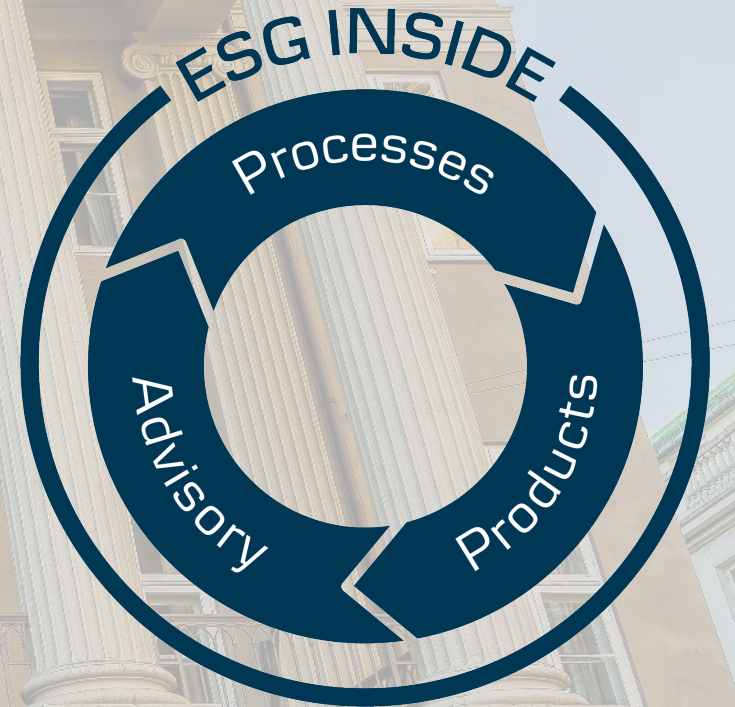


Danske Bank

Active Ownership Report: 2019

Danske Invest Fund Management Ltd.

March 2020



Active Ownership Report: 2019

When investors 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 investors.

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. The investment teams 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 investors and stakeholders with regular updates on our progress and results.

The two parts of the report



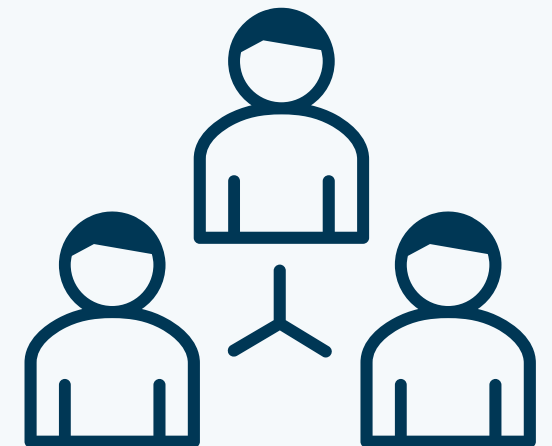
Part 1:
Engagement Report



Part 2:
Voting Report

Active Ownership Report: 2019

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 2019, Danske Invest Fund Management Ltd. have had the following engagement activities



Companies

155



Country domiciles

27



ESG engagement topics

86



Interactions

330

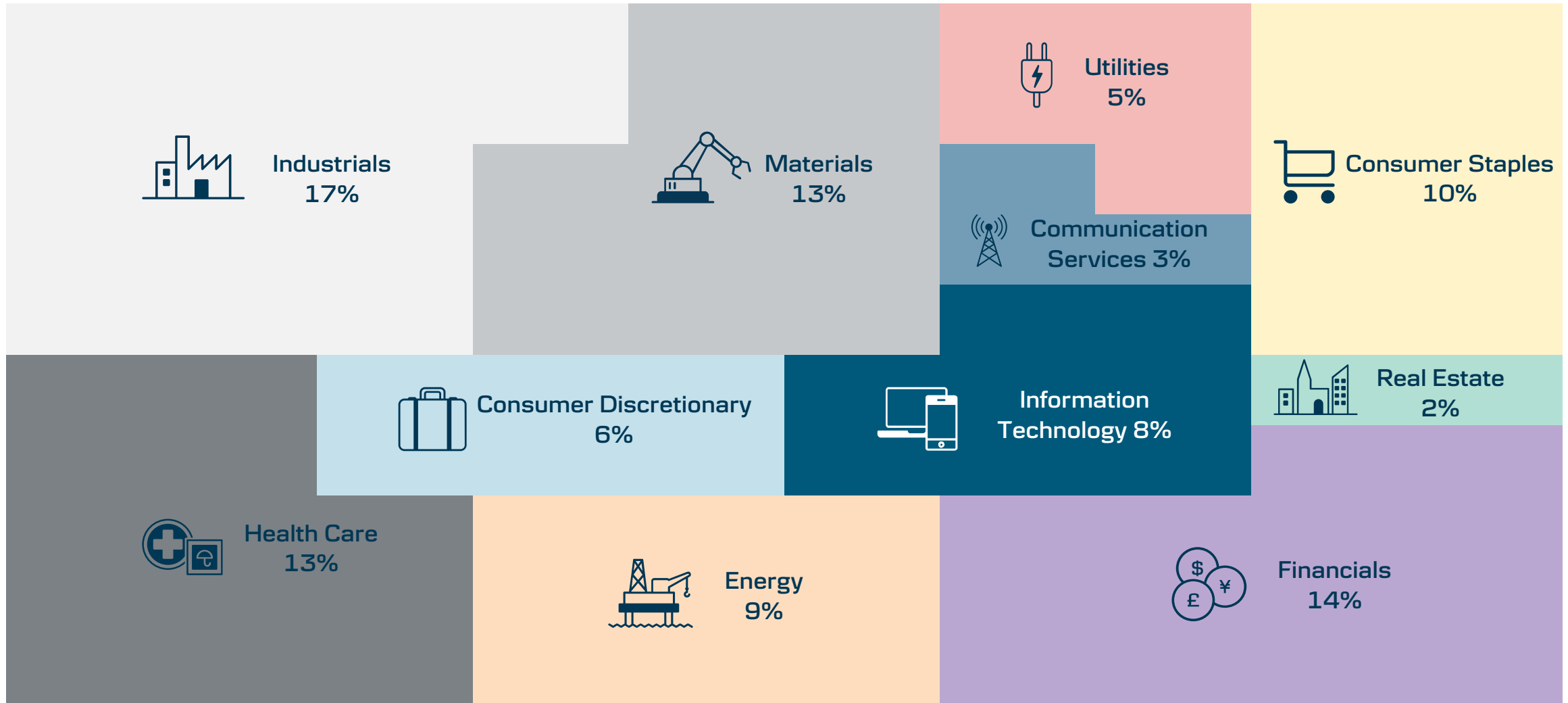


Danske Invest Fund Management Ltd. has engaged primarily with small, mid & large cap companies





