

Active Ownership Report: H1 2020

Danske Invest Fund Management Ltd.

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

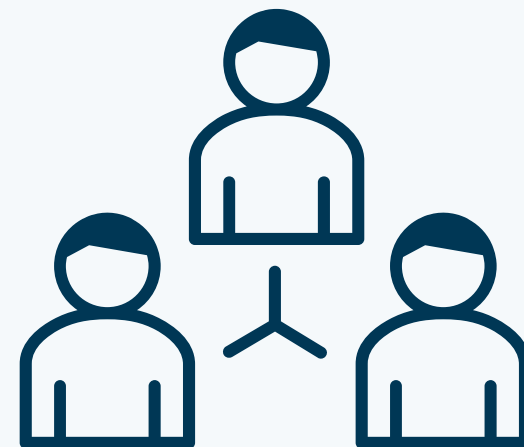
[Click here](#)

* 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

137



Country domiciles

26



ESG engagement topics

76



Interactions

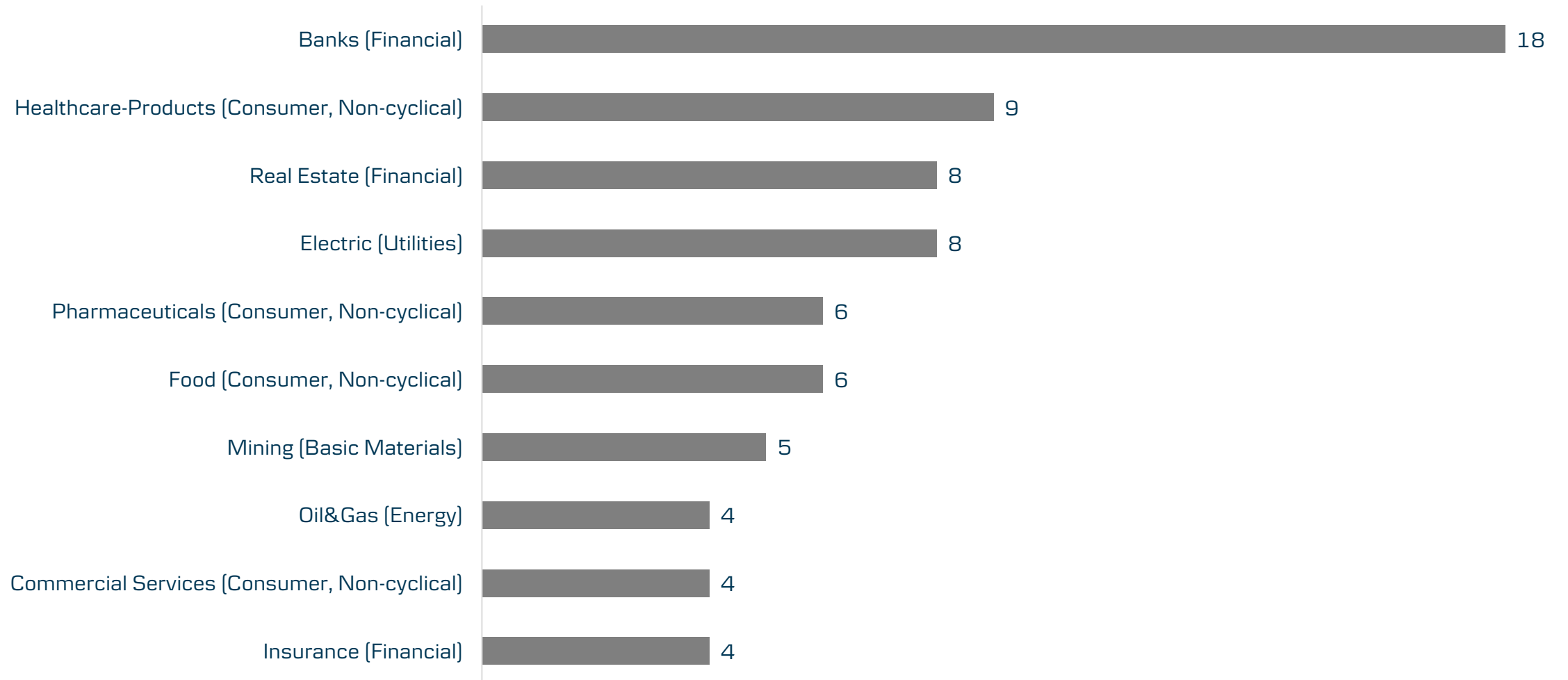
199





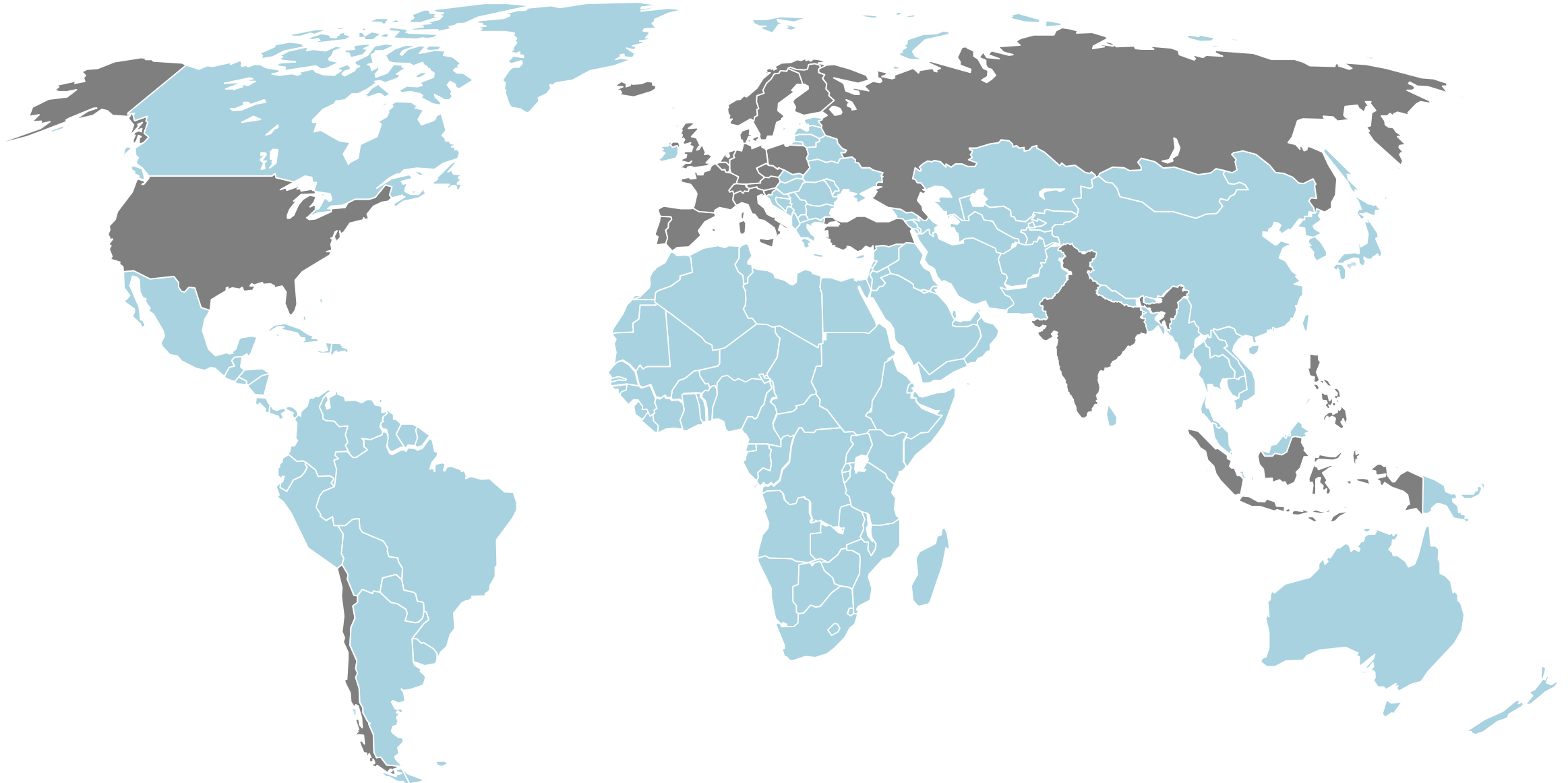
Top 10 industries most engaged with during H1 2020

Number of companies per industry (Sector in bracket)



