



Active Ownership Report: 2020
Danske Invest Asset Management

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](#)



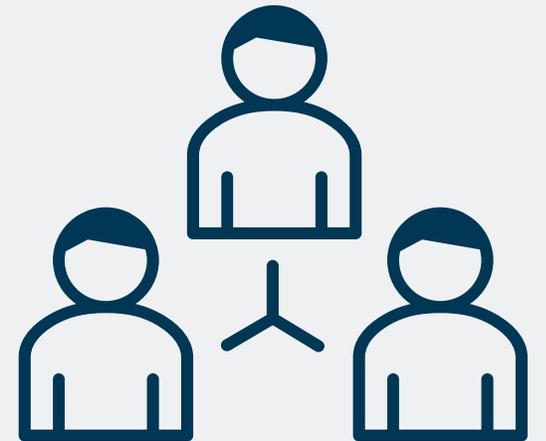
Active Ownership Stories
[click here](#)



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.

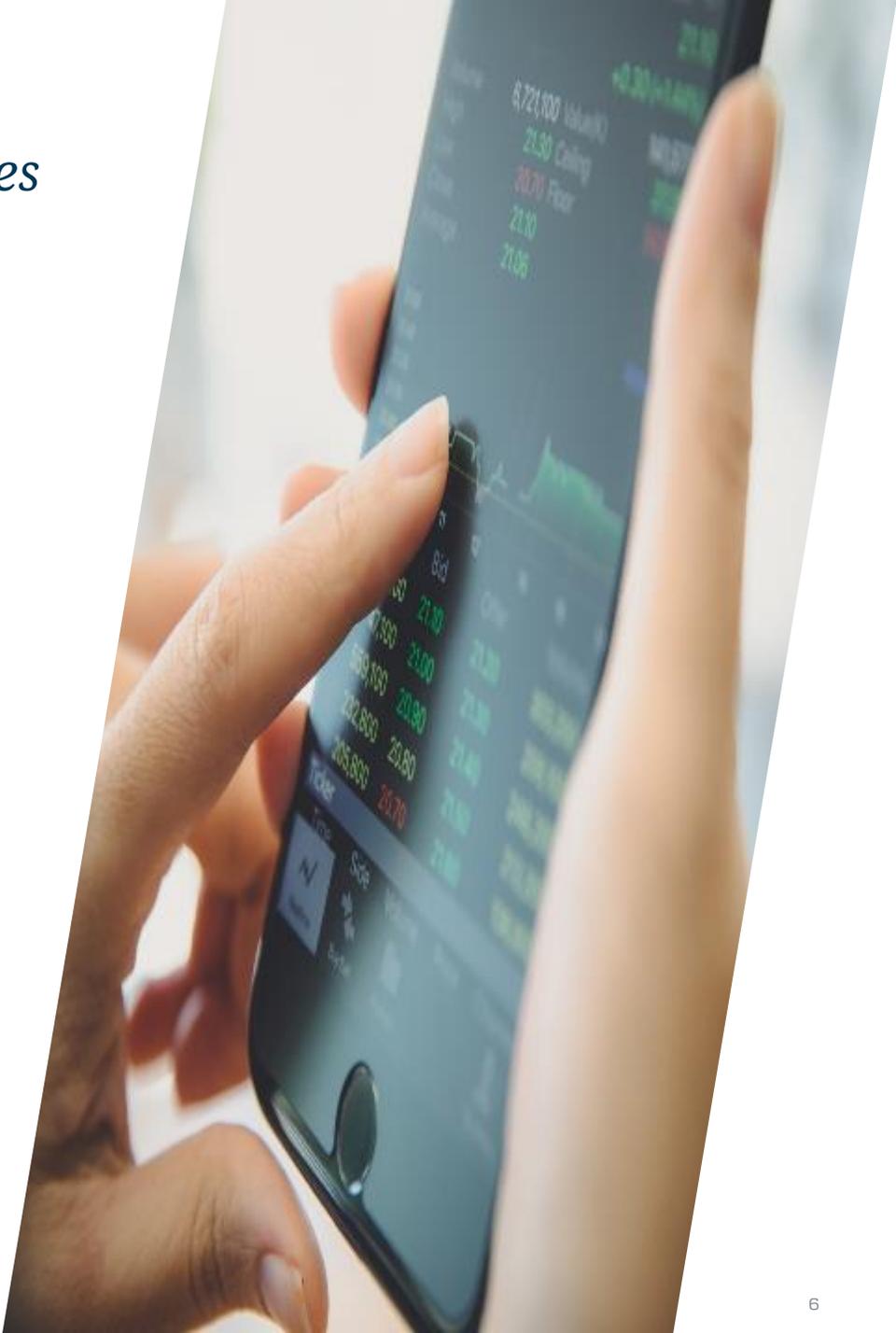
Our investment teams engage on a regular basis with companies on material sustainability matters to understand their risks and opportunities, and to support their growth and development.

We log and monitor company dialogue and progress to ensure a structured engagement process.



In 2020, we have had the following engagement activities

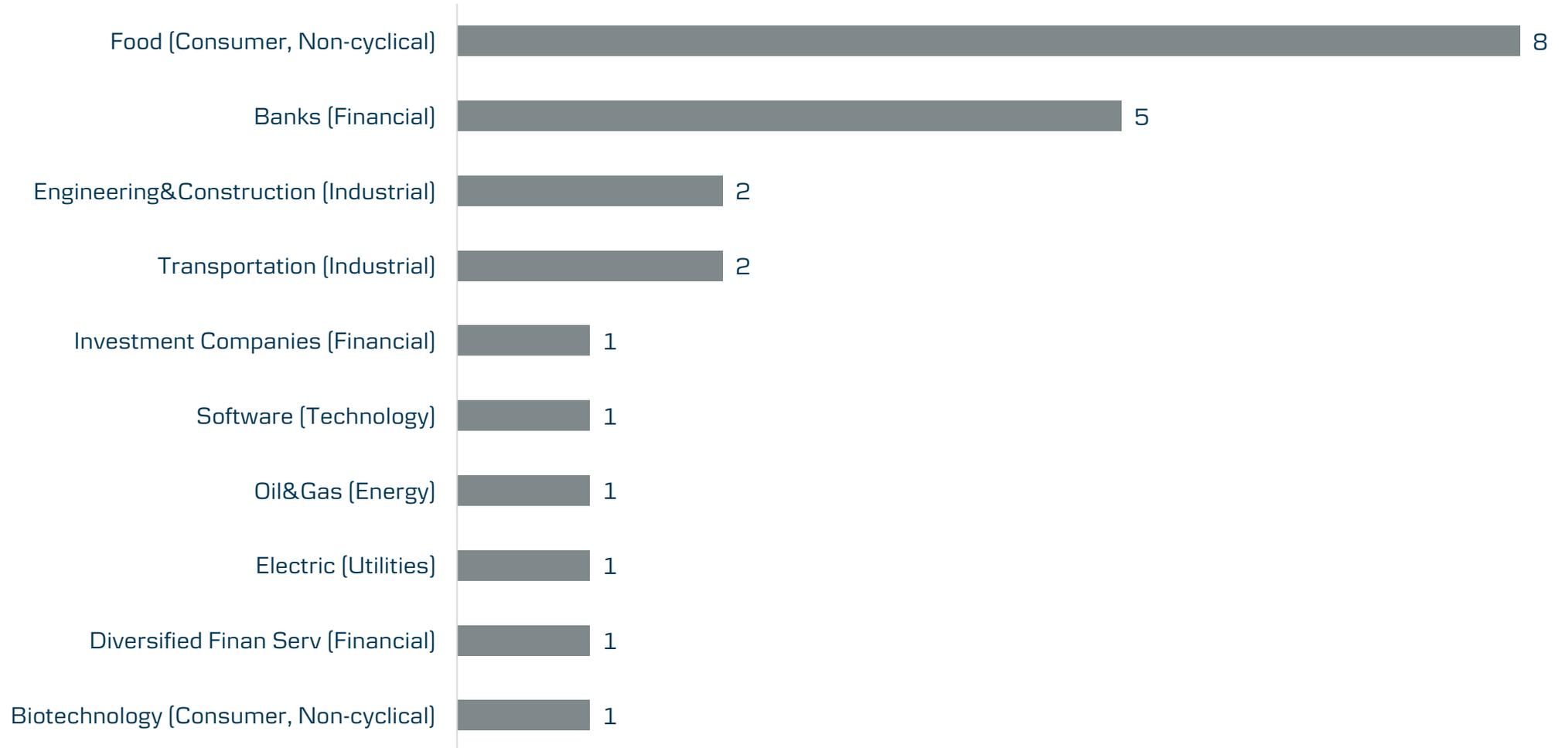
	Companies	31
	Country domiciles	2
	ESG engagement topics	55
	Interactions	80





