



Active Ownership Report: 2020
Danske Invest Fund Management Ltd.

January 2021

Active Ownership Report

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 **Responsible Investment** is an integral part of this duty. It 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, collaborative engagement 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 sustainability 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 three parts ‘**Engagements**’, ‘**Collaborative Engagements**’ and ‘**Voting**’ is to provide our customers and stakeholders with regular updates on our progress and results.

The three parts of the report



Part 1: Engagements



Part 2: Voting



Part 3: Collaborative Engagements

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](#)



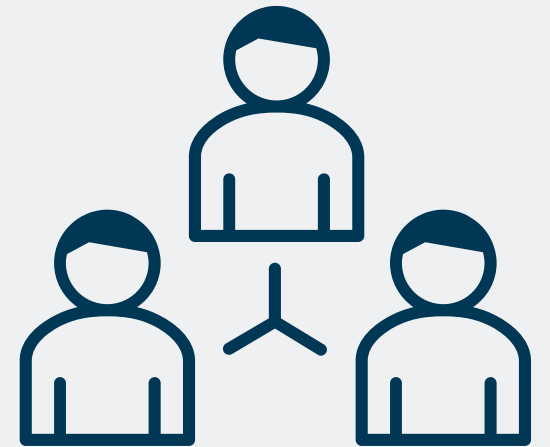
Active Ownership Stories
[click here](#)



Proxy Voting Dashboard
[click here](#)

Active Ownership Report, Part 1

Engagements



Engagements 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 sustainability 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 2020, we have had the following engagement activities

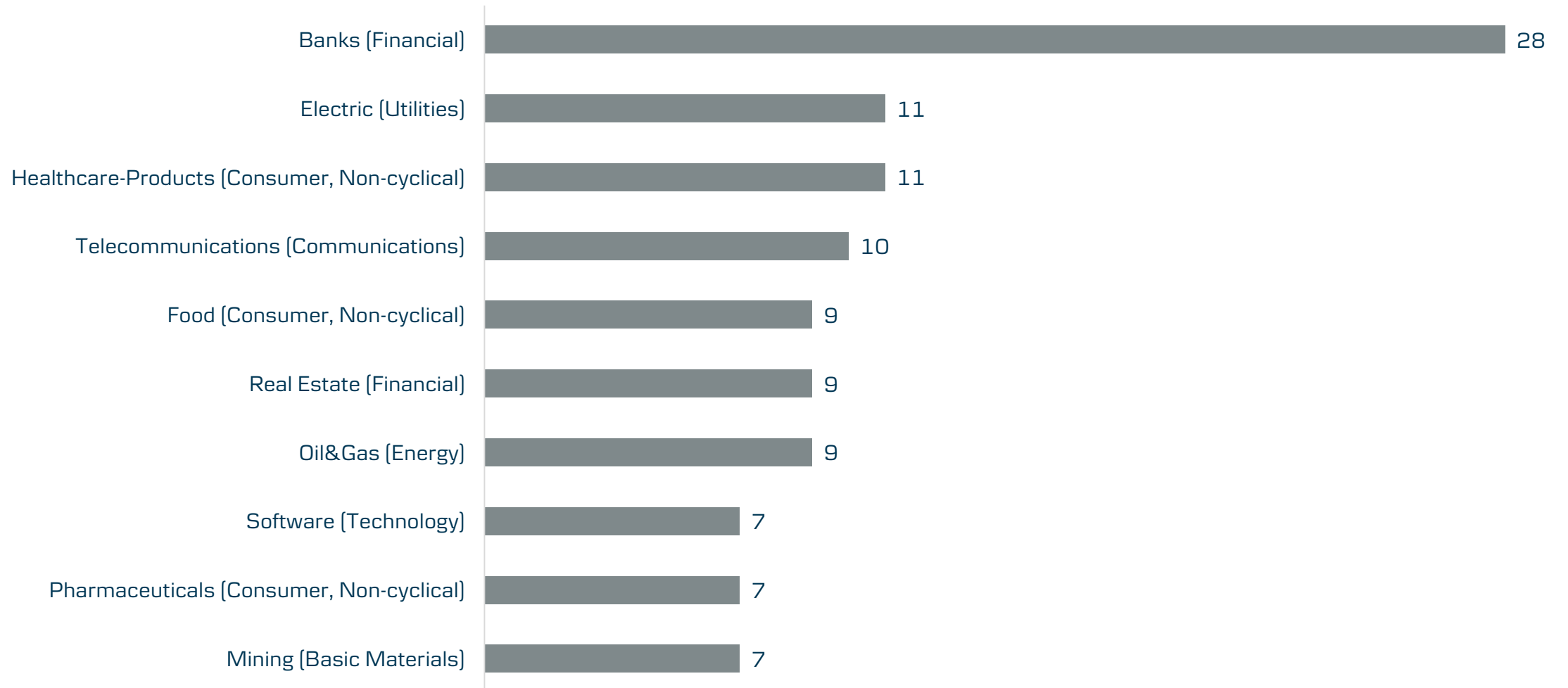
	Companies	197
	Country domiciles	28
	ESG engagement topics	88
	Interactions	381





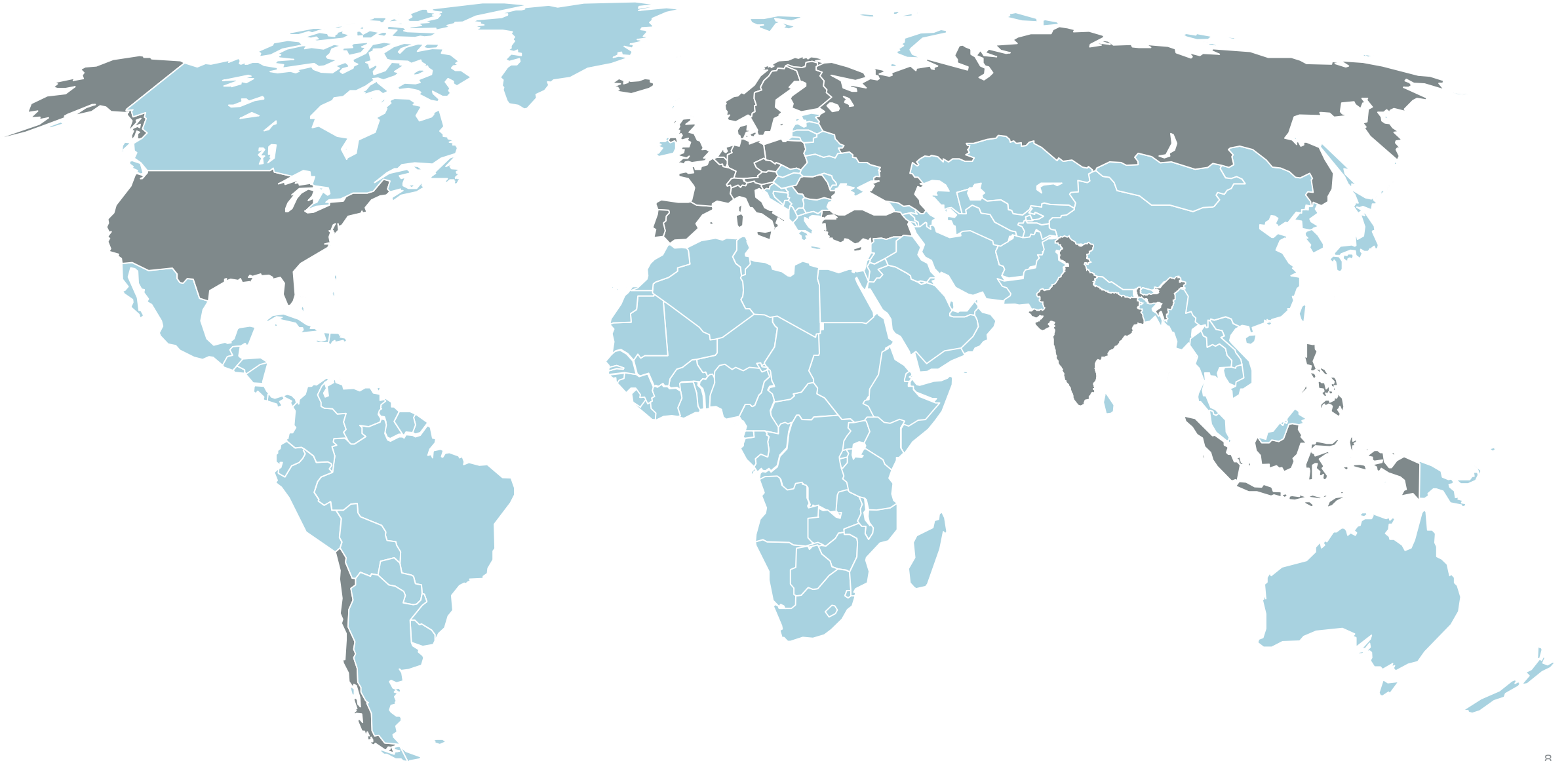
Top 10 industries most engaged with

Number of companies per industry (Sector in bracket)