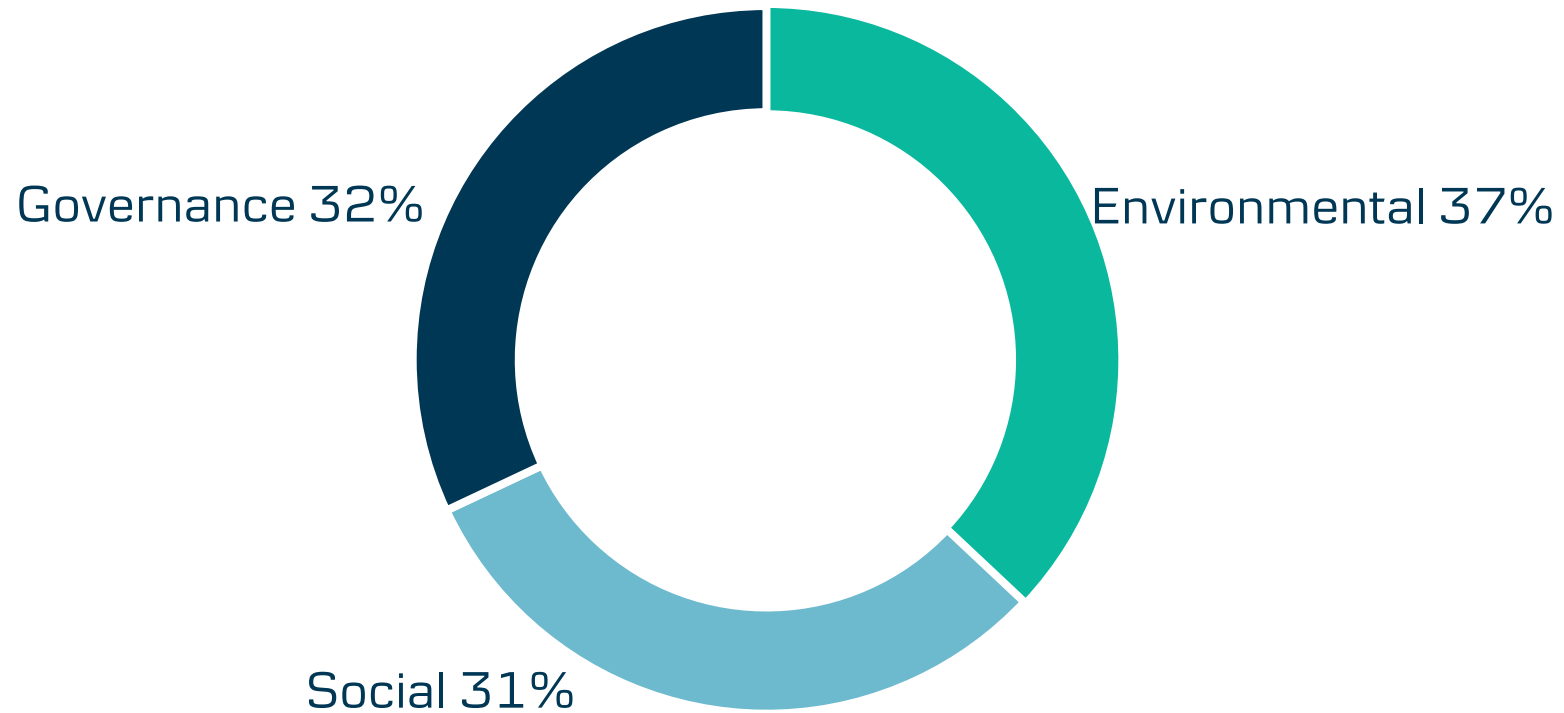


Engagement with companies domiciled in 26 countries



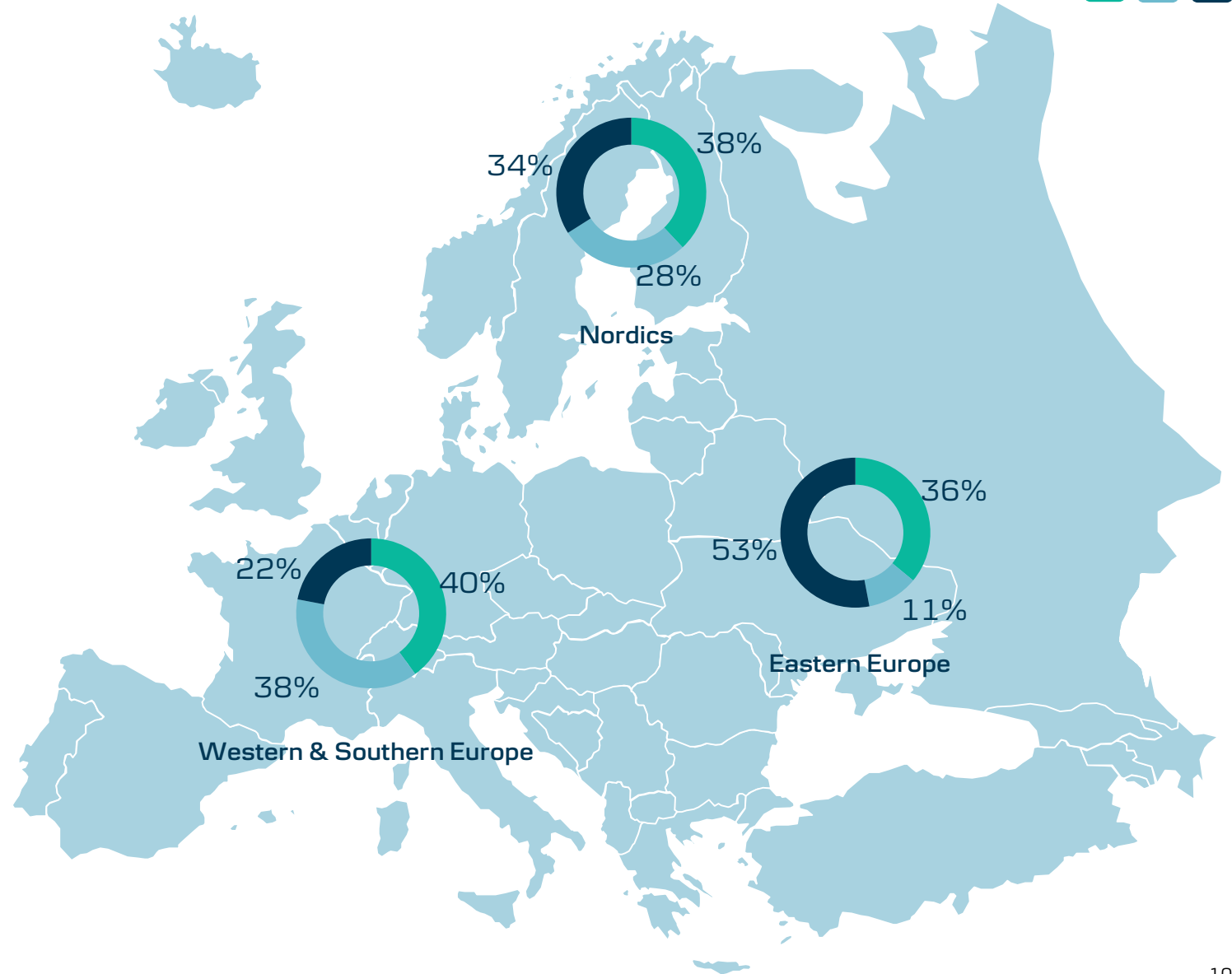
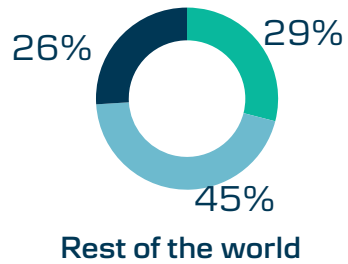


Split between ESG engagement themes





Split between ESG engagement themes across regions





76 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	28
2	Energy Efficiency	24
3	Energy Transformation	23
4	Circular Economy	15
5	Digitalisation	14
6	Sustainable Products	9
7	Ecological Impacts	7

S

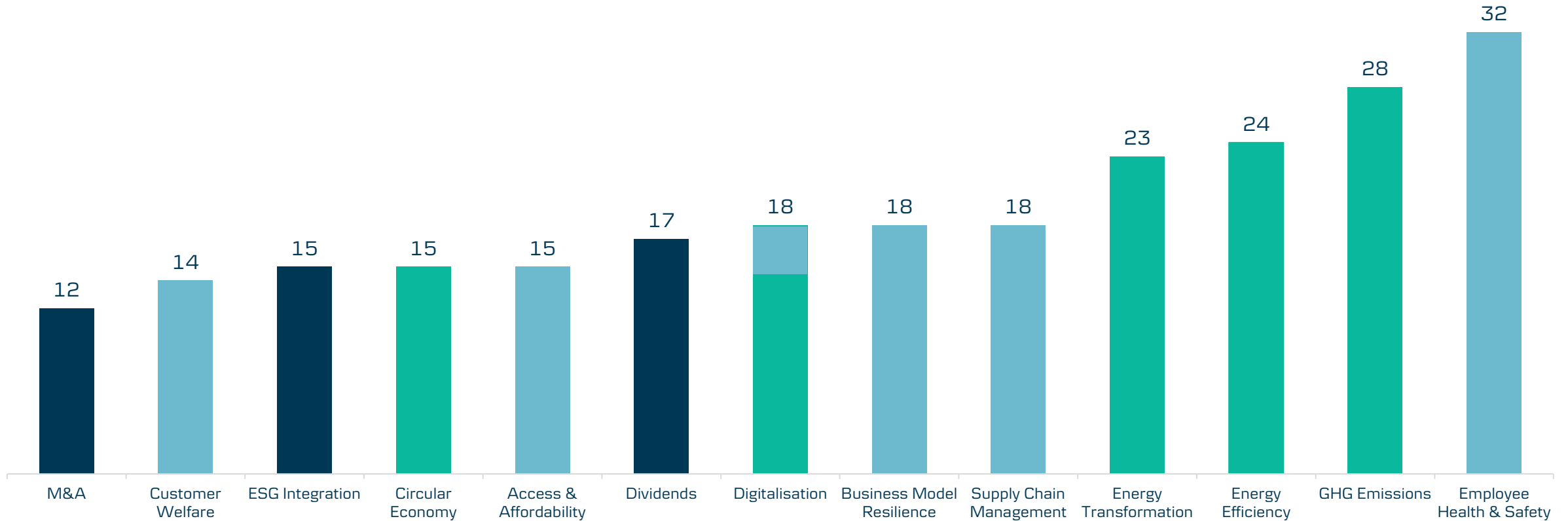
Rank	Topic	Count
1	Employee Health & Safety	32
2	Supply Chain Management	18
3	Business Model Resilience	18
4	Access & Affordability	15
5	Customer Welfare	14
6	Product Quality & Safety	11
7	Selling Practices & Product Labeling	7