Top 10 industries most engaged with

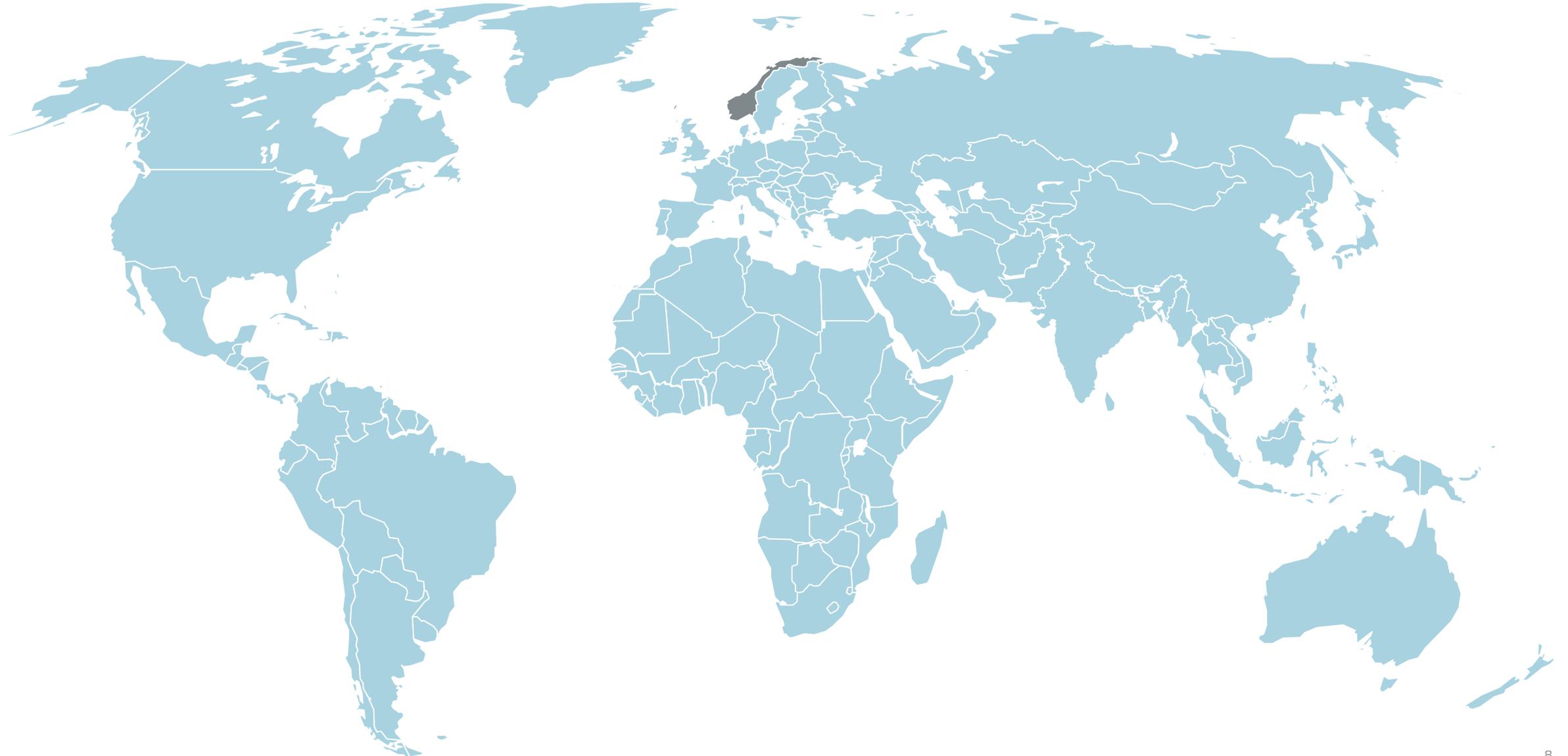
Number of companies per industry (Sector in bracket)



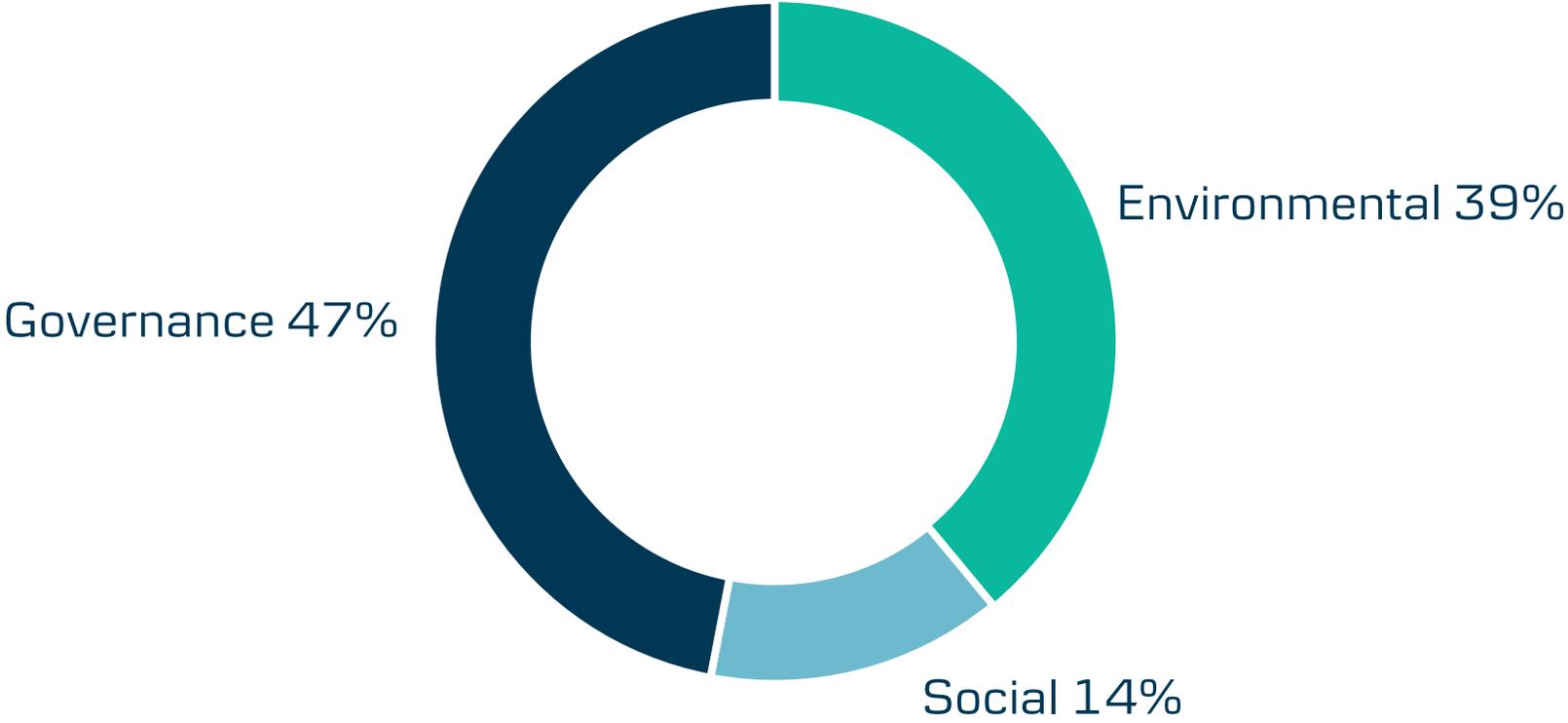
Note 1: The Bloomberg Industry Classification Systems (BICS) is used for sector classification