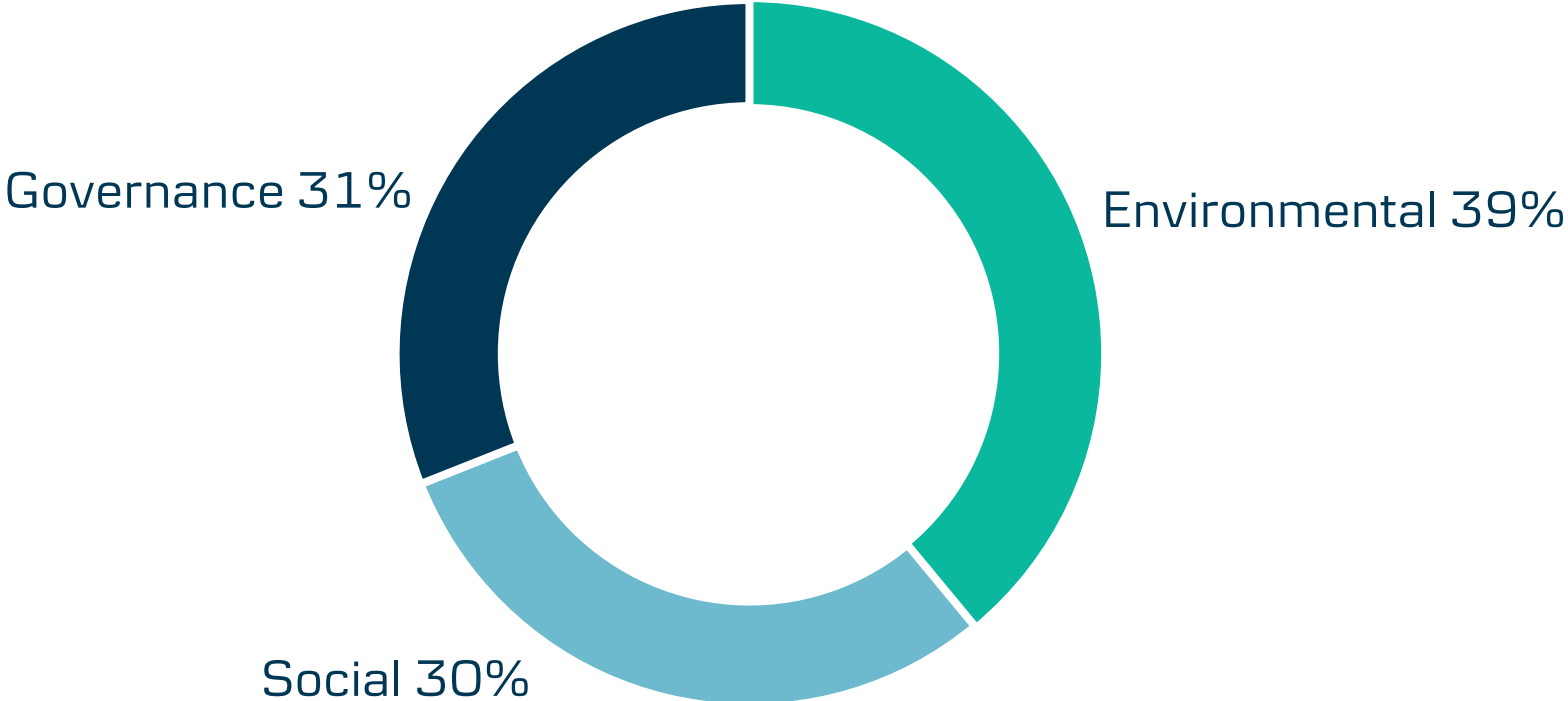




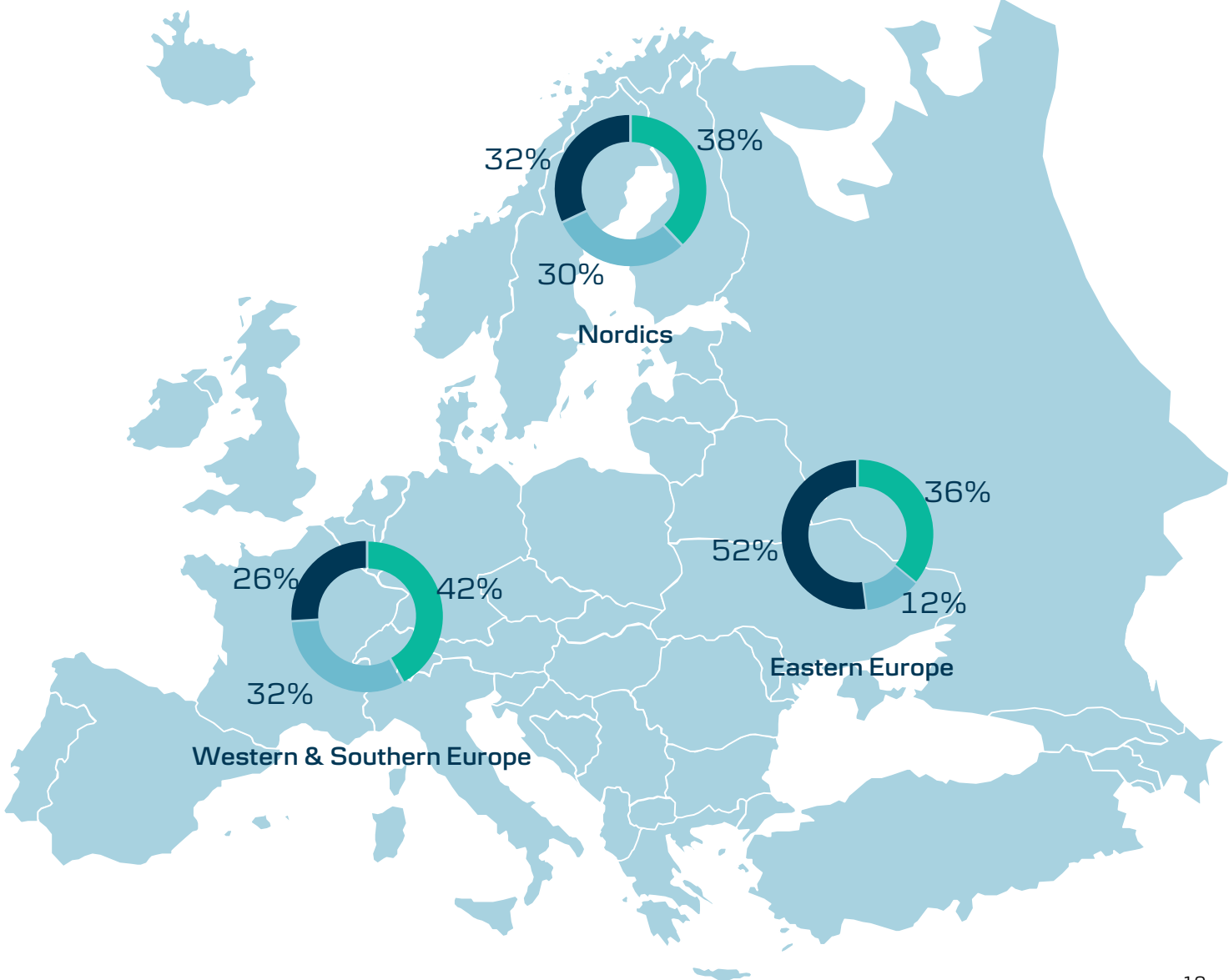
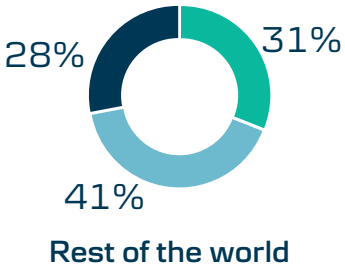
Engagement with companies domiciled across the world



Split between ESG engagement themes



Split between ESG engagement themes across regions





ESG engagements topics discussed

*Anti-Trust Issues & Competitive Behaviour Responsible Drinking M&A Physical Impacts Of Climate Change Automation Sustainable Products
 Palm Oil Production Management Of The Legal & Regulatory Environment Data Security Materials Sourcing & Efficiency Energy Transformation SDGs
 Executive Compensation Agriculture AML Issues & Handling GHG Emissions Share Buybacks Access & Affordability Sustainability Strategy Digitalisation
 Environmental Incidents Labour Standards/Practices Compliance Procedures Energy Consumption Employee Retention Corporate Disclosure
 Human Rights & Community Relations Corporate purpose Restructuring SDGs Sanctions Climate Neutrality Selling Practices & Product Labelling
 Financial Accessibility Employee Health & Safety Critical Incident Risk Management Environmental Issues Business Ethics Plastic/Recycling Products
 Energy Efficiency Personnel Turnover Waste & Hazardous Materials Management Corporate Behaviour Product Quality & Safety Restructuring
 Competence Green Financing Executive Composition Product Design & Lifecycle Management Sustainability Integration & Reporting Automation
 Decent Work & Economic Growth Air Quality Sustainability Targets Ecological Impacts Capital Structure EU Taxonomy Supply Chain Management
 Corporate Governance Green Buildings ESG Integration Resource Efficiency Research & Development Water & Wastewater Management Regulations
 Customer Education Environmental Supply Chain Systemic Risk Management Product Development Sustainability Ratings Environmental Regulation
 Technology Disruption Customer Welfare Board Leadership Energy Management Ownership Structure Employee Engagement, Diversity & Inclusion
 Sustainable Transports Dividends Biodiversity Board Composition Business Model Resilience Impact Of Tax Regulation ESG Issues In Fish Farming
 Political Risk Circular Economy Quality Management Food Safety Incentive Programs Digitalisation Customer Privacy Anti-Corruption Issues & Handling*