Sector distribution of companies engaged with during 2019

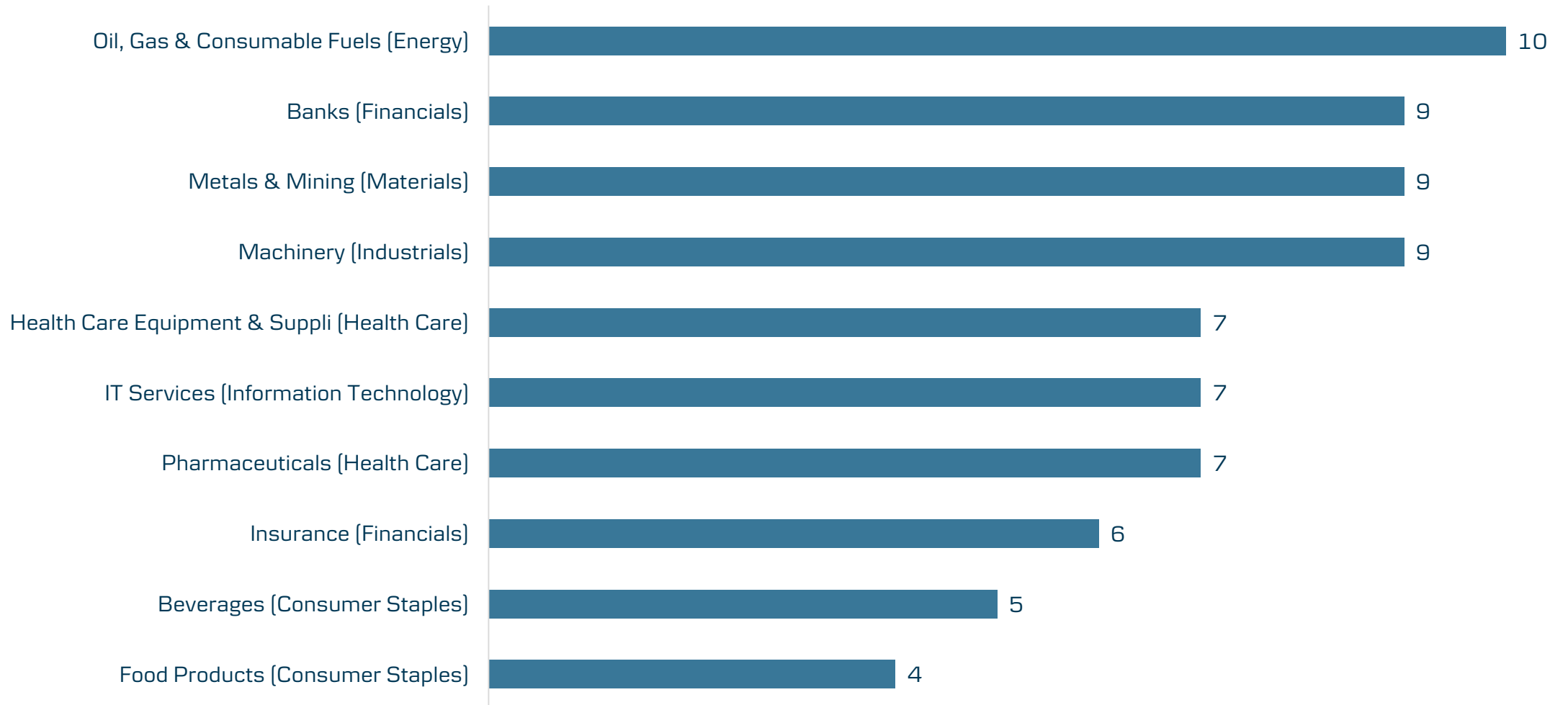


Note: Global Industry Classification Standard (GICS) is used for sector classification.



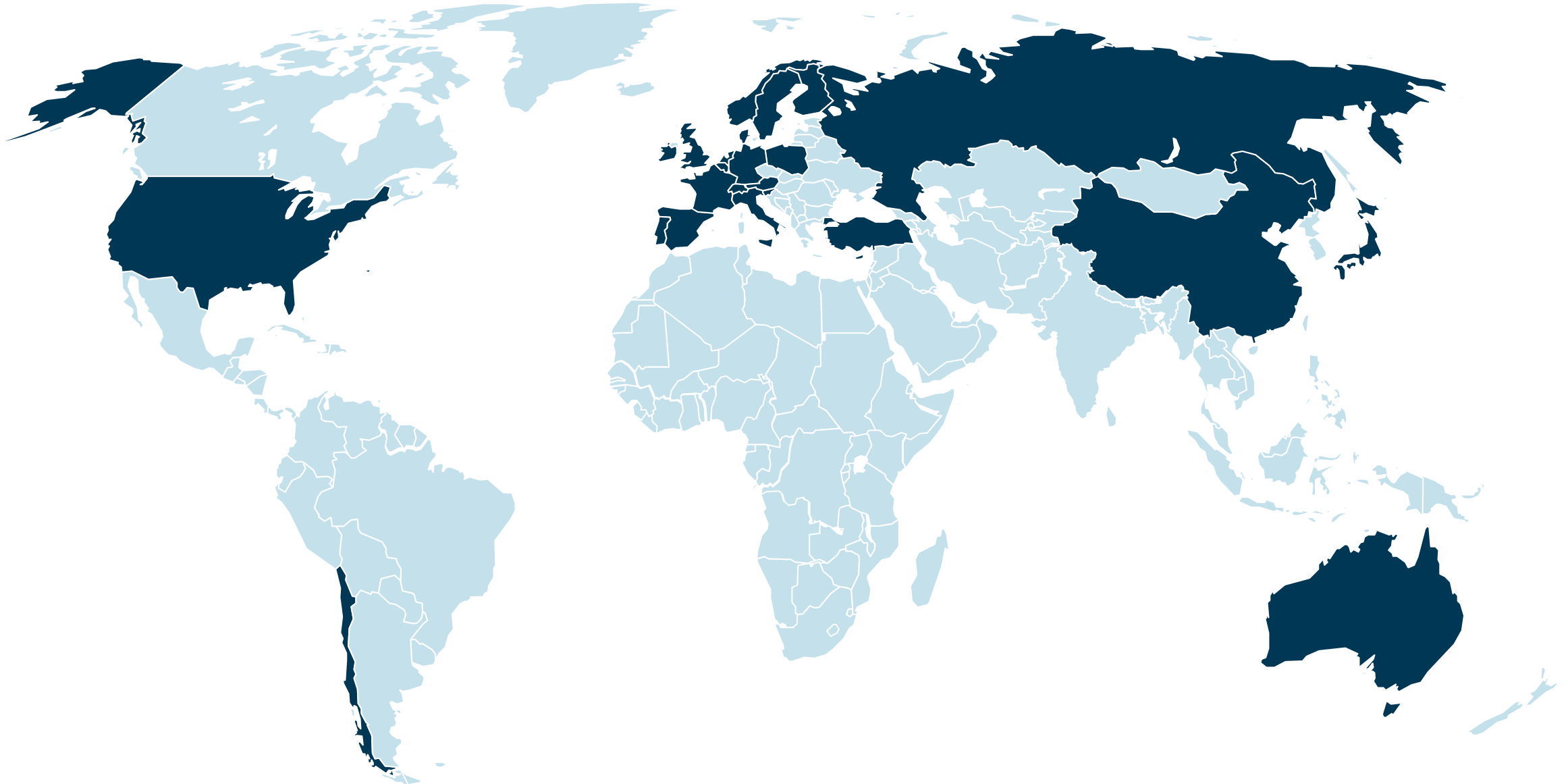
Top 10 industries most engaged with during 2019

Number of companies per industry (Sector in bracket)

