



*Active Ownership Report: H1 2022*  
*Danske Invest Fund Management Ltd.*

August 2022

# 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 investors.

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 investment teams 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



Responsible Investment Policy  
[click here](#)



Active Ownership Instruction  
[click here](#)



Investment Restrictions  
[click here](#)



Voting Guidelines  
[click here](#)



Supporting the green transition  
[click here](#)



Proxy Voting Dashboard  
[click here](#)



Principal Adverse Impact Statement  
[click here](#)

# *Active Ownership Report, Part 1*

## *Engagements*



## *Engagements introduction*

*We believe that investment manager-driven dialogue with portfolio 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.*





*As such, the investment teams engage on a regular basis with investee companies on material ESG matters in order to enhance and protect the value of the investments.*

*In order to ensure a structured engagement process, we log and monitor company dialogue and progress.*



*In H1 2022, we have had the following engagement activities*

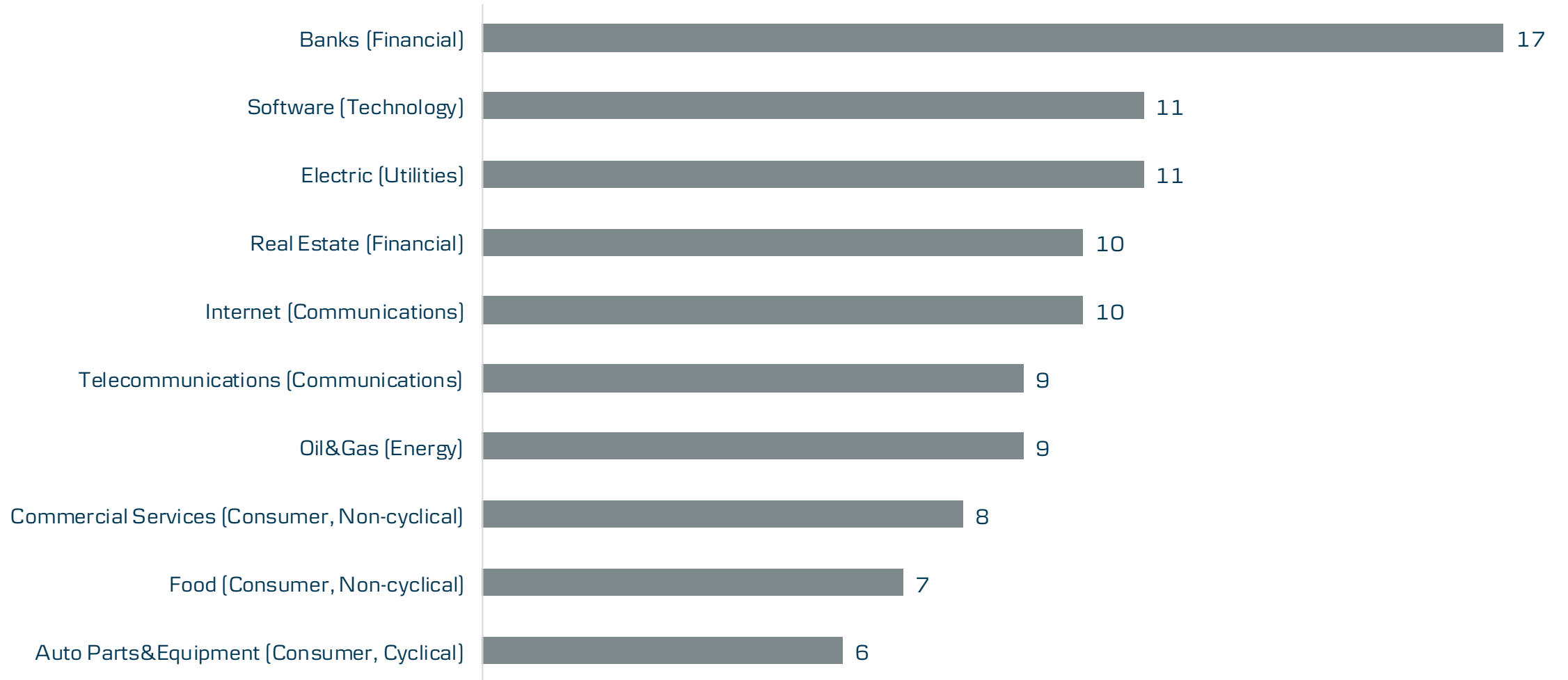


	Companies	<b>218</b>
	Country domiciles	<b>30</b>
	ESG engagement subjects	<b>84</b>
	Interactions	<b>331</b>