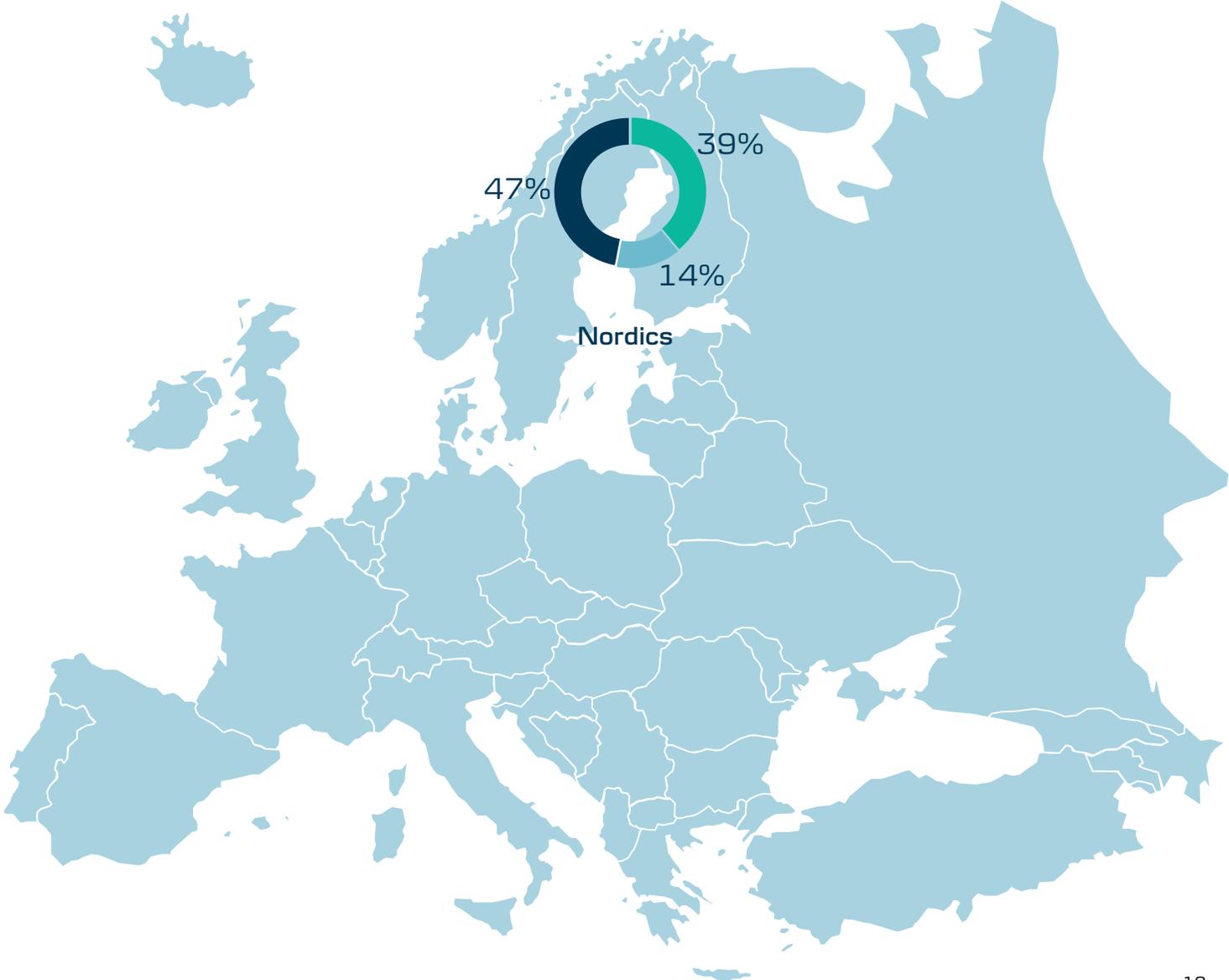
Engagement with companies domiciled across the world



Split between ESG engagement themes



Split between ESG engagement themes across regions





ESG engagements topics discussed

Anti-Trust Issues & Competitive Behaviour *Green Financing* *Profit Warning* *Labour Standards/Practices* *Impact Investment* *Sustainable Products*
Human Rights & Community Relations *EU Taxonomy* *Management Of The Legal & Regulatory Environment* *Digitalisation* *Energy Transformation* *Future Fit*
Environmental Supply Chain *AML Issues & Handling* *Business Model Resilience* *Share Buybacks* *Environmental Issues* *Indigenous Rights* *Restructuring*
Employee Health & Safety *Sustainable Shipping* *Systemic Risk Management* *Animal Welfare* *Capital Structure* *Business Ethics* *Plastic/Recycling Products*
Corporate Governance *Waste & Hazardous Materials Management* *Product Quality & Safety* *M&A* *Circular Economy* *Selling Practices & Product Labelling*
Energy Efficiency *Competence* *Green Buildings* *ESG Integration* *Ecological Impacts* *Product Development* *Regulations* *Water & Wastewater Management*
Accounting *Food Safety* *Technology Disruption* *Customer Welfare* *Energy Management* *Ownership Structure* *Environmental Regulation* *Customer Privacy*
Sustainable Transports *Dividends* *Digitalisation* *Board Composition* *ESG Issues In Fish Farming* *Supply Chain Management* *Data Privacy* *GHG Emissions*

