

# *Active Ownership Report: H1 2020*

## *Danske Bank Asset Management*

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](#)



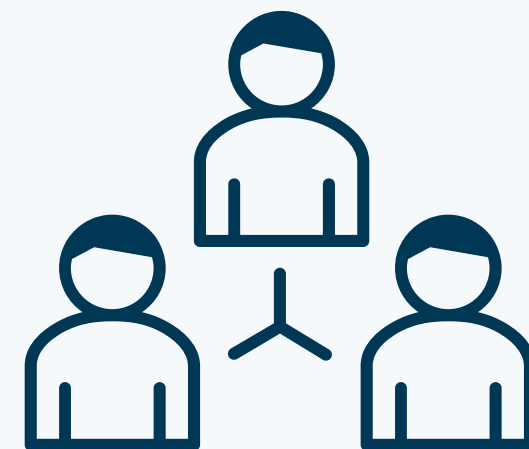
Proxy Voting Dashboard

[Click here](#)



# *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

354



Country domiciles

36



ESG engagement topics

92



Interactions

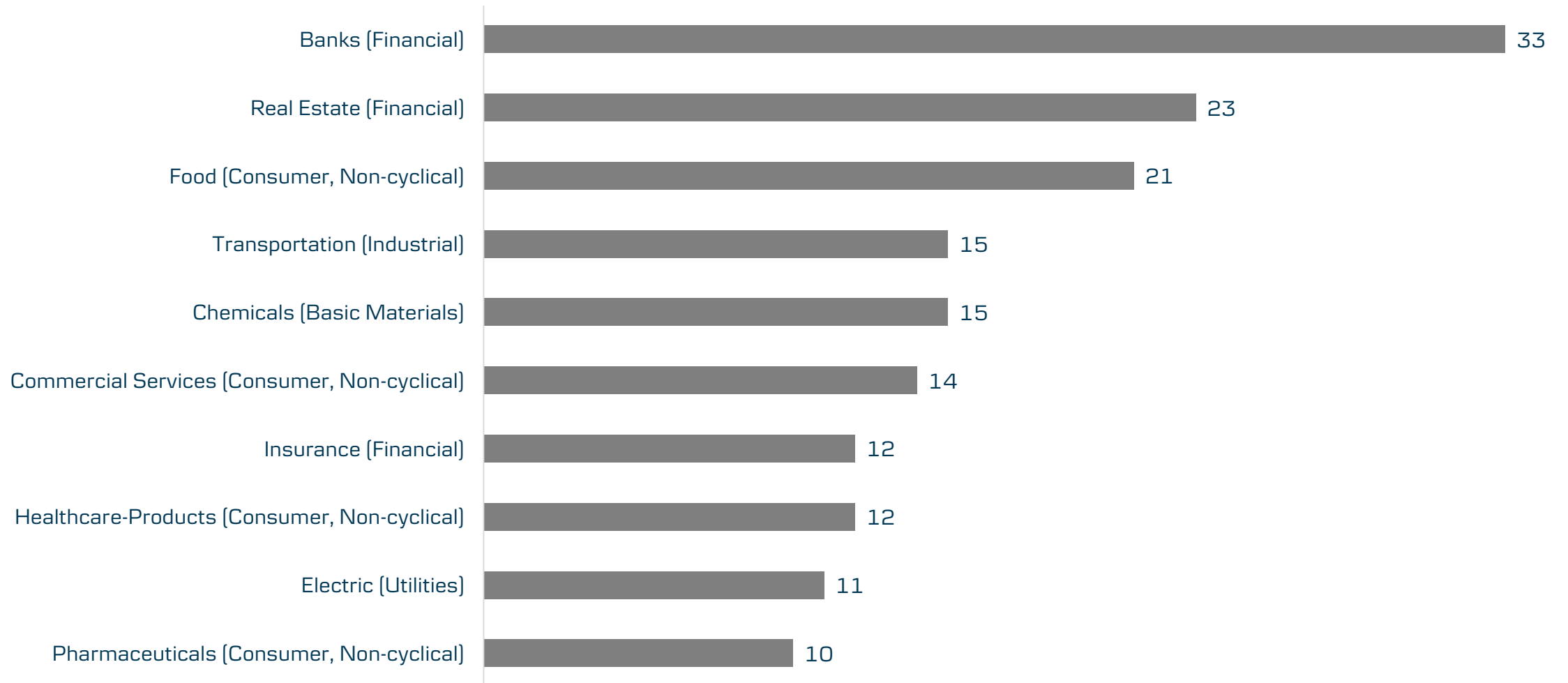
478





## Top 10 industries most engaged with during H1 2020

Number of companies per industry (Sector in bracket)



Note 1: The Bloomberg Industry Classification Systems (BICS) is used for sector classification

Note 2: Four companies lack BICS data

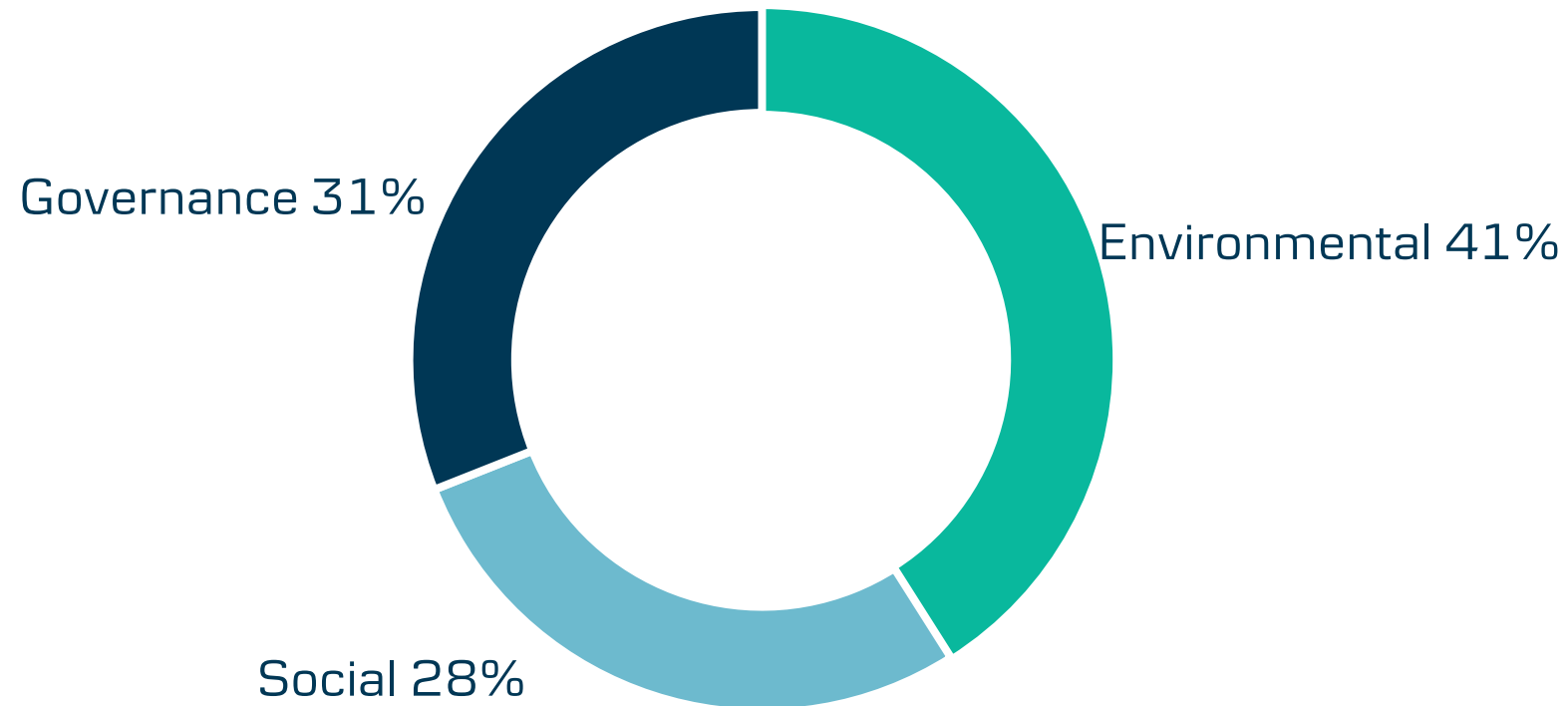


## A world map illustrating the global distribution of countries categorized by income level. The map uses a three-color scheme: dark grey for high-income countries, light blue for middle-income countries, and white for low-income countries. High-income countries (dark grey) include the United States, Canada, the United Kingdom, France, Germany, Italy, Spain, Portugal, Ireland, Iceland, Norway, Sweden, Finland, Denmark, Netherlands, Belgium, Luxembourg, Switzerland, Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Serbia, Montenegro, Albania, Bulgaria, Romania, Greece, Turkey, Israel, Japan, South Korea, Taiwan, Hong Kong, Macao, Singapore, Australia, and New Zealand. Middle-income countries (light blue) include Mexico, Central American countries, Caribbean countries, South American countries, most African countries, most Asian countries, and most European countries. Low-income countries (white) include several countries in Africa, Asia, and the Pacific.