# Top 10 industries most engaged with

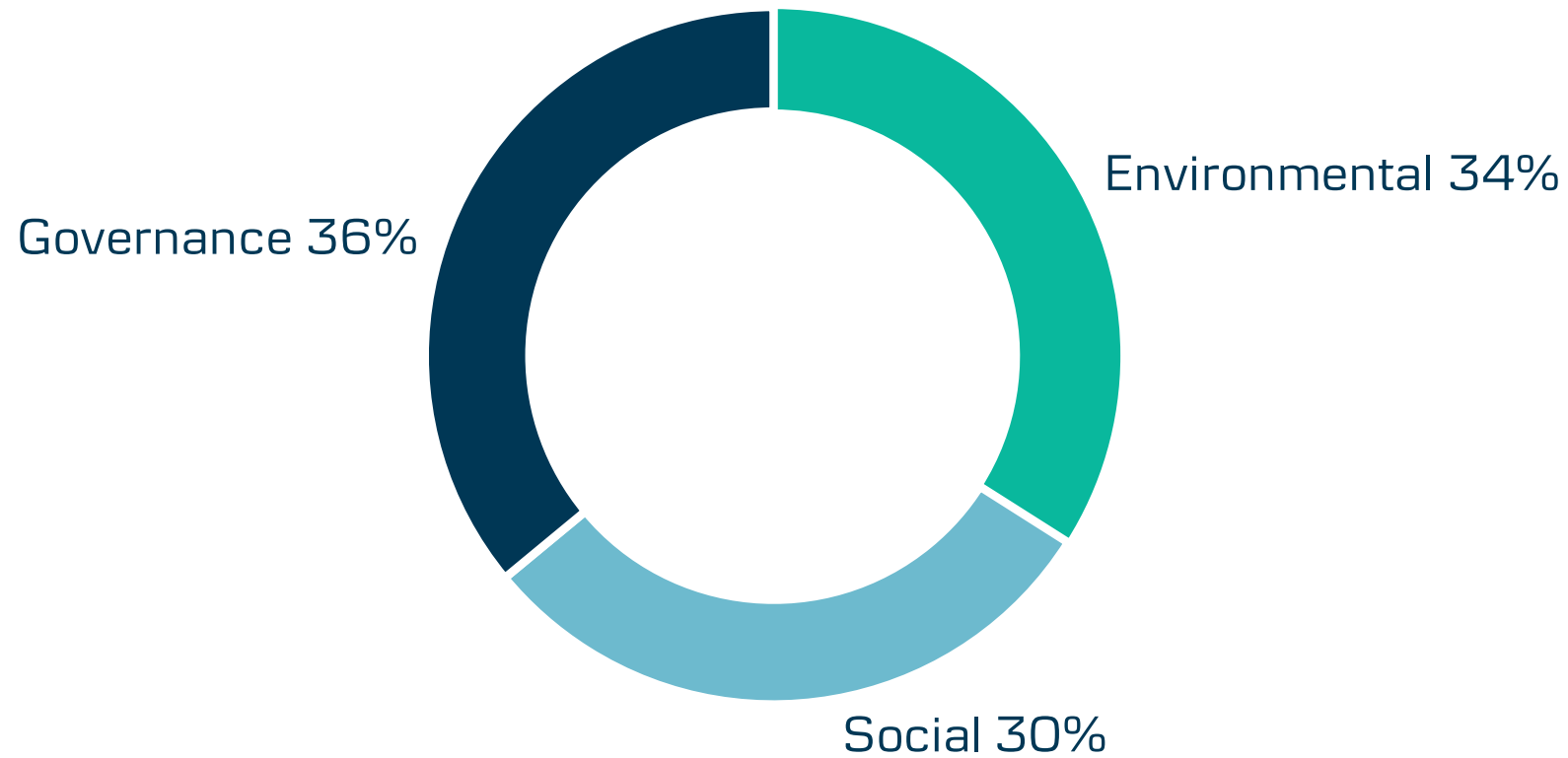
Number of companies per industry (Sector in brackets)



