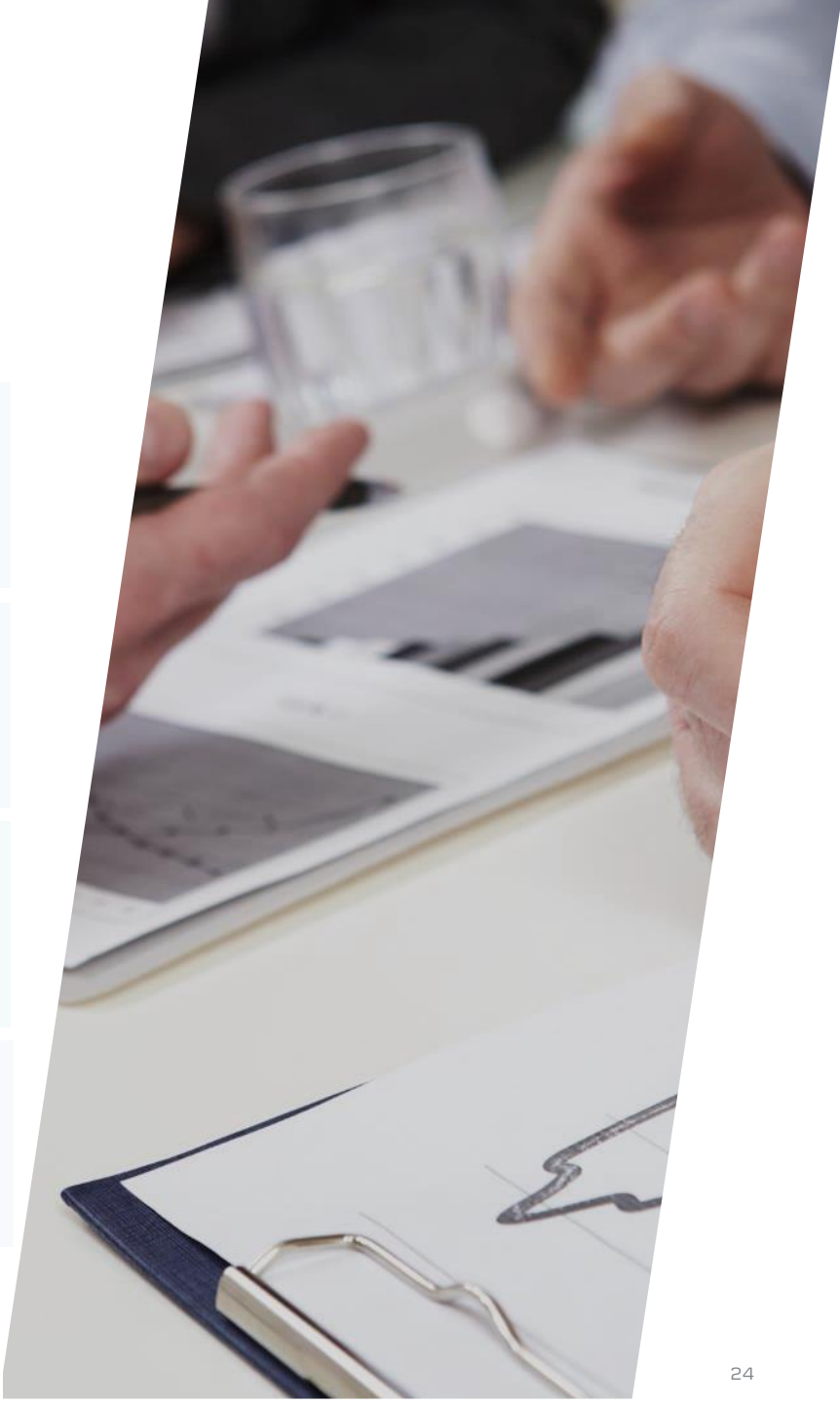
Meetings

3 301



Proposals

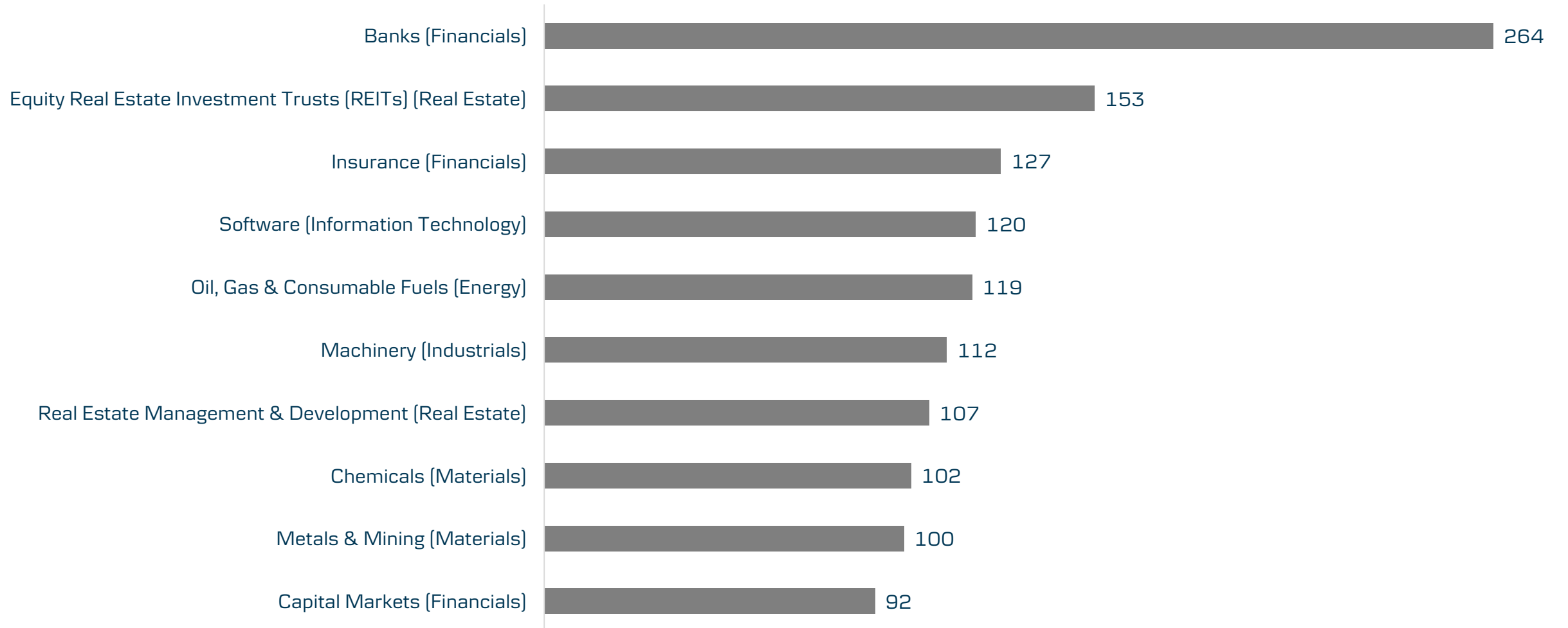