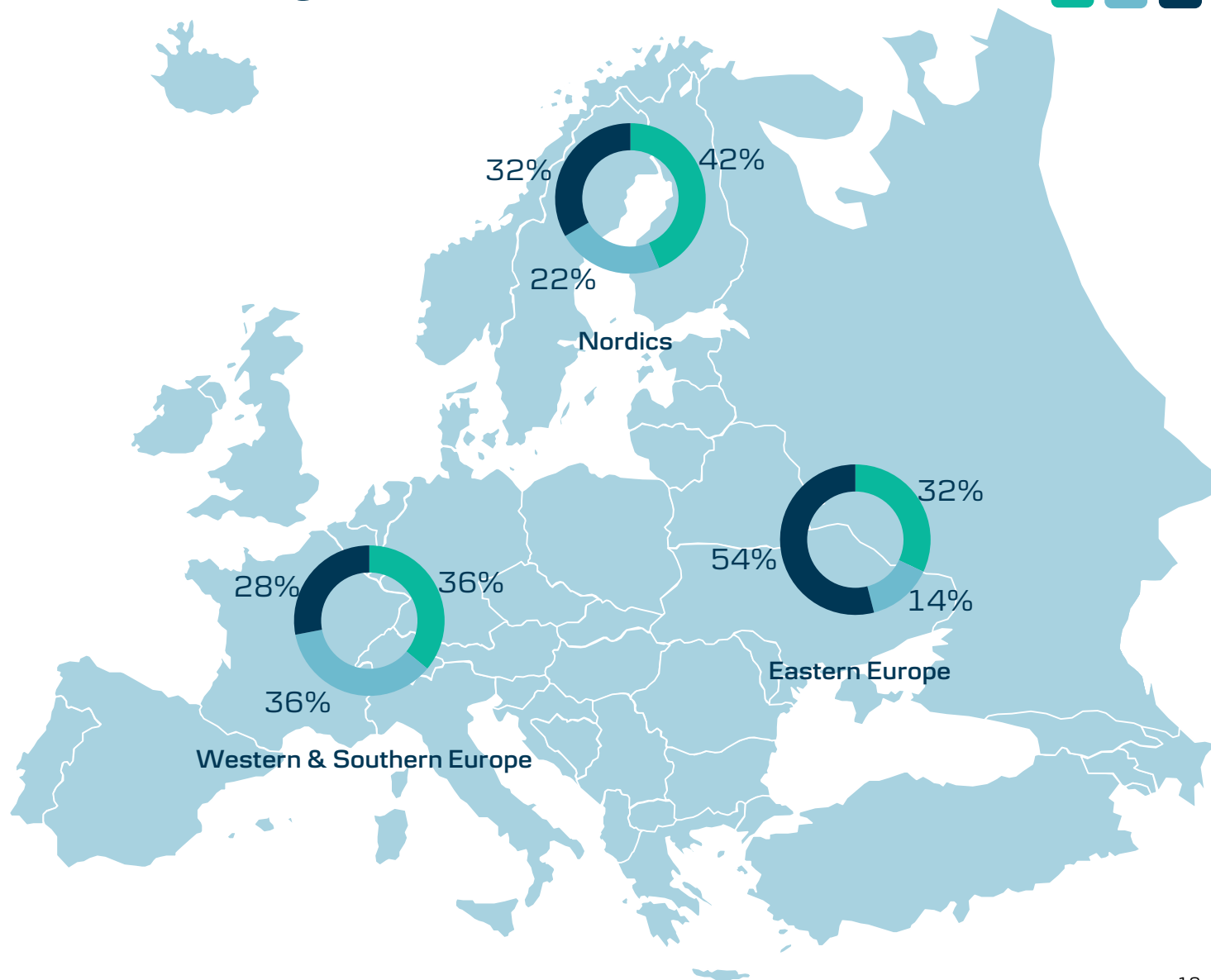
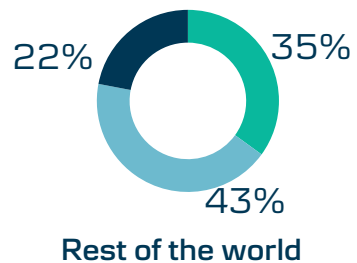


## *Split between ESG engagement themes*





## Split between ESG engagement themes across regions





## 92 ESG engagements topics have been addressed and discussed



Share Buybacks Data Privacy Green Financing  
Materials Sourcing & Efficiency Data Security Responsible Drinking  
Sustainable Products Digitalisation Energy Efficiency Research & Development Digitalisation  
Compliance Procedures Air Quality Sustainability Targets Ecological Impacts Customer Privacy  
Physical Impacts Of Climate Change Restructuring Energy Consumption Access & Affordability Political Risk SDGs  
Product Quality & Safety Competence Employee Retention Board Composition Sustainable Transports Future Fit  
Anti-Corruption Issues & Handling Dividends Water & Wastewater Management Executive Composition Product Development  
Customer Welfare Sustainability Strategy Food Safety Environmental Incidents Financial Accessibility Regulatory Compliance  
Environmental Supply Chain Environmental Regulation AML Issues & Handling Capital Structure Human Rights & Community Relations  
Ownership Structure Labor Standards/Practices Employee Engagement, Diversity & Inclusion Energy Transformation  
SDGs Sustainability Integration & Reporting Circular Economy Accounting Incentive Programs Environmental Issues Plastic/Recycling Products  
Technology Disruption Sustainable Shipping Executive Compensation M&A Systemic Risk Management Customer Education  
GHG Emissions Overboarding International Norms & Principals Climate Neutrality Sustainability Certificates Agriculture  
Personnel Turnover Product Design & Lifecycle Management Animal Welfare Board Leadership Business Model Resilience  
PPI Claims Palm Oil Production Corporate Behavior Waste & Hazardous Materials Management Regulations  
Anti-Trust Issues & Competitive Behavior Energy Management Corporate Governance Employee Health & Safety  
Green Buildings Business Ethics ESG Issues In Fish Farming Quality Management  
Decent Work & Economic Growth ESG Integration Selling Practices & Product Labeling  
SDGs Sustainability Ratings  
Supply Chain Management

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

Rank	Topic	Count
1	GHG Emissions	68
2	Energy Efficiency	47
3	Energy Transformation	39
4	Green Financing	34
5	Digitalisation	26
6	Circular Economy	25
7	Sustainable Products	25



Rank	Topic	Count
1	Employee Health & Safety	61
2	Business Model Resilience	36
3	Supply Chain Management	31
4	Product Design & Lifecycle Management	27
5	Product Quality & Safety	26
6	Customer Welfare	24
7	Access & Affordability	22

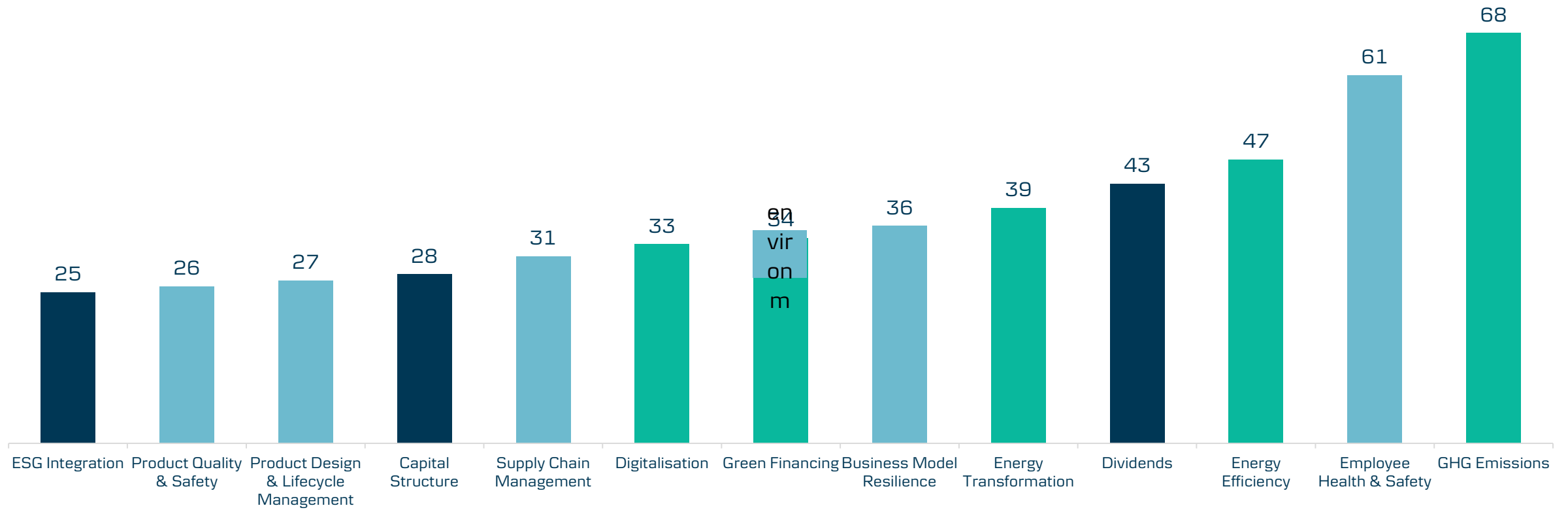


Rank	Topic	Count
1	Dividends	43
2	Capital Structure	28
3	ESG Integration	25
4	M&A	19
5	Restructuring	18
6	Business Ethics	18
7	Corporate Governance	17