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



## *Split between ESG engagement themes*







# Top 7 ESG engagement subjects discussed across themes



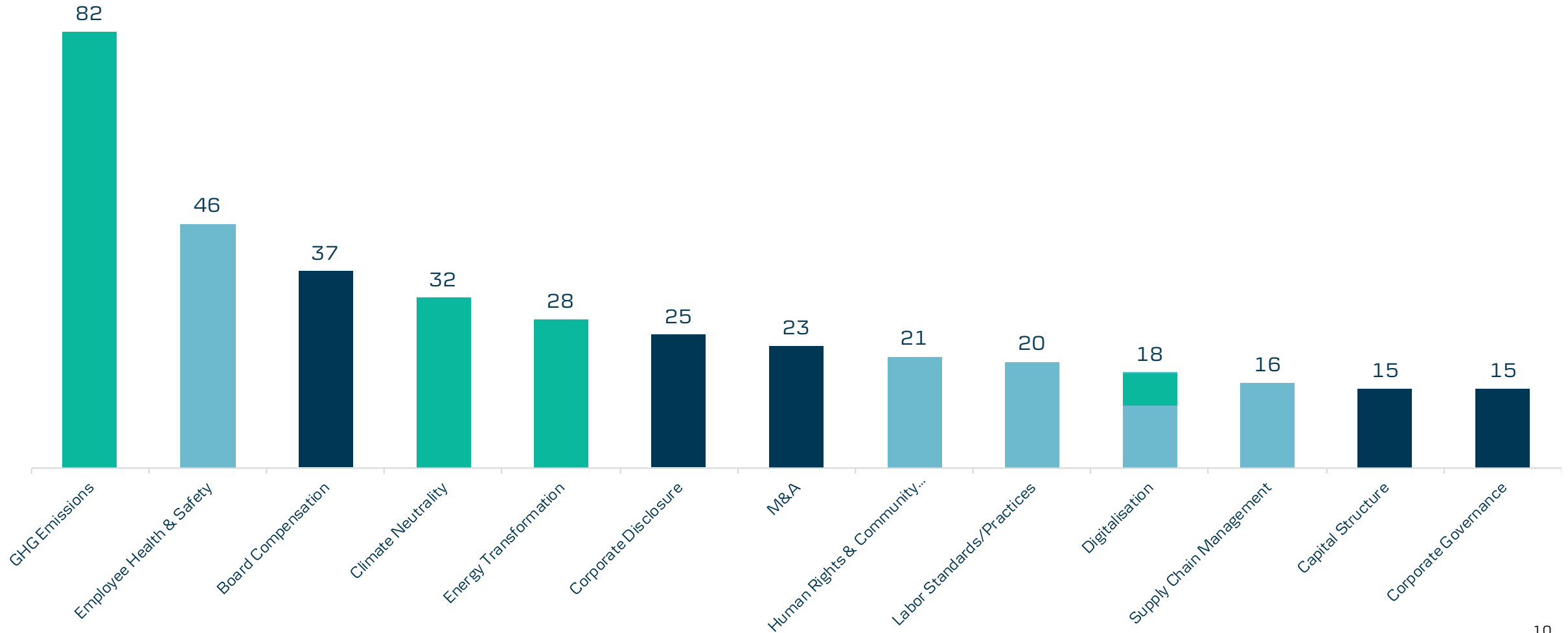
Rank	Subject	Count
1	GHG Emissions	82
2	Climate Neutrality	32
3	Energy Transformation	28
4	Energy Management	13
5	Sustainable Products	10
6	Chemicals Management	6
7	Circular Economy	6

Rank	Subject	Count
1	Employee Health & Safety	46
2	Human Rights & Community Relations	21
3	Labor Standards/Practices	20
4	Supply Chain Management	16
5	Product Development	13
6	Digitalisation	12
7	Employee Engagement, Diversity & Inclusion	11

Rank	Subject	Count
1	Board Compensation	37
2	Corporate Disclosure	25
3	M&A	23
4	Capital Structure	15
5	Corporate Governance	15
6	International Norms & Principals	10
7	Materials Sourcing & Efficiency	10



# Most frequent ESG engagement subjects discussed





## Top 10 and interactions distribution across Nordic countries & regions

Rank	Country	Count
1	Sweden	57
2	United States	50
3	Finland	32
4	Japan	29
5	India	24
6	United Kingdom	24
7	Norway	16
8	Germany	15
9	China	14
10	France	14



Region	Count
Nordics	119
Western & Southern Europe	78
Eastern Europe	4
Rest of the world	130

# Principal Adverse Impacts (PAIs)

We consider principal adverse impacts on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters that our investment decisions for managed assets have or may have. Through the consideration of principal adverse impacts, we are monitoring and reporting on 18 mandatory principal adverse impact indicators and two voluntary indicators defined by the EU Sustainable Finance Regulation. Our aim is to address these impacts at an investment product and entity level in order to reduce the negative footprint our investments have and/or may have on society. How and to what extent we consider and address principal adverse impacts will evolve over time and hence continuously alter this statement. Further, there are differentiations between the investment products that we manufacture.

## Identification of principal adverse impacts

We use external market research providers and other publicly available information, dashboards, tools and frameworks and the expertise of our Responsible Investment team to identify principal adverse impacts on the basis of anytime applicable indicators. The complete methodology for the identification, measurement and reporting on these indicators are under development. Once finalized it will be built into due diligence policies of the investment organizations and this statement updated accordingly.

## Prioritization of principal adverse impacts

We address principal adverse impacts through our inclusion, active ownership and exclusion activities. Principal adverse impacts on sustainability factors are prioritized according to their materiality and type, as well as the nature of our investment products. How indicators are taken into account are also specifically dependent on the strategy of the relevant product and how sustainability aspects and sustainable objectives are taken into account.