Top 7 ESG engagement topics discussed across themes



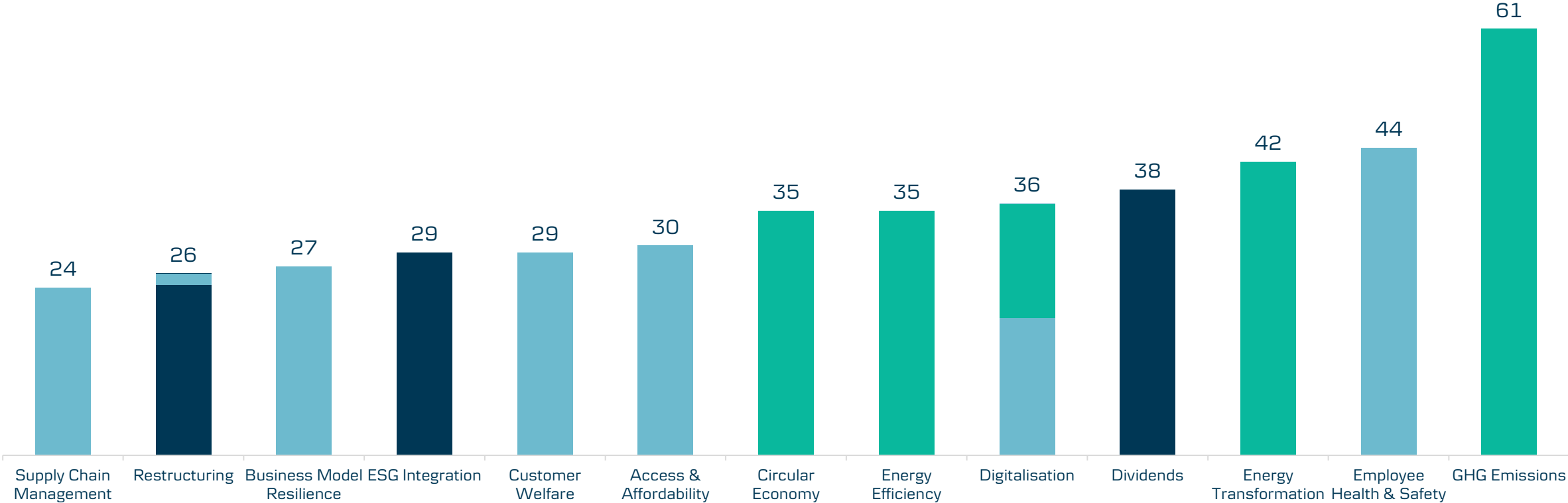
Rank	Topic	Count
1	GHG Emissions	61
2	Energy Transformation	42
3	Energy Efficiency	35
4	Circular Economy	35
5	Sustainable Products	19
6	Digitalisation	16
7	Green Financing	16

Rank	Topic	Count
1	Employee Health & Safety	44
2	Access & Affordability	30
3	Customer Welfare	29
4	Business Model Resilience	27
5	Supply Chain Management	24
6	Digitalisation	20
7	Product Quality & Safety	14

Rank	Topic	Count
1	Dividends	38
2	ESG Integration	29
3	M&A	24
4	Restructuring	22
5	AML Issues & Handling	17
6	Capital Structure	16
7	Sustainability Integration & Reporting	15



Most frequent ESG engagement topics discussed





Top 10 and interactions distribution across Nordic countries & regions

Rank	Country	Count
1	Sweden	60
2	Finland	44
3	Russia	40
4	Denmark	30
5	United States	24
6	Germany	23
7	Netherlands	22
8	United Kingdom	22
9	France	21
10	Switzerland	20



Region	Count
Nordics	157
Western & Southern Europe	145
Rest of the world	31
Eastern Europe	48



Most commonly addressed ESG engagement topics across geography

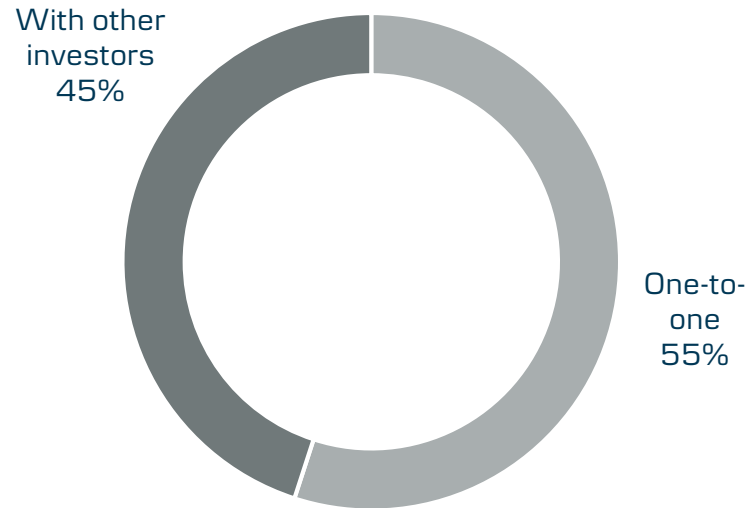


ESG Integration

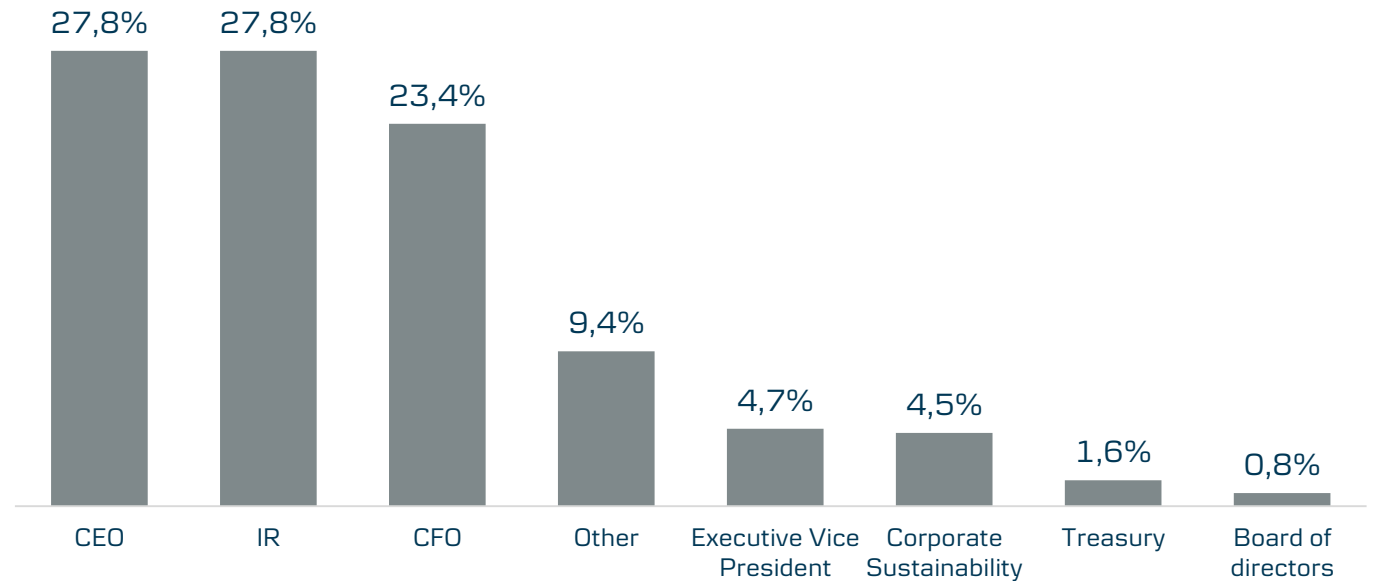


Company interactions by meeting type and participants

Share of meeting types



Share of meetings by participants

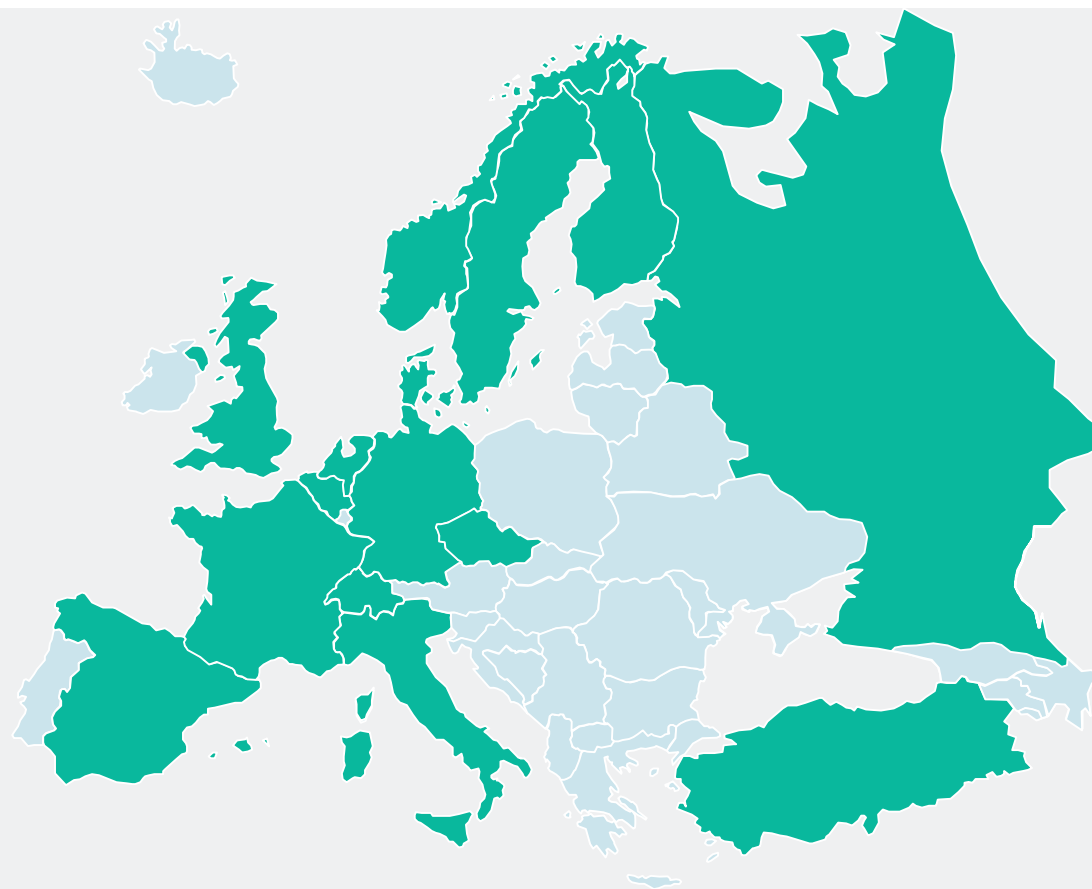


Top 3 ESG engagement topics

GHG Emissions is the 1st most common topic for our portfolio managers to engage with companies on.