39 717





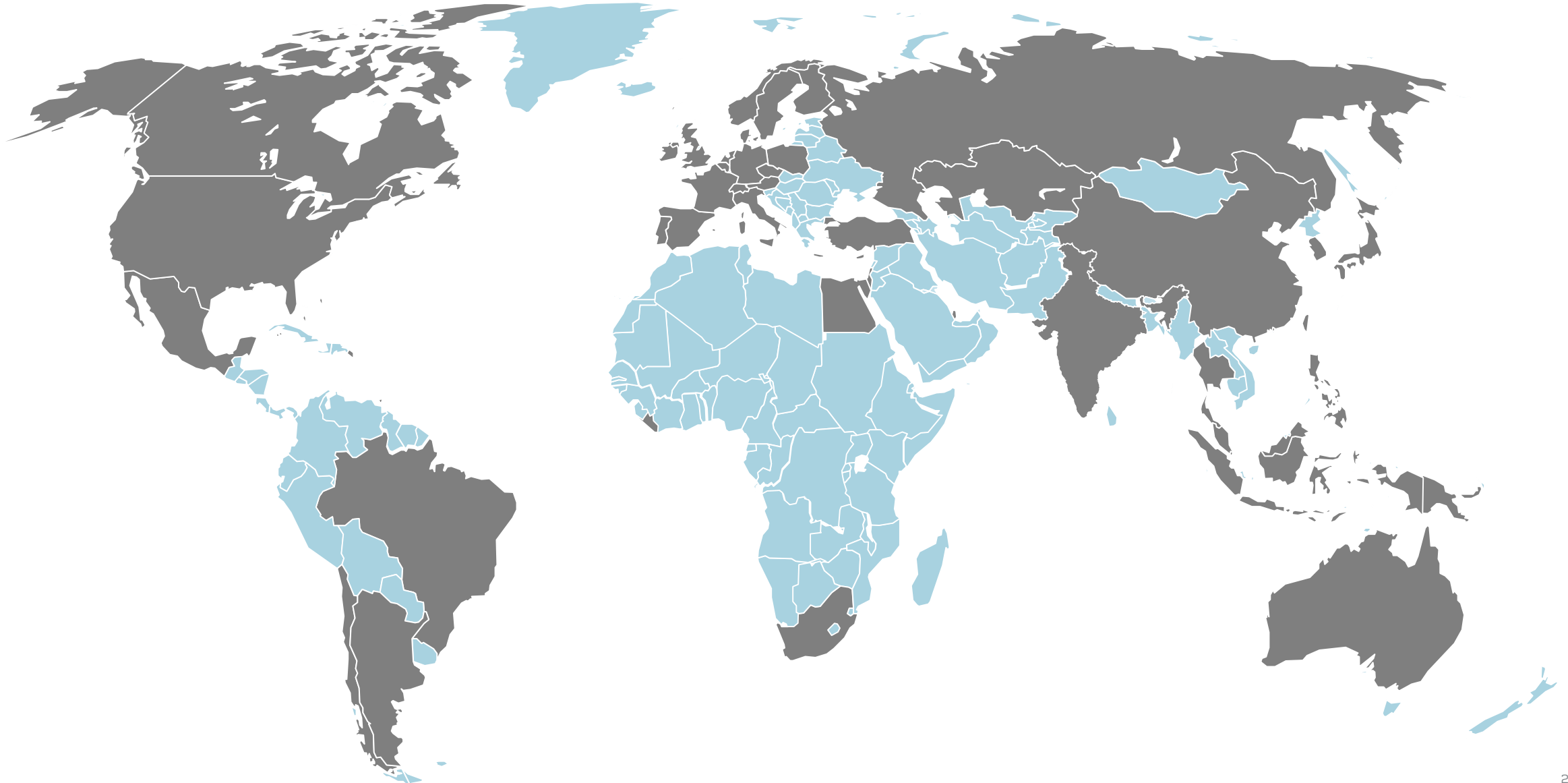
Top 10 industries most voted during H1 2020