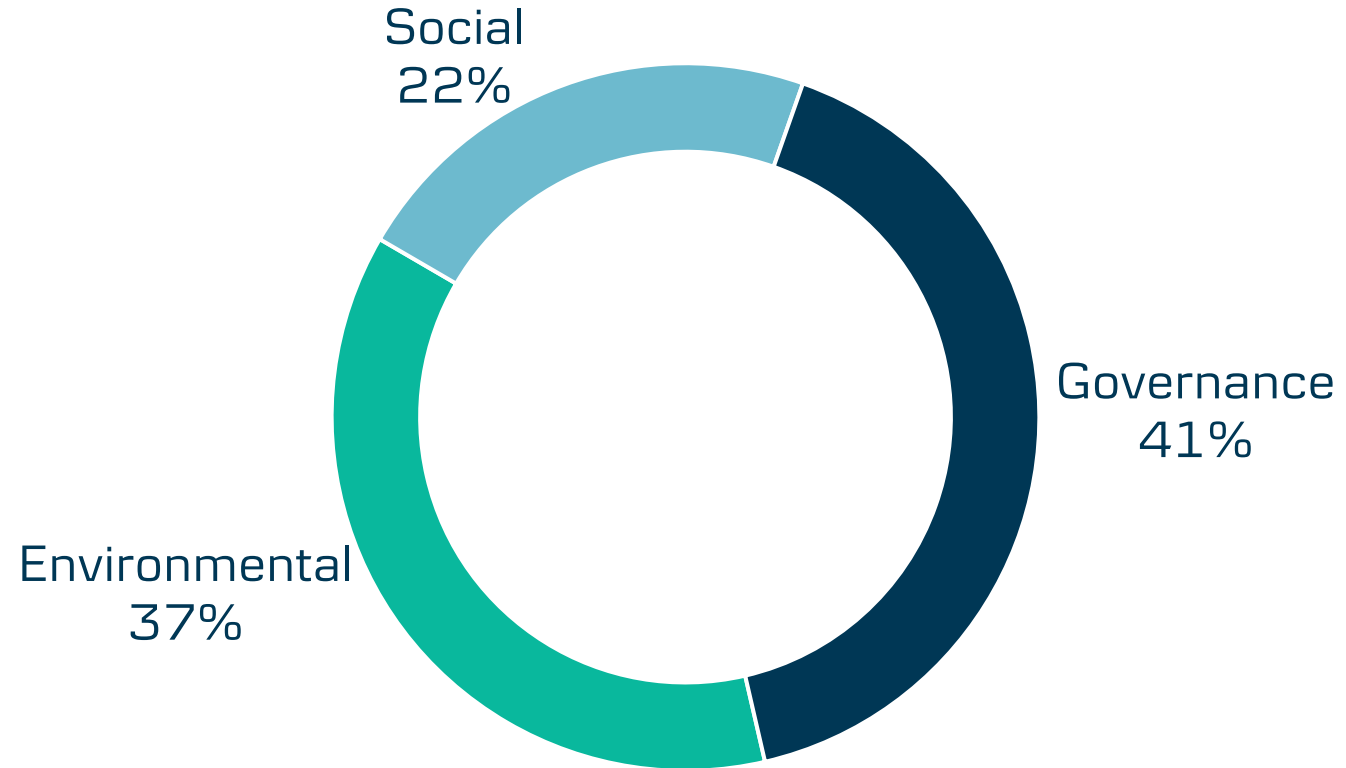




Engagement with companies domiciled in 27 countries

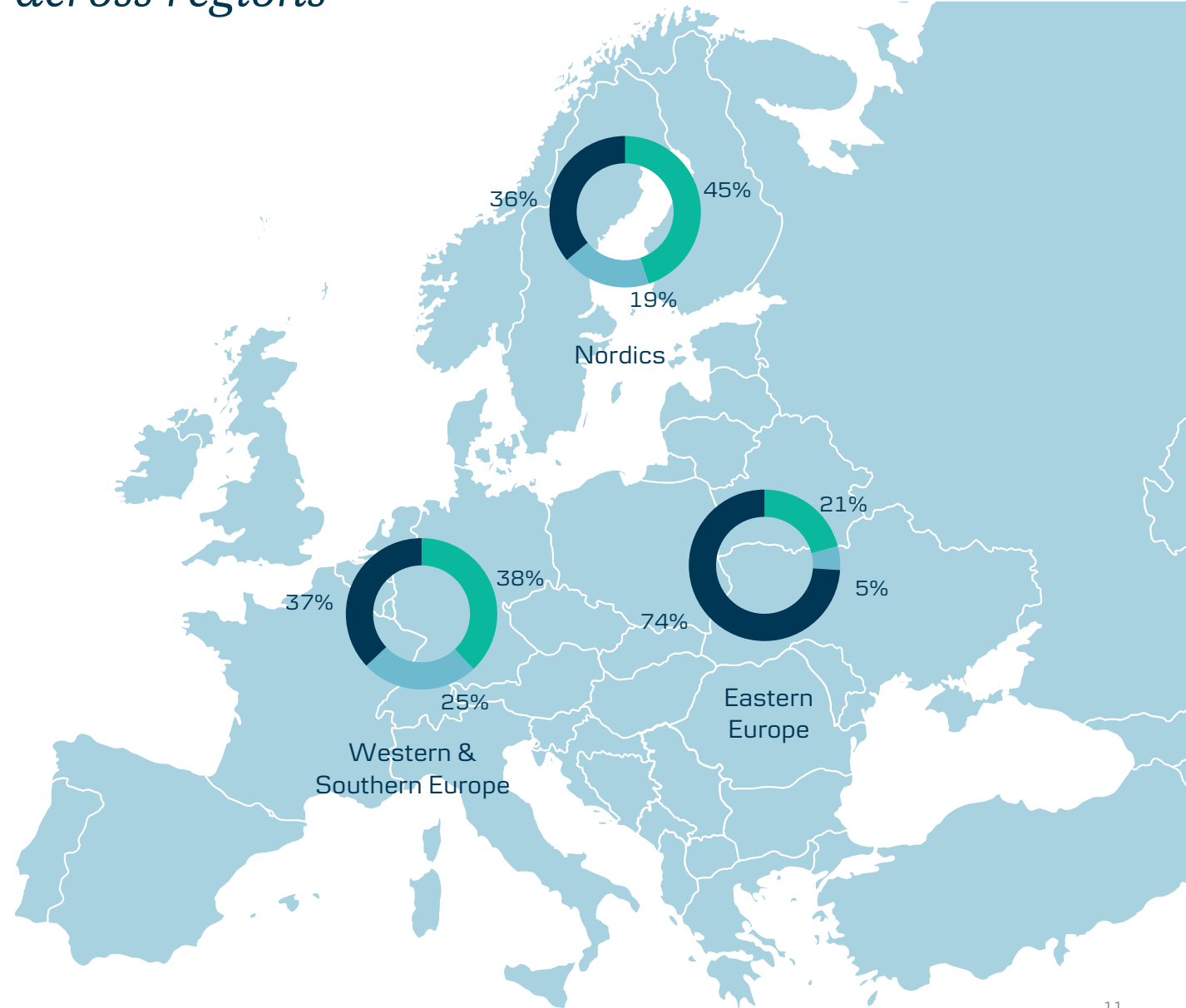
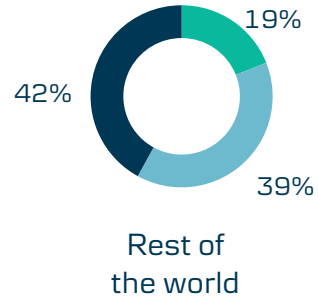


Split between ESG engagement themes



Split between ESG engagement themes across regions

- = Environmental
- = Social
- = Governance





86 ESG engagements topics have been addressed and discussed



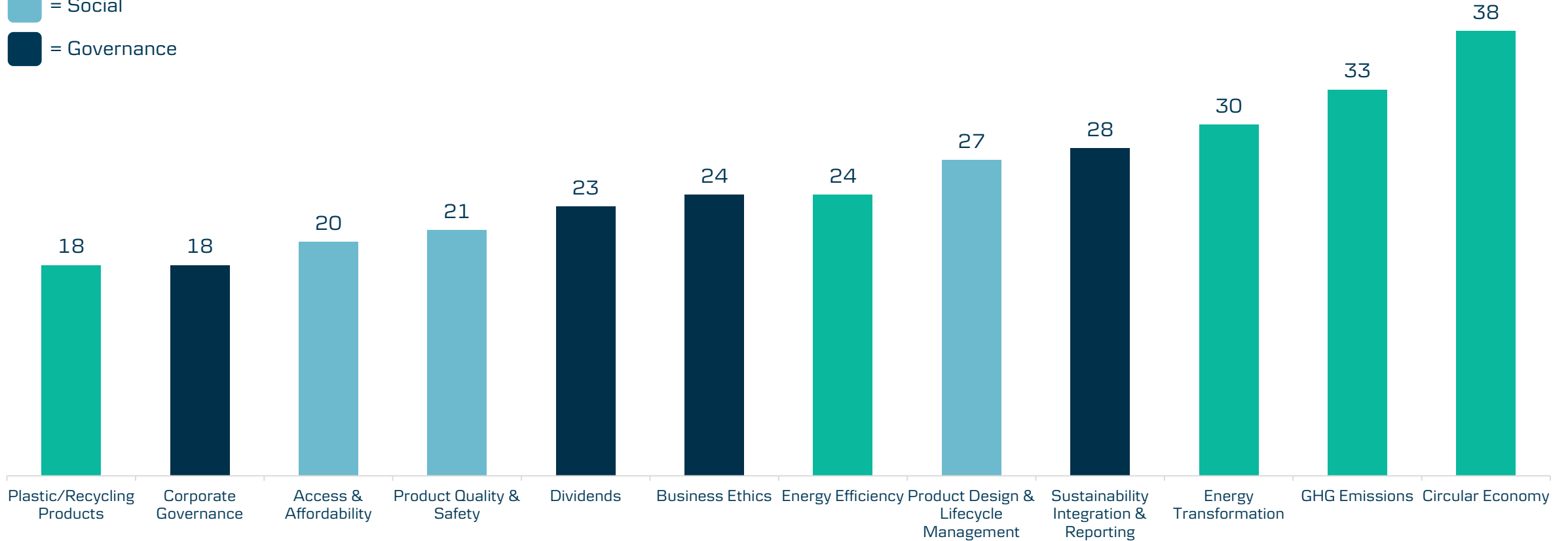
Most frequent ESG engagement topics across the E, S, and G theme

Environmental			Social			Governance		
Rank	Topic	Count	Rank	Topic	Count	Rank	Topic	Count
1	Circular Economy	38	1	Product Design & Lifecycle Management	27	1	Sustainability Integration & Reporting	28
2	GHG Emissions	33	2	Product Quality & Safety	21	2	Business Ethics	24
3	Energy Transformation	30	3	Access & Affordability	20	3	Dividends	23
4	Energy Efficiency	24	4	Selling Practices & Product Labeling	11	4	Corporate Governance	18
5	Plastic/Recycling Products	18	5	Customer Welfare	8	5	AML Issues & Handling	14
6	Sustainable Products	15	6	Employee Health & Safety	8	6	Capital Structure	12
7	Water & Wastewater Management	14	7	Data Security	7	7	M&A	12



Top 3 among the 86 ESG engagement topics: Circular Economy; GHG Emissions and Energy Transformation