61 engagements among the total of **381**

GHG Emissions are emissions into earth's atmosphere of any type of various gases contributing to the greenhouse effect.



■ GHG Emissions addressed



Sector: Utilities

“Discussion about decreasing dependence on coal and lowering CO2 emissions.”



Sector: Industrial

“Discussed about carbon emission reduction in existing production and how innovative products enable customers to achieve less GHG reductions.”



Sector: Basic Materials

“Discussed about company’s CO2 footprint reductions through procurement of renewable energy and process optimization including energy efficiency investments.”

Top 3 ESG engagement topics

Employee Health & Safety
 is the 2nd most common topic for our portfolio managers to engage with companies on.

44
 engagements among the total of **381**

Employee Health & Safety
 focuses on creating and maintaining safe and healthy workplace environment that is free of accidents, injuries, fatalities, and illness.



■ Employee Health & Safety addressed



Sector: Consumer, Non-cyclical

“Company’s actions to protect employees during Covid-19.”



Sector: Consumer, Non-cyclical

“Discussed about safety measures during Covid-19 both for staff and products.”



Sector: Consumer, Cyclical

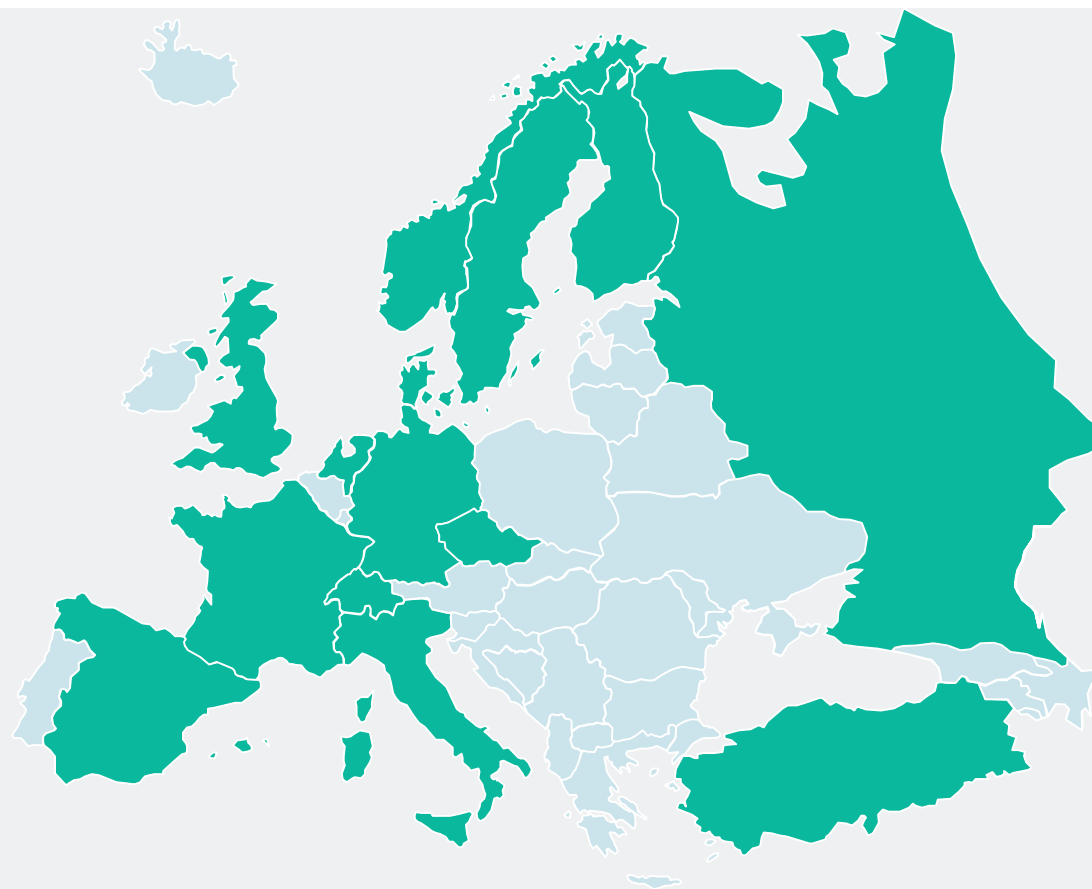
“Discussed about workers safety during Covid-19.”

Top 3 ESG engagement topics

Energy Transformation
is the 3rd most common topic for our portfolio managers to engage with companies on.

42
engagements among the total of **381**

Energy Transformation
is the shift from one type energy into another and might have major social, economic and political implications.



Sector: Basic Materials

"Discussed about implementation of renewable energy sourcing."



Sector: Utilities

"Discussion about the green energy transformation."



Sector: Energy

"Company's downsizing of oil production long-term and growth in renewable energy."

Active Ownership Report, Part 2

Voting



Voting 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 2020, we have had the following voting activities

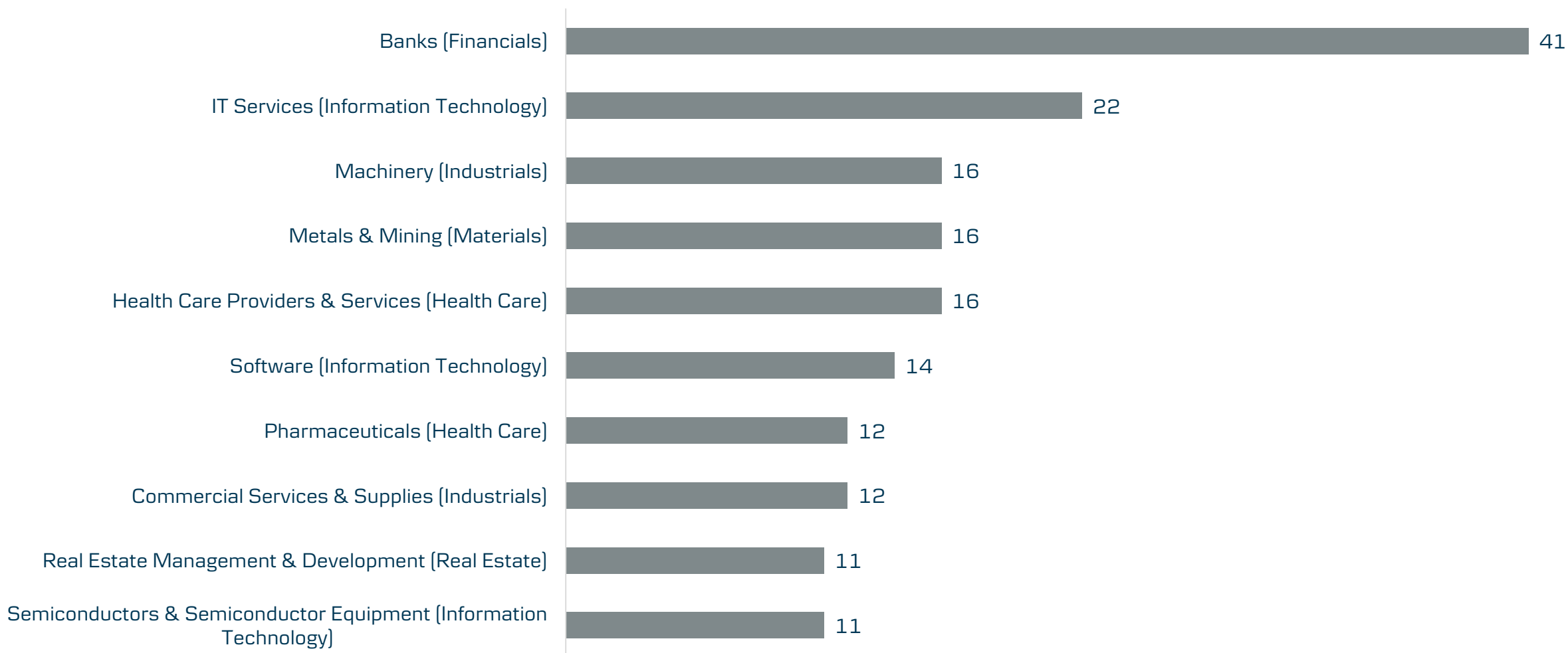
	Companies	315
	Country domiciles	41
	Meetings	357
	Proposals	4 549





Top 10 industries most voted

Number of companies per industry (Sector in bracket)