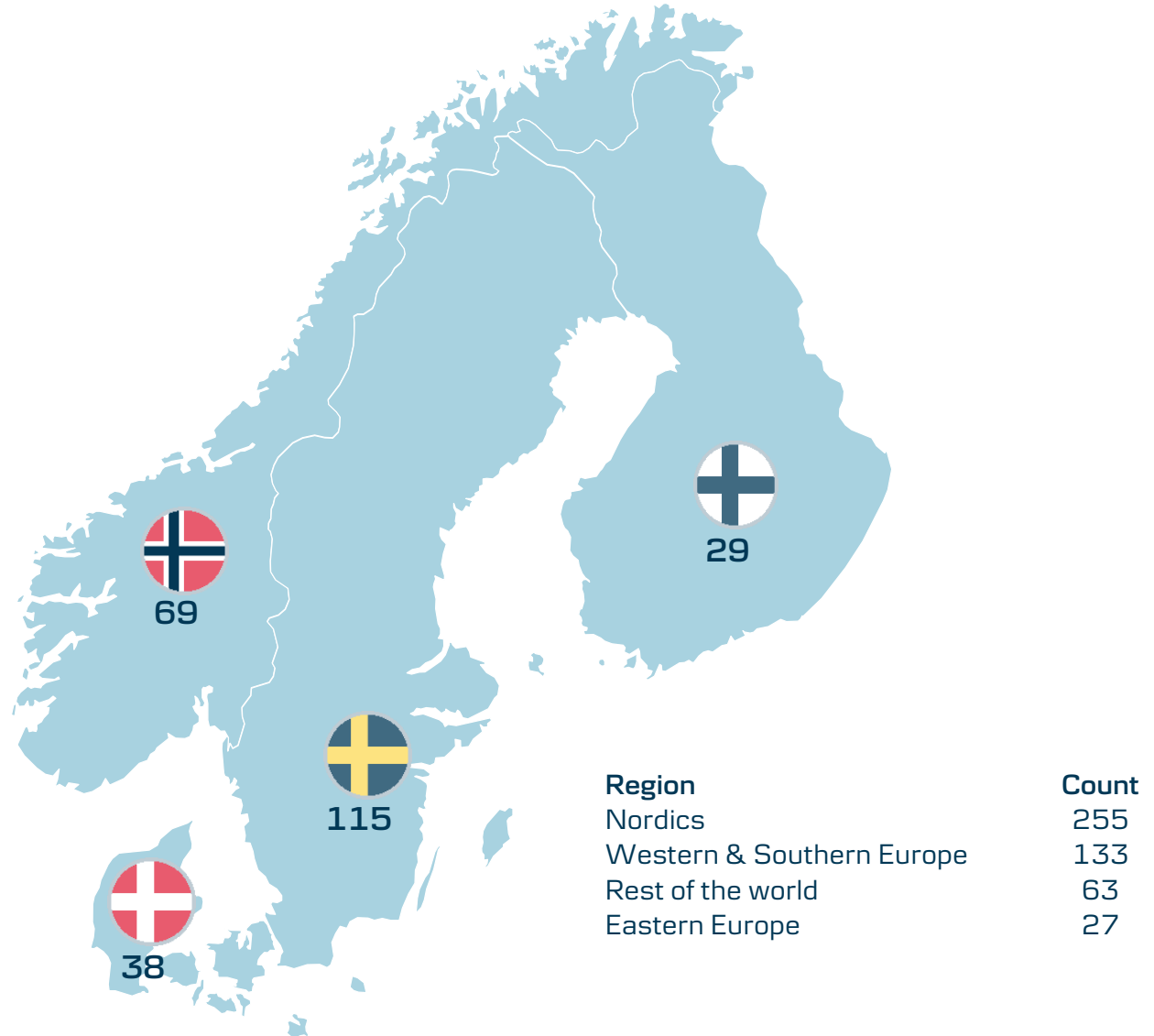
*Top 3 among the 92 ESG engagement topics: GHG Emissions; Employee Health & Safety; and Energy Efficiency*





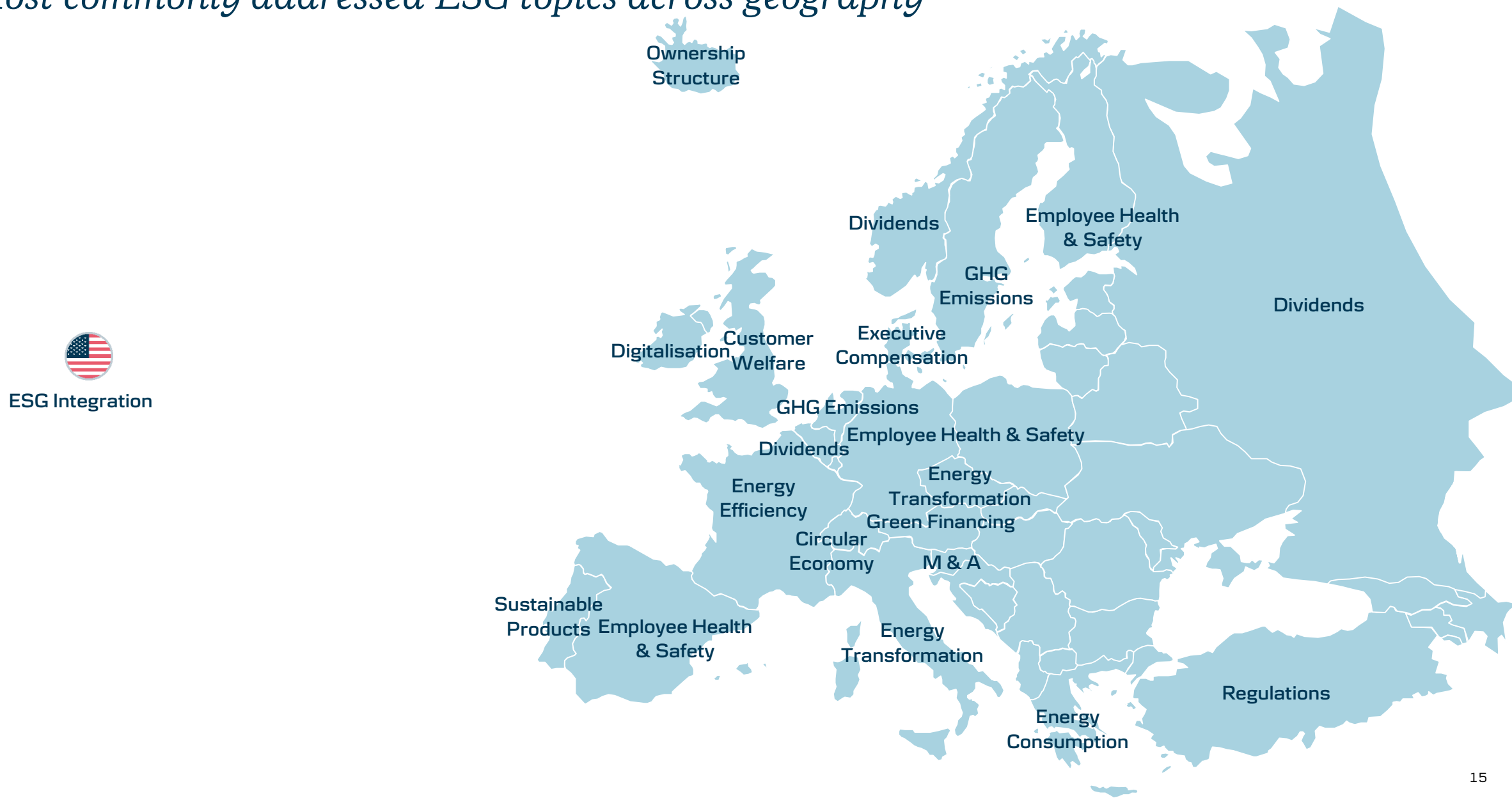
## The majority of company interactions took place in the Nordic region

Rank	Country	Count
1	Sweden	115
2	Norway	69
3	Denmark	38
4	Finland	29
5	United Kingdom	28
6	United States	28
7	Germany	26
8	Russia	20
9	Switzerland	18
10	India	16





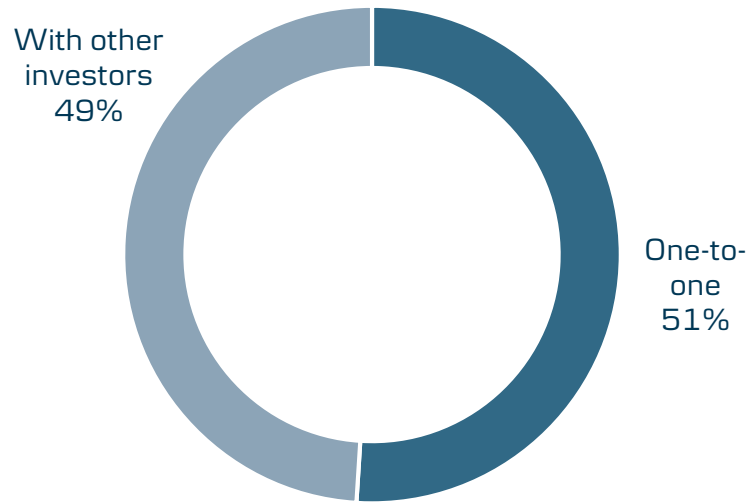
## *Most commonly addressed ESG topics across geography*