G

Rank	Topic	Count
1	Dividends	17
2	ESG Integration	15
3	M&A	12
4	Restructuring	11
5	AML Issues & Handling	9
6	Capital Structure	9
7	Corporate Governance	8



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





Top 10 and engagement interactions across Nordic countries

Rank	Country	Count
1	Sweden	36
2	Finland	26
3	Denmark	17
4	Russia	15
5	Norway	14
6	United States	12
7	Germany	11
8	Switzerland	10
9	Netherlands	10
10	France	10



Region	Count
Nordics	94
Western & Southern Europe	66
Eastern Europe	21
Rest of the world	18



Most commonly addressed ESG topics across geography

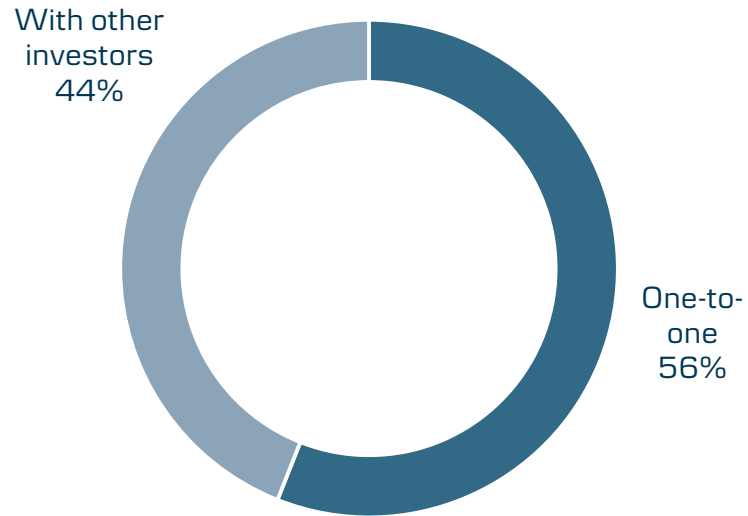


Access & Affordability

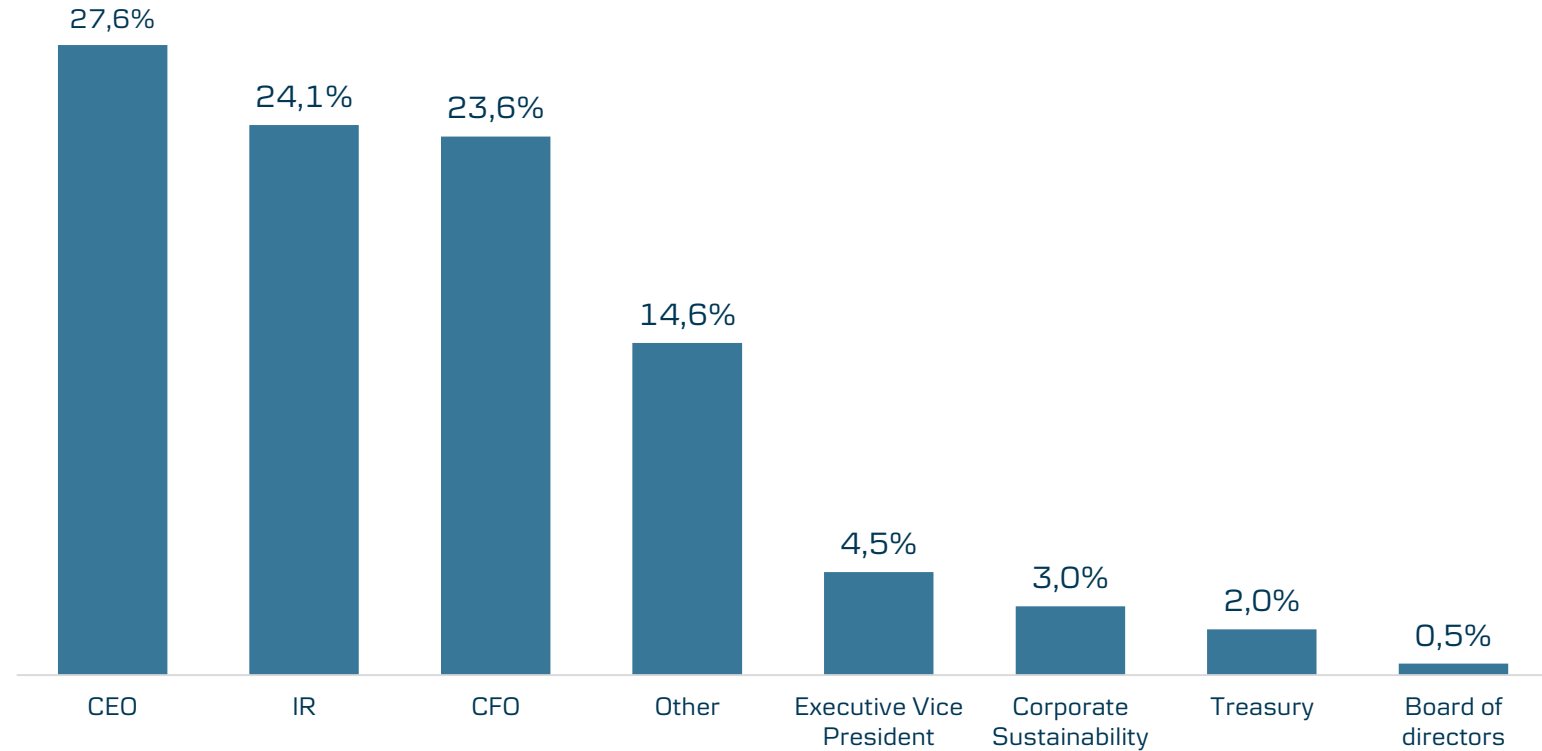


Company interactions are mainly one-to-one and with CEO, IR and CFO

Type of meeting



Share of meetings by level of participants



Engagement examples: Employee Health & Safety

32 engagements



Among the 199 total engagements focused on Employee Health & Safety.

Employee Health & Safety is the first 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.

Topic addressed
in the following countries



Company Example



Sector: Consumer, Non-Cyclical
"Actions to protect employees during Covid-19."



Sector: Consumer, Cyclical
"Discussed about employer safety, stores, state aid."



Sector: Consumer, Cyclical
"Workers safety during Covid-19."

Engagement examples: GHG Emissions

28 engagements



Among the 199 total engagements focused on GHG Emissions.

GHG Emissions is the second 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: Utilities
"Discussion around renewables generation expansion."

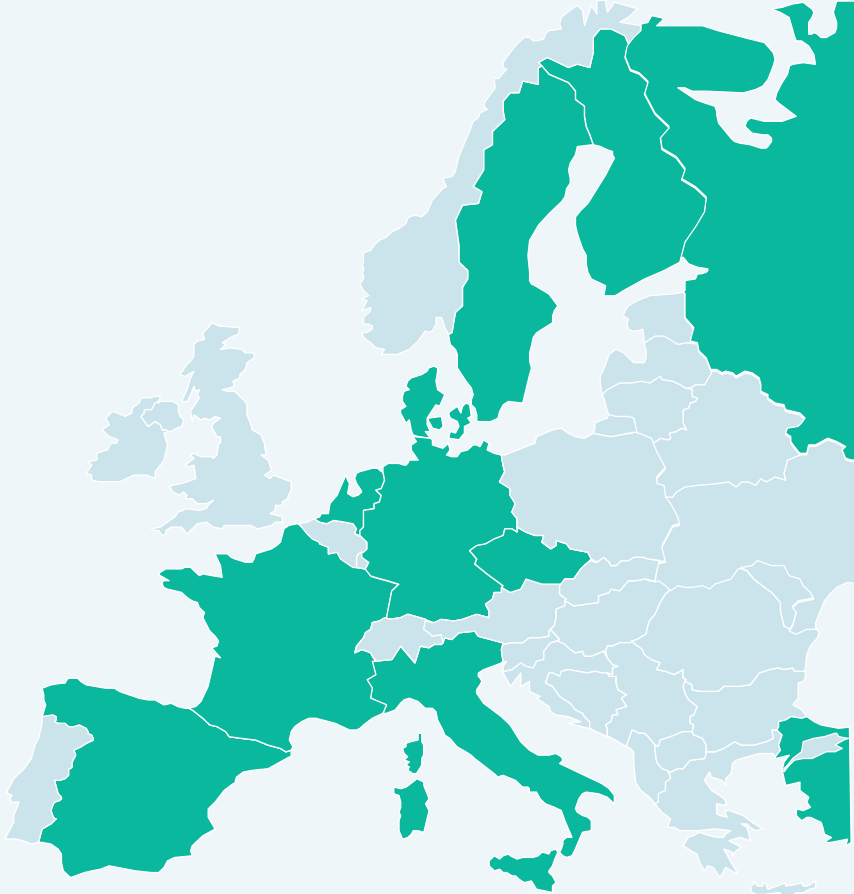


Sector: Basic Materials
"Company's efforts to lower scope 1&2 emissions through more renewable energy sourcing and re-usage of own carbon emissions."