- = Environmental
- = Social
- = Governance

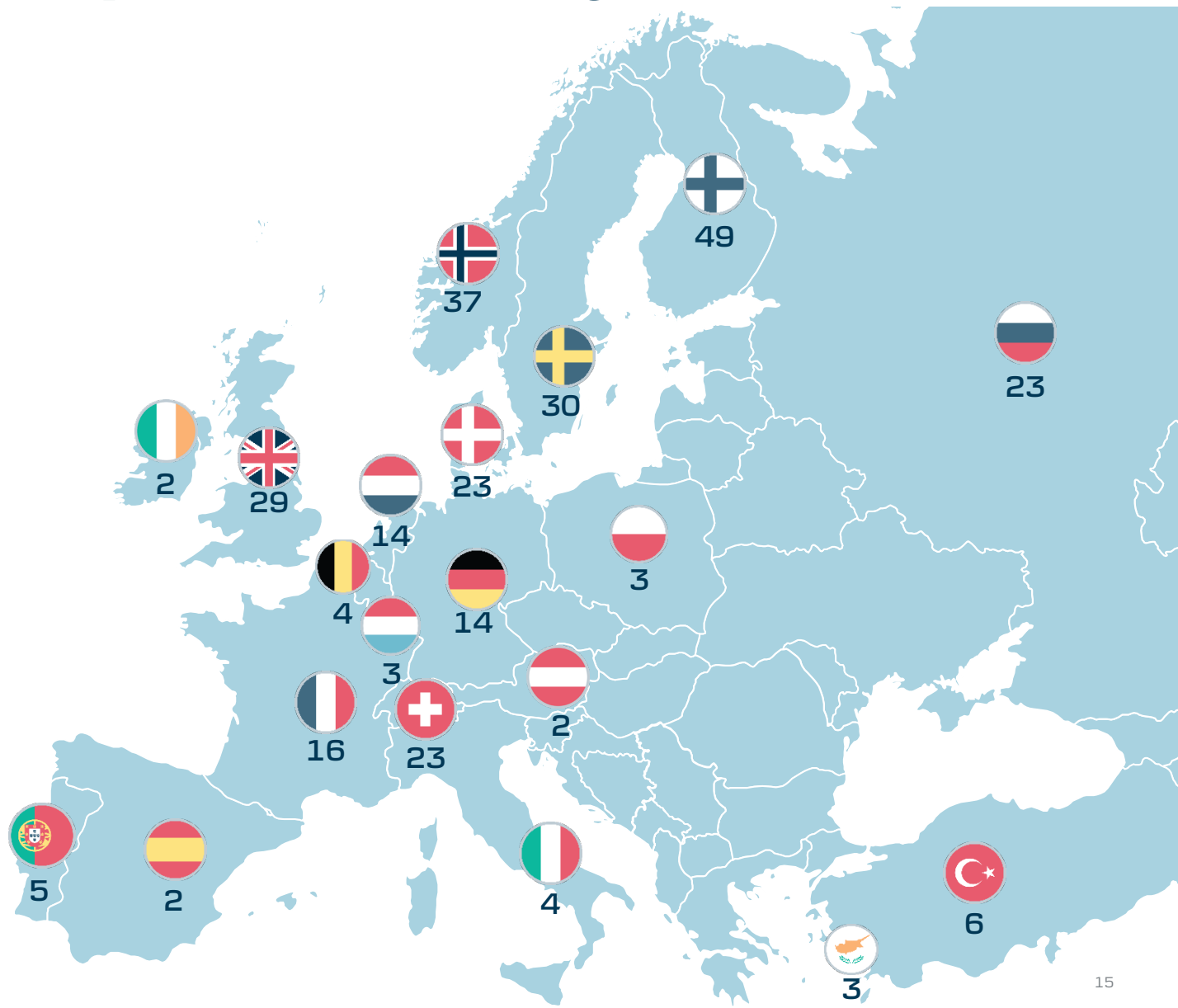




The majority of company interactions took place in the Nordic region



Rest of the world



Note: 'Rest of the world' covers countries that are mainly outside map (excl. U.S.A.)



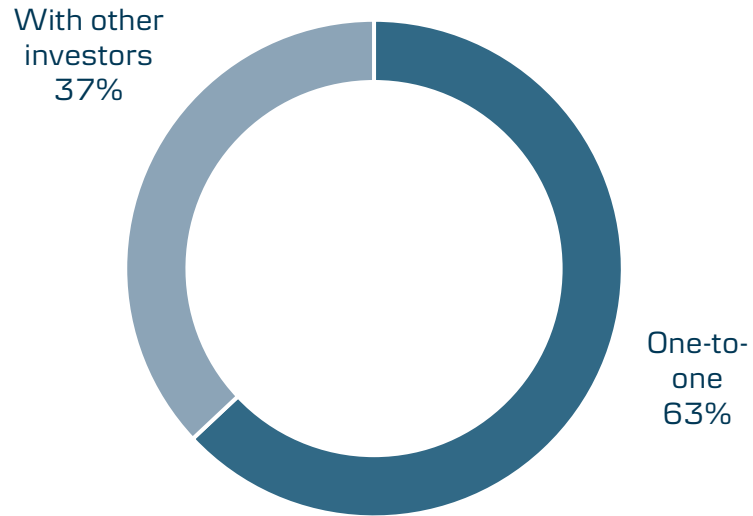
Most commonly addressed ESG topics across geography



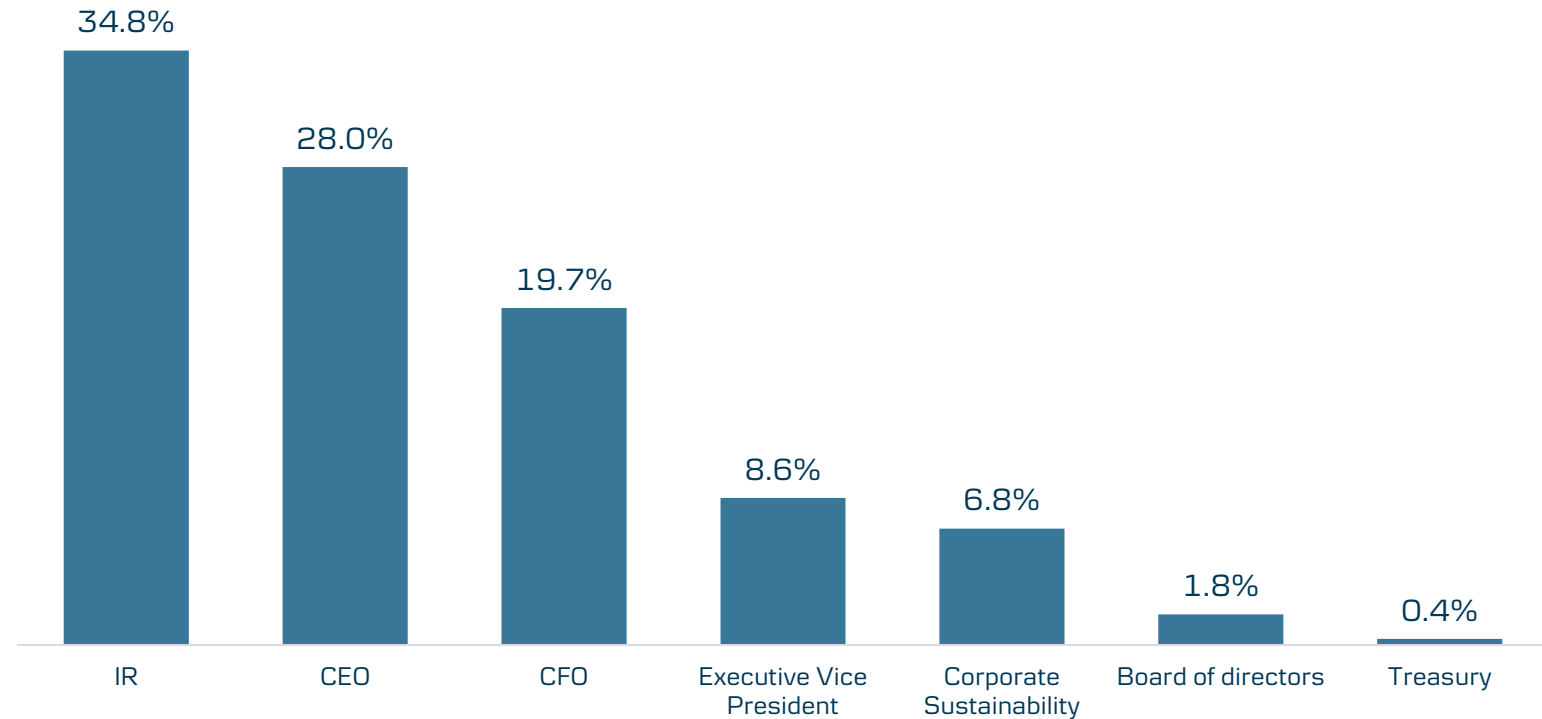


Company interactions are mainly one-to-one and with IR, CEO or CFO

Type of meeting



Share of meetings by level of participants



Engagement examples: Circular Economy

38 engagements



Among the 330 total engagements focused on Circular Economy.

Circular Economy is the first most common topic for our portfolio managers to engage with companies on during 2019. **Circular Economy** is an economic system that aims the value of products and materials is maintained for as long as possible.

Company Example



Sector: Health Care

“Discussed with company about the transition from a linear to a circular economy as a necessary boundary condition.”