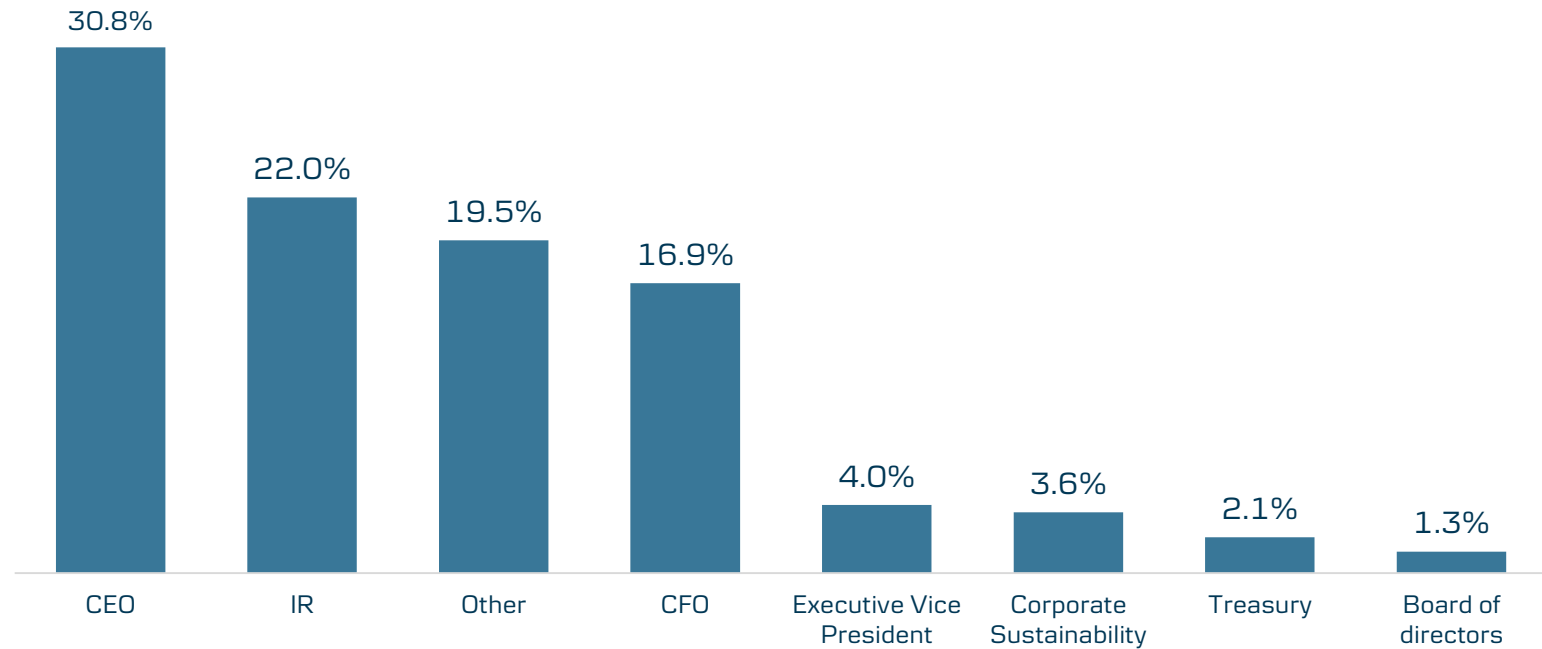


## Company interactions are mainly with one-to-one and with CEO and IR

### Type of meeting



### Share of meetings by level of participants





# Engagement examples: GHG Emissions



## 68 engagements

Among the 478 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 emission targets."*



**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



GHG Emissions

Other topics

## Engagement examples: Employee Health & Safety



## 61 engagements

Among the 478 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



### 47 engagements

Among the 478 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** focuses on creating and maintaining safe and healthy workplace environment that is free of accidents, injuries, fatalities, and illness.

### Company Example



**Sector: Energy**

*"Discussion around energy transition strategy."*



**Sector: Basic Materials**

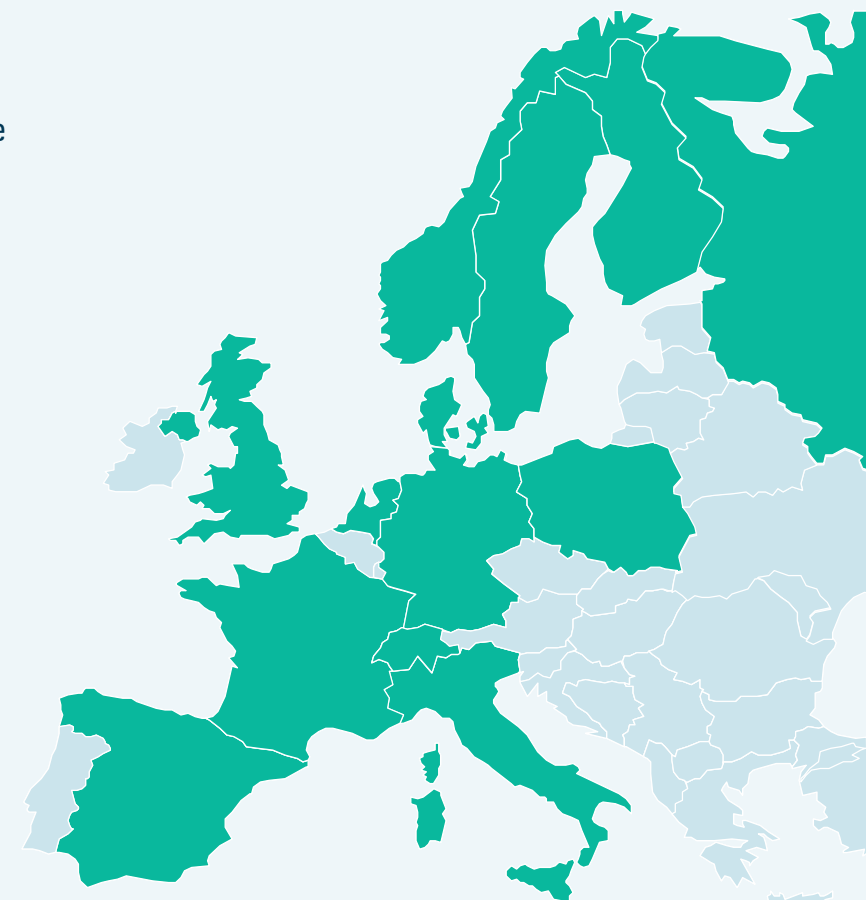
*"Discussed CO2 reductions."*



**Sector: Energy**

*"Company's scenario analysis in relation to the energy transition."*

Topic addressed  
in the following countries



Energy Efficiency

Other topics

*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



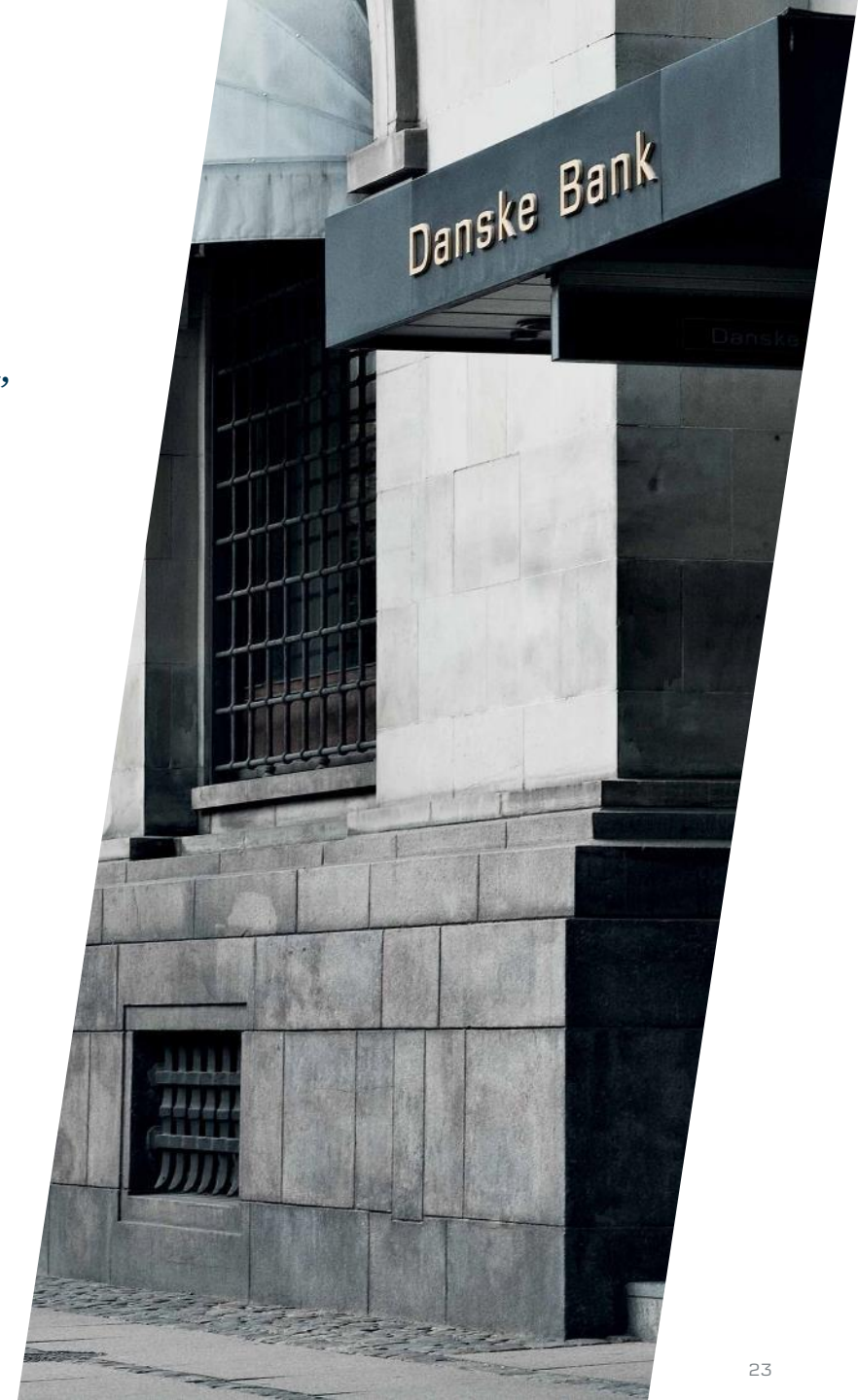
*The annual general meeting is an opportunity to voice our opinion, vote on issues of key importance to the running of a company, and contribute to the good governance of the company.*