## Engagement policies and references to international standards

In Danske Bank Active Ownership is conducted mainly through: 1) Dialogue; 2) Collaborative engagement, and 3) Voting. Engagement and Voting practices are interrelated and feed into each other and one can be the initiator or the complement of the other. Our approach takes into account internationally recognized corporate governance standards, e.g., the G20/OECD Principles of Corporate Governance, as well as voluntary principles, such as the UN Global Compact and OECD Guidelines for Multinational Enterprises. We also consider local regulation and/or guidelines such as the Danish Stewardship Code, the Finnish Corporate Governance Code, the Norwegian Code of Practice for Corporate Governance, and the Swedish Corporate Governance Code, as well as variation in legal and regulatory requirements between countries. There are also country variations as to whether corporate governance is regulated by rules-based legislation or by a comply-or-explain principle that needs to be considered in this context. The Active Ownership approach is based on the belief that it is more sustainable to address challenging issues through active ownership and dialogue rather than divesting and thereby refraining from an opportunity to make a positive impact and acting as a responsible investor.

We have mapped the mandatory and voluntary indicators of principal adverse impacts to our ESG subjects that based on them our investment teams engage with the investee companies. The coverage of PAIs indicators by categories for investee companies, Sovereigns & Supranational and Real Estate is included in the following slides.

[Our principal adverse impact statement can be found here](#)

# Adverse sustainability indicators in scope for PAIs

## Climate and other environmental-related indicators

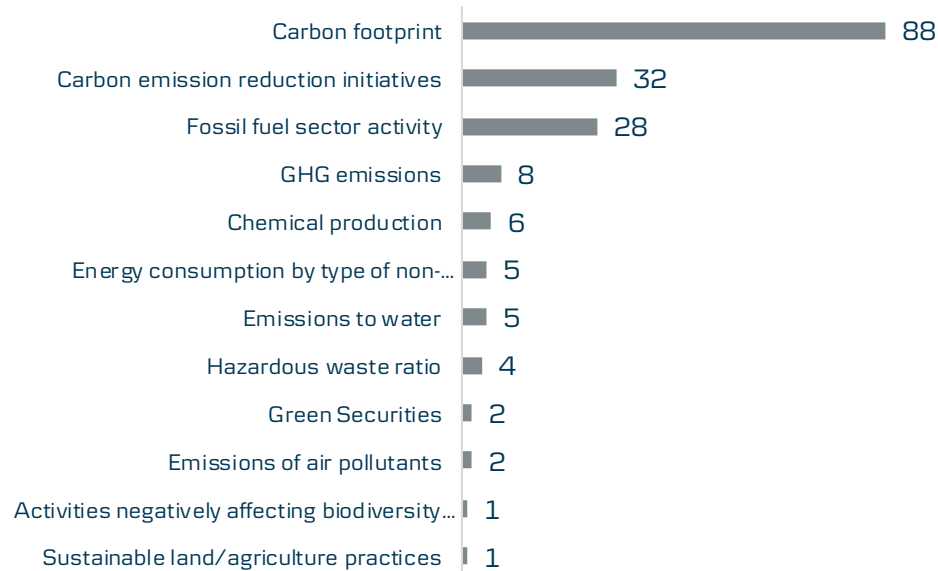
Activities negatively affecting biodiversity sensitive areas  
 Carbon emission reduction initiatives  
 Carbon footprint  
 Chemical production  
 Deforestation  
 Emissions of air pollutants  
 Emissions of inorganic pollutants  
 Emissions of ozone depletion substances  
 Emissions to water  
 Energy consumption by type of non-renewable sources of energy  
 Energy consumption intensity per high impact climate sector  
 Exposure to areas of high water stress  
 Fossil fuel sector activity  
 GHG emissions  
 GHG intensity  
 Green securities  
 Hazardous waste ratio  
 Land degradation, desertification, soil sealing  
 Natural species and protected areas  
 Non-recycled waste ratio  
 Non-renewable energy consumption and production  
 Sustainable land/agriculture practices  
 Sustainable oceans/seas practices  
 Water management policies  
 Water usage and recycling

## Social and employee, respect for human rights, anti-corruption and anti-bribery matters

Action taken to address breaches of standards of anti-corruption and anti-bribery  
 Anti-corruption and anti-bribery policies  
 Board gender diversity  
 Convictions and fines for violation of anti-corruption and anti-bribery laws  
 Excessive CEO pay ratio  
 Exposure to controversial weapons  
 Grievance/complaints handling mechanism related to employee matters  
 Human rights due diligence  
 Human rights policy  
 Identified cases of severe human rights issues and incidents  
 Incidents of discrimination  
 Number of days lost to injuries, accidents, fatalities or illness  
 Operations and suppliers at significant risk of incidents of child labor  
 Operations and suppliers at significant risk of incidents of forced or compulsory labor  
 Processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines  
 Processes and measures for preventing trafficking in human beings  
 Rate of accidents  
 Supplier code of conduct  
 Unadjusted gender pay gap  
 Violations of UNGC principles and OECD Guidelines  
 Whistle-blower protection  
 Workplace accident prevention policies