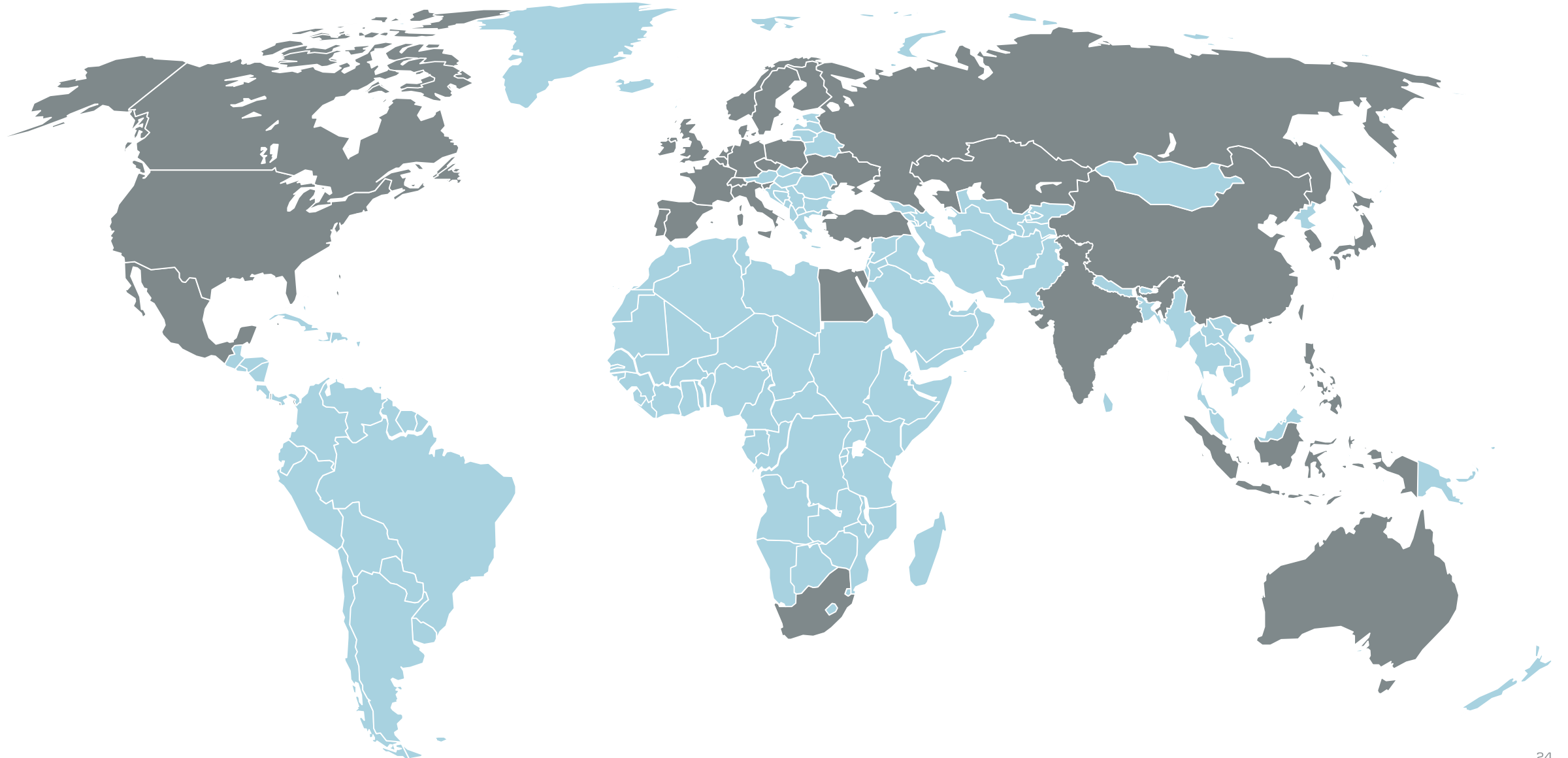


Note1: Global Industry Classification Standard (GICS) is used for sector classification

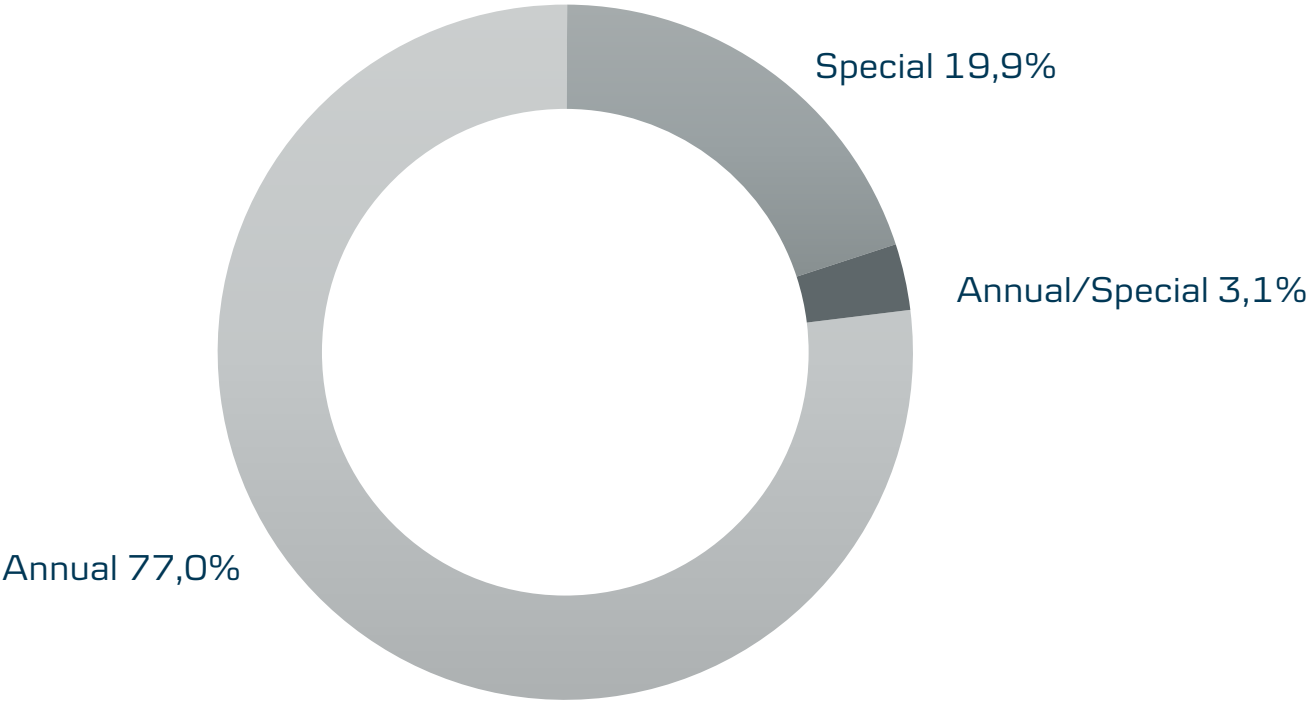
Note2: Two companies lack GICS data



Voting on companies domiciled across the world



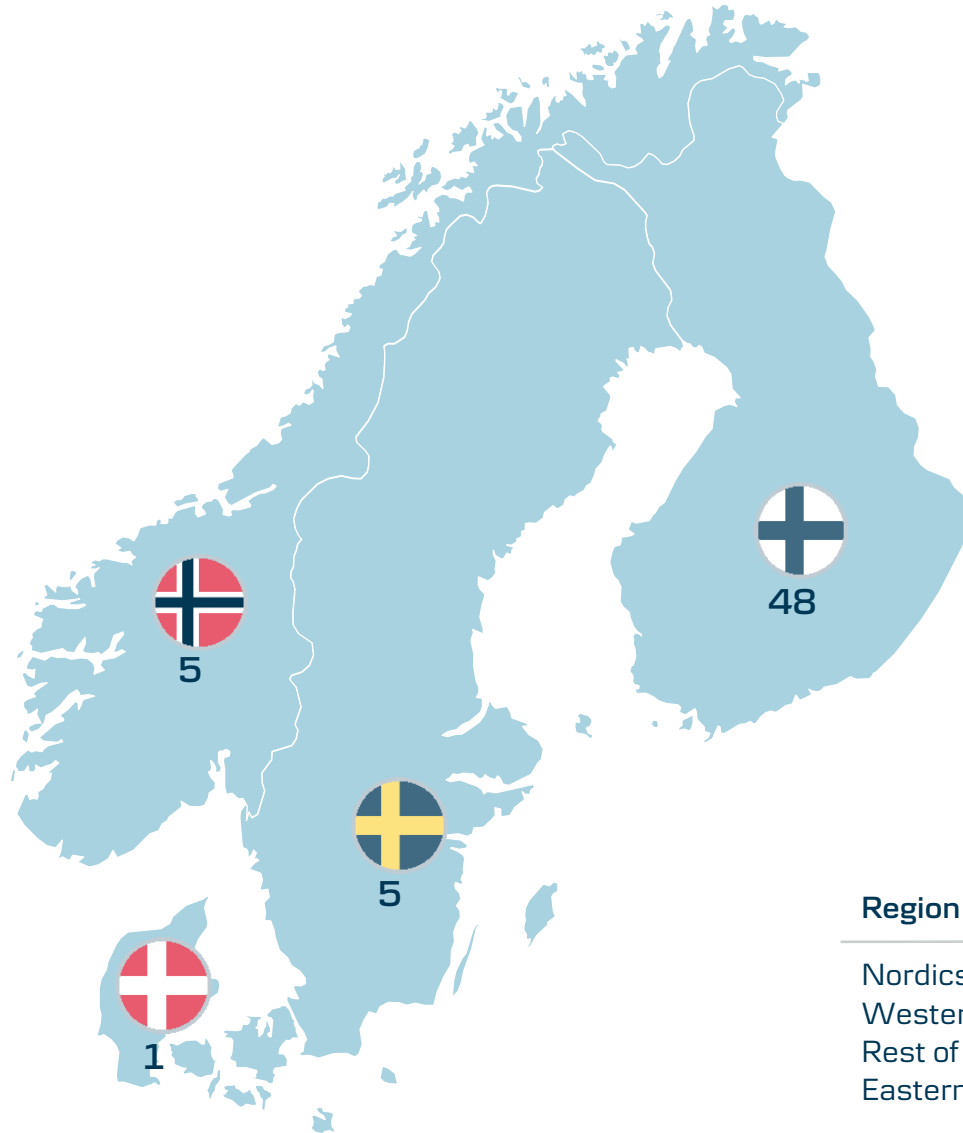
Split between meeting types





Top 10 and voting distribution across Nordic countries & regions

Rank	Country	Count
1	USA	88
2	Finland	48
3	China	29
4	United Kingdom	29
5	Russia	20
6	Cayman Islands	17
7	India	15
8	France	10
9	Netherlands	10
10	Germany	9