Number of companies per industry (Sector in bracket)



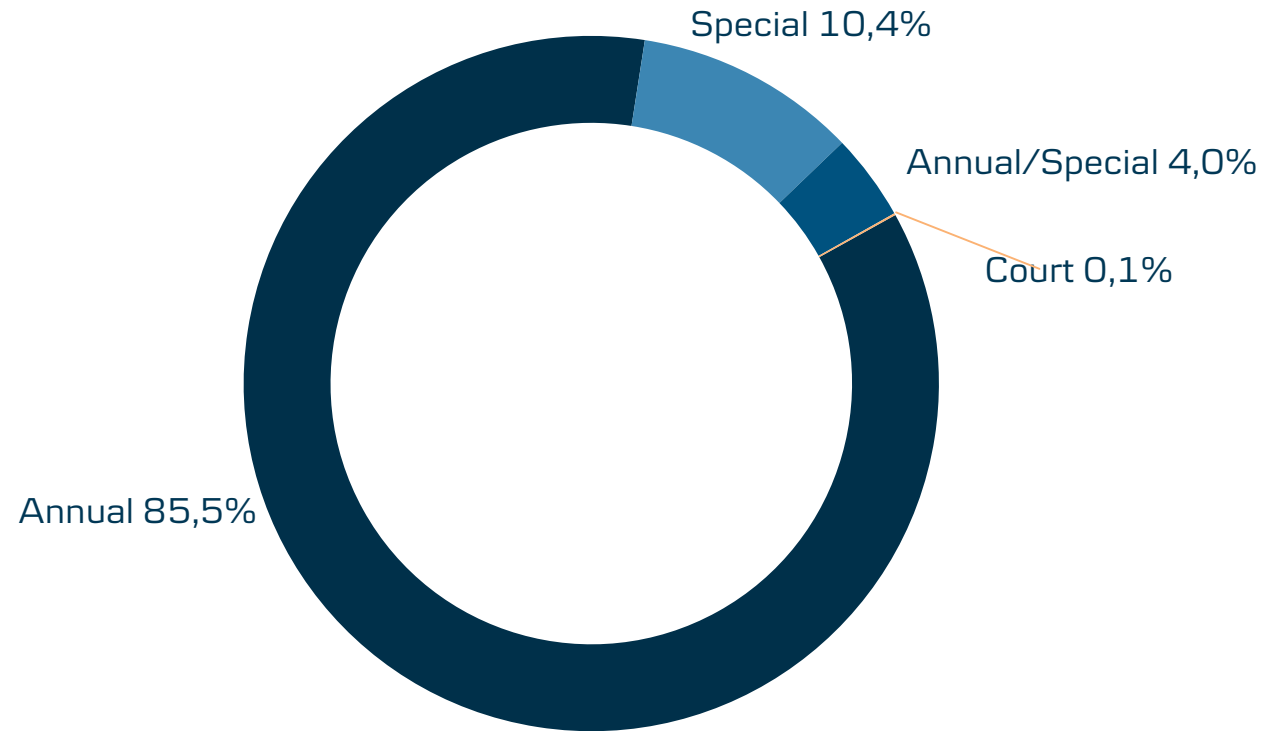


Voting with companies domiciled in 55 countries





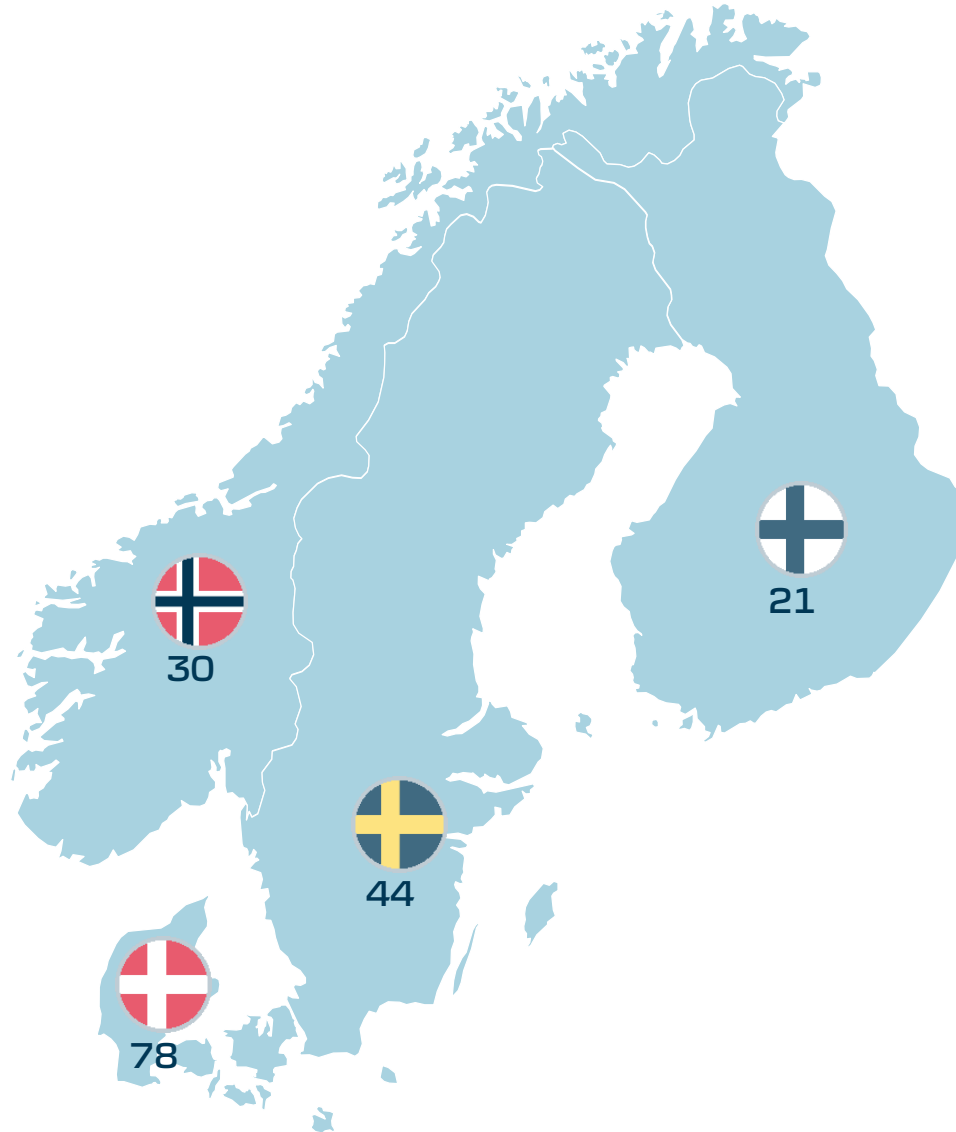
We voted primarily at Annual General Meetings (AGM)