# Adverse sustainability indicators addressed in company engagements

## Climate and other environmental-related indicators\*



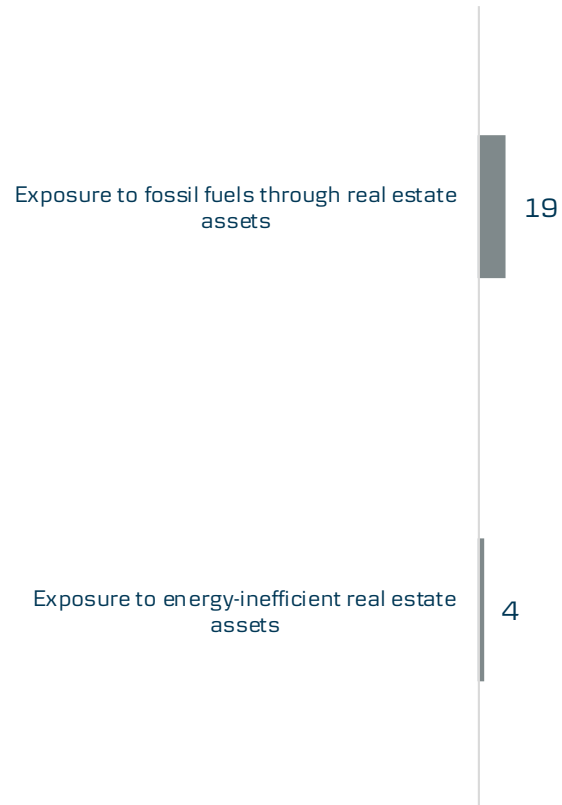
## Social and employee, respect for human rights, anti-corruption and anti-bribery matters\*



\* Adverse sustainability impact indicators may have been engaged within certain broader ESG engagement subjects

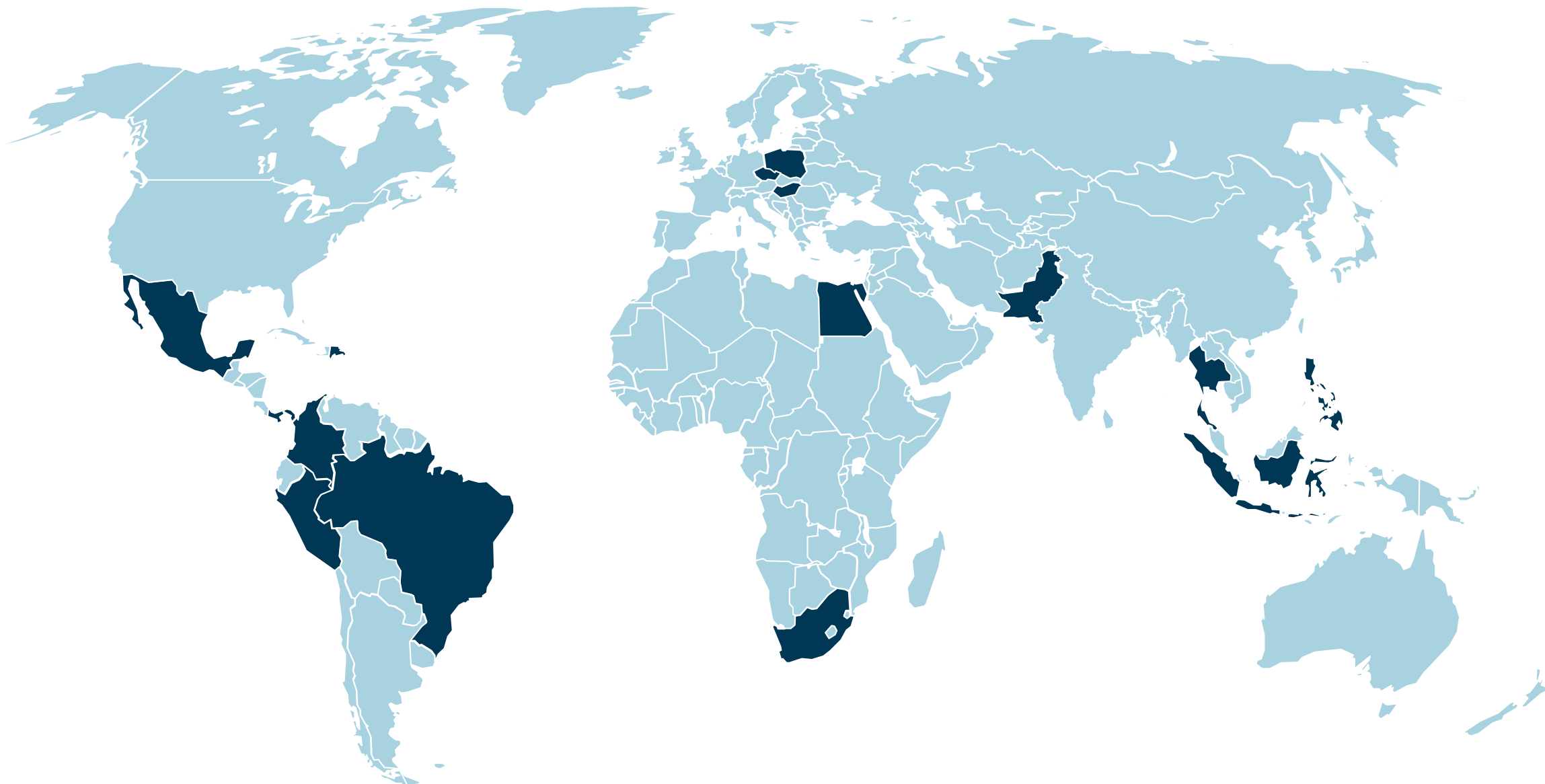
# Adverse sustainability indicators addressed in sovereigns and real estate