Sector: Utilities

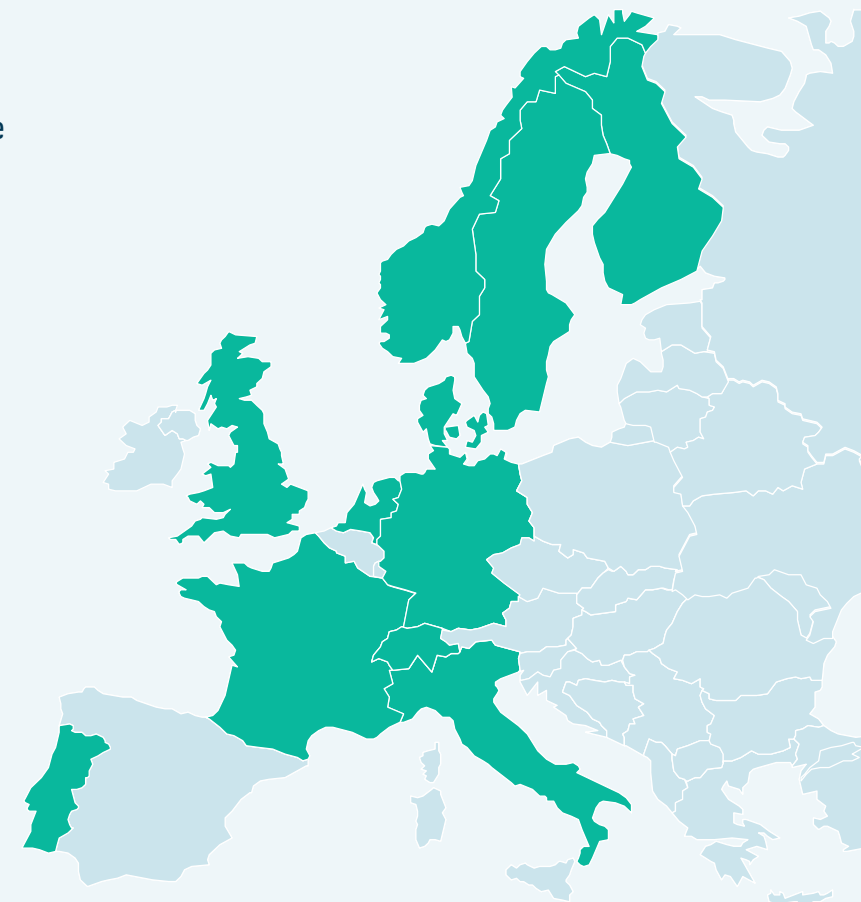
“The company’s circular economy solutions and improved resource efficiency as well as ethical business operations .”



Sector: Industrials

“The company’s new plastic regulations.”

Topic addressed
in the following countries



Engagement examples: GHG Emissions

33 engagements



Among the 330 total engagements focused on GHG Emissions.

GHG Emissions is the second most common topic for our portfolio managers to engage with companies on during 2019. **GHG Emissions** are emissions into earth’s atmosphere of any type of various gases contributing to the greenhouse effect.

Company Example



Sector: Energy
 “Discussed with company about focus on new energies and power.”



Sector: Consumer Discretionary
 “The company’s test of hybrid and electric cars to reduce CO2-emissions.”



Sector: Energy
 “Discussed about company’s environmental impact and flaring stopped.”

Topic addressed in the following countries



Engagement examples: Energy Transformation

30 engagements



Among the 330 total engagements focused on Energy Transformation.

Energy Transformation is the third most common topic for our portfolio managers to engage with companies on during 2019. **Energy Transformation** is the shift from one type energy into another and might have major social, economic and political implications.

Company Example



Sector: Utilities

“Discussed company’s build out of renewables .”



Sector: Consumer Discretionary

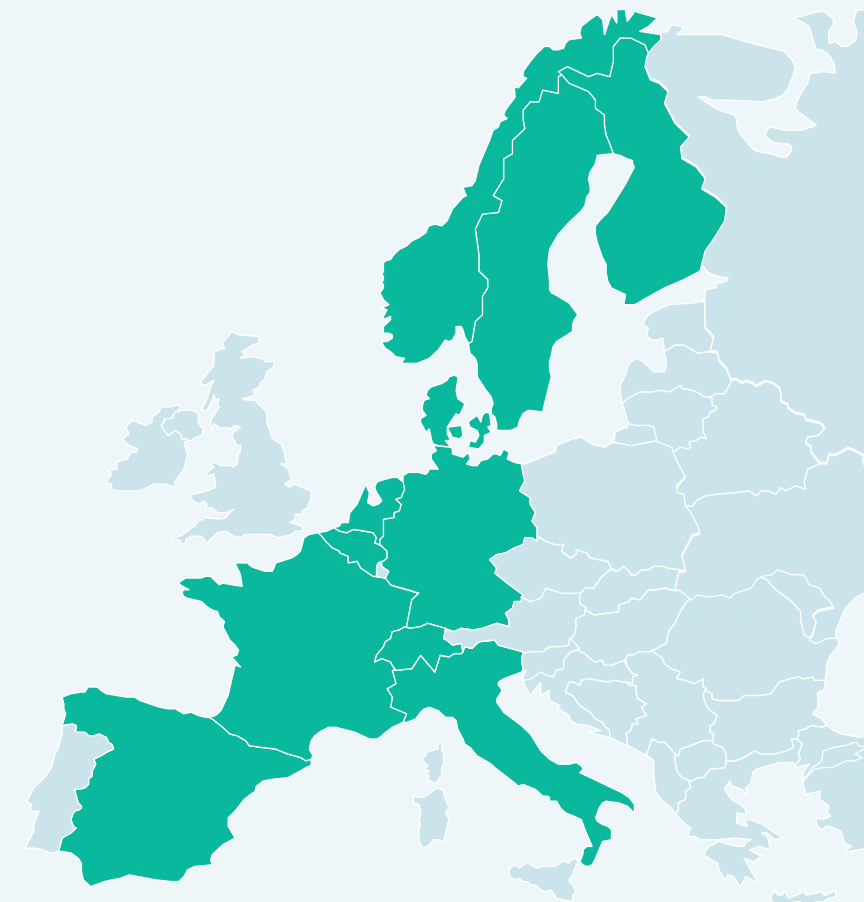
“The company’s plans for launching electric cars, R&D.”



Sector: Energy

“The company’s energy transition opportunities.”

Topic addressed
in the following countries



Active Ownership Report: 2019

Part 2: Voting Report



Engagement Report introduction



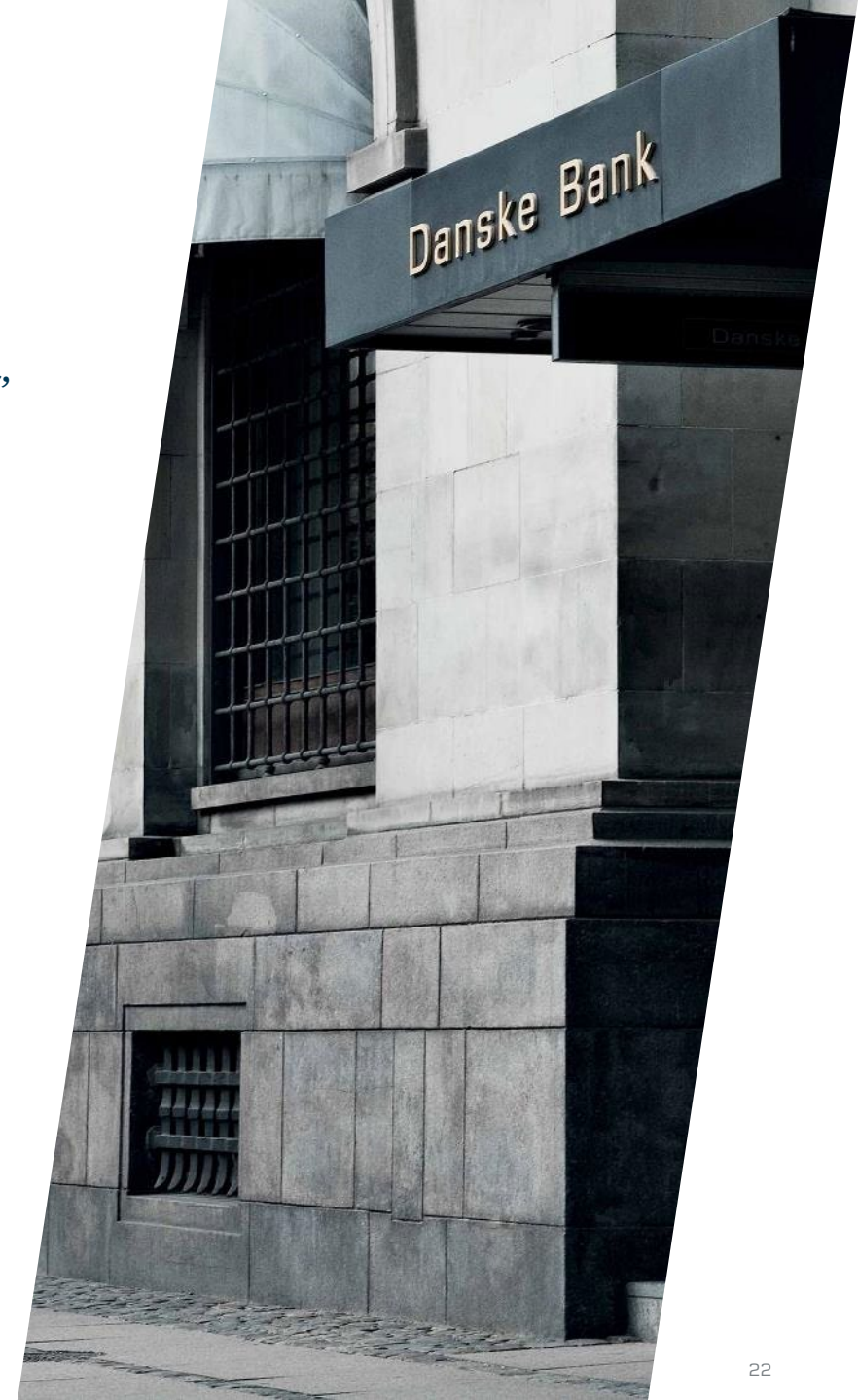
The annual general meeting is an opportunity to voice our opinion, vote on issues of key importance to the running of a company, and contribute to the good governance of the company.