Top 10 and voting distribution across Nordic countries

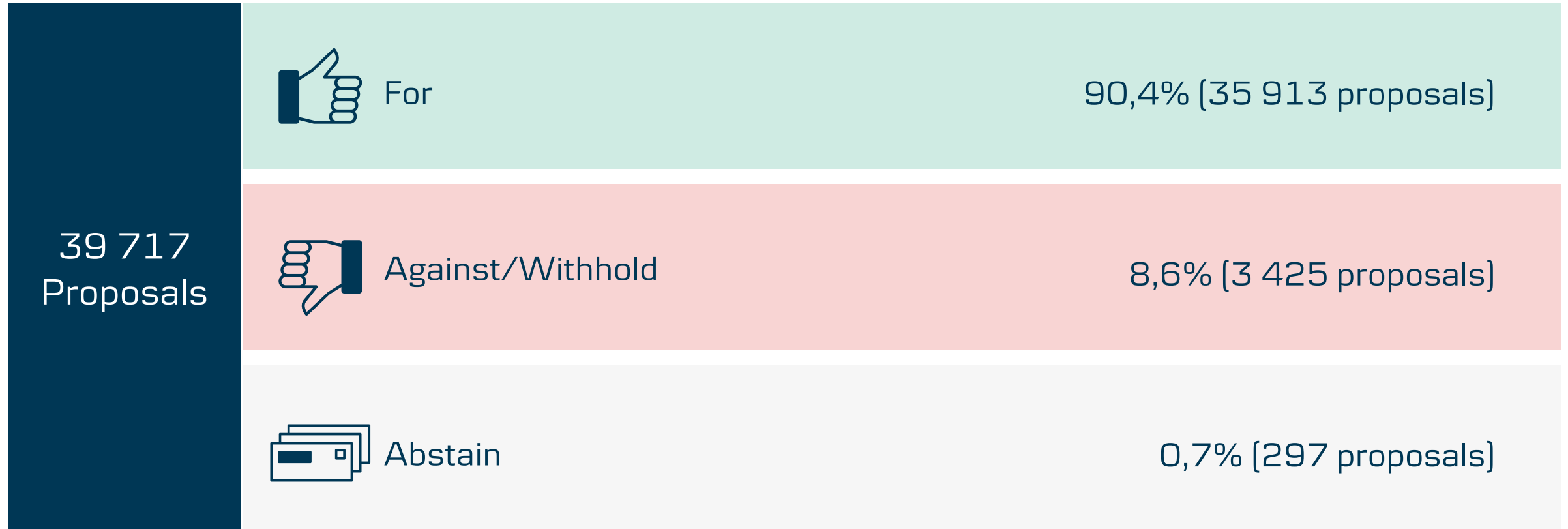
Rank	Country Domicile	Count
1	USA	1253
2	China	533
3	Japan	284
4	Cayman Islands	104
5	France	87
6	Taiwan	80
7	Denmark	78
8	United Kingdom	77
9	Germany	71
10	Canada	69