## Indicators applicable to investments in real estate\*



\* Adverse sustainability impact indicators may have been engaged within certain broader ESG engagement subjects

*Sovereigns: In H1 2022, we have had 32 engagements with 16 governmental entities*





# *Active Ownership Report, Part 2*

## *Voting*



## Voting introduction

*The general meetings of companies are an opportunity to voice our opinion, vote on issues of key importance, and contribute to the good governance of the company. We seek to vote on all shares held, under both passive and active strategies, while taking into account preconditions, resources, and the costs of exercising voting rights.*



*Our Danske Bank Voting Guidelines serve as our default position for all proposals, but our investment teams managing our active portfolios can deviate based on case specific details. As enshrined in our Active Ownership Policy and Instructions, voting must always be carried out for the benefit of the investors.*

*In order to ensure a structured and transparent process, we log and publish records of the vote that we have conducted either by ourselves or through a service provider.*



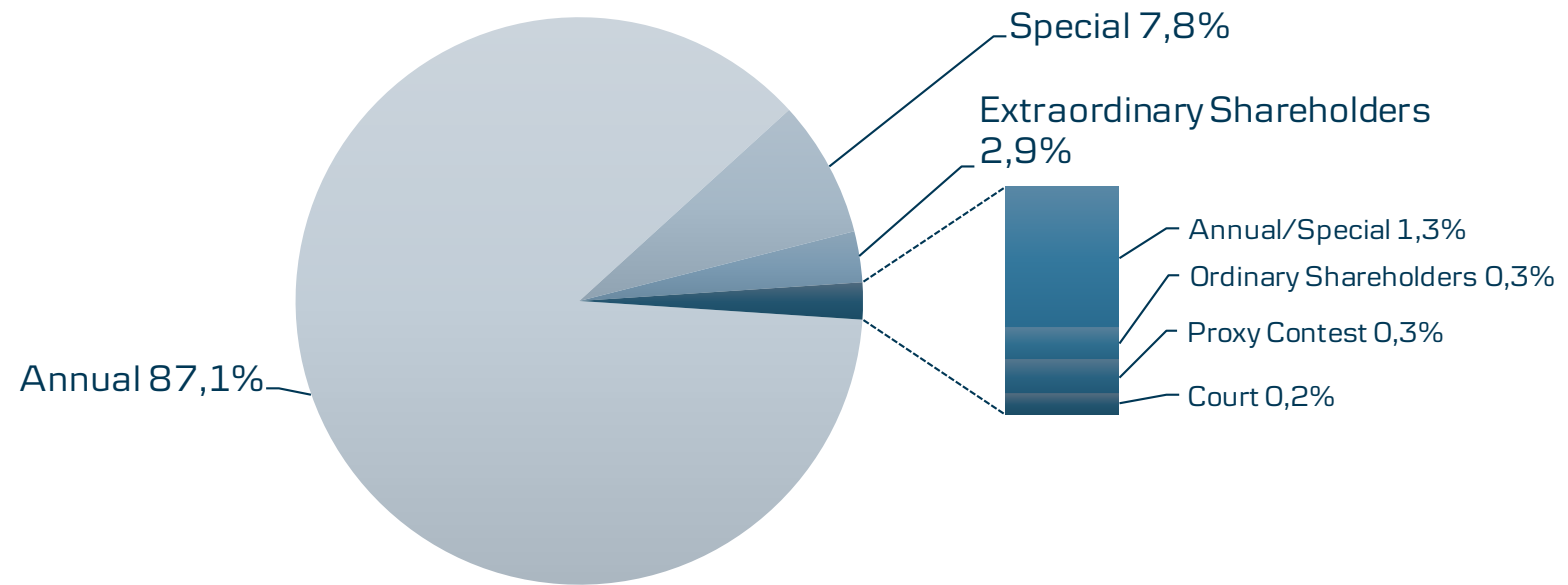
*In H1 2022, we have had the following voting activities*