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 2019, Danske Invest Fund Management Ltd. has had the following voting activities



Meetings

38



Country domiciles

2



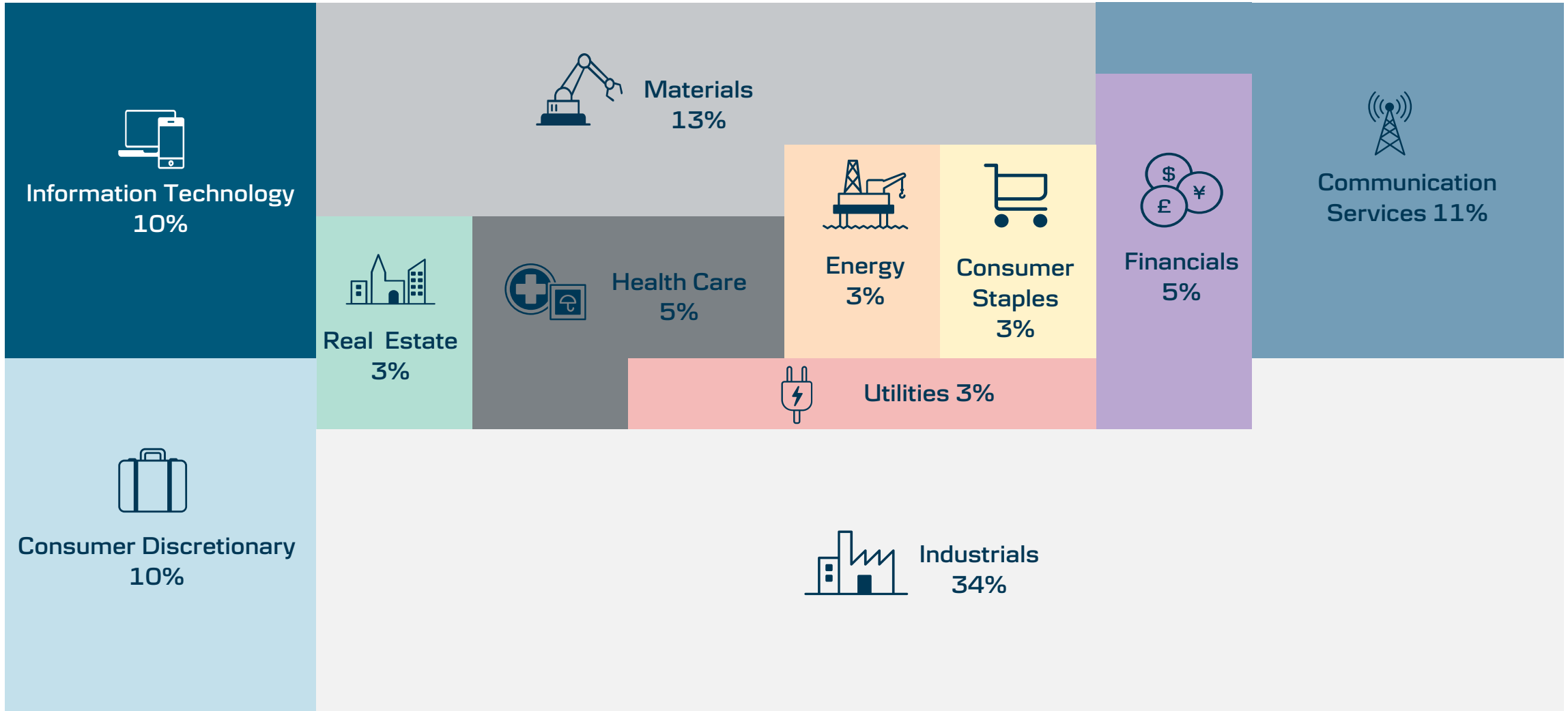
Proposals

495





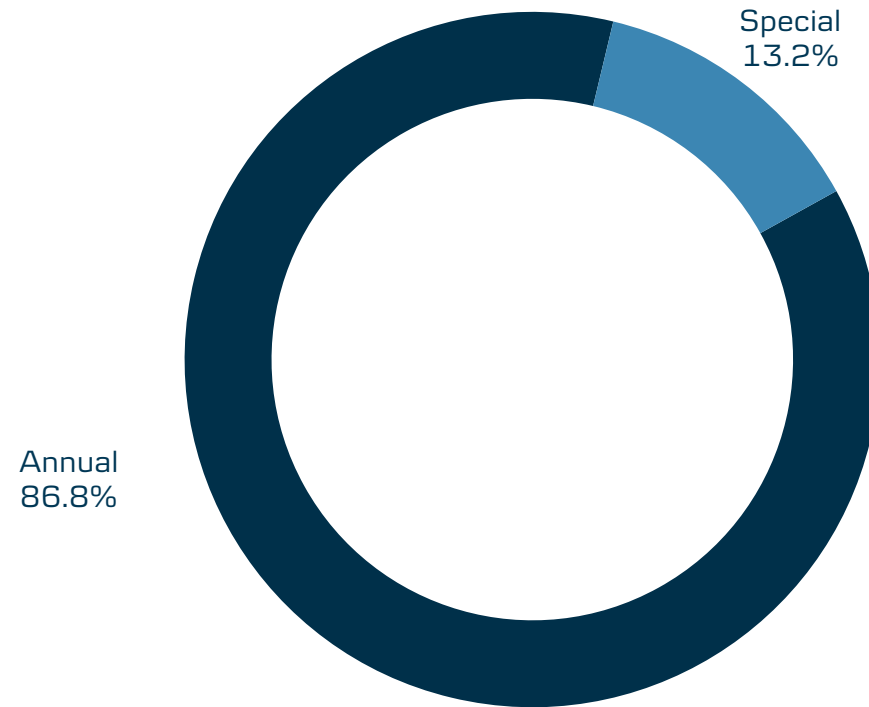
Sector distribution for our voting during 2019



Note: Global Industry Classification Standard (GICS) is used for sector classification.



We voted primarily at Annual General Meetings (AGM)

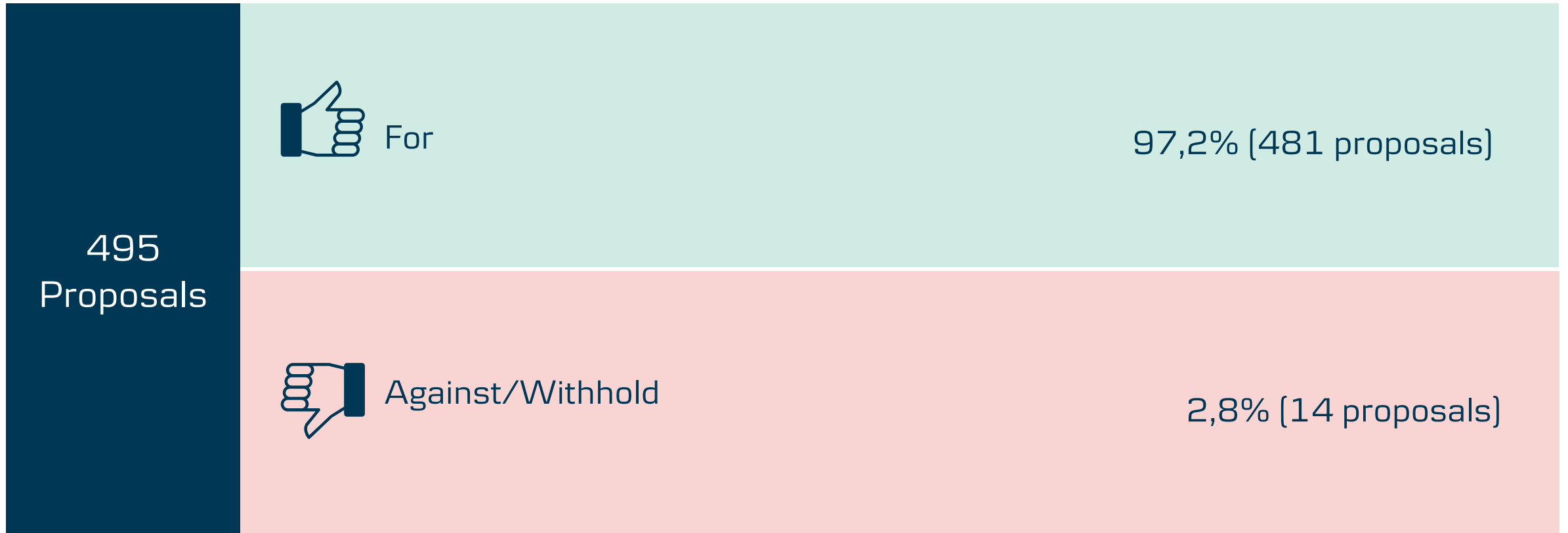




Voting distribution across countries shows main focus on Nordic domiciled companies

