



Active Ownership Report: 2021
Danske Invest Asset Management

February 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 3 parts of the report



**Part 1:
Engagements**



**Part 2:
Voting**



**Part 3:
Collaborative
Engagements**

Where to get additional information



Responsible Investment Policy
[click here](#)



Responsible Investment Instruction
[click here](#)



Active Ownership Instruction
[click here](#)



Investment Restrictions
[click here](#)



Voting Guidelines
[click here](#)



Our Responsible Investment Journey
[click here](#)



Investment Approach on Climate
[click here](#)



Proxy Voting Dashboard
[click here](#)



Principal Adverse Impact Statement
[click here](#)

Active Ownership Report, Part 1

Engagements

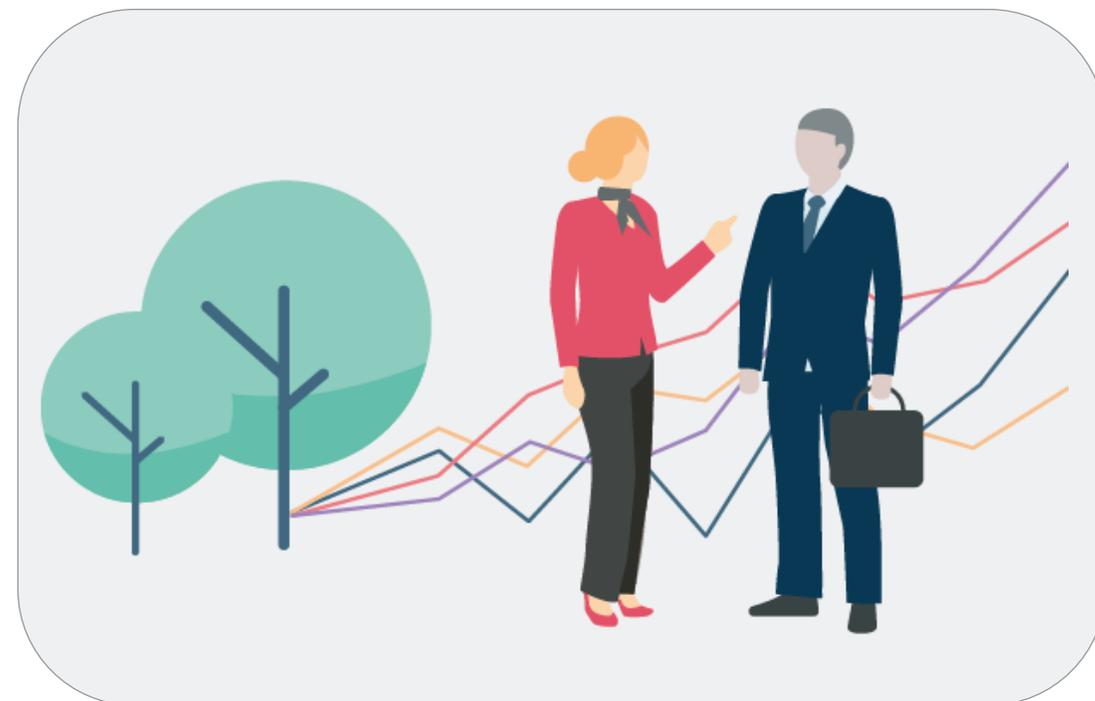


Engagements introduction

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 2021, we have had the following engagement activities