Top 7 ESG engagement topics discussed across themes



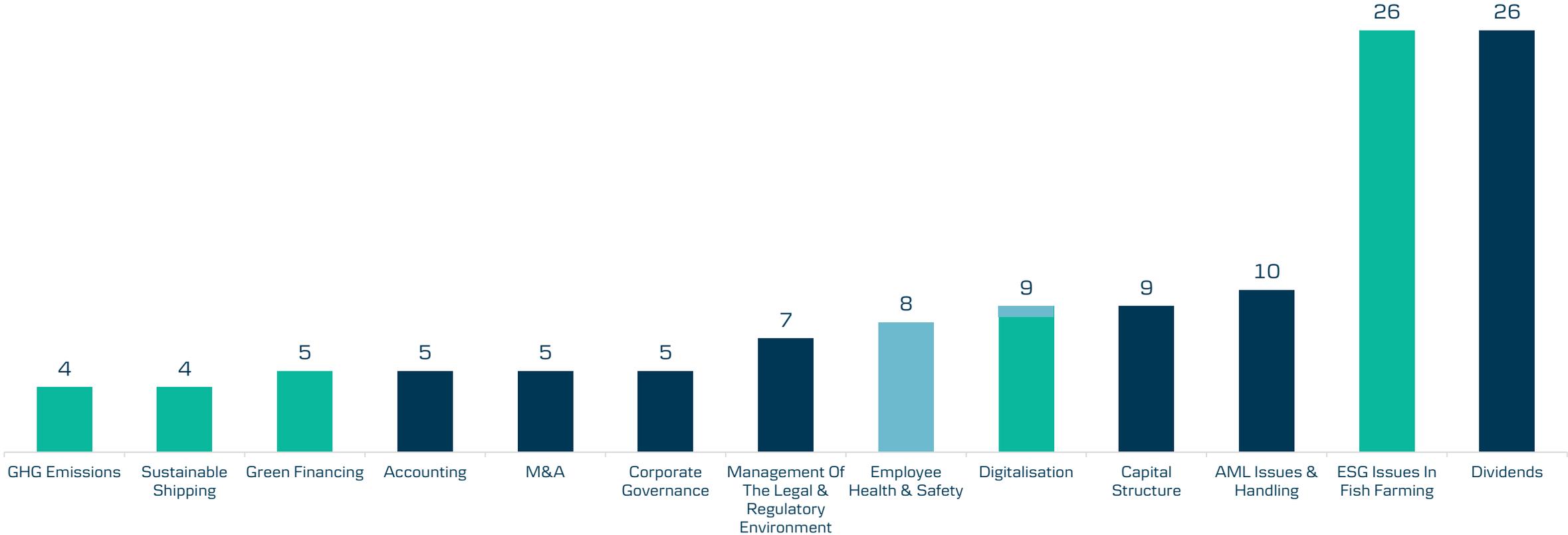
Rank	Topic	Count
1	ESG Issues In Fish Farming	26
2	Digitalisation	8
3	Green Financing	5
4	GHG Emissions	4
5	Sustainable Shipping	4
6	Environmental Issues	3
7	Ecological Impacts	3

Rank	Topic	Count
1	Employee Health & Safety	8
2	Selling Practices & Product Labelling	3
3	Business Model Resilience	2
4	Product Quality & Safety	2
5	Product Development	2
6	Animal Welfare	2
7	Customer Privacy	1

Rank	Topic	Count
1	Dividends	26
2	AML Issues & Handling	10
3	Capital Structure	9
4	Management Of The Legal & Regulatory Environment	7
5	Accounting	5
6	M&A	5
7	Corporate Governance	5



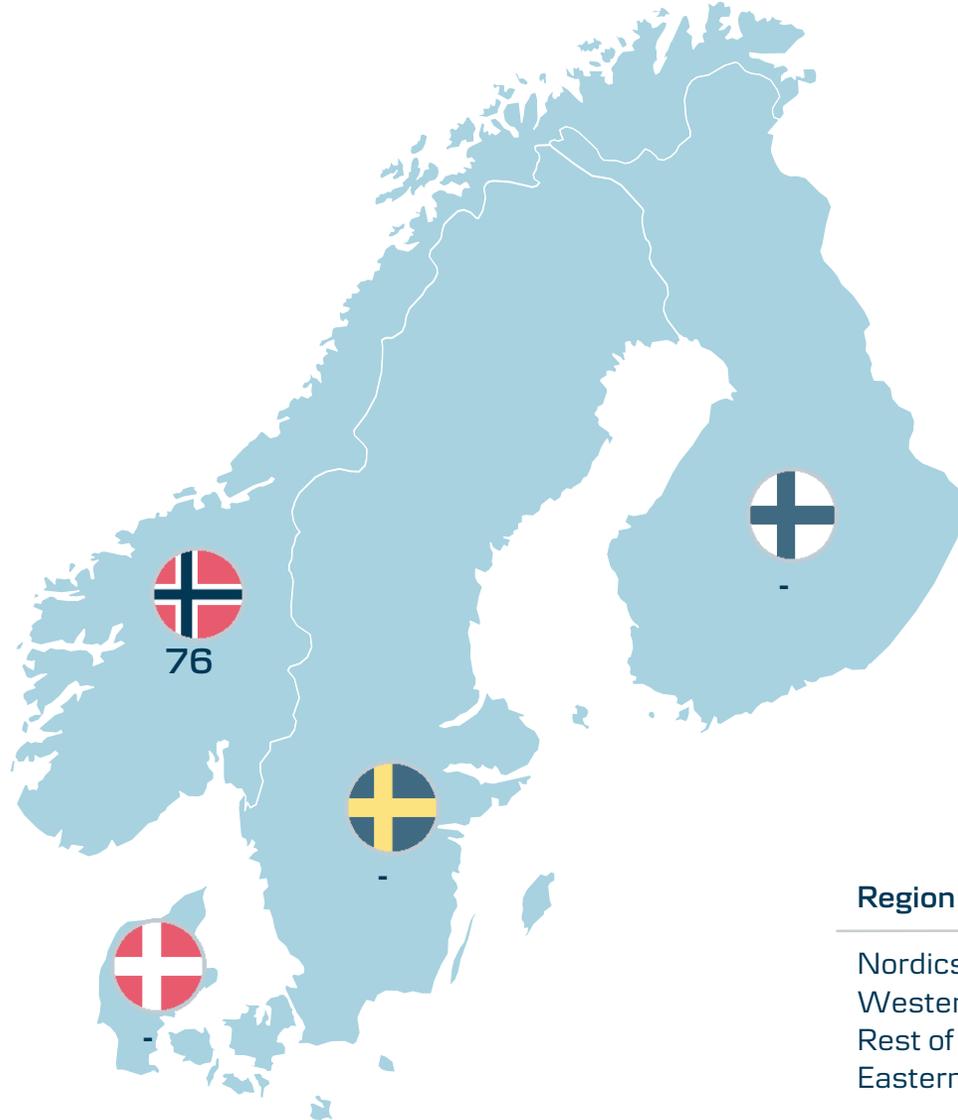
Most frequent ESG engagement topics discussed





Top 10 and interactions distribution across Nordic countries & regions

Rank	Country	Count
1	Norway	76
2	Faroe Islands	4



Region	Count
Nordics	80
Western & Southern Europe	-
Rest of the world	-
Eastern Europe	-