Sector: Utilities
"Company's role in the transformation towards higher degree of renewable energy."

Topic addressed
in the following countries



Engagement examples: Energy Efficiency

24 engagements



Among the 199 total engagements focused on GHG Emissions.

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
"Low carbon energy ambitions and how it fits in the asset mix forward."



Sector: Basic Materials
"Discussed CO2 reductions."



Sector: Utilities
"COVID-19 could have a positive impact on sustainability as public opinions move towards more renewable/low environmental impact generated energy."

Topic addressed in the following countries



Active Ownership Report: H1 2020

Part 2: Voting Report



Engagement Report introduction



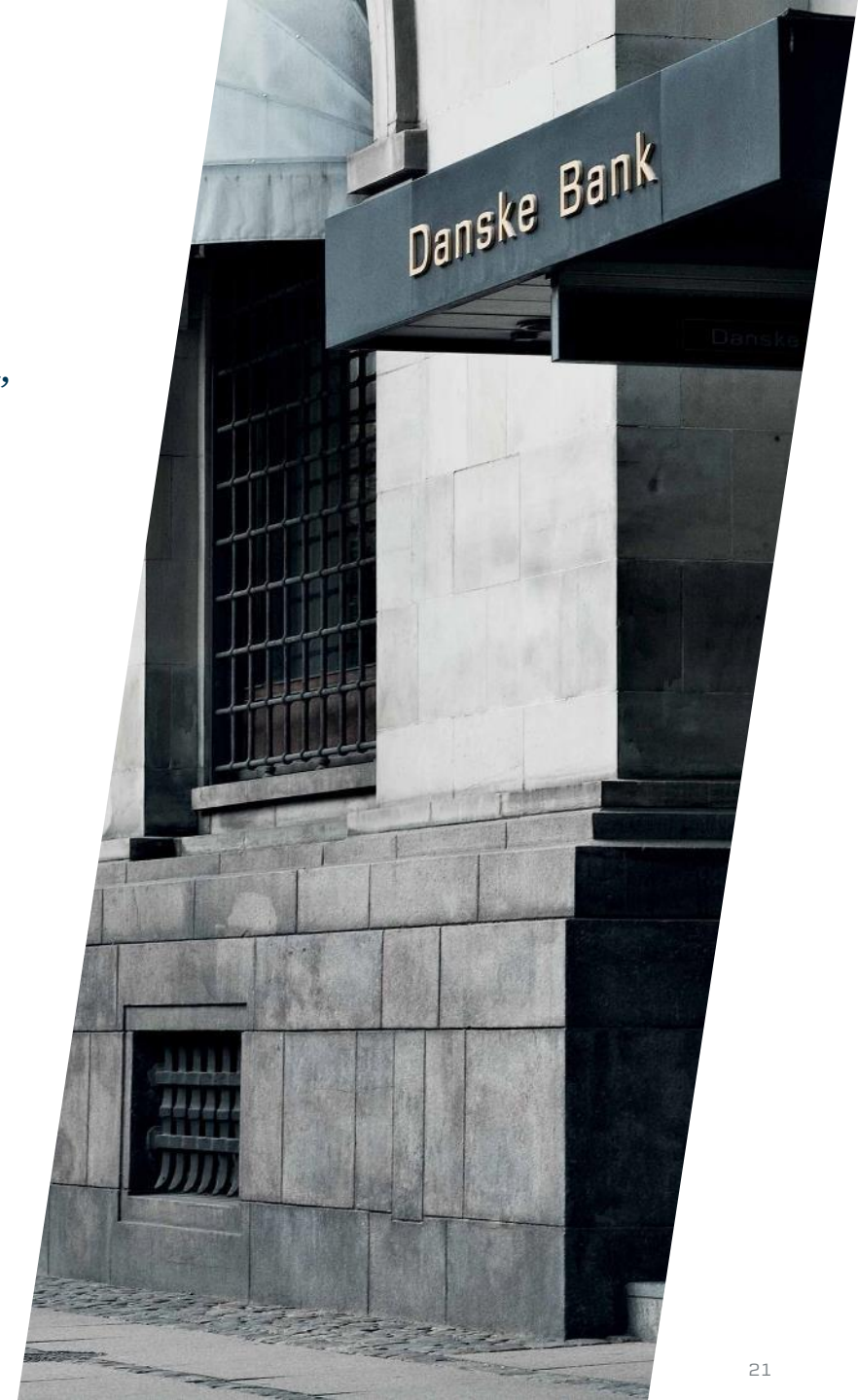
The annual general meeting is an opportunity to voice our opinion, vote on issues of key importance to the running of a company, and contribute to the good governance of the company.