Region	Count
Rest of the world	2 493
Western & Southern Europe	608
Nordics	174
Eastern Europe	26



We predominantly voted 'For' the proposals



39 717
Proposals



For

90,4% (35 913 proposals)



Against/Withhold

8,6% (3 425 proposals)



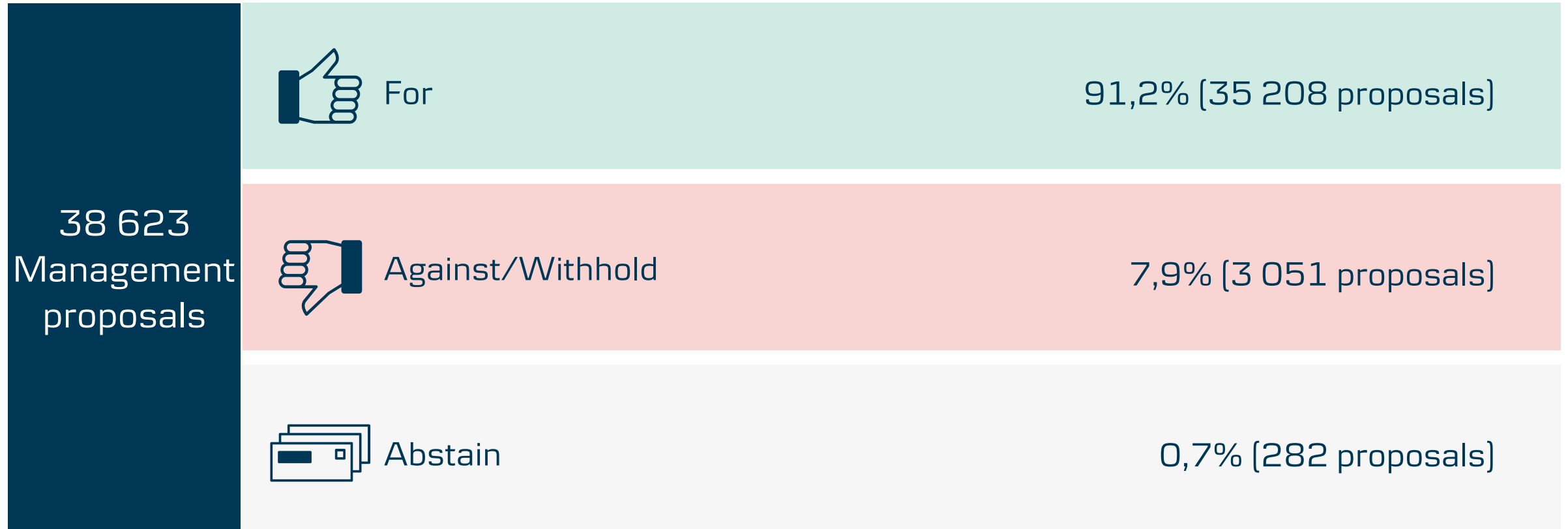
Abstain

0,7% (297 proposals)

Note: Across all voted proposals, 82 proposals with the type of 'Advisory Vote on Say on Pay Frequency' was voted on for one year



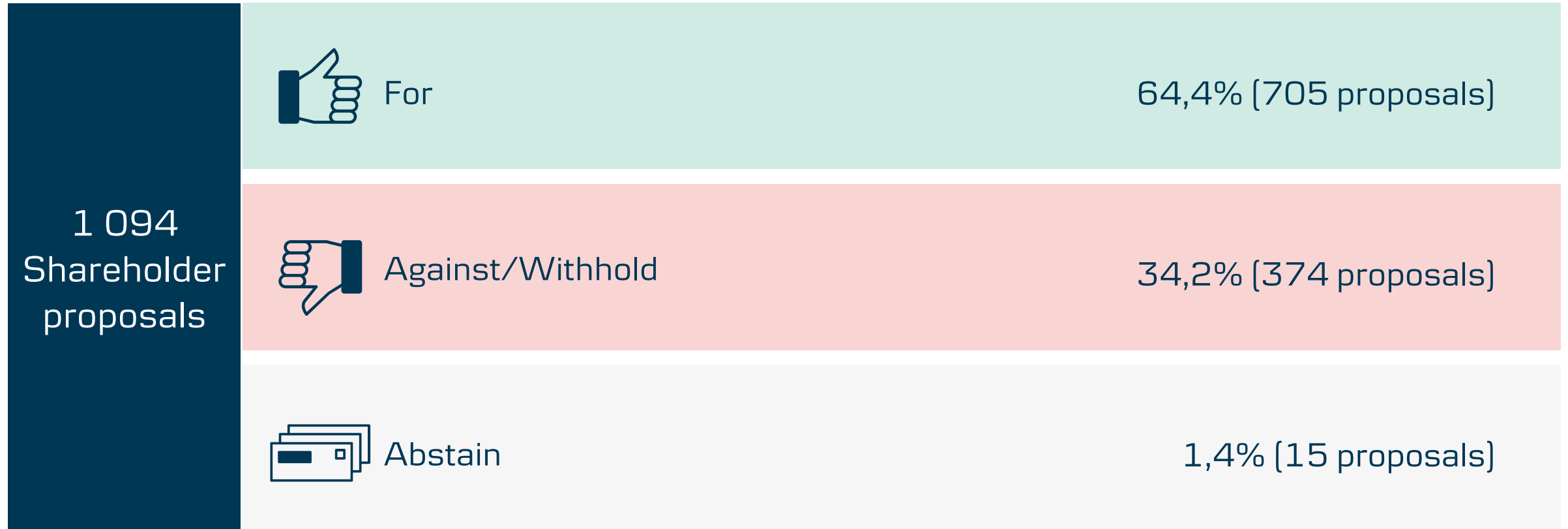
We predominantly voted 'For' the Management proposals