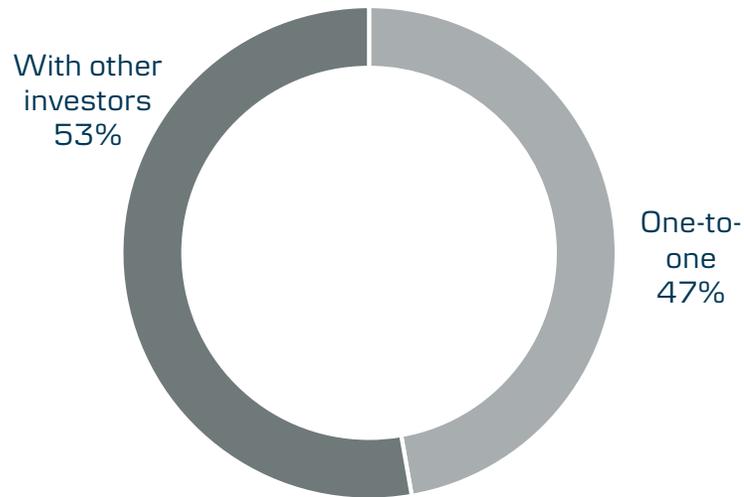
Most commonly addressed ESG engagement topics across geography



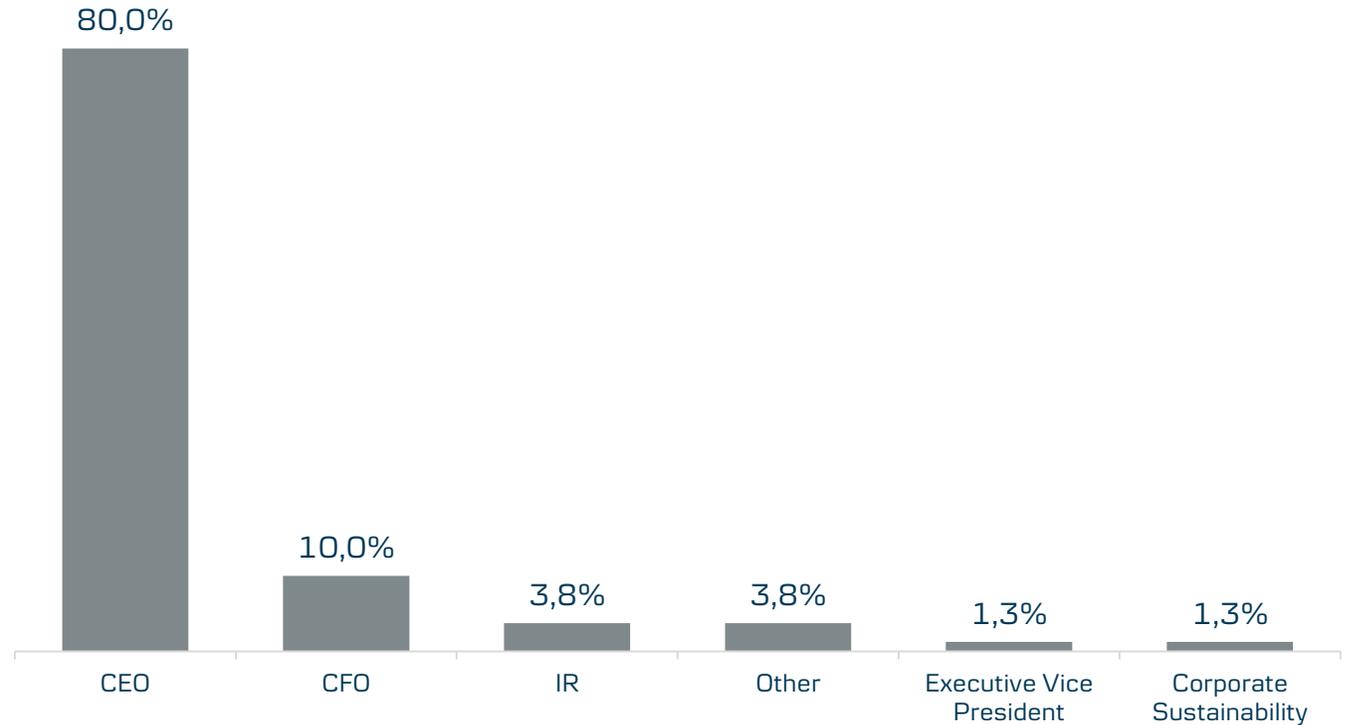


Company interactions by meeting type and participants

Share of meeting types



Share of meetings by participants

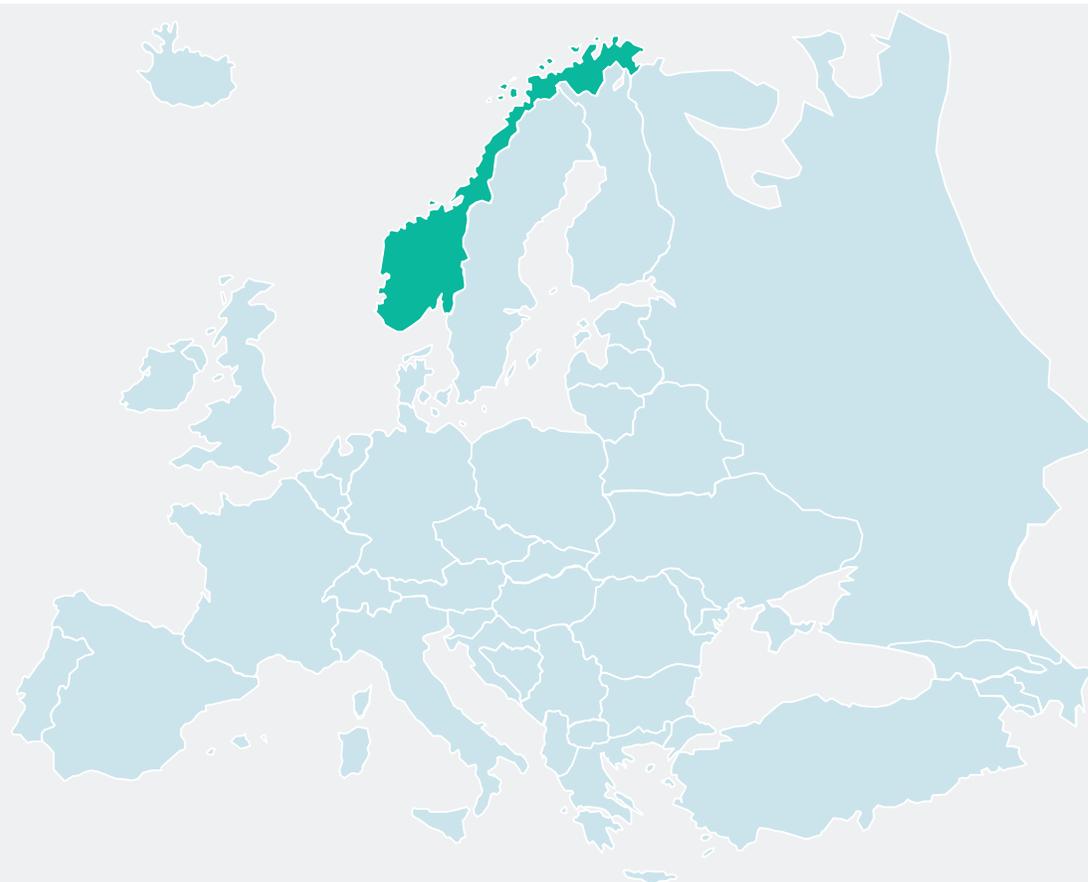


Top 3 ESG engagement topics

ESG Issues in Fish Farming
is the 1st most common topic for our portfolio managers to engage with companies on.