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

257



Country domiciles

37



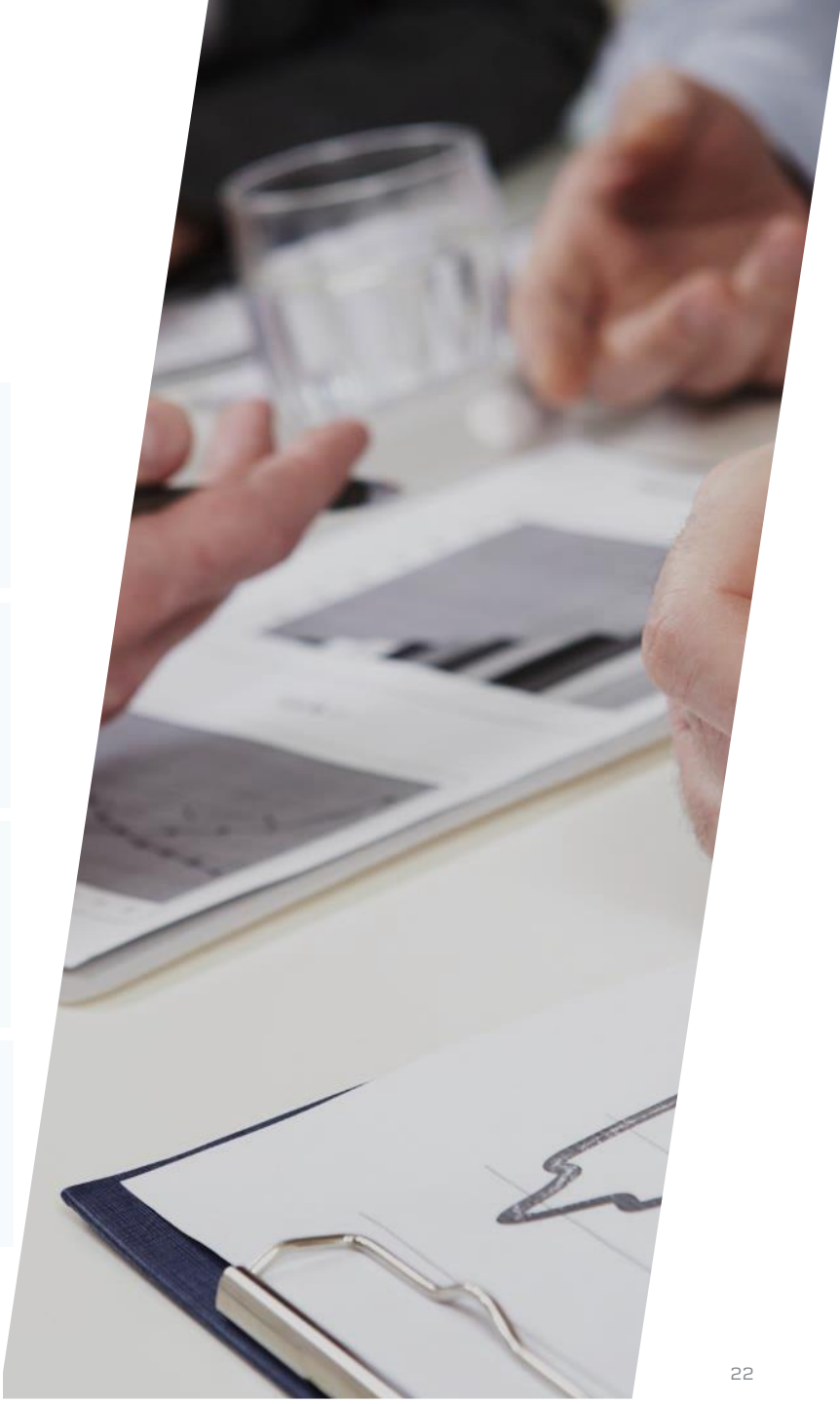
Meetings

272



Proposals

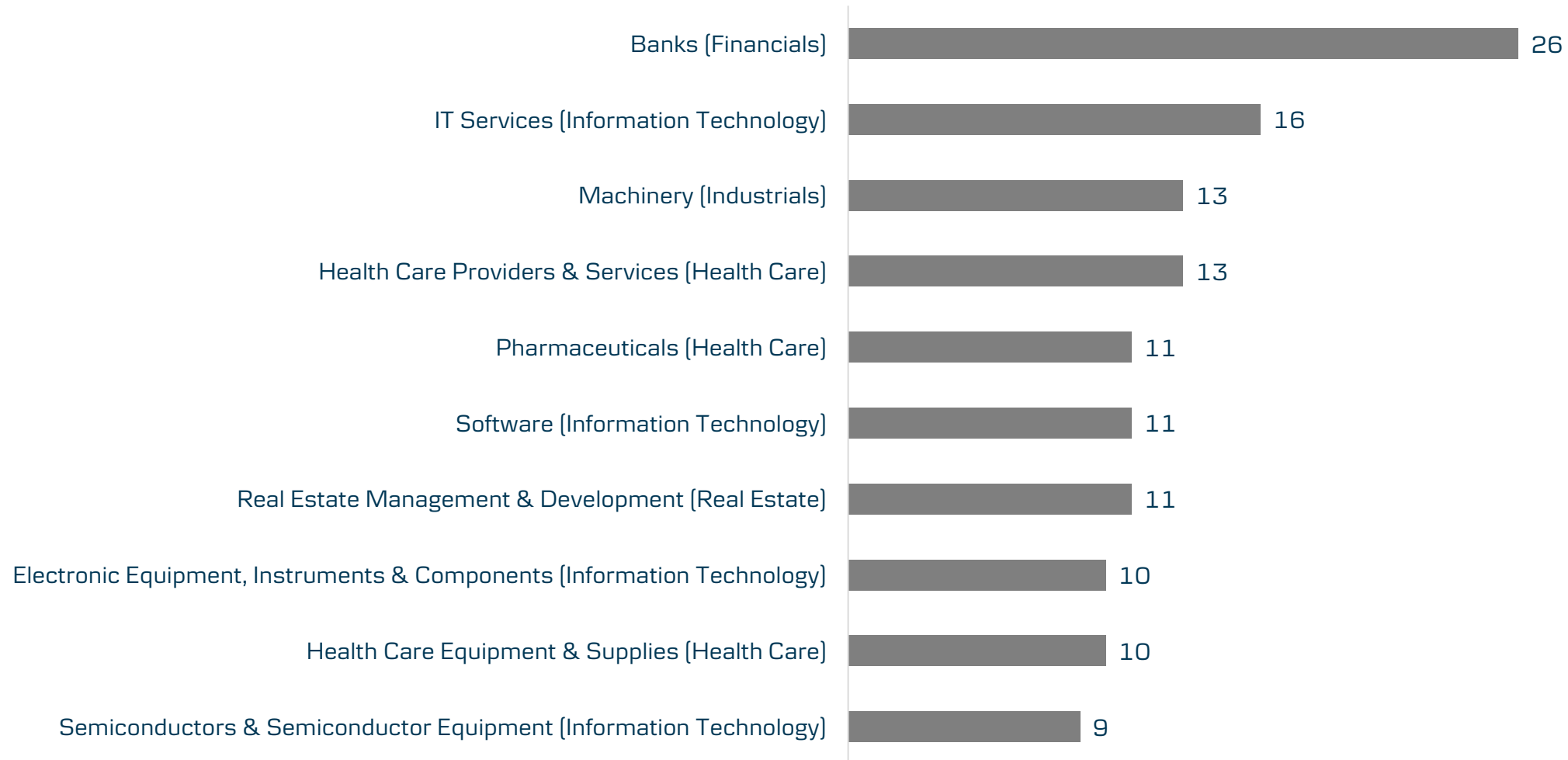
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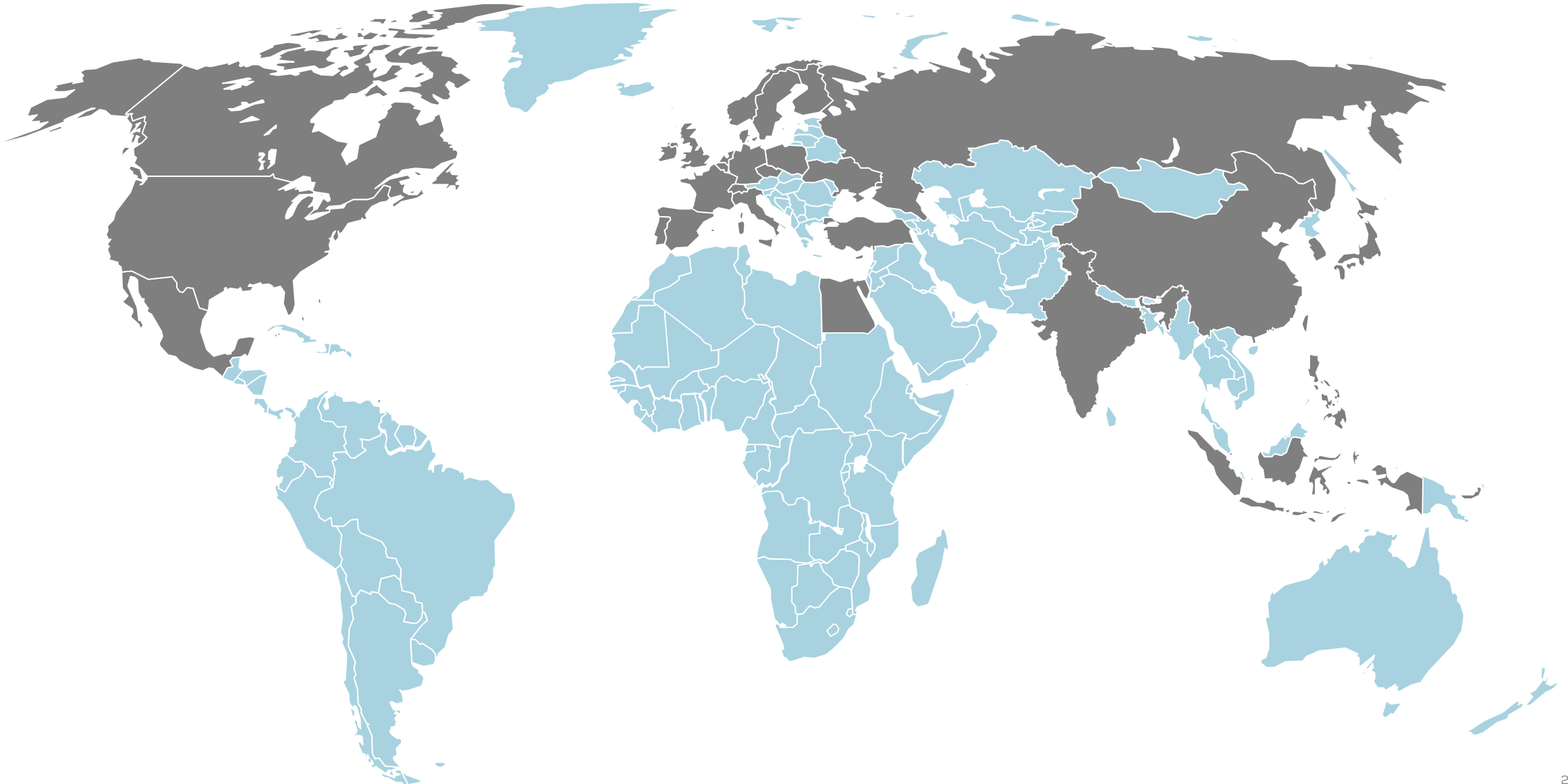
Top 10 industries most voted during H1 2020

Number of companies per industry (Sector in bracket)