*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

3 353



Country domiciles

59



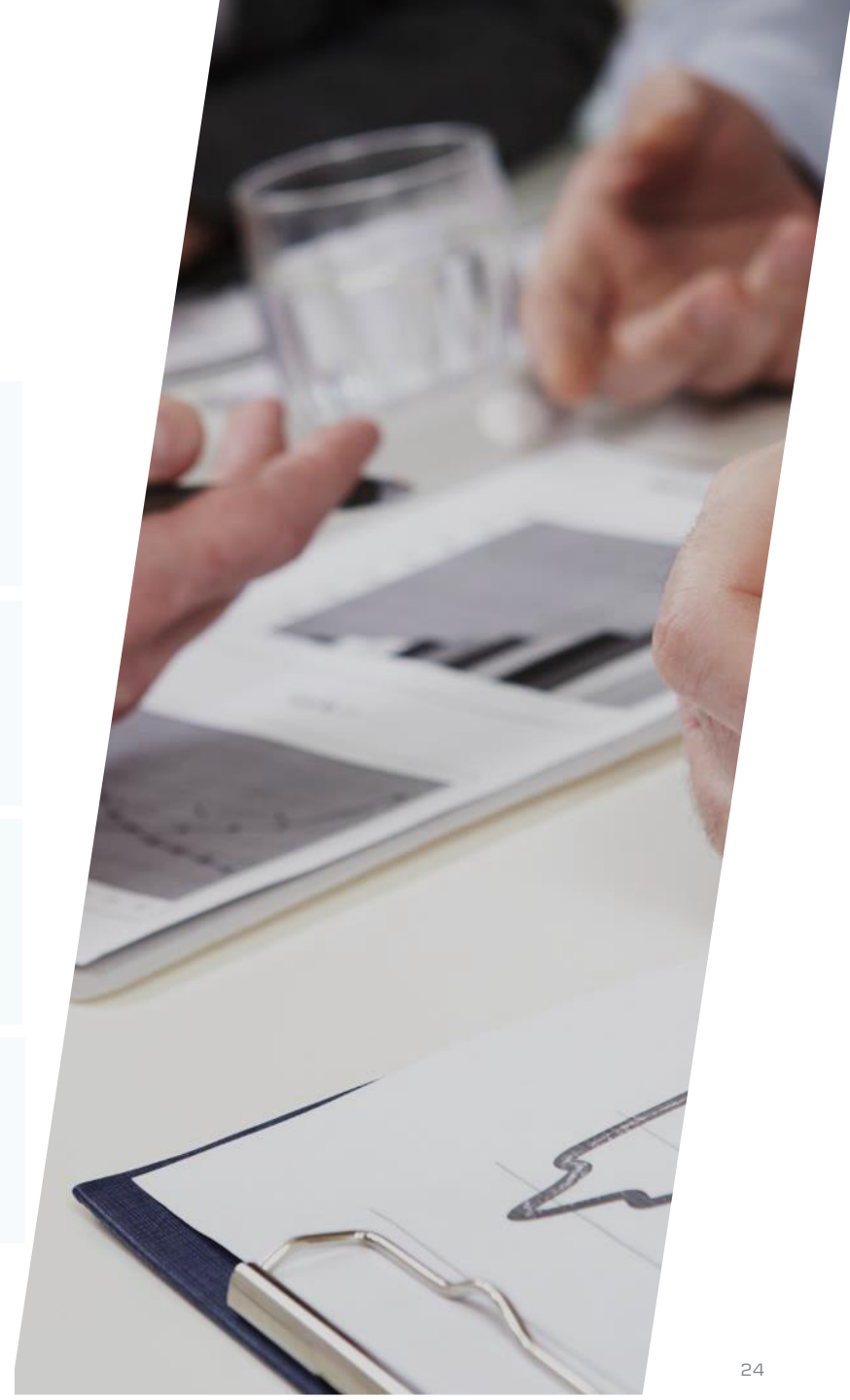
Meetings

3 701



Proposals

43 983

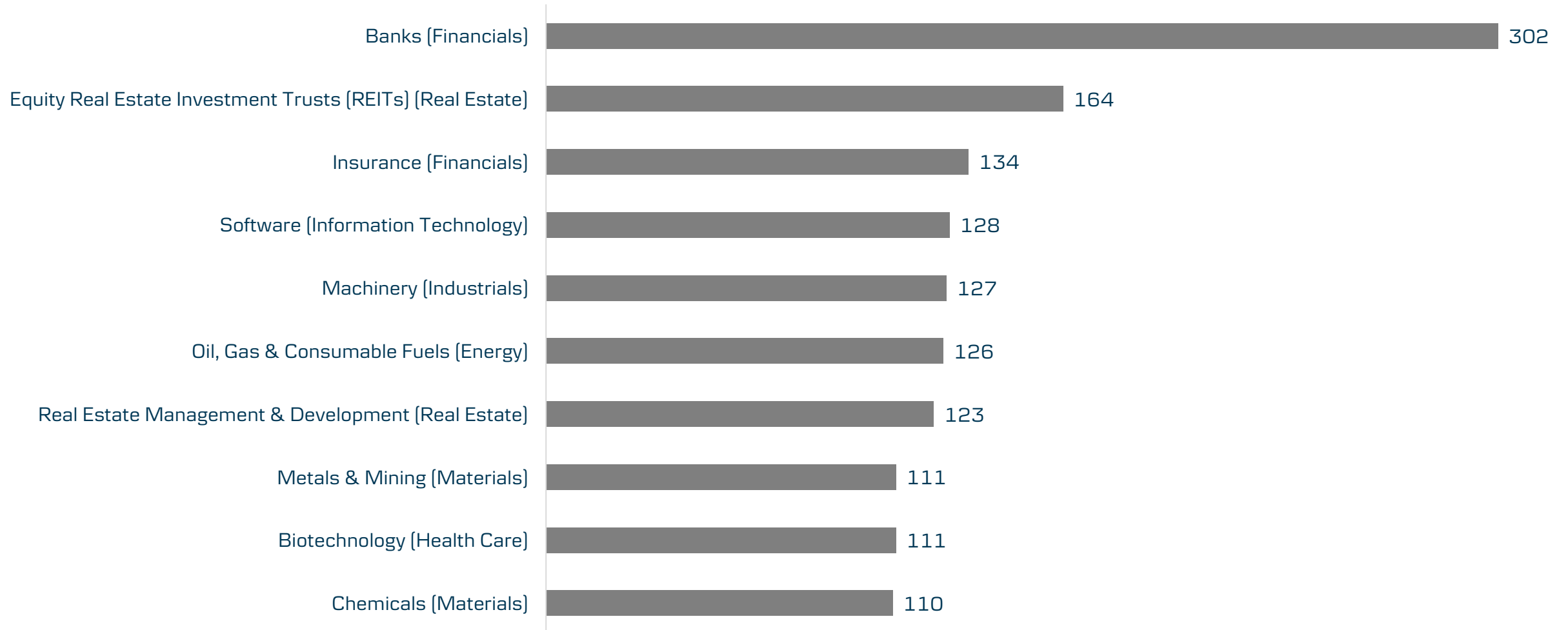






## Top 10 industries most voted during H1 2020

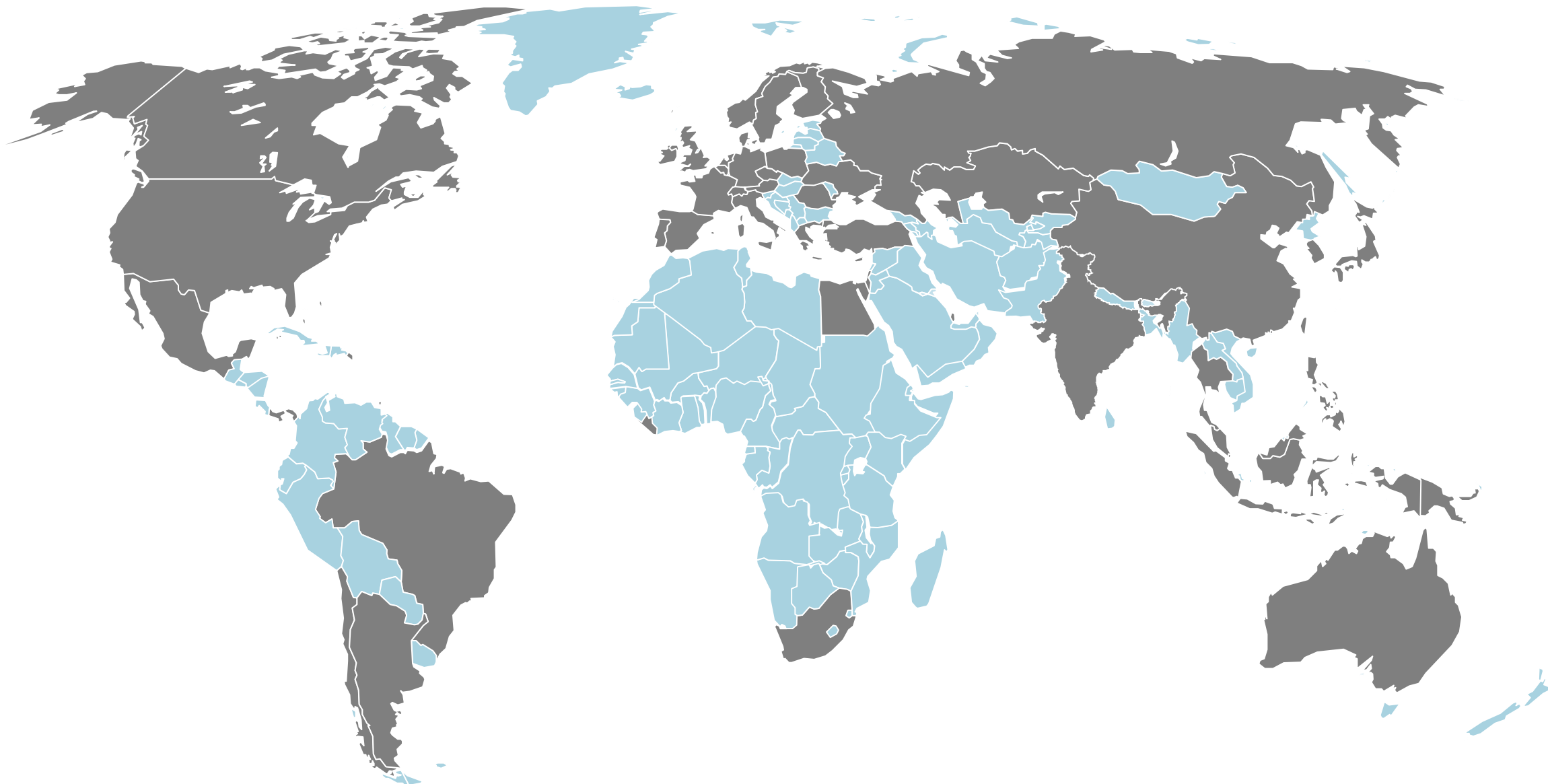
Number of companies per industry (Sector in bracket)