80
engagements among the total of **80**

ESG Issues in Fish Farming
refer to factors influencing mainly aquaculture.



■ ESG Issues in Fish Farming addressed

 Sector: Consumer, Non-Cyclical
"Discussed issues related in fish farming."

 Sector: Consumer, Non-Cyclical
"Dilemma on farming of fish and the impact on surrounding environment and society."

 Sector: Consumer, Non-Cyclical
"Issues in fish farming, reduction fisheries in salmon feed sourcing."

Top 3 ESG engagement topics

Dividends
is the 2nd most common topic for our portfolio managers to engage with companies on.

26
engagements among the total of **80**

Dividends
are payments from company's earnings to its shareholders, usually as a cash payment.



Sector: Financial

"Discussed about postponing company's dividends."



Sector: Consumer, Non-Cyclical

"Discussion about dividends."



Sector: Industrial

"Company's strategy due to dividends."

Top 3 ESG engagement topics

AML Issues & Handling

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

10

engagements among the total of

80

AML Issues & Handling

refers procedures to prevent and the handling of money laundering of illegally obtained funds as legitimate income.



■ AML Issues & Handling addressed



Sector: Financial

“Discussed about company’s AML initiatives and ongoing cases.”



Sector: Financial

“Discussion about anti-money-laundering compliance issues.”



Sector: Financial

“Company’s ability to detect, report, and prevent suspicious activities.”

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

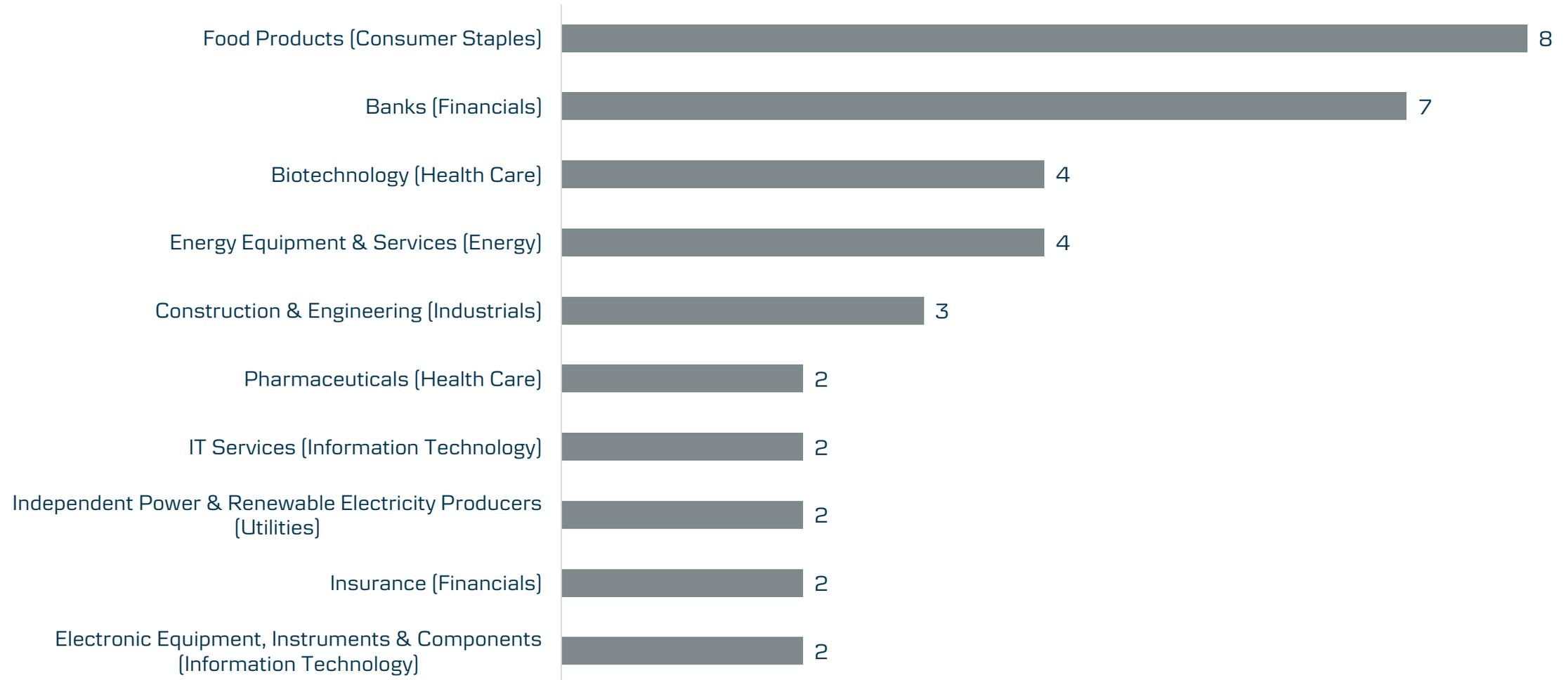
	Companies	49
	Country domiciles	4
	Meetings	60
	Proposals	807





Top 10 industries most voted

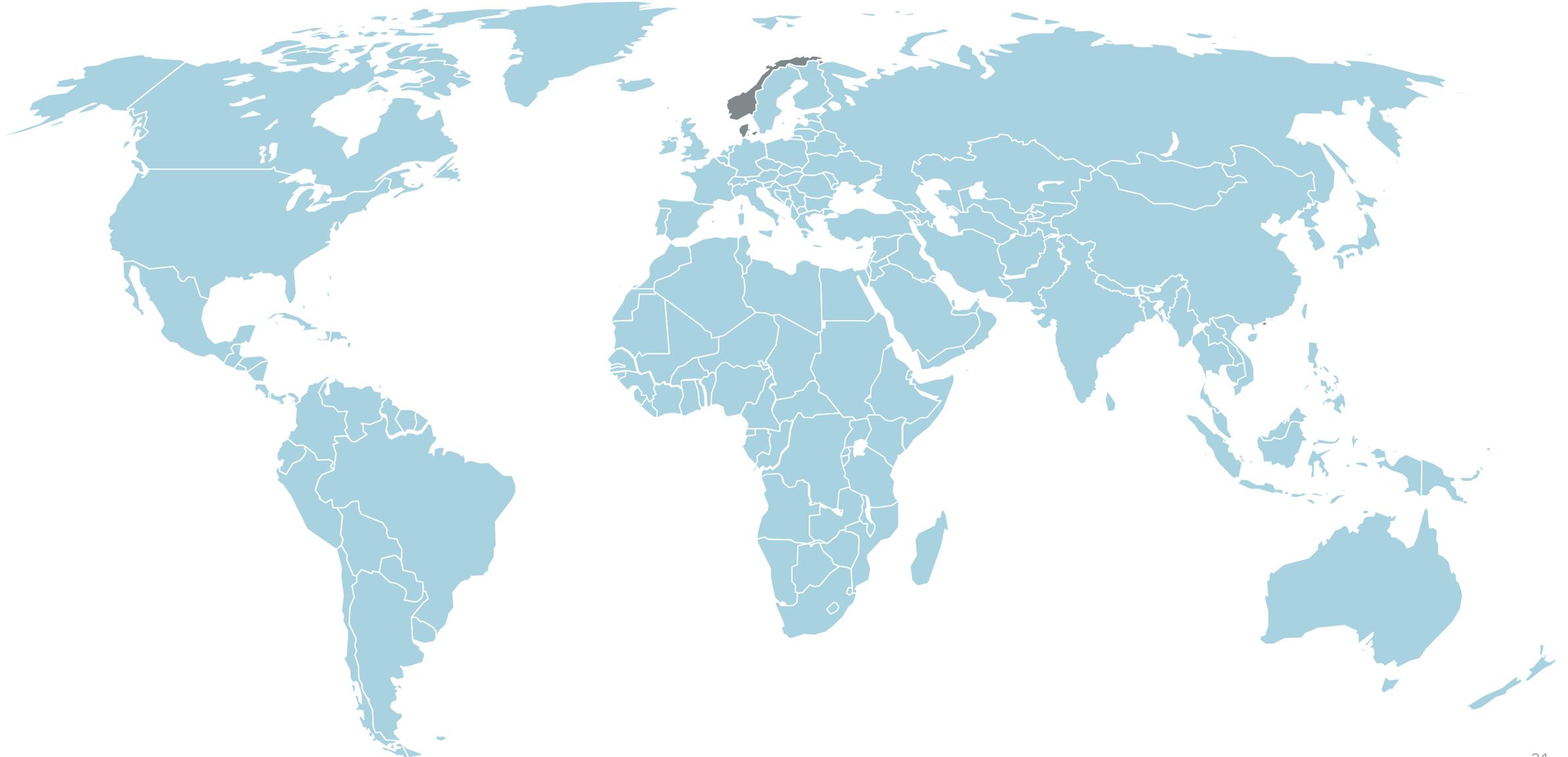
Number of companies per industry (Sector in bracket)