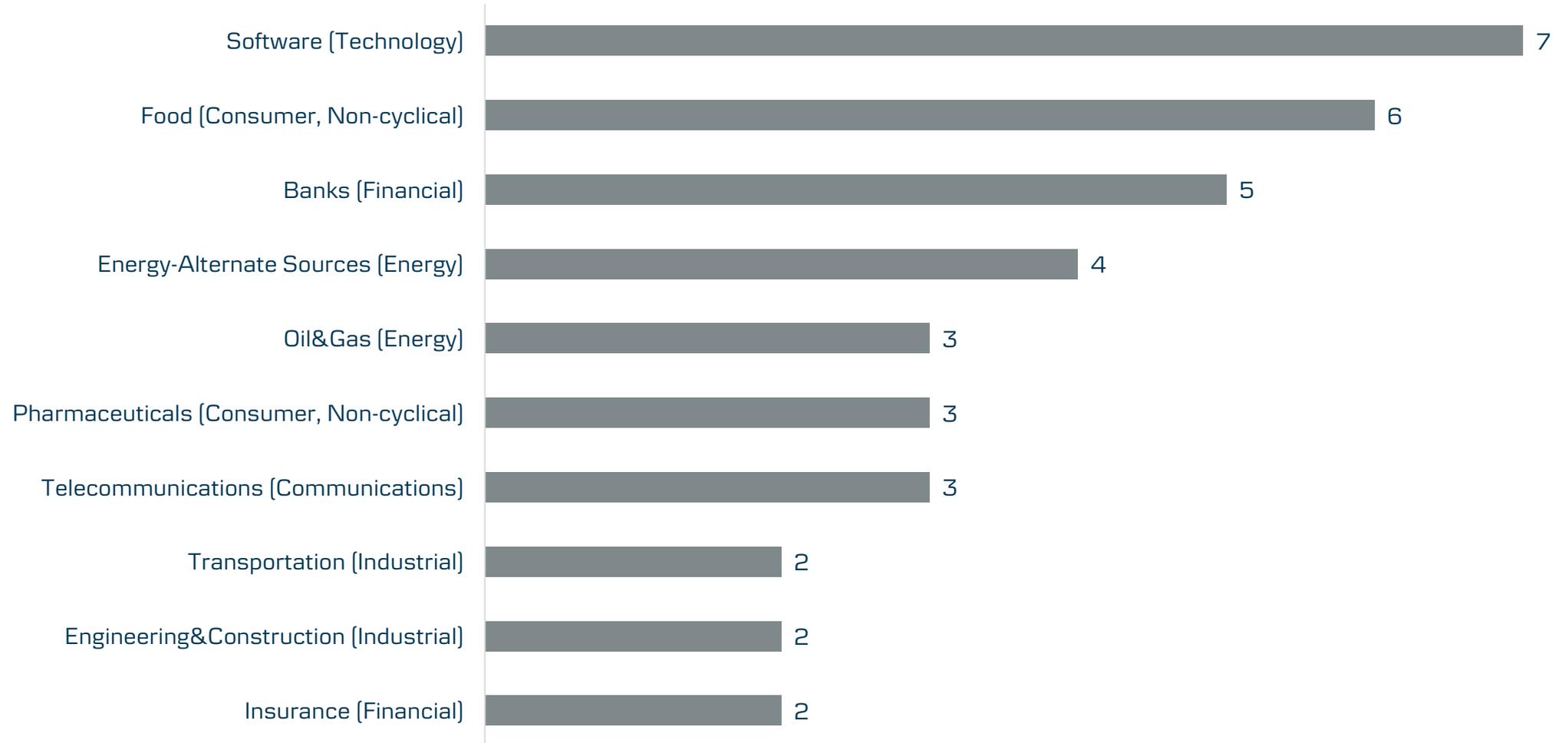


	Companies	53
	Country domiciles	5
	Engagement subjects	70
	Interactions	123