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

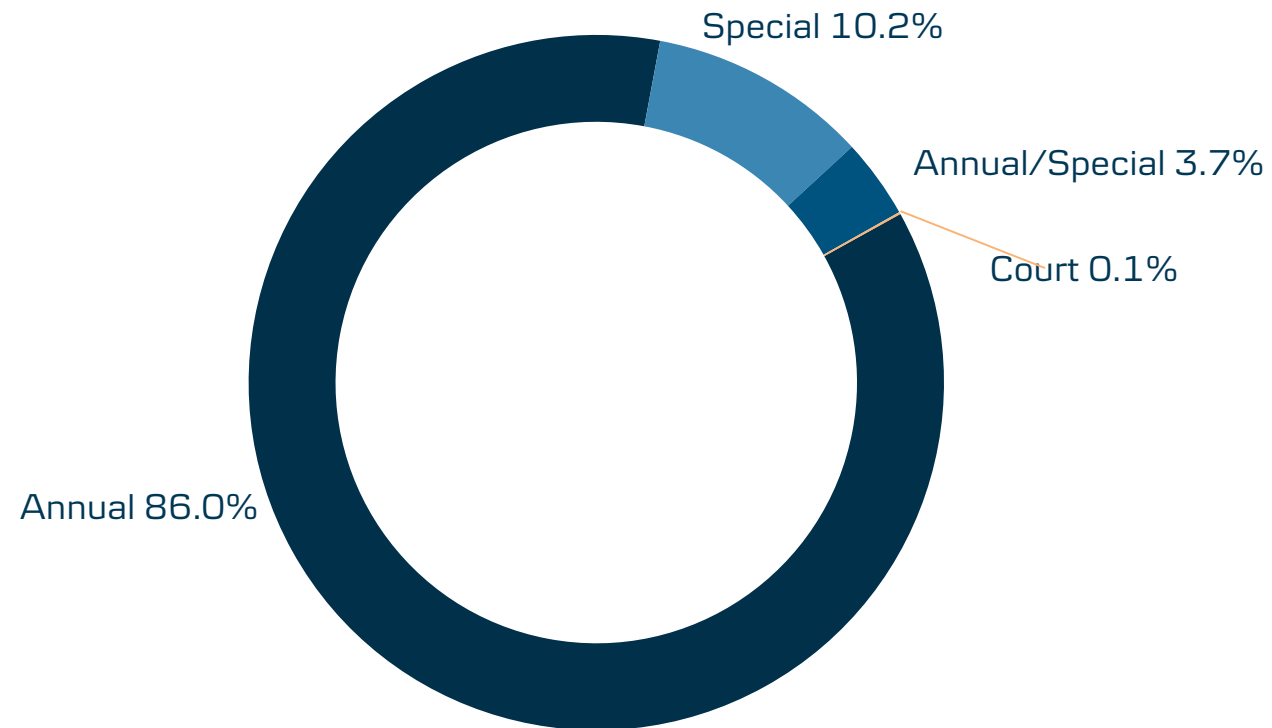
Note2: Three companies lack GICS data

## Voting with companies domiciled in 59 countries





## *We voted primarily at Annual General Meetings (AGM)*





## Top 10 and voting distribution across Nordic countries

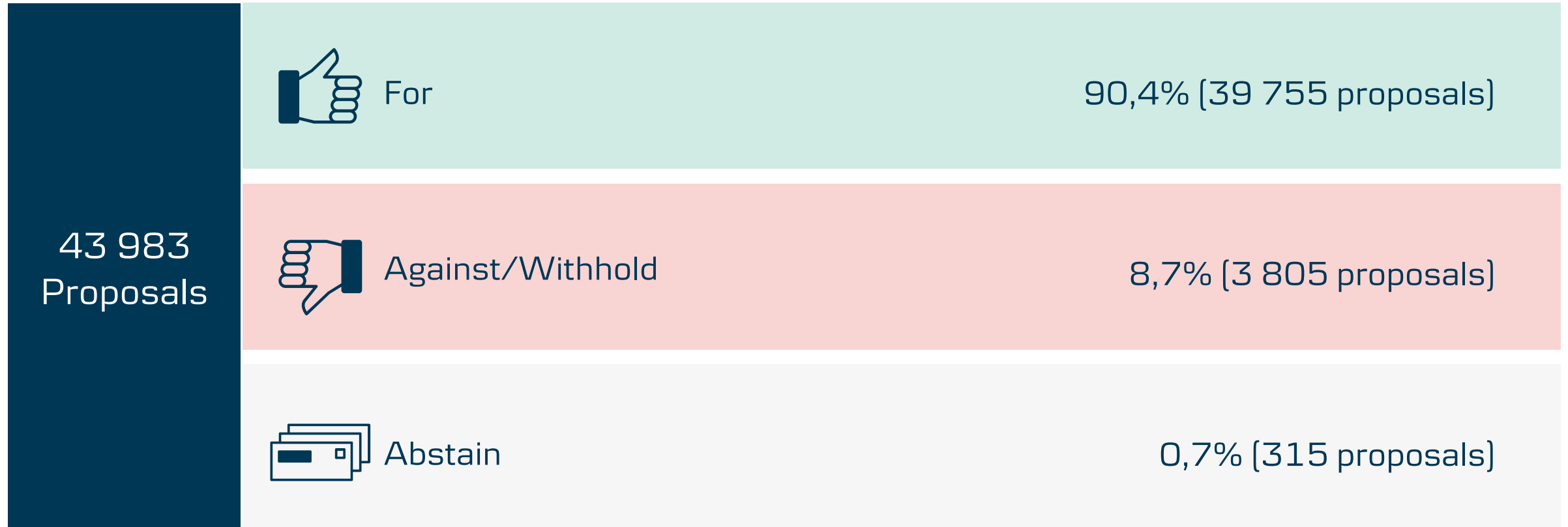
Rank	Country Domicile	Count
1	USA	1 493
2	China	534
3	Japan	289
4	Cayman Islands	105
5	Sweden	99
6	France	88
7	United Kingdom	81
8	Taiwan	80
9	Denmark	79
10	Canada	74



Region	Count
Rest of the world	2 746
Western & Southern Europe	634
Nordics	281
Eastern Europe	40



## We predominantly voted 'For' the proposals

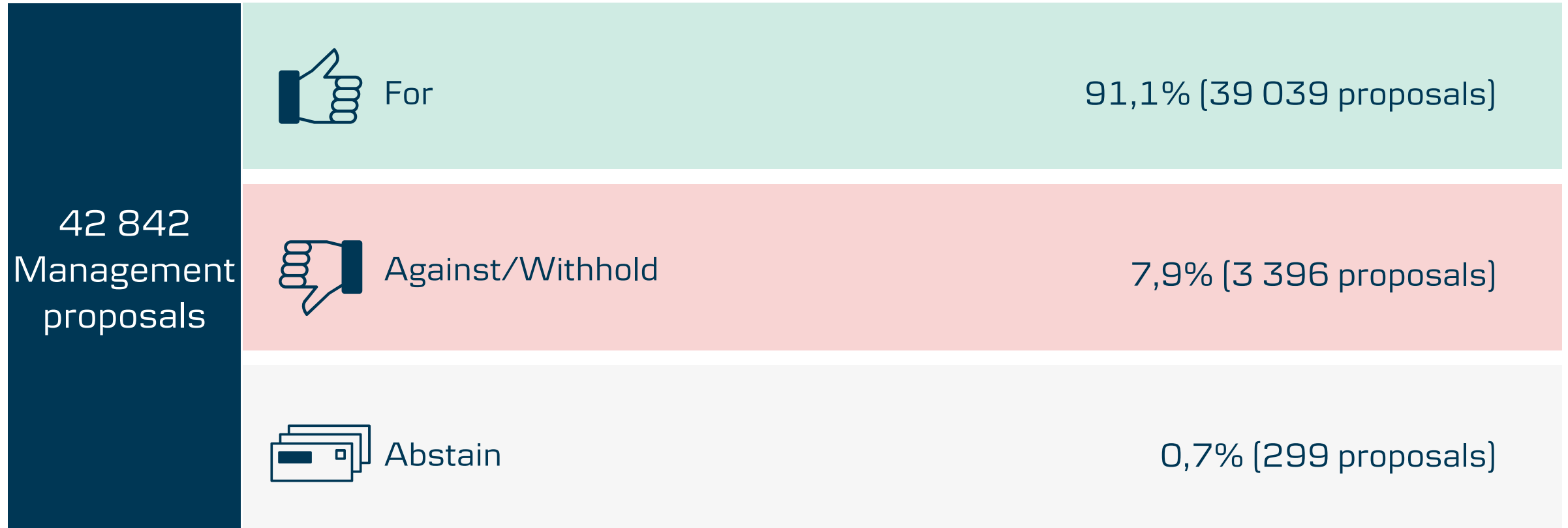


Note 1: Across all voted proposals, 109 proposals with the type of 'Advisory Vote on Say on Pay Frequency' was voted on for one year