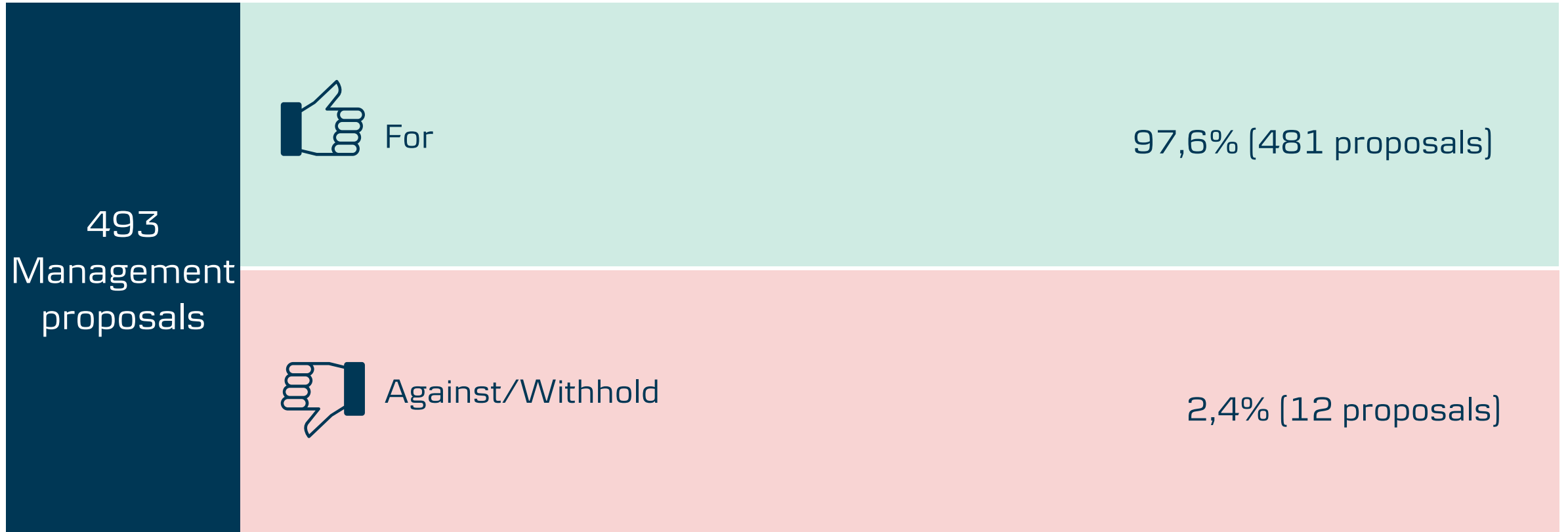


Danske Invest Fund Management Ltd. predominantly voted 'For' the proposals



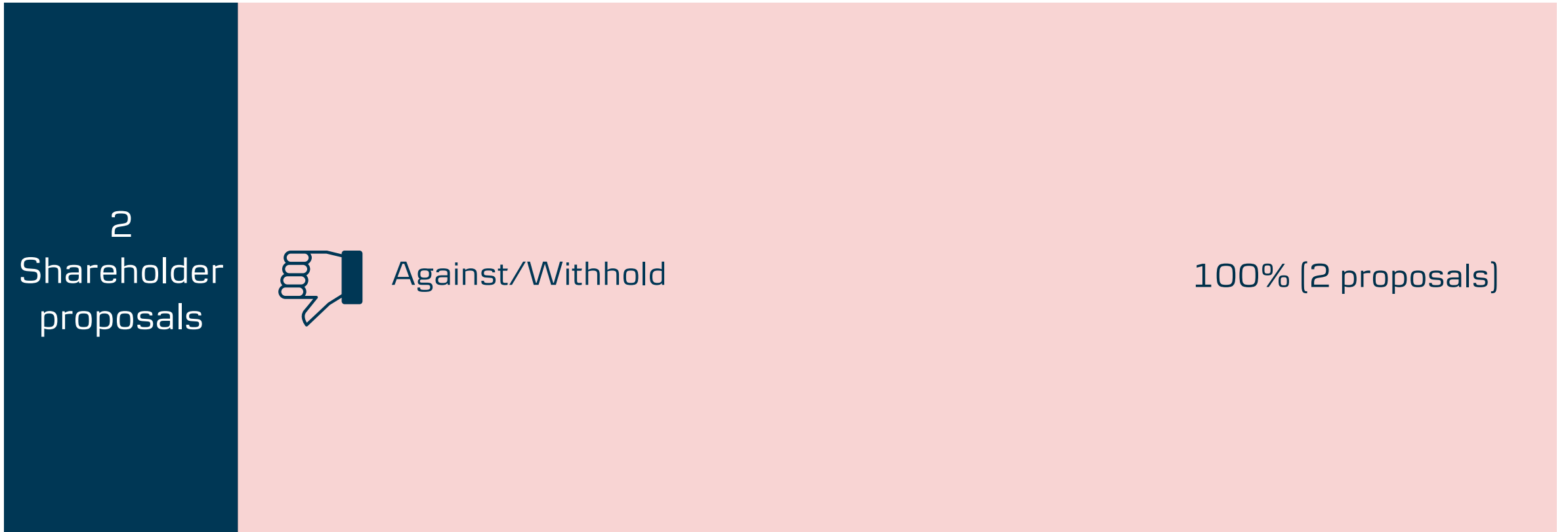


Danske Invest Fund Management Ltd. predominantly voted 'For' the Management proposals





Danske Invest Fund Management Ltd. voted 'Against/Withhold' the Shareholder proposals





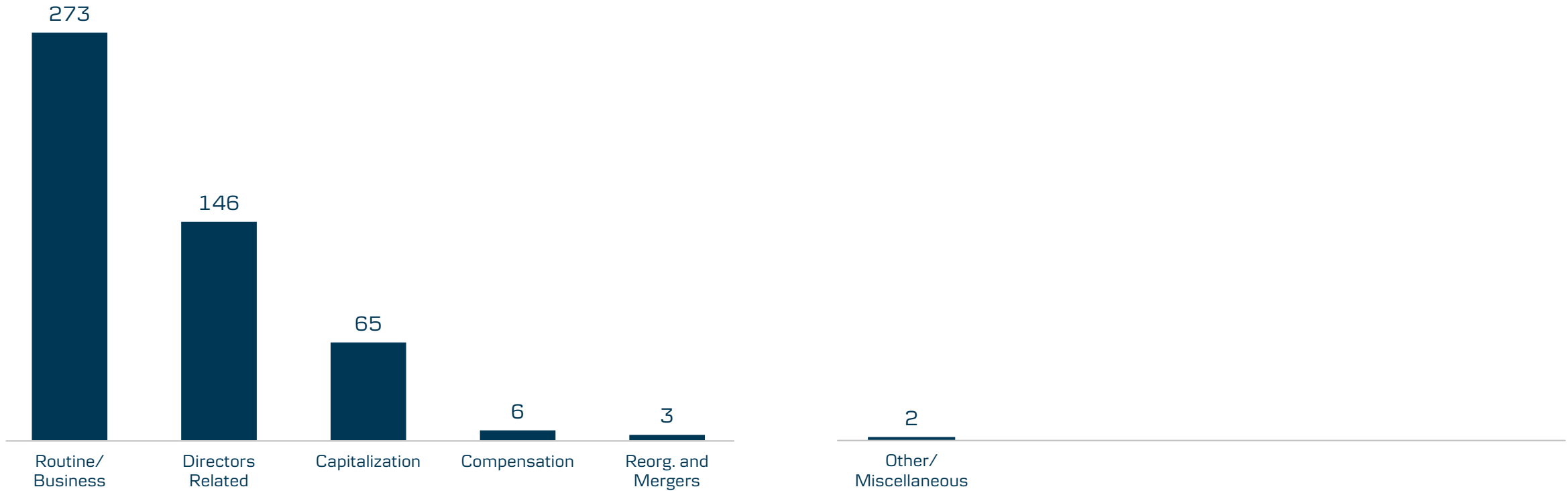
Most of the voted proposals have been Directors-related