Note: Across all voted proposals, 82 proposals with the type of 'Advisory Vote on Say on Pay Frequency' was voted on for one year



We predominantly voted 'For' the Shareholder proposals

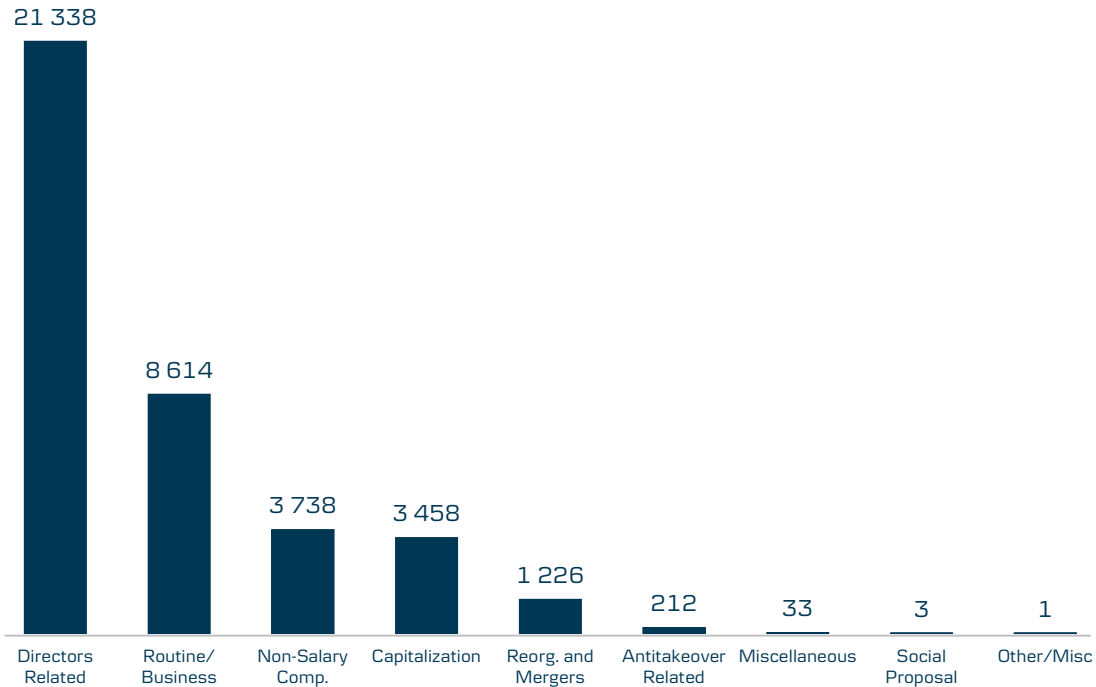




Voted proposals are mainly Directors-related

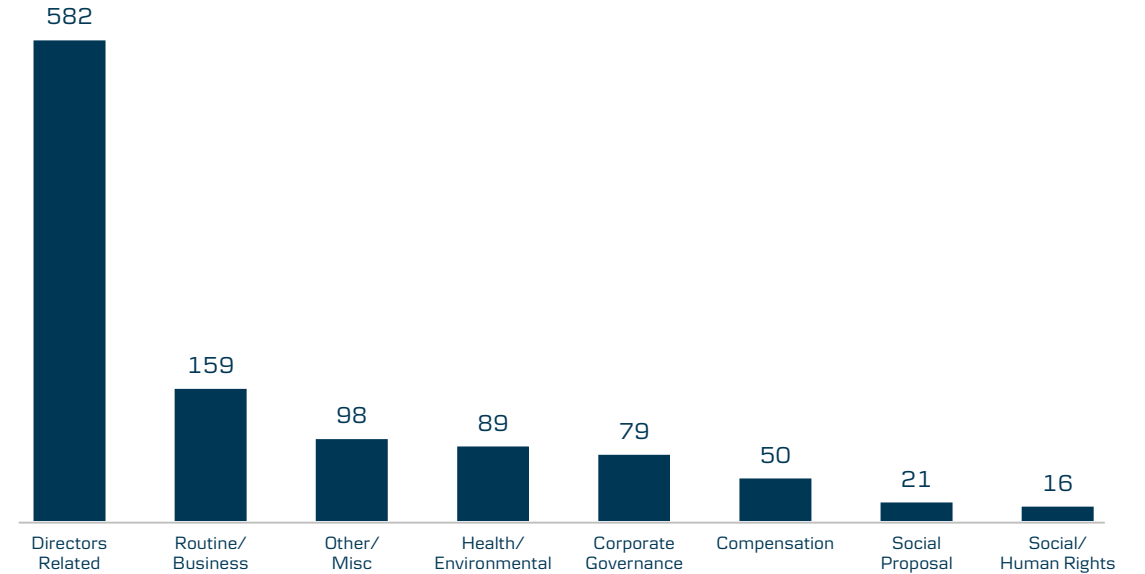
Management proposals