Note 2: One proposal were voted in varying ways for the same meeting agenda item



## We predominantly voted 'For' the Management proposals



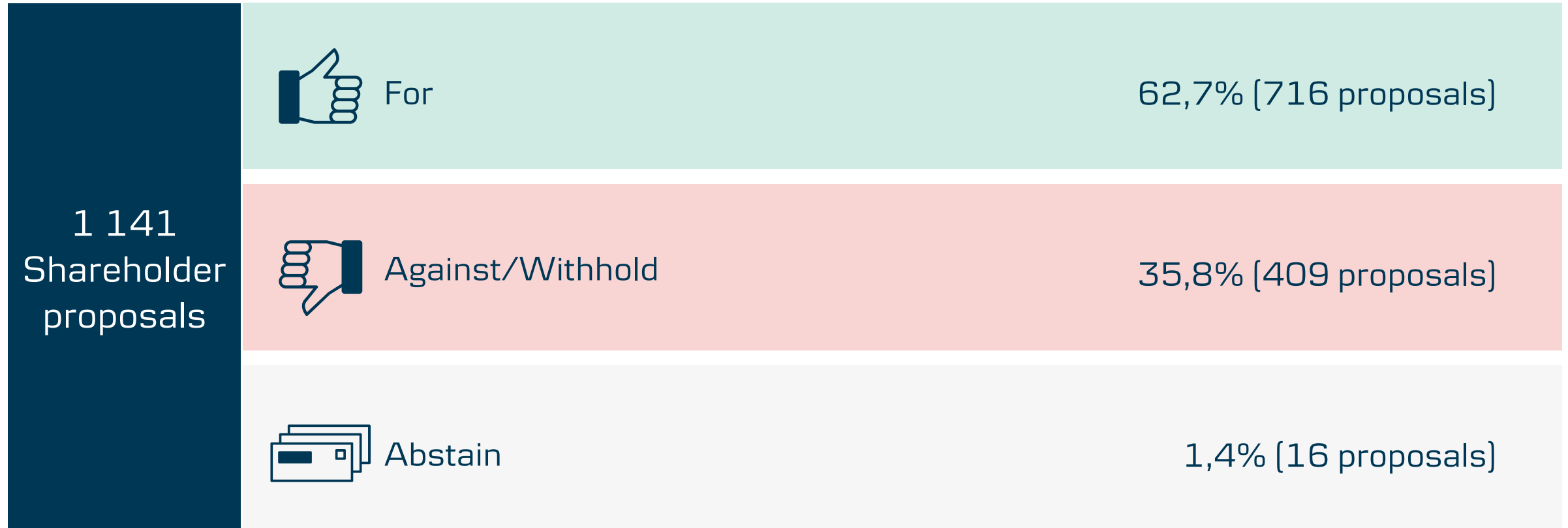
Note 1: Across all voted proposals, 109 proposals with the type of 'Advisory Vote on Say on Pay Frequency' was voted on for one year

Note 2: One proposal were voted in varying ways for the same meeting agenda item.