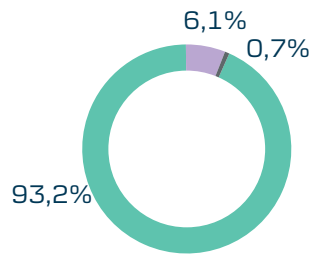


Region	Count
Nordics	59
Western & Southern Europe	111
Rest of the world	161
Eastern Europe	26

Split between voting instructions and voted proposals

Voted proposals

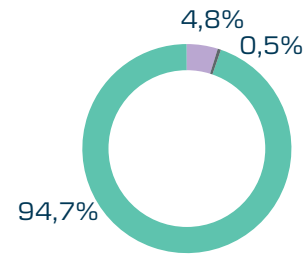
■ For ■ Against/Withhold ■ Abstain



For	4 235
Against/Withhold	276
Abstain	33
Total	4 549

Management proposals

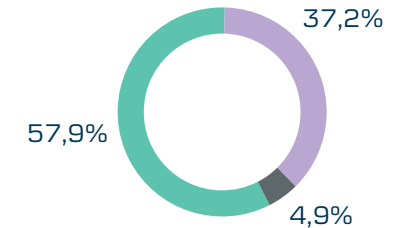
■ For ■ Against/Withhold ■ Abstain



For	4 129
Against/Withhold	208
Abstain	24
Total	4 366

Shareholder proposals

■ For ■ Against/Withhold ■ Abstain

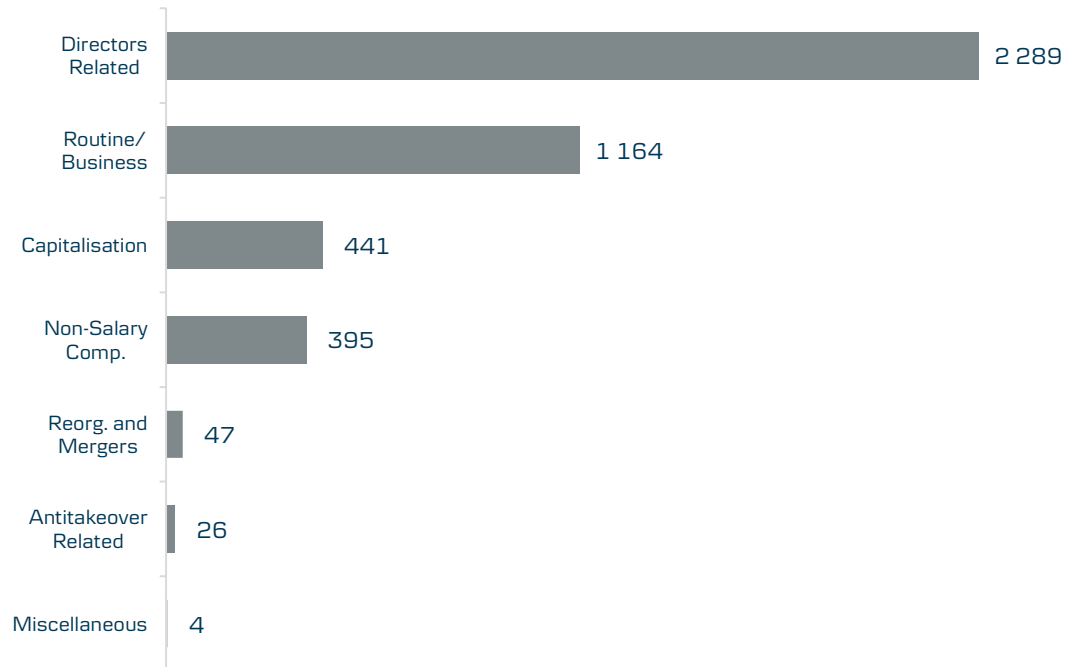


For	106
Against/Withhold	68
Abstain	9
Total	183

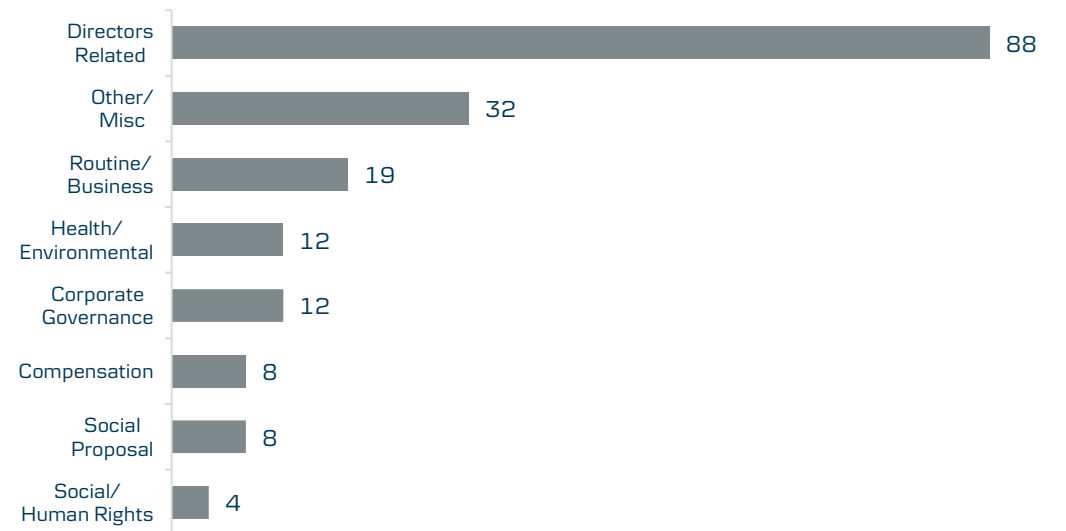
Note 1: Across all voted proposals, 5 proposals with the type of 'Advisory Vote on Say on Pay Frequency' was voted on for one year