A total of 38 623 proposals



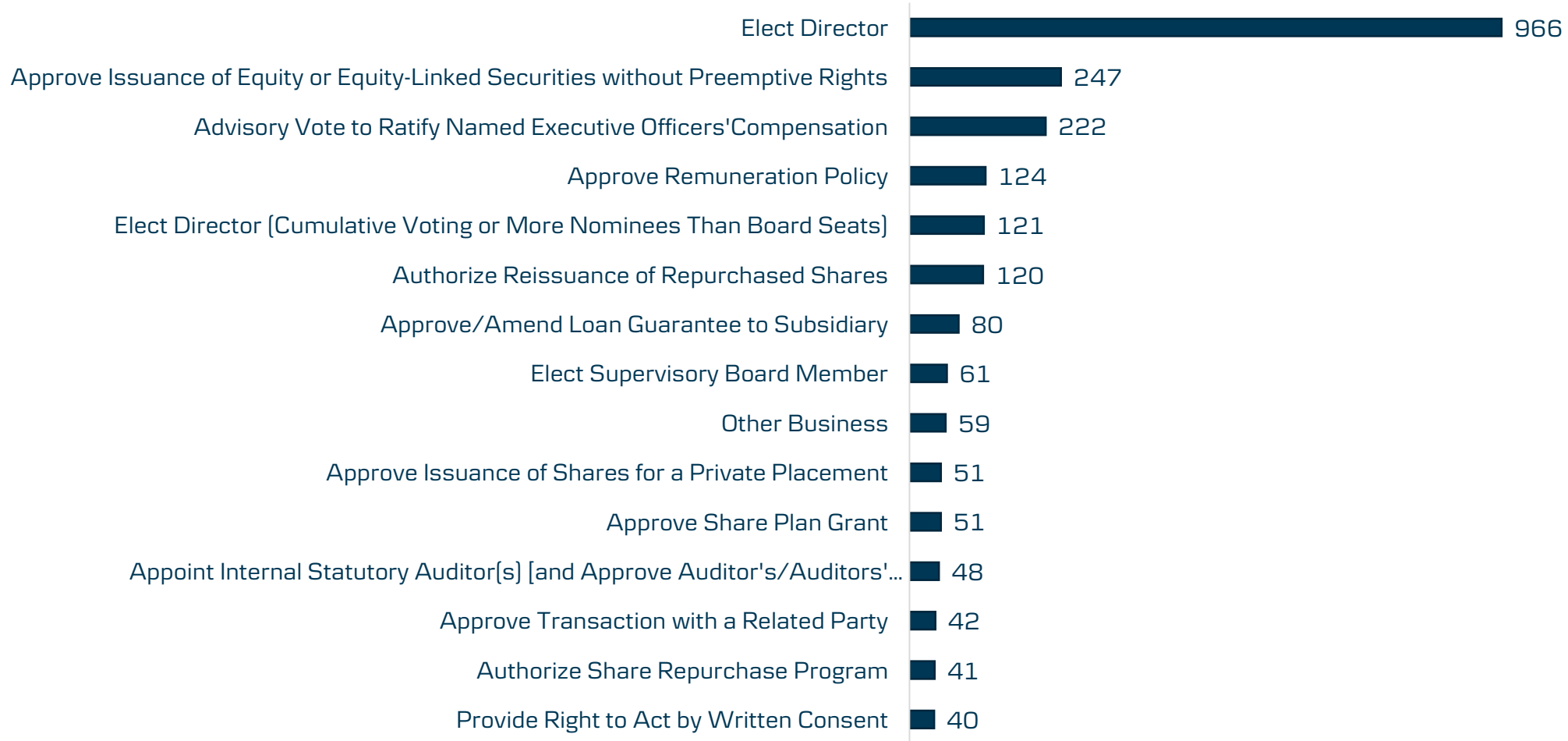
Shareholder proposals

A total of 1 094 proposals





Most common voted proposals against Management recommendations



Disclaimer & contact information

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Danske Bank Asset Management – a division of Danske Bank A/S