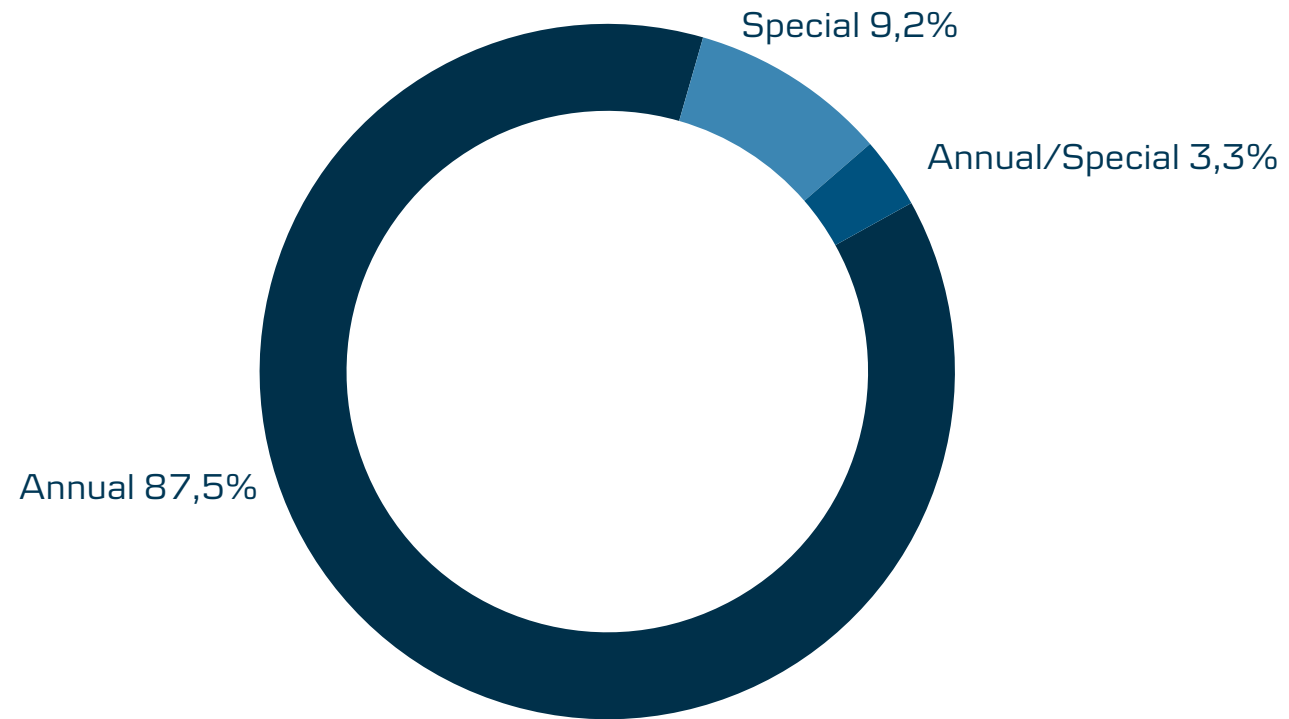


Voting with companies domiciled in 37 countries





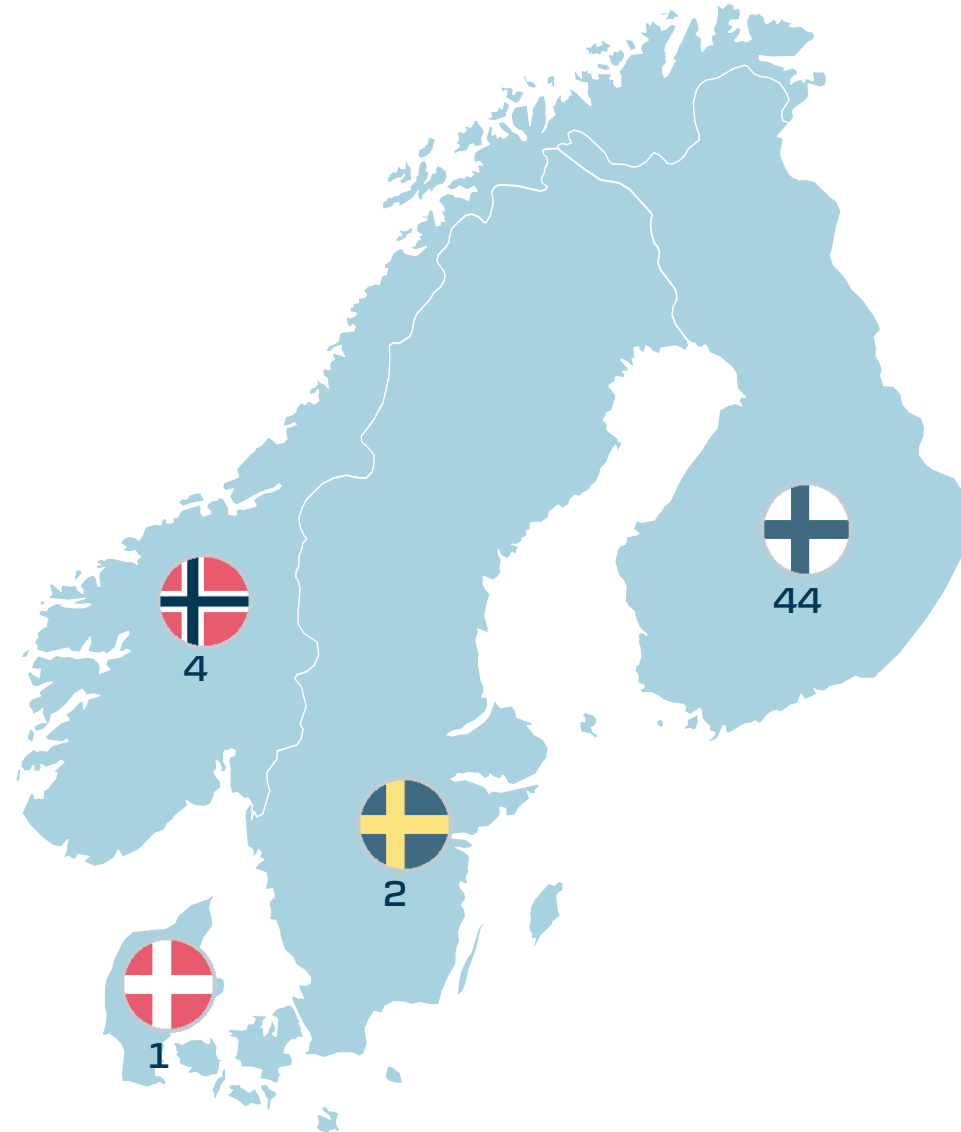
We voted primarily at Annual General Meetings (AGM)





Top 10 and voting distribution across Nordic countries

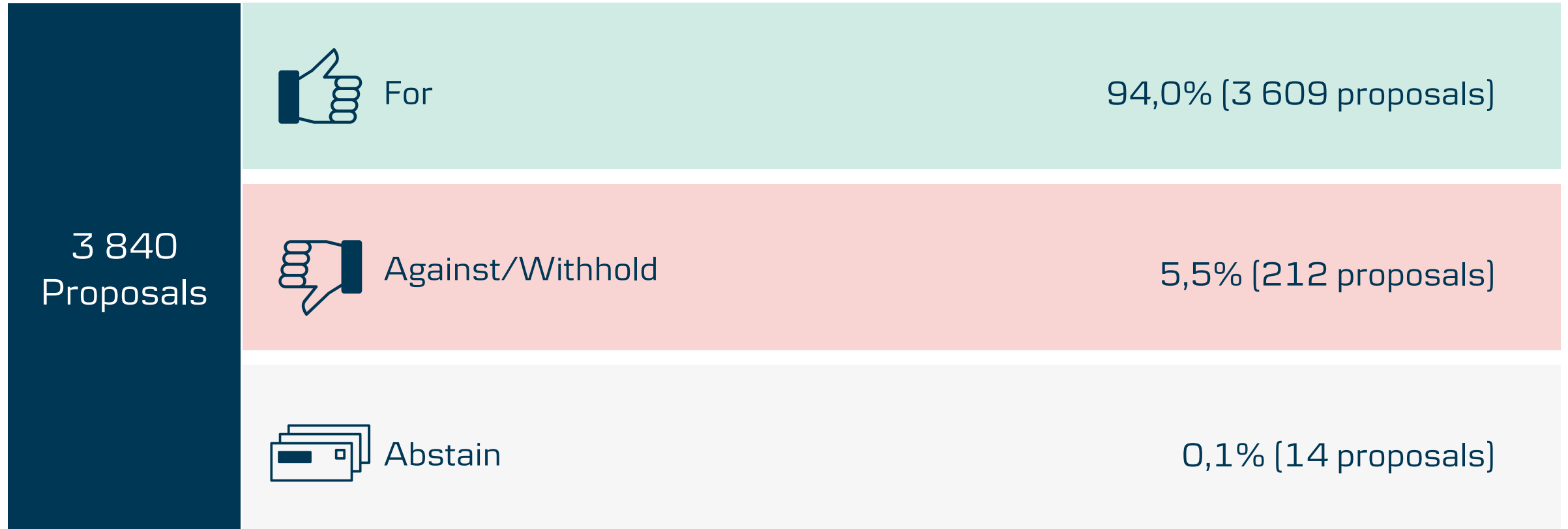
Rank	Country Domicile	Count
1	USA	78
2	Finland	44
3	China	23
4	United Kingdom	19
5	Cayman Islands	11
6	France	8
7	Netherlands	8
8	Russia	8
9	Switzerland	8
10	Japan	7



Region	Count
Rest of the world	126
Western & Southern Europe	83
Nordics	51
Eastern Europe	12