Management proposals

A total of 493 proposals

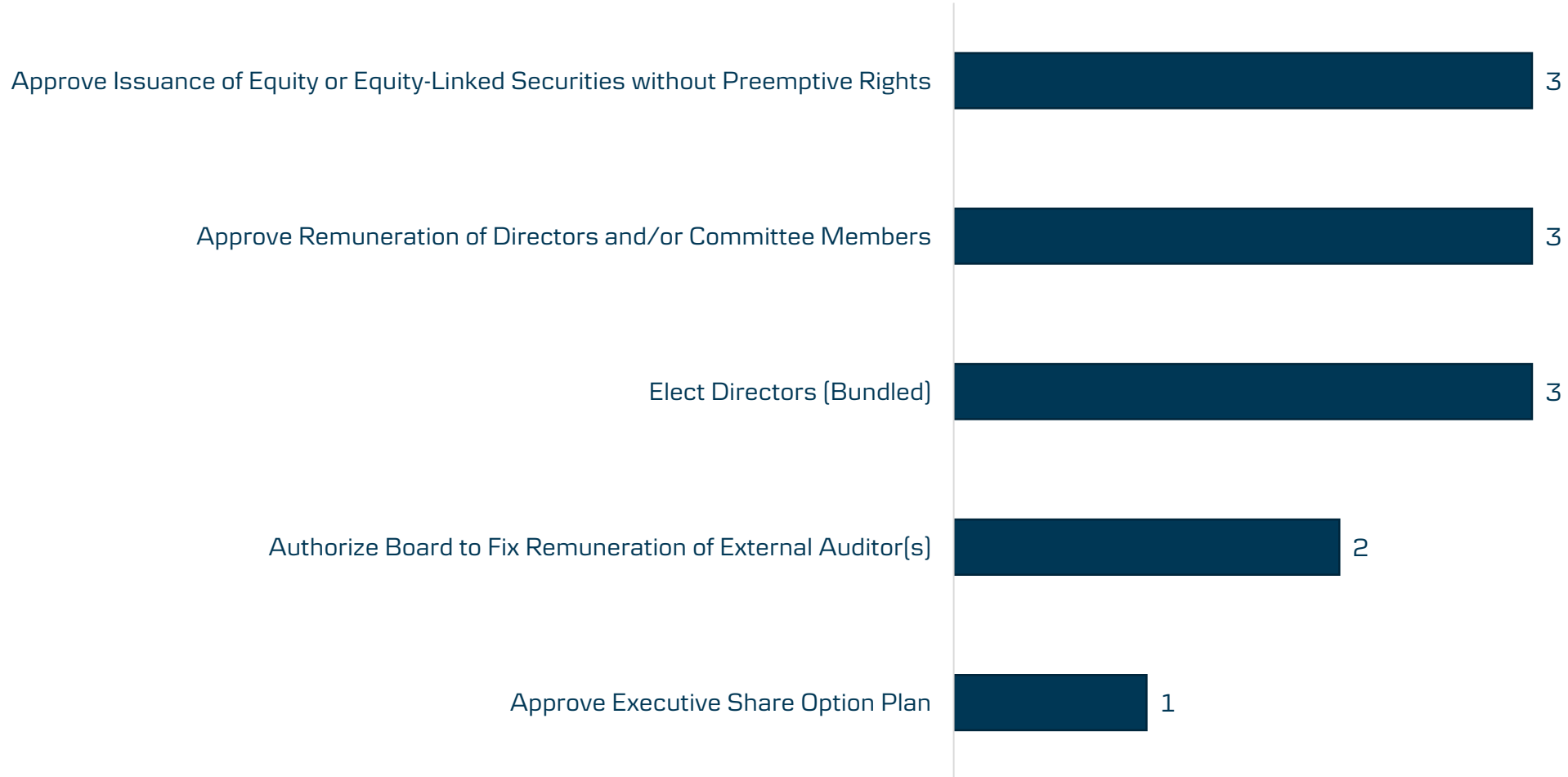
Shareholder proposals

A total of 2 proposals





Most common topics where we have voted against management recommendations



Disclaimer & contact information

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

Engagement during 2019, by company

ABB Ltd.	Croda International PLC	Huhtamaki Oyj	Novartis AG	Take-Two Interactive Software Inc.
Aeroflot	CSL Ltd.	Humana AB	Novo Nordisk A/S	Talenom Oyj
Ahlstrom-Munksjö Oyj	CVS Health Corp.	Iberdrola SA	Novozymes A/S	Tatneft PJSC
Aker ASA	Daimler AG	YIT Oyj	Ocado Group PLC	Telenor ASA
Aksigorta A.S.	Danaher Corp.	IMI Plc	Orsted A/S	Telia Company AB
ALROSA PJSC	Demant	Infineon Technologies Ag	Outokumpu Oyj	Terveystalo Oyj
Amgen Inc.	Diageo Plc	Ing Groep NV	Paccar Inc.	Thermo Fisher Scientific Inc
Anheuser-Busch InBev SA/NV	DnB ASA	Intercontinental Hotels Group Plc	Philips	TietoEVRY Oyj
Antofagasta Plc	Dover Corp	ISS A/S	Polski Koncern Naftowy ORLEN SA	Tkh Group NV
Asiakastieto Group Oyj	DSV	Johnson & Johnson	Procter & Gamble Co.	Tmk Pao Gdr
ASML Holding NV	E.ON SE	KBC Groep NV	Qiwi Plc	Tomra Systems ASA
Assa Abloy AB	ECO Animal Health Group PLC	Kerry Group Plc	Reckitt Benckiser Group Plc	Total SA
AstraZeneca Plc	Edwards Lifesciences Corp.	Kruk SA	Rio Tinto Ord	Tryg A/S
AXA SA	ENEL SpA	Lifco AB	Robit Oyj	Tupras-Turkiye Petrol Rafinerileri A.S.
Baloise Holding AG	Entra ASA	Lsr Group PJSC	Roche Holding	Turk Telekomunikasyon AS
BASF SE	Epiroc AB	Lukoil Oil Company PJSC	Royal Dutch Shell Plc	Twilio Inc
Becton Dickinson & Co.	Equinor ASA	Mavi Giyim Sanayive ve Ticaret AS	Rosneft Oil Co.	Twitter Inc
Booz Allen Hamilton Holding Corp	Estee Lauder Co.	Medistim ASA	Rotork Plc	Ulker Biskuvi Sanayi A.S.
Boston Scientific Corp.	Etalon Group PLC	Michelin	Saic	Unilever NV
Burford Capital Ltd.	Exel Composites Oyj	MMK	Sanofi	UPM-Kymmene Oyj
Campari Group	Finnair Oyj	Motorola Solutions Inc	Sberbank Of Russia PJSC	Vaisala Oyj A
Carlsberg A/S	Fortum Oyj	Mowi ASA	Schneider Electric SE	vakifbank
Caverion Oyj	Gazprom Neft PJSC	National Grid Plc	Siemens AG	Verizon Communications Inc.
Cisco Systems Inc.	Gjensidige Forsikring ASA	Neste Corp.	Skandinaviska Enskilda Banken AB	Voestalpine AG
Citrix Systems Inc.	Global Ports Investments Plc	Nestle SA	SKF AB	Volution Group Plc
Compass group	Globaltrans Investment Plc	Nixu Oyj	Softbank Group Corp	Volvo Ab
Consti Yhtiot Oy	Grupa Kety SA	Nokia Oyj	Solutions 30 SE	VTB Bank PJSC
Continental AG	Heineken NV	Nokian Renkaat Oyj	Sony Corp.	Wartsila Oyj Abp
Conzzeta AG	Hewlett Packard Enterprise Co.	Nordea Bank Abp	SSAB AB	Waters Corp.
Corestate Capital Holding SA	Hexagon Ab	Norilsk Nickel	Stora Enso Oyj	Wepa
Corticeira Amorim SGPS SA	Hiscox Ltd	Nova Ljubljanska Banka dd	Sunny Optical Technology Co Ltd	Whirlpool Corp.

Voting during 2019, by company

Amer Sports Oyj
Asiakastieto Group Oyj
Basware Oyj
Citycon Oyj
Consti Yhtiot Oy
Cramo Oyj
DNA Plc
Fortum Oyj
Huhtamaki Oyj
Kesko Oyj
Kone Oyj
Konecranes Oyj
Lehto Group Oyj
Metsa Board Corp.
Metso Oyj
Neste Corp.
Nokia Oyj
Nokian Renkaat Oyj
Nordea Bank Abp
Orion Oyj
Outokumpu Oyj
Rovio Entertainment Oyj
Sampo Oyj
Stora Enso Oyj
Talenom Oyj
Telia Co. AB
Terveystalo Oyj
Tieto Oyj
Tokmanni Group Oyj
UPM-Kymmene Oyj

Valmet Corp.
Verkkokauppa.com Oy
Wartsila Oyj Abp
YIT Oyj