Split between voted proposals categories

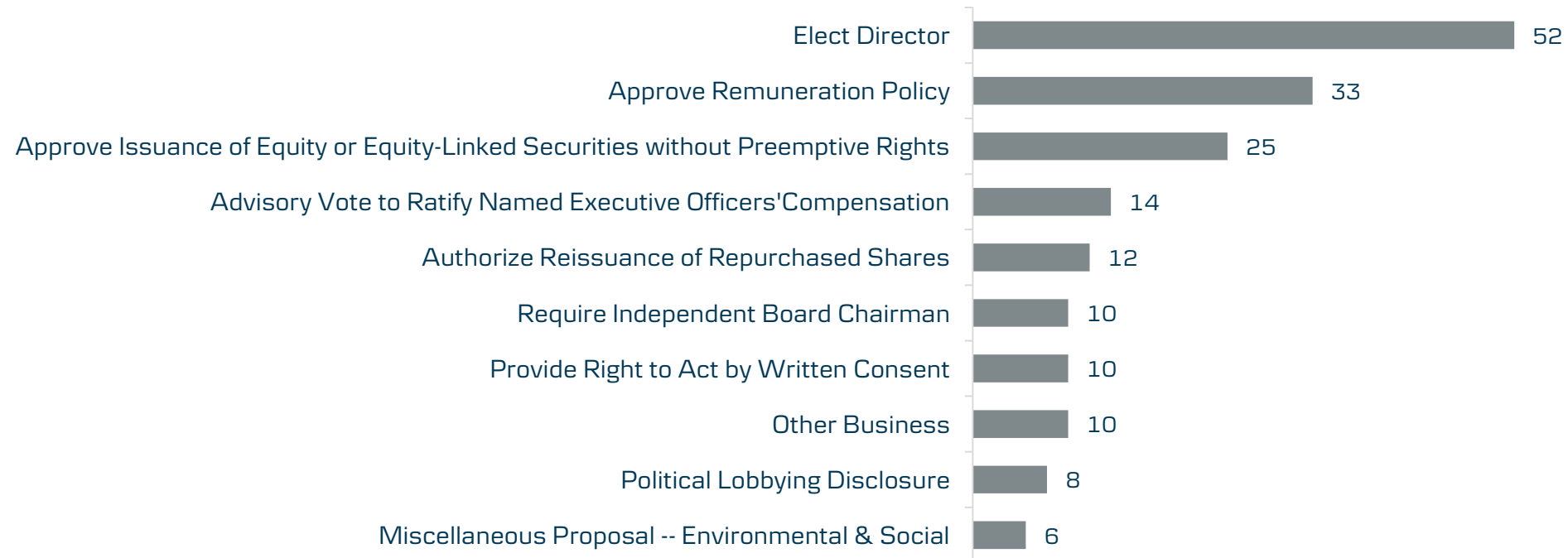
Management proposals



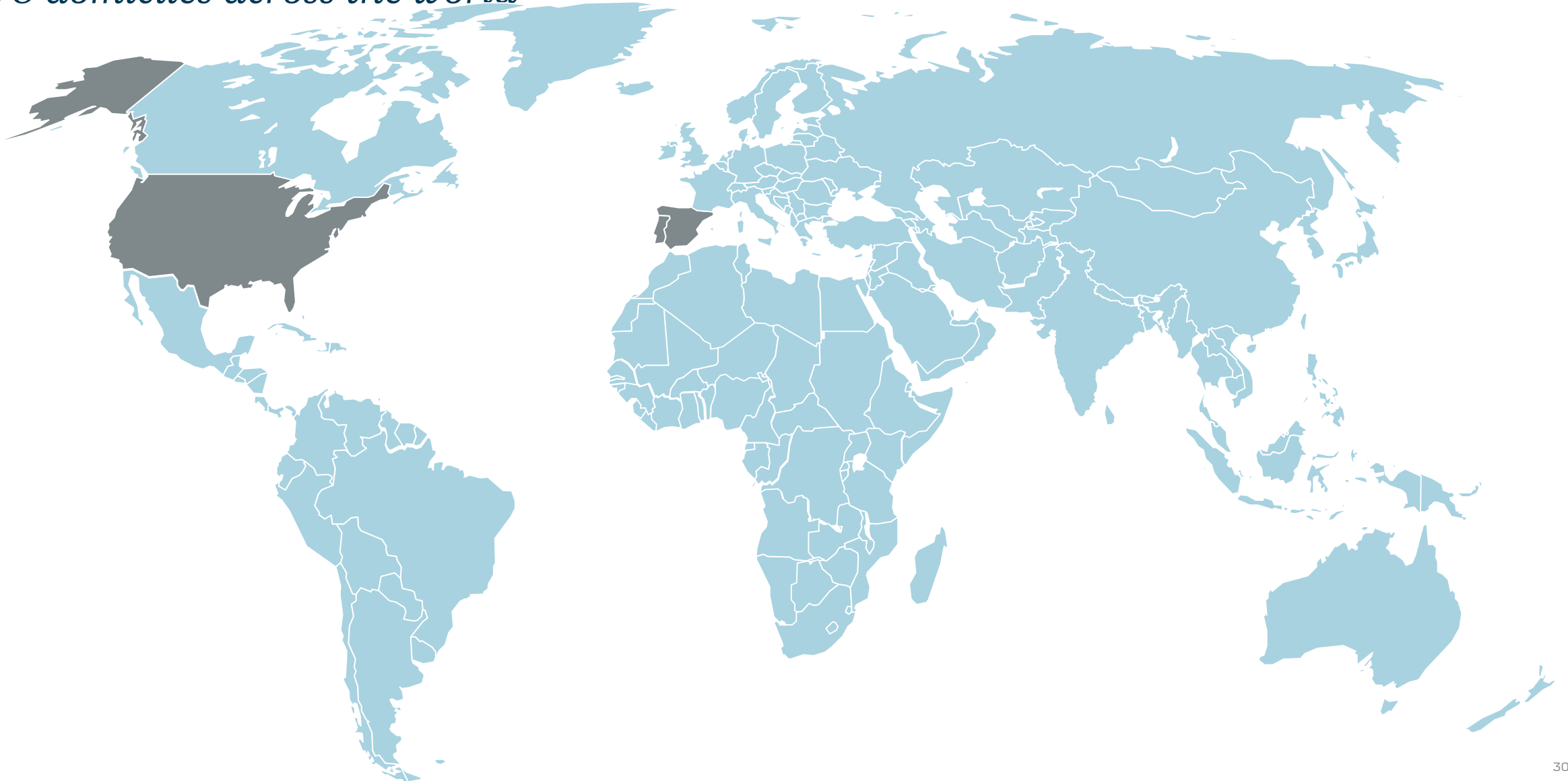
Shareholder proposals



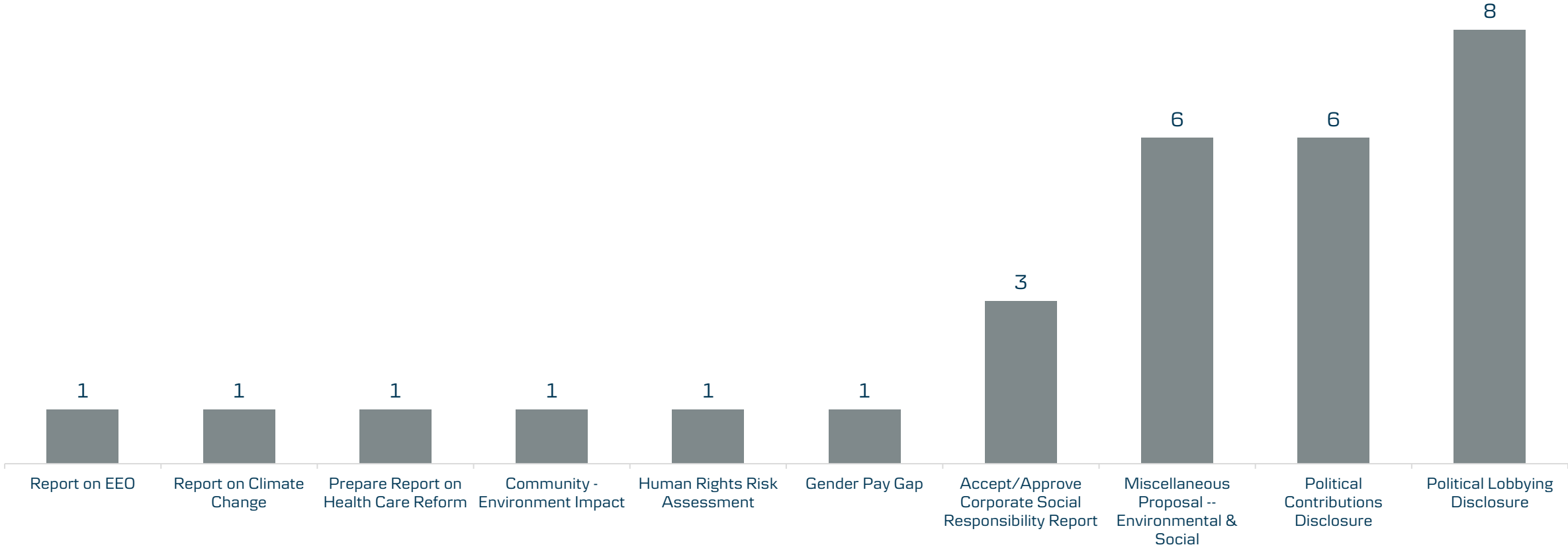
Top 10 voted proposals against Management recommendations



In 2020, we have voted 'For' on Environmental & Social proposals on 21 companies in 3 domiciles across the world

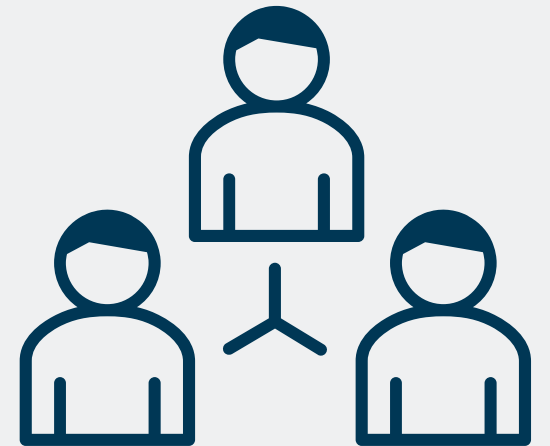


Most common Environmental & Social proposal items voted 'For'



Active Ownership Report, Part 3

Collaborative Engagements



Collaborative Engagements introduction

In addition to our investment teams' direct engagement with companies and our voting activities, we are part of numerous investor initiatives and alliances where we together with other investors influence companies to take action on sustainability issues and contribute to sustainable development.

Through alliances and initiatives, we encourage companies to increase transparency and disclosure of e.g. climate impact and to move towards more sustainable business practices.

Collaborating with others supports and strengthens our ability to influence companies, as it can increase the power of our voice as an investor.



Members of Investor initiatives and alliances by Danske Bank Group

Carbon Disclosure Project



The organisation encourages companies and cities to disclose their climate impact and aims to reduce companies' greenhouse gas emissions and mitigate climate change risk. The organisation collects and shares information on greenhouse gas emissions and climate strategies in order to provide data and tools that enable investors to mitigate climate-related risks in investment decisions.

Climate Action 100+



Climate Action 100+ is one of the world's largest investor led engagement initiatives. Together with more than 500 global investors we engage with the world's largest corporate greenhouse gas emitters to curb CO2 emissions in line with the Paris Agreement's climate targets and improve carbon emission disclosures. The initiative targets companies in the oil and gas, utilities, mining and metals, transportation, industrials and consumer products sectors.

Montreal Carbon Pledge



We are a signatory to the Montreal Carbon Pledge and we publicly disclose the carbon footprint of our equity and

bond investment funds. Going forward, we will continue to increase the number of funds where we disclose their carbon footprint.