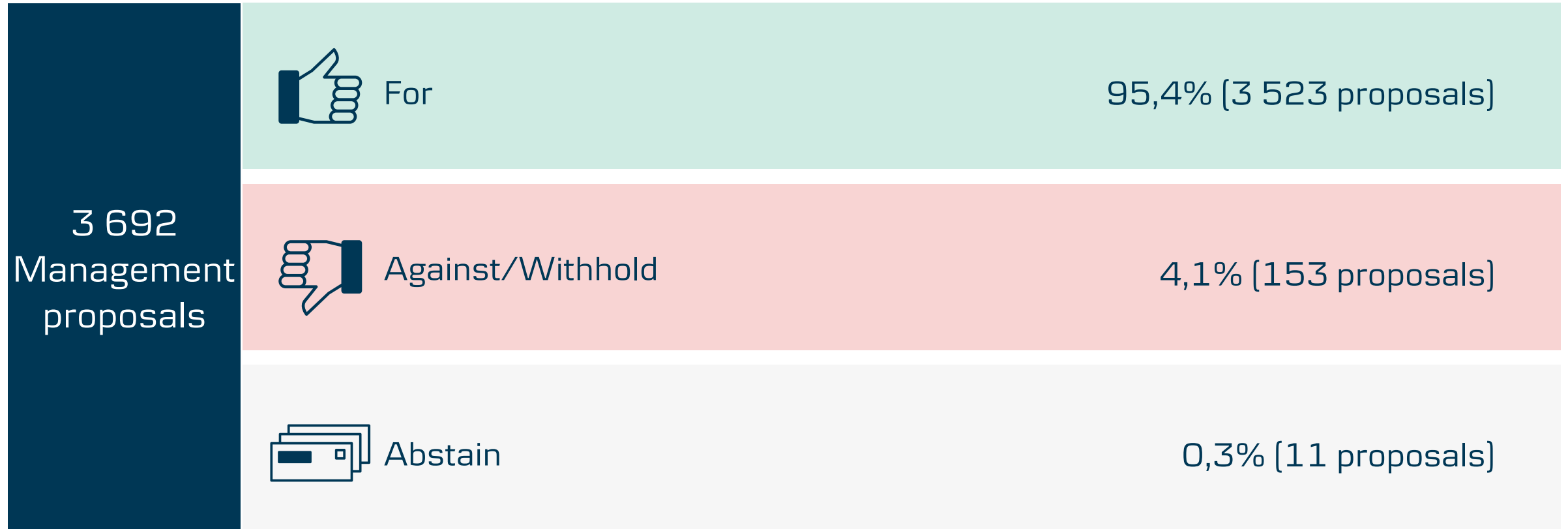
We predominantly voted 'For' the proposals



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



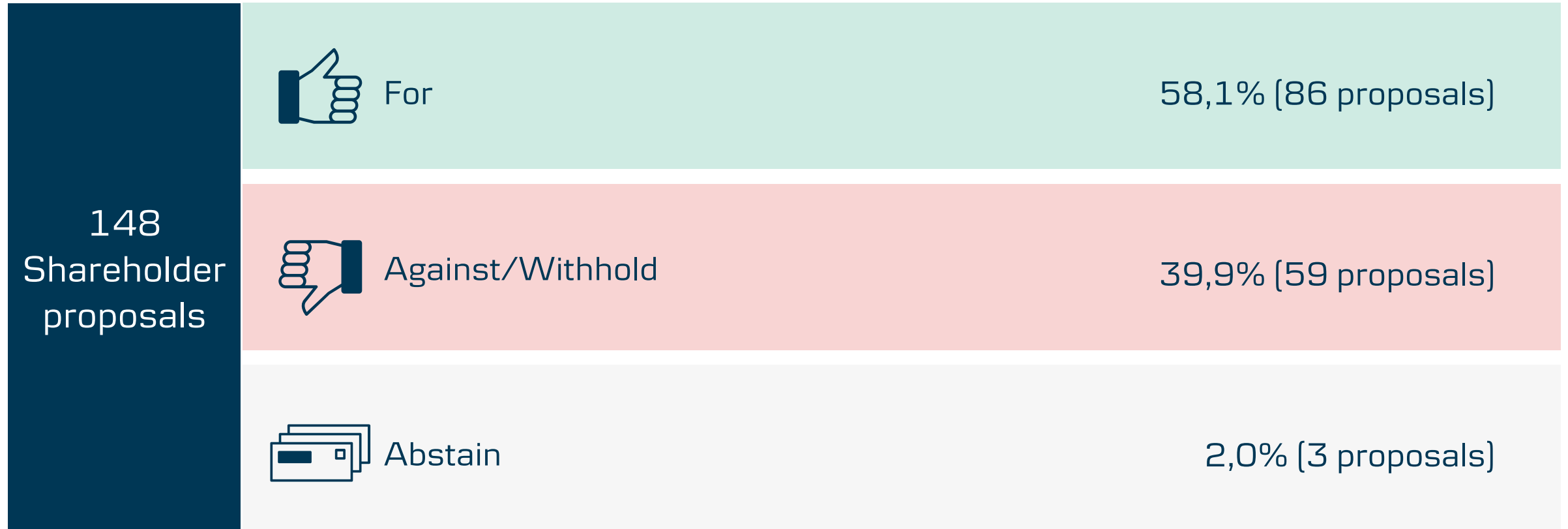
We predominantly voted 'For' the Management proposals



Note: Across all voted proposals, 5 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