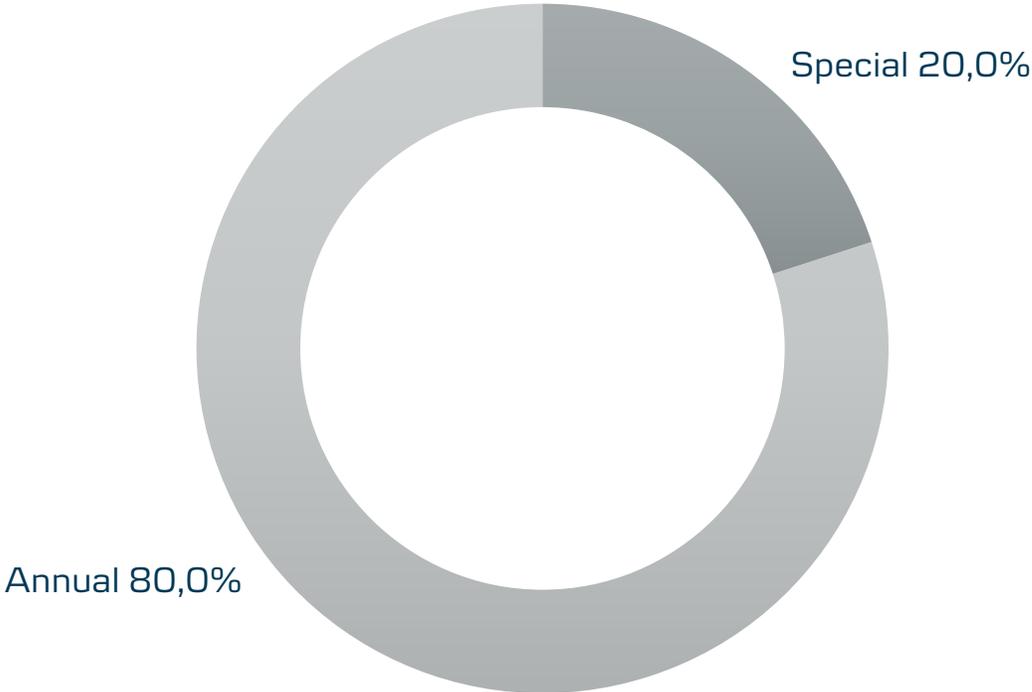
Note1: Global Industry Classification Standard (GICS) is used for sector classification



Voting on companies domiciled across the world



Split between meeting types





Top 10 and voting distribution across Nordic countries & regions

Rank	Country	Count
1	Norway	57
2	Denmark	1
3	Faroe Islands	1
4	Luxembourg	1



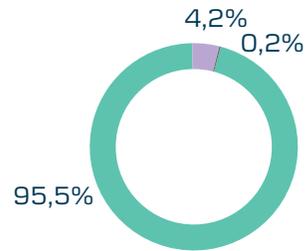
Region	Count
Nordics	59
Western & Southern Europe	1
Rest of the world	-
Eastern Europe	-