Top 10 industries most engaged with

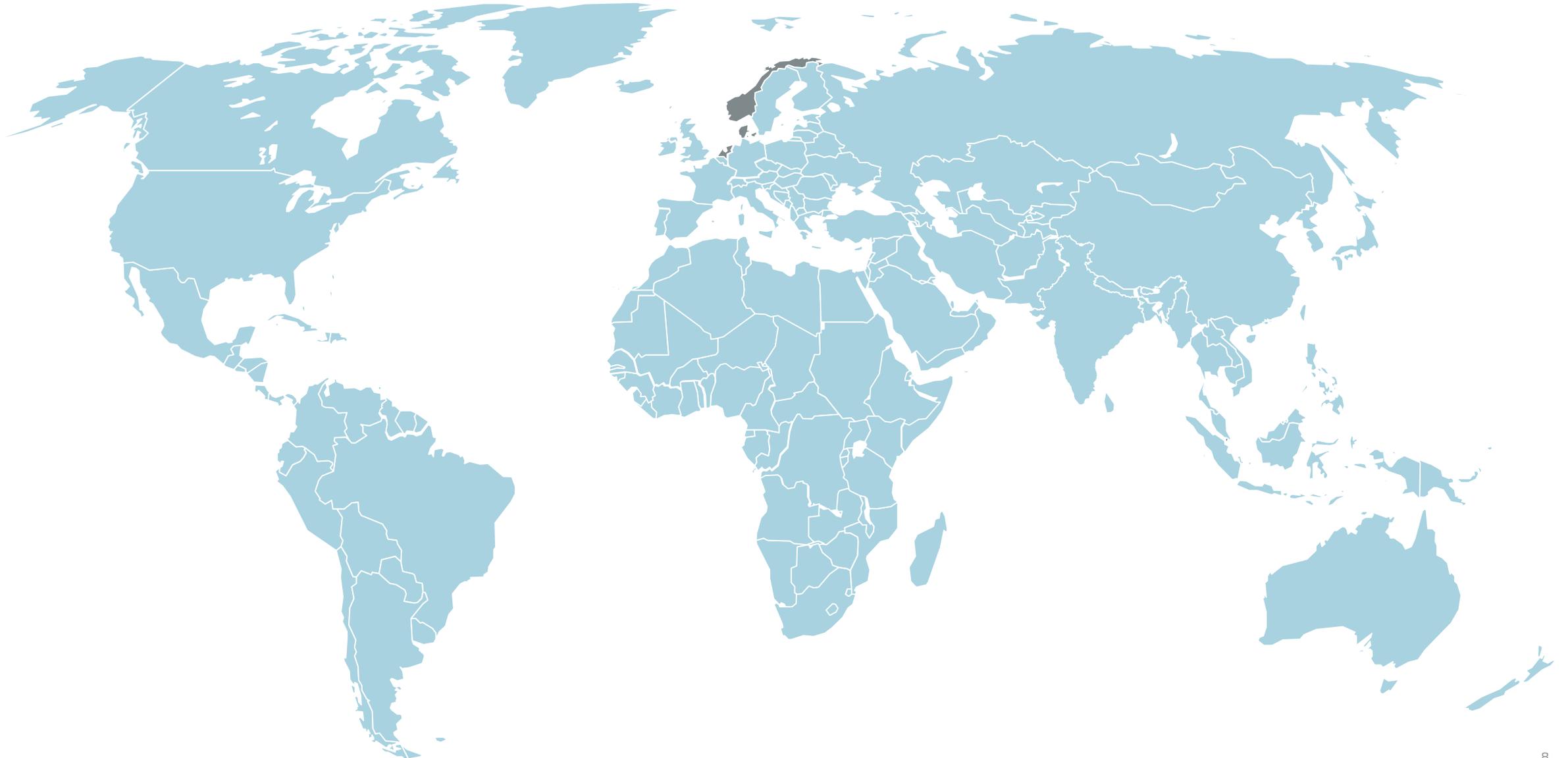
Number of companies per industry (Sector in bracket)