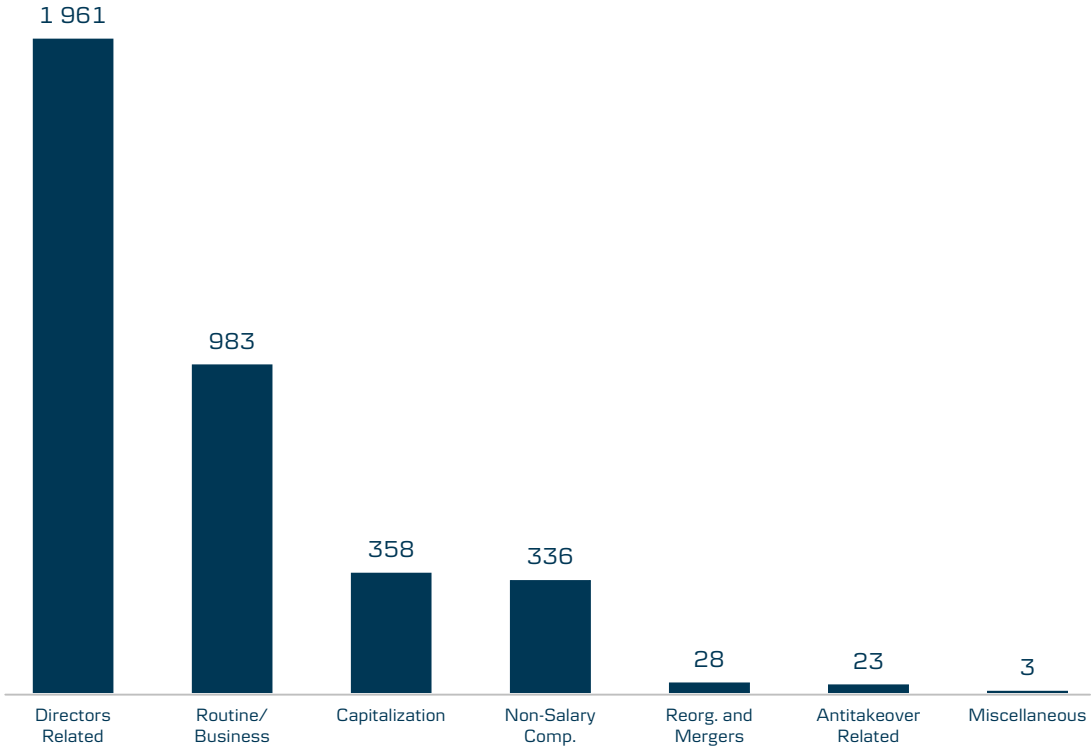




Voted proposals are mainly Directors-related

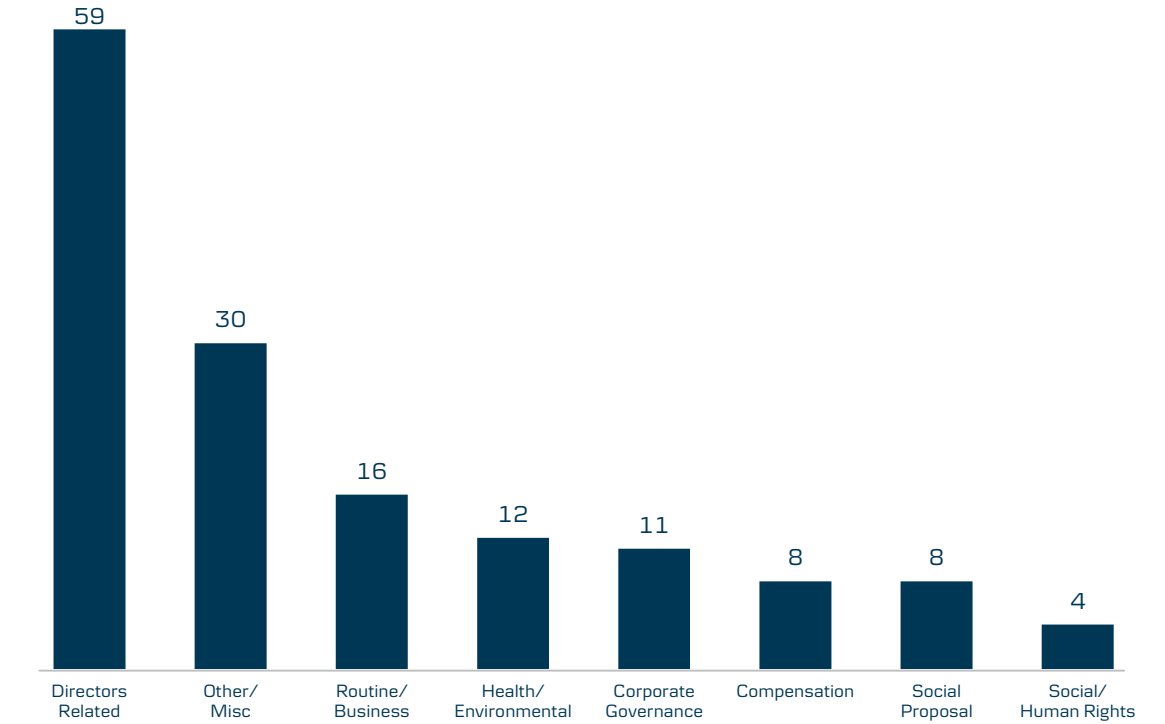
Management proposals

A total of 3 692 proposals



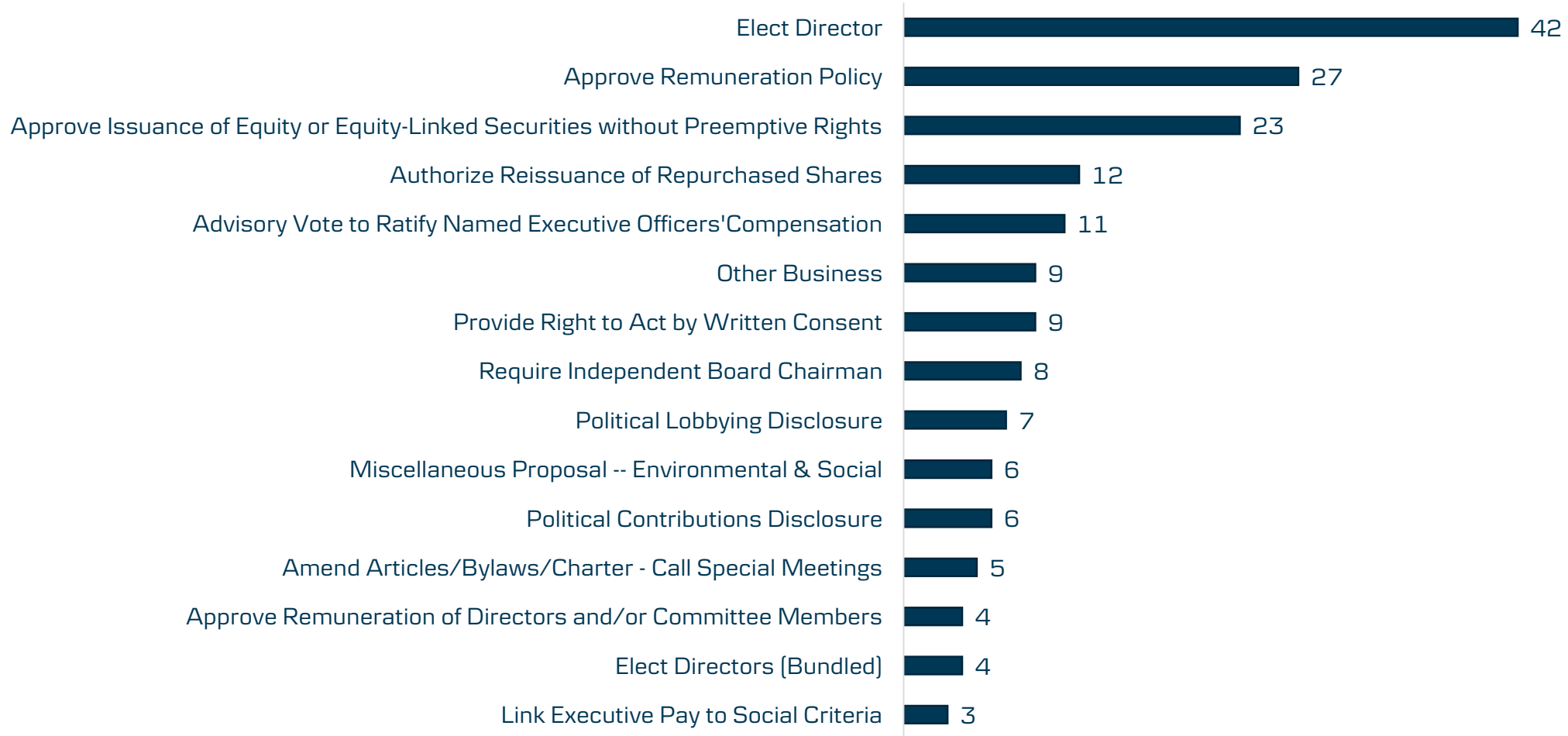
Shareholder proposals

A total of 148 proposals





Most common voted proposals against Management recommendations



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Engagement during H1 2020, by company

AAK AB	Chr Hansen Holding A/S	GN Store Nord A/S	Mowi ASA	Stryker Corp
ABB Ltd	Cie Generale des Etablissements Michelin SCA	Grupa Kety SA	National Grid PLC	Talenom Oyj
adidas AG	Colgate-Palmolive Co	Haci Omer Sabanci Holding AS	Nationwide Building Society	Telia Co AB
Aeroflot PJSC	Consti Oyj	Heimstaden Bostad AB	Nestle SA	Teollisuuden Voima Oyj
Ahlstrom-Munksjo Oyj	Corticeira Amorim SGPS SA	Heineken NV	Nibe Industrier AB	TOMRA Systems ASA
Akamai Technologies Inc	Danske Bank A/S	Hexagon AB	Nokian Renkaat Oyj	TOTAL SE
Akelius Residential Property AB	de Volksbank NV	Hoist Finance AB	Nordea Bank Abp	Turk Telekomunikasyon AS
Allianz SE	Demant A/S	Huhtamaki Oyj	Nova Ljubljanska Banka dd	Unilever NV
Alrosa PJSC	Detsky Mir PJSC	Iberdrola SA	Novartis AG	UPM-Kymmene Oyj
Alstom SA	Deutsche Pfandbriefbank AG	Ideagen PLC	Novo Nordisk A/S	Vaisala Oyj
Amgen Inc	DNB ASA	IMI PLC	Nykredit Realkredit A/S	Verkkokauppa.com Oyj
Anheuser-Busch InBev SA/NV	Dometic Group AB	ING Groep NV	Orsted A/S	Vestas Wind Systems A/S
Antofagasta PLC	DSV PANALPINA A/S	Intrum AB	Petropavlovsk PLC	Visa Inc
Arjo AB	E.ON SE	Islandsbanki HF	Philippine National Bank	Volvo AB
Aroundtown SA	Eli Lilly and Co	Johnson & Johnson	Ponsse Oyj	X5 Retail Group NV
ASML Holding NV	Elisa Oyj	Jyske Bank A/S	Procter & Gamble Co/The	Zee Entertainment Enterprises Ltd
Assa Abloy AB	Ellevio AB	KBC Group NV	Rexel SA	Zurich Insurance Group AG
AstraZeneca PLC	ENEL RUSSIA PJSC	Kemira Oyj	Rio Tinto PLC	
Atlantia SpA	Enel SpA	Kojamo Oyj	Roche Holding AG	
AXA SA	Epiroc AB	Konecranes Oyj	Rosneft Oil Co PJSC	
Baloise Holding AG	Equinor ASA	Koninklijke Philips NV	Royal Dutch Shell PLC	
Banca Monte dei Paschi di Siena SpA	Erste Group Bank AG	Lifco AB	Sandvik AB	
BASF SE	Etalon Group PLC	Link Net Tbk PT	Schneider Electric SE	
Baxter International Inc	Evrax PLC	Magnit PJSC	Security Bank Corp	
Boston Scientific Corp	Fastighets AB Balder	Magnitogorsk Iron & Steel Works PJSC	Severstal PAO	
CaixaBank SA	Faurecia SE	Medistim ASA	Siemens AG	
Castellum AB	Federal Bank Ltd	Metsa Board Oyj	Signify NV	
Caverion Oyj	Getlink SE	Metso Outotec Oyj	Sika AG	
CD Projekt SA	Globaltrans Investment PLC	Mobile TeleSystems PJSC	Skandinaviska Enskilda Banken AB	
CEZ AS	Globe Trade Centre SA	Mondelez International Inc	Stora Enso Oyj	