Split between voting instructions and voted proposals

Voted proposals

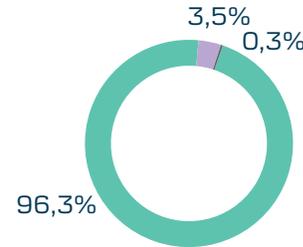
■ For ■ Against/Withhold ■ Abstain



For	771
Against/Withhold	34
Abstain	2
Total	807

Management proposals

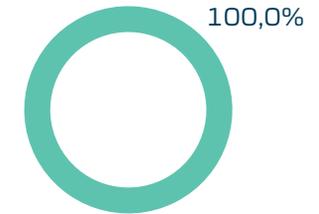
■ For ■ Against/Withhold ■ Abstain



For	771
Against/Withhold	28
Abstain	2
Total	801

Shareholder proposals

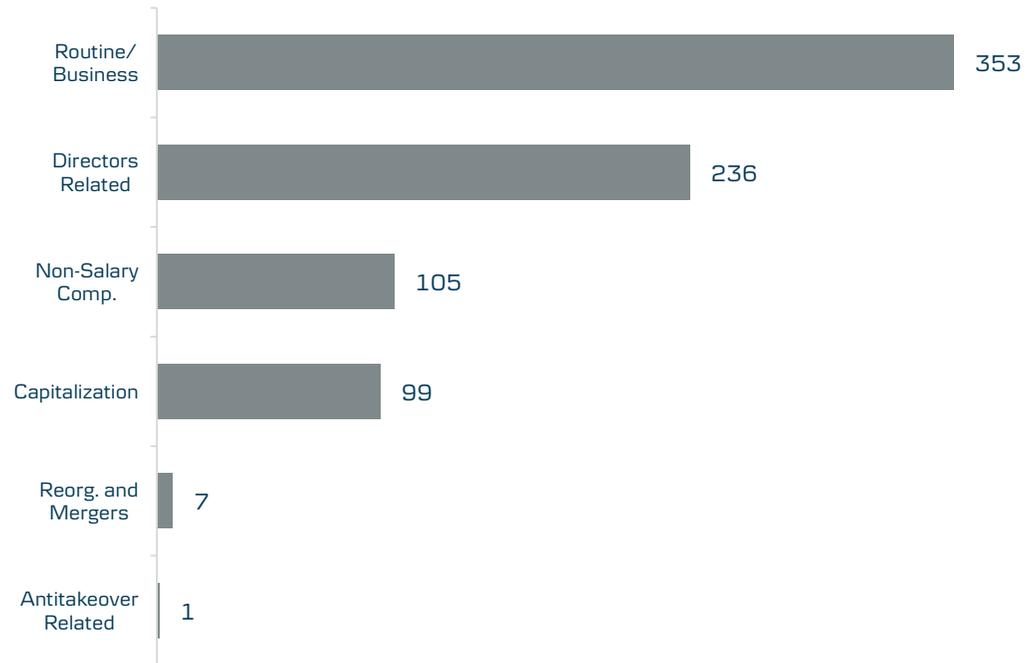
■ Against/Withhold



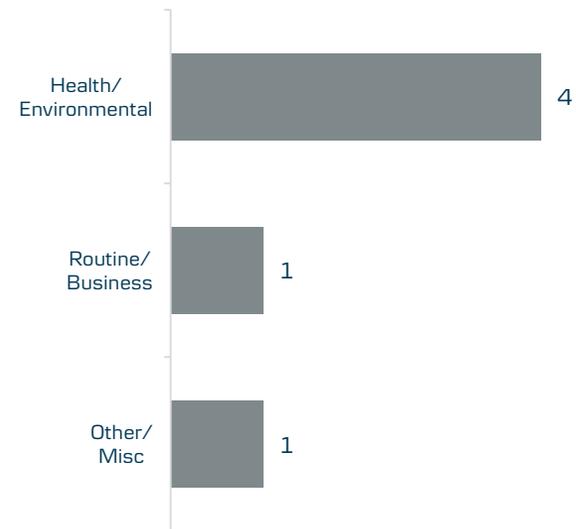
For	0
Against/Withhold	6
Abstain	0
Total	6

Split between voted proposals categories

Management proposals



Shareholder proposals



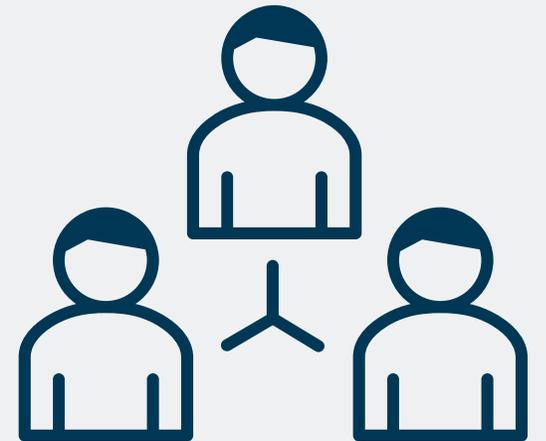


Top 10 voted proposals against Management recommendations



Active Ownership Report, Part 3

Collaborative Engagements

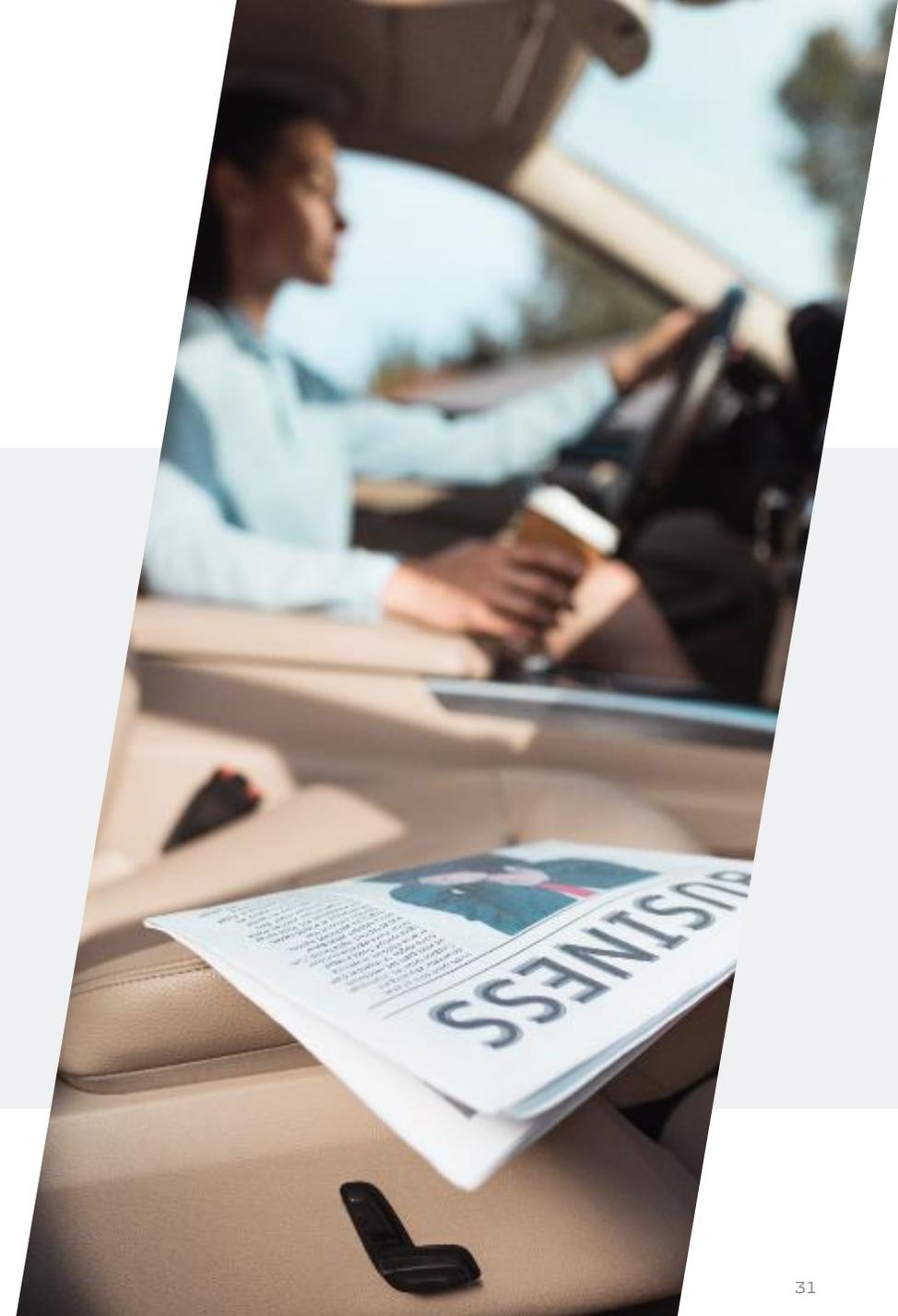


Collaborative Engagements introduction

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.

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

Aker ASA
Aker BioMarine AS
Austevoll Seafood ASA
Bakkafrost P/F
BW Offshore Ltd
DNB ASA
Equinor ASA
EXACT Therapeutics AS
Fjordkraft Holding ASA
Grieg Seafood ASA
Leroy Seafood Group ASA
Medistim ASA
Merzell Holding AS
Mowi ASA
Norsk Hydro ASA
Norway Royal Salmon ASA
Norwegian Air Shuttle ASA
NRC Group ASA
Orkla ASA
Pareto Bank ASA
Salmar ASA
Sbanken ASA
Sparebank 1 Oestlandet
SpareBank 1 SMN
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