	Companies	1 220
	Country domiciles	50
	Meetings	986
	Proposals	12 342



## Split between meeting types





# Top 10 and voting distribution across Nordic countries & regions

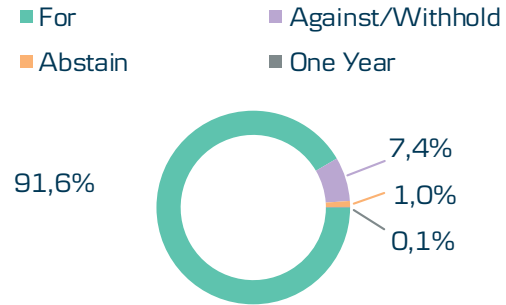
Rank	Country	Count
1	USA	438
2	China	100
3	Japan	55
4	Finland	49
5	Cayman Island	45
6	India	39
7	South Korea	25
8	United Kingdom	21
9	Taiwan	19
10	Poland	38





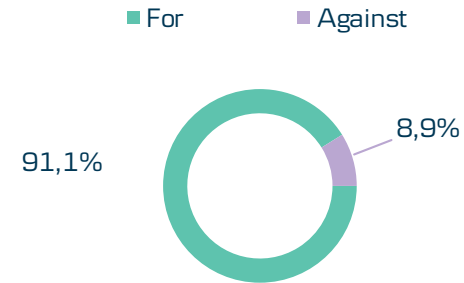
# Split between voting instructions and voted proposals

## Voted proposals



For	11 300
Against/Withhold	909
Abstain/One Year	133
<b>Total</b>	<b>12 342</b>

## Management proposals



For	11 248
Against	1 094
<b>Total</b>	<b>12 342</b>

# *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.*





# Danske Bank Group membership of Investor initiatives and alliances



## 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.



## 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.



## Task Force on Climate-related Financial Disclosures

TCFD develops voluntary, consistent, climate-related financial risk disclosures for use by companies when providing information to investors, lenders, insurers or other stakeholders. Danske Bank 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.



## 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.

# Danske Bank Group membership of Investor initiatives and alliances

## Net Zero Asset Manager Initiative

The Net Zero Asset Managers initiative is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. It is an initiative designed to mobilise action by the asset management industry that demonstrates leading practice in driving the transition to net zero and delivers the ambitious action and investment strategies that will be necessary to achieve the goal of net zero emissions. It also provides a forum to share best practice and overcome barriers to aligning investments to that net zero goal.



## 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.



## Climate Action 100+

It 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.



## 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.

## *Danske Bank Group membership of Investor initiatives and alliances*



### **FAIRR**

Established by the Jeremy Collier Foundation, the FAIRR Initiative is a collaborative investor network that raises awareness of the material ESG risks and opportunities in protein supply chains. FAIRR helps investors to identify and prioritise these factors through cutting-edge research that investors can then integrate into their investment decision-making and active stewardship processes.



### **PBAF**

The PBAF standard provides financial institutions with practical guidance on biodiversity impact and dependency assessments and define what is needed in order for these assessments to deliver the right information to financial institutions.

### **Emerging Markets Investors Alliance (EMIA)**

The Emerging Markets Investors Alliance is a 501(c)(3) not-for-profit organization that enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. The Alliance seeks to raise awareness and advocate for these issues through collaboration among investors, companies or governments, and public policy experts.

### **ShareAction – Investor Decarbonisation Initiative**

The Investor Decarbonisation Initiative aims to bring together investors to accelerate corporate action on climate change in key battleground sectors. Building on previous success securing corporate commitments across the global economy, it's now focusing its efforts on high-carbon sectors, specifically transport and chemicals.