Holmens Kanal 2-12

DK-1092 Copenhagen, Denmark

Company reg. no.: 61 12 62 28

Tel. +45 45 13 96 00

Fax +45 45 14 98 03

<https://danskebank.dk/asset-management>

Engagement during H1 2020, by company

Akamai Technologies Inc	BASF SE	DLR Kredit A/S	Grieg Seafood ASA	Kemira Oyj
Akelius Residential Property AB	Bavarian Nordic A/S	DNB ASA	Grupa Kety SA	K-fast Holding AB
Aker BioMarine AS	Baxter International Inc	Dometic Group AB	H Lundbeck A/S	Kinnevik AB
Akzo Nobel NV	BHP Group Ltd	Drilling Co of 1972 A/S/The	Haci Omer Sabanci Holding AS	Knorr-Bremse AG
Allegion plc	BillerudKorsnas AB	DSV PANALPINA A/S	Haldex AB	Kojamo Oyj
Allianz SE	Boston Scientific Corp	E.ON SE	Heimstaden AB	Konecranes Oyj
Alrosa PJSC	BP PLC	Ecolab Inc	Heimstaden Bostad AB	Koninklijke Philips NV
Alstom SA	BW Offshore Ltd	Eli Lilly and Co	Heineken NV	Kungsleden AB
Altice Europe NV	CaixaBank SA	Elisa Oyj	Hennes & Mauritz AB	Leroy Seafood Group ASA
Ambea AB	Castellum AB	Elkem ASA	Hexagon AB	Liberty Global PLC
Amgen Inc	Caverion Oyj	Ellevio AB	Hoist Finance AB	Lifco AB
Anheuser-Busch InBev SA/NV	CD Projekt SA	Eltel AB	Huhtamaki Oyj	Link Net Tbk PT
Antofagasta PLC	CEZ AS	Enel SpA	Husqvarna AB	L'Oreal SA
AP Moller - Maersk A/S	Chr Hansen Holding A/S	Epiroc AB	Iberdrola SA	Magnit PJSC
Arjo AB	Cie Generale des Etablissements Michelin SCA	EQT AB	ICA Gruppen AB	Magnitogorsk Iron & Steel Works PJSC
Aroundtown SA	Colgate-Palmolive Co	Equinor ASA	Ideagen PLC	Matas A/S
Ashtead Group PLC	Concentric AB	Erste Group Bank AG	IMI PLC	Medistim ASA
ASML Holding NV	Coor Service Management Holding AB	Etalon Group PLC	Industrivarden AB	MetLife Inc
Assa Abloy AB	Corticeira Amorim SGPS SA	European Investment Bank	Indutrade AB	Metsa Board Oyj
AstraZeneca PLC	Covestro AG	Evraz PLC	Infinion Technologies AG	Metso Outotec Oyj
Atlantia SpA	Croda International PLC	Fabege AB	ING Groep NV	Millicom International Cellular SA
Atlas Copco AB	CTT Systems AB	Fastighets AB Balder	Intrum AB	Mobile TeleSystems PJSC
Atrium Ljungberg AB	CyrusOne Inc	Faurecia SE	Investor AB	Mondelez International Inc
Austevoll Seafood ASA	Daimler AG	Federal Bank Ltd	Islandsbanki HF	Morningstar Inc
Akamai Technologies Inc	BASF SE	DLR Kredit A/S	Grieg Seafood ASA	Kemira Oyj
Akelius Residential Property AB	Bavarian Nordic A/S	DNB ASA	Grupa Kety SA	K-fast Holding AB
Aker BioMarine AS	Baxter International Inc	Dometic Group AB	H Lundbeck A/S	Kinnevik AB
Akzo Nobel NV	BHP Group Ltd	Drilling Co of 1972 A/S/The	Haci Omer Sabanci Holding AS	Knorr-Bremse AG
Allegion plc	BillerudKorsnas AB	DSV PANALPINA A/S	Haldex AB	Kojamo Oyj
Allianz SE	Boston Scientific Corp	E.ON SE	Heimstaden AB	Konecranes Oyj

Engagement during H1 2020, by company

Nestle SA	Salmar ASA	Tobii AB
Nibe Industrier AB	Sandvik AB	TOMRA Systems ASA
Nobina AB	SAS AB	Topdanmark A/S
Nokian Renkaat Oyj	SATS Ltd	TOTAL SE
Nordea Bank Abp	Scandi Standard AB	Turk Telekomunikasyon AS
Norsk Hydro ASA	Schibsted ASA	Unicaja Banco SA
Norwegian Air Shuttle ASA	Schneider Electric SE	Unilever NV
Nova Ljubljanska Banka dd	Security Bank Corp	UNIQA Insurance Group AG
Novartis AG	Serneke Group AB	UPM-Kymmene Oyj
Novo Nordisk A/S	Severstal PAO	Veidekke ASA
NP3 Fastigheter AB	SGS SA	Vestas Wind Systems A/S
Nykredit Realkredit A/S	Siemens AG	Visa Inc
Olav Thon Eiendomsselskap ASA	Siemens Healthineers AG	Volkswagen AG
Orkla ASA	Signify NV	Volvo AB
Orsted A/S	Sika AG	Wallenius Wilhelmsen ASA
Owens Corning	Sirius International Group Ltd	Wallenstam AB
Pandora A/S	Skandinaviska Enskilda Banken AB	Weir Group PLC/The
Philippine National Bank	Sparebank 1 Oestlandet	X5 Retail Group NV
Procter & Gamble Co/The	SpareBank 1 SMN	Zealand Pharma A/S
Puma SE	SpareBank 1 SR-Bank ASA	Zee Entertainment Enterprises Ltd
Realkredit Danmark A/S	SSE PLC	Zurich Insurance Group AG
Renault SA	Stora Enso Oyj	
Rexel SA	Storebrand ASA	
Rio Tinto PLC	Stromma Turism & Sjøfart AB	