Task Force on Climate-related Financial Disclosures

We are a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), which develops voluntary, consistent, climate-related financial risk disclosures for use by companies when providing information to investors, lenders, insurers or other stakeholders. Danske Bank believes that TCFD's recommendations help companies understand what financial markets want from disclosures in order to measure and respond to climate change risks, and to encourage companies to align their disclosures with investor needs. We also use TCFD recommendations to help structure our engagements with companies as part of our goal of being a change agent supporting companies in the transition to low-carbon business models and creating real world positive outcomes.



Partnerships for Carbon Accounting Financials

A global partnership of financial institutions that work together to develop and implement a harmonized

approach to assessing and disclosing the greenhouse gas emissions associated with their loans and investments.



The Institutional Investors Group on Climate Change

The European investor alliance focuses on mitigating climate change. The group has more than 250 members and its mission is to mobilise capital for the low-carbon transition and to ensure resilience to the effects of a changing climate by collaborating with companies, policymakers and fellow investors. The group works to support and help define the public policies, investment practices and corporate behaviours that address the long-term risks and opportunities associated with climate change.



Sustainability Accounting Standards Board

We have partnered with the Sustainability Accounting Standards Board to leverage their research and approach to which sustainability issues are business-critical and important for companies to address and manage, including climate related issues. In our engagements, we urge companies to adopt this approach as a way of enhancing their disclosure of which climate issues are critical for their business.

Focus on climate change through Climate Action 100+

Climate Action 100+

As a member of the investor alliance Climate Action 100+, we collaborate with more than 500 investors around the globe to influence and ensure that the world's largest corporate greenhouse gas emitters take necessary actions on climate change, help drive the clean energy transition and participate in achieving the goals of the Paris Agreement. The overarching purpose is to engage with companies to:

- Curb emissions
- Improve governance on climate related issues
- Strengthen climate-related financial disclosures

Climate Action 100+ targets 100 of the systemically important corporate emitters, accounting for two-thirds of annual global industrial emissions, as well as more than 60 other companies with significant opportunity to drive the clean energy transition.

Voting for increased climate transparency

One key aspect of the Climate Action 100+ alliance is that we use our voting rights at companies' annual general meetings to influence companies on climate matters. Recently, we voted in favour of companies having to increase disclosure of their climate and energy-related lobbying activities, including lobbying conducted by their trade associations. Furthermore, we voted in

favour of proposals urging companies to align their lobbying activities with the climate targets of the Paris Agreement.

This was done at general meetings of companies such as:

- Duke Energy Corporation,
- The Southern Company.

We voted 'For' on proposals concerning the following:

- 2 proposals as 'Political Lobbying Disclosure',
- 1 proposal as 'Political Contributions Disclosure'

From our perspective it is important that companies are transparent about their climate lobbying activities and that they do not influence lawmakers to drop new regulations aimed at curbing carbon emissions and supporting the transition to a cleaner society. Ensuring greater transparency gives us insight into which companies are opposing worldwide efforts to rein in climate change, so we can focus our engagement with these companies and influence them to withdraw from these harmful lobbying activities.

Promoting better quality of ESG data and corporate disclosure through SASB

Our ambition is to promote the development and implementation of responsible investments across the industry. In order to support the journey for better quality of ESG data and corporate disclosure we are collaborating with peers, like-minded investors, companies and policy-makers to make a positive impact. As an investor, we can through our engagements push for standardised reporting on ESG issues and for these to be integrated within annual financial reports and therefore also contribute to stronger disclosure frameworks.

SASB enable us to encourage increased transparency and sustainability standards in companies and financial markets

One of the most important initiatives that we have entered into a partnership with is the Sustainability Accounting Standards Board (SASB) due to their research knowledge on financial materiality. SASB has in our view emerged as one of the most credible and promising international frameworks focusing on identifying those nonfinancial corporate topics and metrics that are most

likely to impact financial performance. The SASB Materiality Map supports our understanding of how sustainability can impact investment value. Utilising the framework of SASB also helps us push the envelope on the disclosure agenda. By engaging with companies on their ESG scorecards with full transparency, we are uniquely positioned to support companies on what is material to their business, in the benefit of the company, our customers, and society.

Our efforts in 2020

We have in 2020 been focused on promoting transparency and better quality of ESG data on several occasions. In the spring, we published a new white paper 'In search of quality ESG data' which highlighted the need for quality ESG data with investment value and standardised corporate reporting. Furthermore, in recognition of our new thinking and systematic incorporation of ESG factors into investment decisions, we were invited as guest-speaker at the international SASB Symposium 2020 on sustainable investments, which several of the world's largest banks participated in.



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Engagement by company

AAK AB	Baxter International Inc	Eli Lilly and Co	ING Groep NV	National Grid PLC
ABB Ltd	Becton Dickinson and Co	Elisa Oyj	Inter RAO UES PJSC	Nationwide Building Society
adidas AG	Boston Scientific Corp	Ellevio AB	Intrum AB	Neste Oyj
Aeroflot PJSC	BRD-Groupe Societe Generale SA	ENEL RUSSIA PJSC	Islandsbanki HF	Nestle SA
Agilent Technologies Inc	Caixa Geral de Depositos SA	Enel SpA	Johnson & Johnson	Netcompany Group A/S
Ahlstrom-Munksjo Oyj	CaixaBank SA	Epiroc AB	JPMorgan Chase & Co	Nibe Industrier AB
Akamai Technologies Inc	Castellum AB	Equinor ASA	Jyske Bank A/S	Nokian Renkaat Oyj
Akelius Residential Property AB	Caverion Oyj	Erste Group Bank AG	KBC Group NV	Nordea Bank Abp
Aker ASA	CD Projekt SA	Etalon Group PLC	Kemira Oyj	Nova Ljubljanska Banka dd
Allianz SE	Cerner Corp	Evraz PLC	Kesko Oyj	Novartis AG
Alphabet Inc	CEZ AS	Fastighets AB Balder	Kojamo Oyj	Novo Nordisk A/S
Alrosa PJSC	Chr Hansen Holding A/S	Faurecia SE	Konecranes Oyj	Novolipetskiy Metallurgicheskiy
Alstom SA	Cie de Saint-Gobain	Federal Bank Ltd	Koninklijke Ahold Delhaize NV	Kombinat PAO
Amgen Inc	Cie Generale des Etablissements Michelin SCA	Fortum Oyj	Koninklijke Philips NV	Nykredit Realkredit AS
Anheuser-Busch InBev SA/NV	Cisco Systems Inc	Gazprom PJSC	KRUK SA	OMV Petrom SA
Antofagasta PLC	Colgate-Palmolive Co	Getlink SE	Landsbankinn HF	Orange SA
Arjo AB	Consti Oyj	Globaltrans Investment PLC	Lifco AB	Orsted AS
Aroundtown SA	Corticeira Amorim SGPS SA	Globe Trade Centre SA	Link Net Tbk PT	Outokumpu Oyj
ASML Holding NV	Credit Suisse Group AG	GN Store Nord AS	LSR Group PJSC	Petropavlovsk PLC
Assa Abloy AB	Danske Bank A/S	Grupa Kety SA	LUKOIL PJSC	Philippine National Bank
Assicurazioni Generali SpA	de Volksbank NV	Haci Omer Sabanci Holding AS	Magnit PJSC	Polymetal International PLC
AstraZeneca PLC	Demant A/S	Heimstaden Bostad AB	Magnitogorsk Iron & Steel Works PJSC	Ponsse Oyj
Atlantia SpA	Detsky Mir PJSC	Heineken NV	Mail.Ru Group Ltd	Procter & Gamble Co/The
Autodesk Inc	Deutsche Pfandbriefbank AG	Hexagon AB	Medistim ASA	Reckitt Benckiser Group PLC
AXA SA	Direct Line Insurance Group PLC	Hipercor SA	Metsa Board Oyj	Rexel SA
Baloise Holding AG	DKT Finance ApS	Hoist Finance AB	Metso Outotec Oyj	Rio Tinto PLC
Banca Monte dei Paschi di Siena SpA	DNB ASA	Huhtamaki Oyj	MMC Norilsk Nickel PJSC	Roche Holding AG
Banco Santander SA	Dometic Group AB	Iberdrola SA	Mobile TeleSystems PJSC	Rosneft Oil Co PJSC
Barclays PLC	DSV PANALPINA A/S	Ideagen PLC	Mondelez International Inc	Royal Dutch Shell PLC
BASF SE	E.ON SE	IMI PLC	Mowi ASA	Sandvik AB
				SAP SE

Engagement by company

Schneider Electric SE	UPM-Kymmene Oyj
Securitas AB	Vaisala Oyj
Security Bank Corp	Verkkokauppa.com Oyj
Severstal PAO	Vestas Wind Systems A/S
SGS SA	Visa Inc
Siemens AG	Vodafone Group PLC
Signify NV	Volksbank Wien AG
Sika AG	Volvo AB
Skandinaviska Enskilda Banken AB	Volvo Car AB
SKF AB	Wartsila OYJ Abp
Societe Generale SA	Wendel SE
Starbucks Corp	WEPA Hygieneprodukte GmbH
Stora Enso Oyj	X5 Retail Group NV
Straumann Holding AG	YIT Oyj
Stryker Corp	Zee Entertainment Enterprises Ltd
Svenska Handelsbanken AB	Ziggo BV
Talnom Oyj	Zurich Insurance Group AG
Tatneft PJSC	
Tele2 AB	
Telenor ASA	
Telia Co AB	
Teollisuuden Voima Oyj	
Thermo Fisher Scientific Inc	
Tikkurila Oyj	
TOMRA Systems ASA	
TOTAL SE	
Turk Telekomunikasyon AS	
Ulker Biskuvi Sanayi AS	
Unilever NV	
Unilever PLC	