## Disclaimer & contact information

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## Engagement by company

3M Co	Ayala Corp	E.ON SE	Info Edge India Ltd	Mphasis Ltd
AB Dynamics PLC	Bharti Airtel Ltd	EDP - Energias de Portugal SA	Infosys Ltd	MTN Group Ltd
AddLife AB	BIPROGY Inc	Embracer Group AB	International Consolidated Airlines Group SA	Mytilneos SA
ADEKA Corp	Boku Inc	Enel SpA	Interpublic Group of Cos Inc/The	Nanoform Finland Plc
adidas AG	BorgWarner Inc	Enigma Inc	Intesa Sanpaolo SpA	National Grid PLC
Adler Pelzer Holding GmbH	Cable One Inc	Epiroc AB	Intrum AB	Neste Oyj
Admicom Oyj	Caesars Entertainment Inc	EQS Group AG	Islandsbanki HF	Nestle SA
Aica Kogyo Co Ltd	Carnival Corp	EQT AB	Japan Wool Textile Co Ltd/The	Netflix Inc
Aktia Bank Oyj	Chevron Corp	Equinix Inc	Kakao Corp	NextEra Energy Inc
Alexandria Real Estate Equities Inc	China Merchants Bank Co Ltd	Equinor ASA	KDDI Corp	Nibe Industrier AB
Alrosa PJSC	China Petroleum & Chemical Corp	ERG SpA	Kesko Oyj	Nichirei Corp
Alstom SA	China Tourism Group Duty Free Corp Ltd	Essential Utilities Inc	Kewpie Corp	NIKE Inc
Altice Finco SA	Cie Generale des Etablissements Michelin SCA	Essity AB	Kongsberg Gruppen ASA	Nokian Renkaat Oyj
Aluminum Corp of China Ltd	Circassia Group Plc	Fastighets AB Balder	Kotak Mahindra Bank Ltd	Nordic Semiconductor ASA
Amazon.com Inc	Citigroup Inc	Fortum Oyj	LANXESS AG	Novo Nordisk A/S
AMC Entertainment Holdings Inc	Cleveland-Cliffs Inc	Future Corp	Learning Technologies Group PLC	Novolipetsk Steel PJSC
Anheuser-Busch InBev SA/NV	Compass Group PLC	Getlink SE	Lemonsoft Oyj	Occidental Petroleum Corp
Anhui Conch Cement Co Ltd	Consensus Cloud Solutions Inc	GN Store Nord AS	LG Chem Ltd	OHL Operaciones SA
Antofagasta PLC	Crompton Greaves Consumer Electricals Ltd	Godrej Properties Ltd	Li Ning Co Ltd	Orsted AS
Applied Materials Inc	CTP NV	Grupo Aeroportuario del Centro Norte	Littelfuse Inc	Orthex Oyj
Applus Services SA	Daiichi Sankyo Co Ltd	SAB de CV	LKQ Corp	Outokumpu Oyj
Arion Banki HF	Danske Bank A/S	Harvia Oyj	Lloyds Banking Group PLC	Peach Property Finance GmbH
ASML Holding NV	Delta Air Lines Inc	Heimstaden Bostad AB	Lumen Technologies Inc	Petroleo Brasileiro SA
Assa Abloy AB	DeNA Co Ltd	Heineken NV	Marimekko Oyj	PG&E Corp
AstraZeneca PLC	Deutsche Bank AG	Hexagon AB	Marubeni Corp	Ping An Insurance Group Co of China Ltd
Atlantia SpA	Diageo PLC	Hindustan Unilever Ltd	Medical Properties Trust Inc	Power Grid Corp of India Ltd
Atlas Copco AB	Dino Polska SA	Hon Hai Precision Industry Co Ltd	Medistim ASA	Prestige Estates Projects Ltd
Autoliv Inc	Direct Line Insurance Group PLC	Housing Development Finance Corp Ltd	MGM Resorts International	PrestigeBidCo GmbH
Autostrade per l'Italia SpA	Dometic Group AB	HSBC Holdings PLC	MIPS AB	Procter & Gamble Co/The
Axis Bank Ltd	DSV A/S	HT Troplast GmbH	Mitsubishi Corp	Puulo Oyj
		Indutrade AB		

## Engagement by company

QT Group Oyj	Stora Enso Oyj	Vonovia SE
Revenio Group Oyj	Straumann Holding AG	Walt Disney Co/The
Rio Tinto PLC	Sundrug Co Ltd	Wells Fargo & Co
Roche Holding AG	Svenska Handelsbanken AB	WithSecure Oyj
Rovio Entertainment Oyj	Swedbank AB	Wynn Resorts Ltd
S&P Global Inc	Swisscom AG	Xylem Inc/NY
Samhallsbyggnadsbolaget i Norden AB	Talenom Oyj	Zhongsheng Group Holdings Ltd
Samsung Electronics Co Ltd	Tata Consultancy Services Ltd	AAK AB
Sankyo Co Ltd	Telenor ASA	
Sankyu Inc	Tencent Holdings Ltd	
Sanoma Oyj	Teradyne Inc	
Saudi Arabian Oil Co	T-Mobile US Inc	
SBA Communications Corp	Toei Co Ltd	
Schneider Electric SE	Tongcheng Travel Holdings Ltd	
Shell PLC	TOPPAN INC	
Shinnihon Corp	TotalEnergies SE	
Siemens AG	Toyo Suisan Kaisha Ltd	
SIG Group AG	Tractor Supply Co	
Signa Development Finance SCS	Trip.com Group Ltd	
Sinbon Electronics Co Ltd	TS Tech Co Ltd	
Sinch AB	Tyler Technologies Inc	
Skandinaviska Enskilda Banken AB	UltraTech Cement Ltd	
SKF AB	UniCredit SpA	
SoftBank Group Corp	Unilever PLC	
Sojitz Corp	UPL Ltd	
Sony Group Corp	UPM-Kymmene Oyj	
SS&C Technologies Holdings Inc	Vestas Wind Systems A/S	
SSAB AB	Victoria PLC	
Stellantis NV	Vitec Software Group AB	
Stockholm Exergi Holding AB	Volvo Car AB	