## *We predominantly voted 'For' the Shareholder proposals*

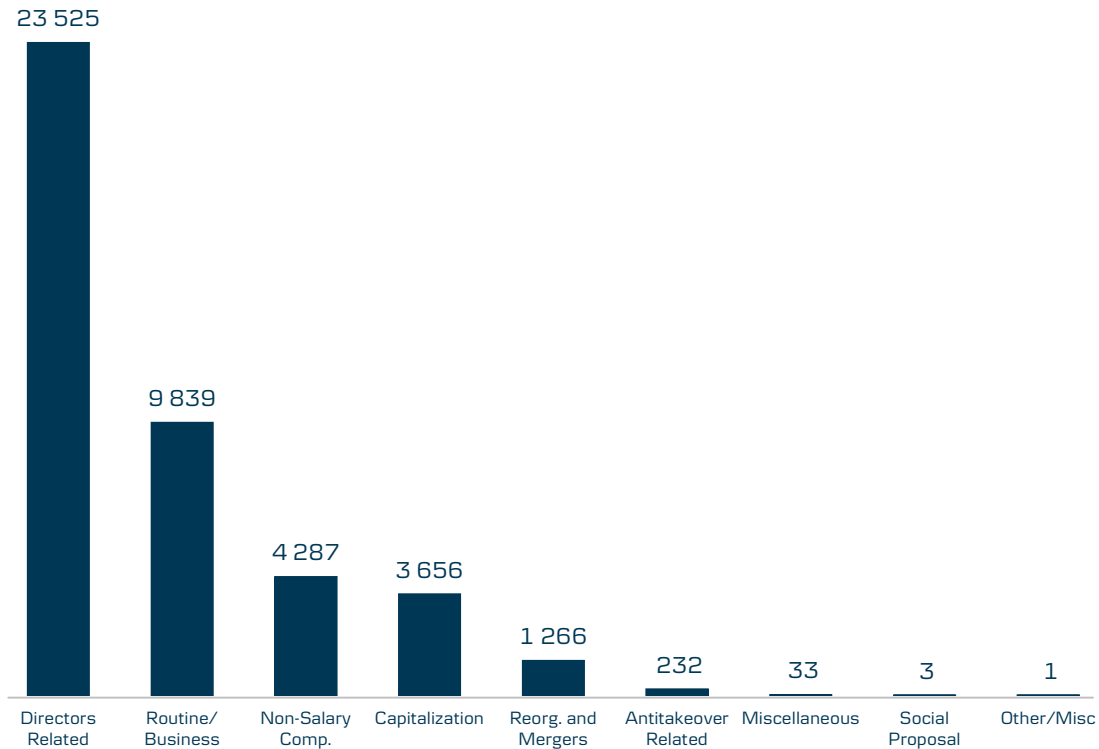




## *Voted proposals are mainly Directors-related*

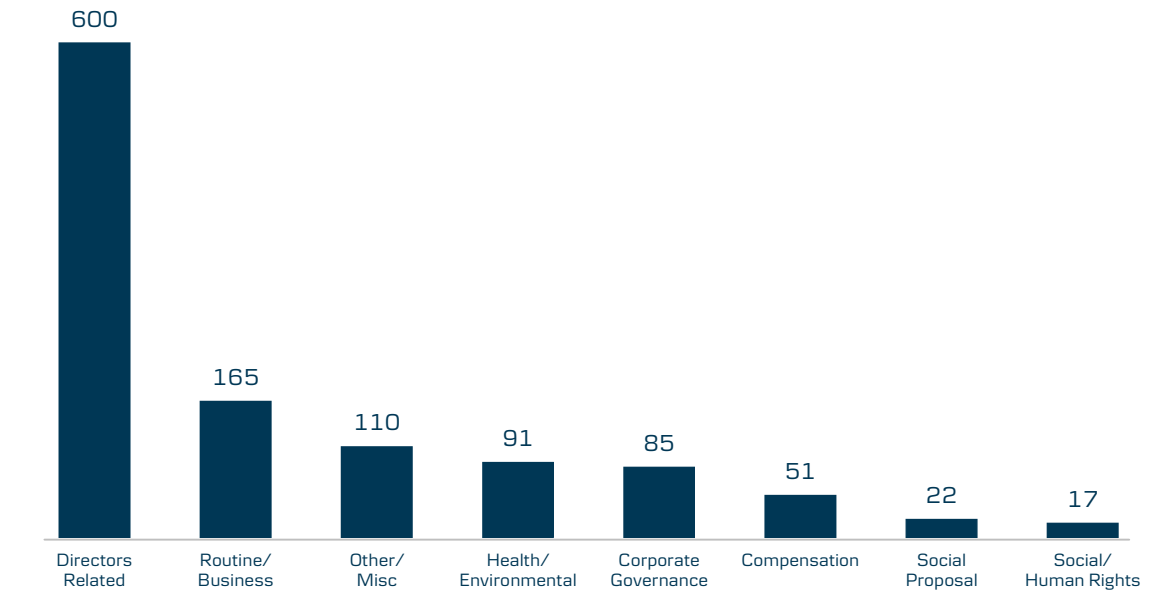
### Management proposals

A total of 42 842 proposals



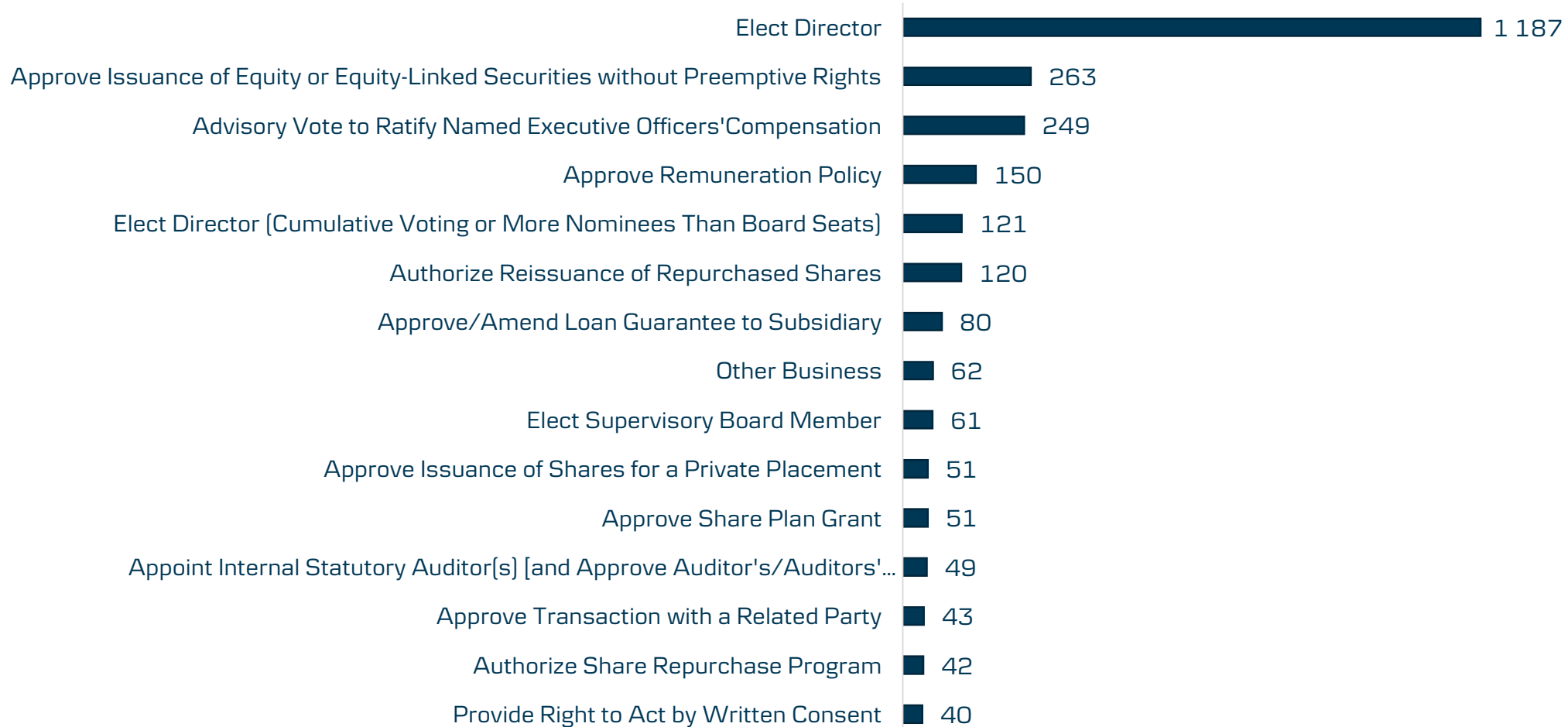
### Shareholder proposals

A total of 1 141 proposals





## *Most common voted proposals against Management recommendations*



## *Disclaimer & contact information*

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

## Engagement during H1 2020, by company

AF Poyry AB	Austevoll Seafood ASA	Cikarang Listrindo Tbk PT	Elkem ASA	Globe Trade Centre SA
AFK Sistema/Russia	Autodesk International Holding Co	Colgate-Palmolive Co	Ellevio AB	GMR Infrastructure Ltd
Ahlstrom-Munksjo Oyj	Avanza Bank Holding AB	Concentric AB	Elop AS	GN Store Nord A/S
Air Liquide SA	AXA SA	Consti Oyj	Eltel AB	Granges AB
Akamai Technologies Inc	Bakkafrost P/F	Coor Service Management Holding AB	Embracer Group AB	Grieg Seafood ASA
Akelius Residential Property AB	Baloise Holding AG	Corestate Capital AG	ENEL RUSSIA PJSC	Grupa Kety SA
Aker BioMarine AS	Banca Monte dei Paschi di Siena SpA	Corticeira Amorim SGPS SA	Enel SpA	Grupo Antolin Dutch BV
Akzo Nobel NV	Banco de Sabadell SA	Covestro AG	Epiroc AB	GTPL Hathway Ltd
Allegion plc	BASF SE	Croda International PLC	EQT AB	H Lundbeck A/S
Alliance Bank Malaysia Bhd	Bavarian Nordic A/S	CTT Systems AB	Equinor ASA	Haci Omer Sabanci Holding AS
Allianz SE	Baxter International Inc	CyrusOne Inc	Eros International PLC	Hafnia Ltd
Alrosa PJSC	Bekasi Fajar Industrial Estate Tbk PT	Daimler AG	Erste Group Bank AG	Haldex AB
Alstom SA	BHP Group Ltd	Danske Bank A/S	Etalon Group PLC	Hana Microelectronics PCL
Altice Europe NV	BillerudKorsnas AB	Darling Ingredients Inc	Eurocash SA	Hapag-Lloyd AG
Ambea AB	BIMobject AB	de Volksbank NV	European Investment Bank	Hathway Cable & Datacom Ltd
Amgen Inc	Boston Scientific Corp	Demant A/S	Evrax PLC	Heimstaden AB
Anheuser-Busch InBev SA/NV	BP PLC	Detsky Mir PJSC	Fabege AB	Heimstaden Bostad AB
Antofagasta PLC	British American Tobacco PLC	Deutsche Pfandbriefbank AG	Fastator AB	Heineken NV
AP Moller - Maersk A/S	BW Offshore Ltd	Dfds A/S	Fastighets AB Balder	Hennes & Mauritz AB
Arjo AB	CABB Group GmbH	Digital Reaction Inc	Faurecia SE	Hexagon AB
Aroundtown SA	Caixa Economica Montepio Geral PL	DLR Kredit A/S	Federal Bank Ltd	Hikal Ltd
Arwana Citramulia Tbk PT	CaixaBank SA	DNB ASA	Fjordkraft Holding ASA	Hiscox Ltd
Ashtead Group PLC	Cajamar Caja Rural SCC	Dometic Group AB	FLEX LNG Ltd	HKScan Oyj
ASML Holding NV	Campari Italia SpA	Drilling Co of 1972 A/S/The	Future Retail Ltd	Hoist Finance AB
AF Poyry AB	Austevoll Seafood ASA	Cikarang Listrindo Tbk PT	Elkem ASA	Globe Trade Centre SA
AFK Sistema/Russia	Autodesk International Holding Co	Colgate-Palmolive Co	Ellevio AB	GMR Infrastructure Ltd
Ahlstrom-Munksjo Oyj	Avanza Bank Holding AB	Concentric AB	Elop AS	GN Store Nord A/S
Air Liquide SA	AXA SA	Consti Oyj	Eltel AB	Granges AB
Akamai Technologies Inc	Bakkafrost P/F	Coor Service Management Holding AB	Embracer Group AB	Grieg Seafood ASA
Akelius Residential Property AB	Baloise Holding AG	Corestate Capital AG	ENEL RUSSIA PJSC	Grupa Kety SA

## Engagement during H1 2020, by company

ICA Gruppen AB	Leroy Seafood Group ASA	Mvideo Menedzhment OOO	Petropavlovsk PLC	SBB AG
ICE Fish Farm AS	LF Corp	National Grid PLC	Philippine National Bank	Scandi Standard AB
Ideagen PLC	Liberty Global PLC	National Westminster Bank PLC	PhosAgro PJSC	Schaeffler AG
IMI PLC	Lifco AB	Nationwide Building Society	PKC Group OY	Schibsted ASA
Indian Hotels Co Ltd/The	Linde GmbH	NCC AB	Ponsse Oyj	Schneider Electric SE
Industrivarden AB	Link Net Tbk PT	Nestle SA	Precio Fishbone AB	Sdiptech AB
Indutrade AB	LocalTapiola General Mutual Insurance Co	Nibe Industrier AB	Procter & Gamble Co/The	Security Bank Corp
Infineon Technologies AG	L'Oreal SA	Nobina AB	Puma SE	Sensirion Holding AG
Infopro Digital SAS	Lundin Mining AB	Nokian Renkaat Oyj	Raffinerie Heide GmbH	Sentul City Tbk PT
ING Groep NV	Magnit PJSC	Nordea Bank Abp	Raymond Ltd	Senzime AB
Intrum AB	Magnitogorsk Iron & Steel Works PJSC	Norsk Hydro ASA	Re:NewCell AB	Serneke Group AB
Investor AB	Mail.Ru Group Ltd	Norway Royal Salmon ASA	Realkredit Danmark A/S	Severstal PAO
Islandsbanki HF	Manila Water Co Inc	Norwegian Air Shuttle ASA	Renault SA	SFL Corp Ltd
ISS A/S	Matas A/S	Norwegian Property ASA	Rexel SA	SGS SA
JM AB	Medistim ASA	Nova Ljubljanska Banka dd	Rio Tinto PLC	Siam City Cement PCL
Johnson & Johnson	Medtronic International Ltd	Novartis AG	Roche Holding AG	Siemens AG
Jubilant Life Sciences Ltd	MetLife Inc	Novo Nordisk A/S	ROCKWOOL International A/S	Siemens Healthineers AG
Jyske Bank A/S	Metsa Board Oyj	NP3 Fastigheter AB	Rosneft Oil Co PJSC	Signify NV
Kalera AS	Metso Outotec Oyj	NRC Group ASA	Royal Dutch Shell PLC	Sika AG
KBC Group NV	Mettler-Toledo GmbH/Switzerland	NWG Holding ApS	Royal Philips Electronics BV	Sika Group
Kellogg Co	Millicom Inc	Nykredit Realkredit A/S	S&P Global Inc	Silverlake Axis Ltd
Kemira Oyj	Millicom International Cellular SA	Ocean Yield ASA	Saab AB	Sirius International Group Ltd
K-fast Holding AB	MJ Hudson Ltd	Offentliga Hus I Norden AB	Salmar ASA	Skandinaviska Enskilda Banken AB
Kinnevik AB	Mobile TeleSystems PJSC	Olav Thon Eiendomsselskap ASA	Salmones Camanchaca SA	Snam Rete Gas SpA
ICA Gruppen AB	Leroy Seafood Group ASA	Mvideo Menedzhment OOO	Petropavlovsk PLC	SBB AG
ICE Fish Farm AS	LF Corp	National Grid PLC	Philippine National Bank	Scandi Standard AB
Ideagen PLC	Liberty Global PLC	National Westminster Bank PLC	PhosAgro PJSC	Schaeffler AG
IMI PLC	Lifco AB	Nationwide Building Society	PKC Group OY	Schibsted ASA
Indian Hotels Co Ltd/The	Linde GmbH	NCC AB	Ponsse Oyj	Schneider Electric SE
Industrivarden AB	Link Net Tbk PT	Nestle SA	Precio Fishbone AB	Sdiptech AB



## *Engagement during H1 2020, by company*

SpareBank 1 SR-Bank ASA	UNIQA Insurance Group AG
Sparebanken Vest	UPM-Kymmene Oyj
SSE PLC	VA Tech Wabag Ltd
Stena AB	Vaisala Oyj
Stillfront Group AB	Veidekke ASA
Stora Enso Oyj	Vena Energy Solar Pte Ltd
Storebrand ASA	Verkkokauppa.com Oyj
Stromma Turism & Sjöfart AB	Vestas Wind Systems A/S
Stryker Corp	Vestas-Danish Wind Technology A/S
Svenska Cellulosa AB SCA	Virgin Money UK PLC
Sweco AB	Visa Inc
SwedenCare AB	Volkswagen AG
Symrise AG	Volvo AB
SyntheticMR AB	Wallenius Wilhelmsen ASA
Talenom Oyj	Wallenstam AB
Tata Communications Ltd	Weir Group PLC/The
Tata Motors Ltd	X5 Retail Group NV
Teekay Offshore Holdings LLC	Zealand Pharma A/S
Telia Co AB	Zee Entertainment Enterprises Ltd
Teollisuuden Voima Oyj	Zurich Insurance Group AG
Thule AB	
Tigon Corp/The	
Tobii AB	
TOMRA Systems ASA	
Topdanmark A/S	
TOTAL SE	
SpareBank 1 SR-Bank ASA	
Sparebanken Vest	
SSE PLC	
Stena AB	