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

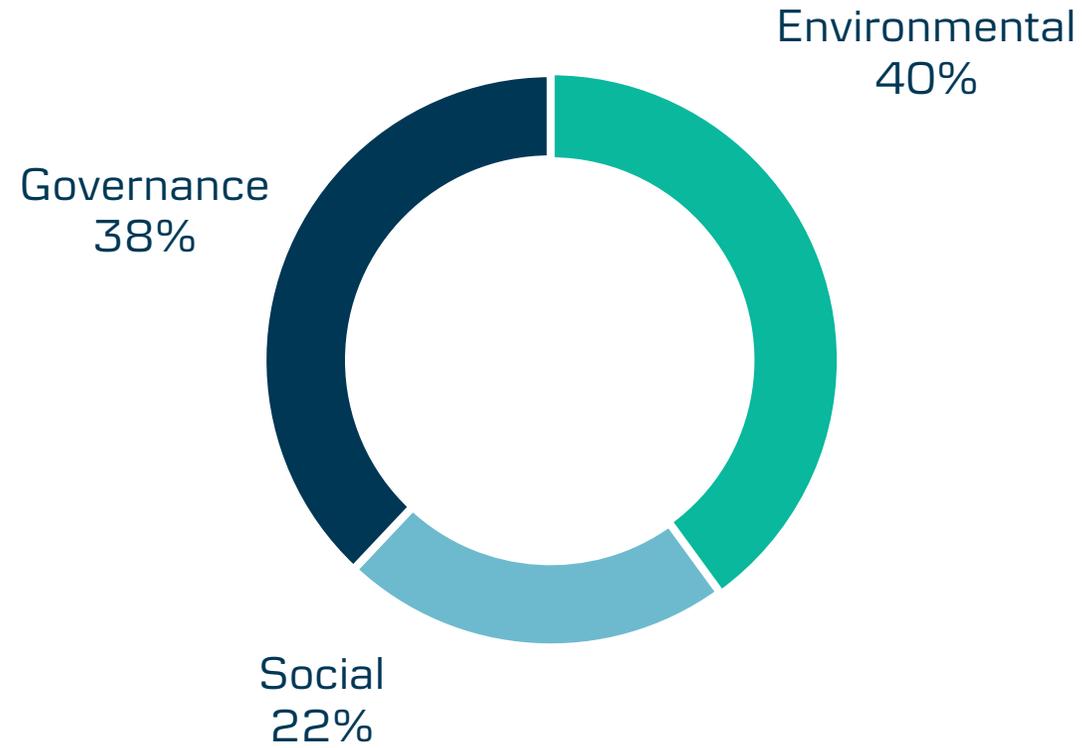


Engagement with companies domiciled across the world



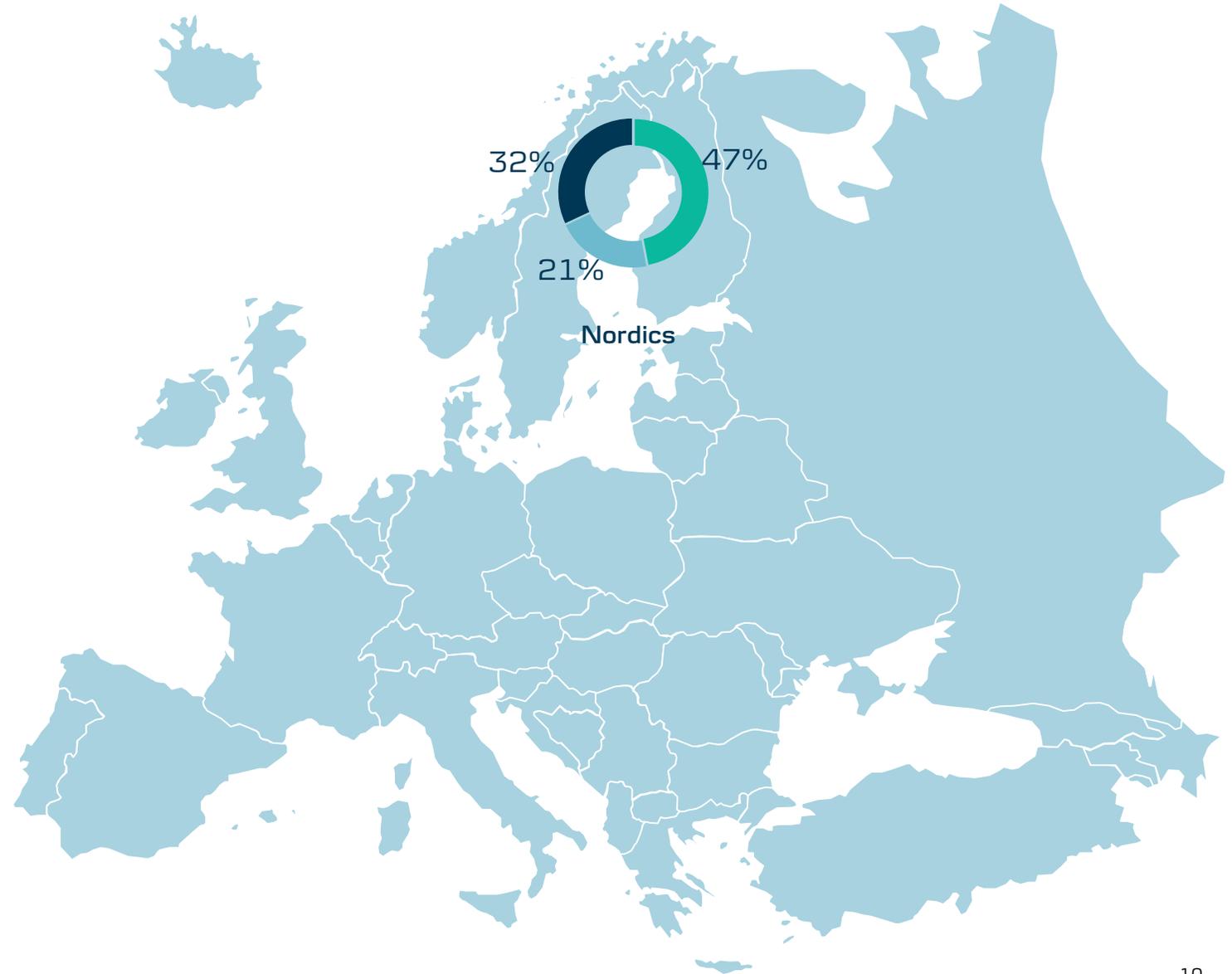


Split between engagement subjects





Split between engagement themes across regions





Engagements subjects discussed

Water & Wastewater Management *Anti-Corruption Issues & Handling* *Supply Chain Management* *Technology Disruption* *Physical Impacts Of Climate Change*
Management of The Legal & Regulatory Environment *Waste & Hazardous Materials Management* *Digitalisation As Sustainability Driver* *Employee Health & Safety*
Employee Engagement, Diversity & Inclusion *Digitalisation* *Customer Privacy* *Biodiversity* *AML Issues & Handling* *Selling Practices & Product Labeling* *Incentive Programs*
Materials Sourcing & Efficiency *Sustainable Shipping* *Profit Warning* *Customer Welfare* *Environmental Supply Chain* *Board Compensation* *Agriculture*
Human Rights & Community Relations *Customer Education* *Capital Structure* *Climate Neutrality* *Research & Development* *Sustainability Certificates* *M&A*
Product Quality & Safety *Regulations* *Plastic/Recycling Products* *Circular Economy* *Competence* *Green Buildings* *ESG Issues In Fish Farming* *Political Risk*
Ownership Structure *SDGs* *Accounting* *Product Development* *Green Financing* *Board Composition* *Dividends* *Labor Standards/Practices* *Circular Economy*
GHG Emissions *Gender Equality* *EU Taxonomy* *Business Ethics* *Energy Consumption* *Automation* *Environmental Regulation* *ESG Integration* *Employee Retention*
Corporate Governance *Personnel Turnover* *Environmental Issues* *Corporate Behavior* *Business Model Resilience* *Energy Efficiency* *Access & Affordability* *Future Fit*
Indigenous Rights *Sustainable Products* *Food Safety* *Energy Transformation* *Ecological Impacts* *ESG Funding* *Energy Management* *Digitalisation*



Top 7 engagement subjects discussed across themes

E**S****G**

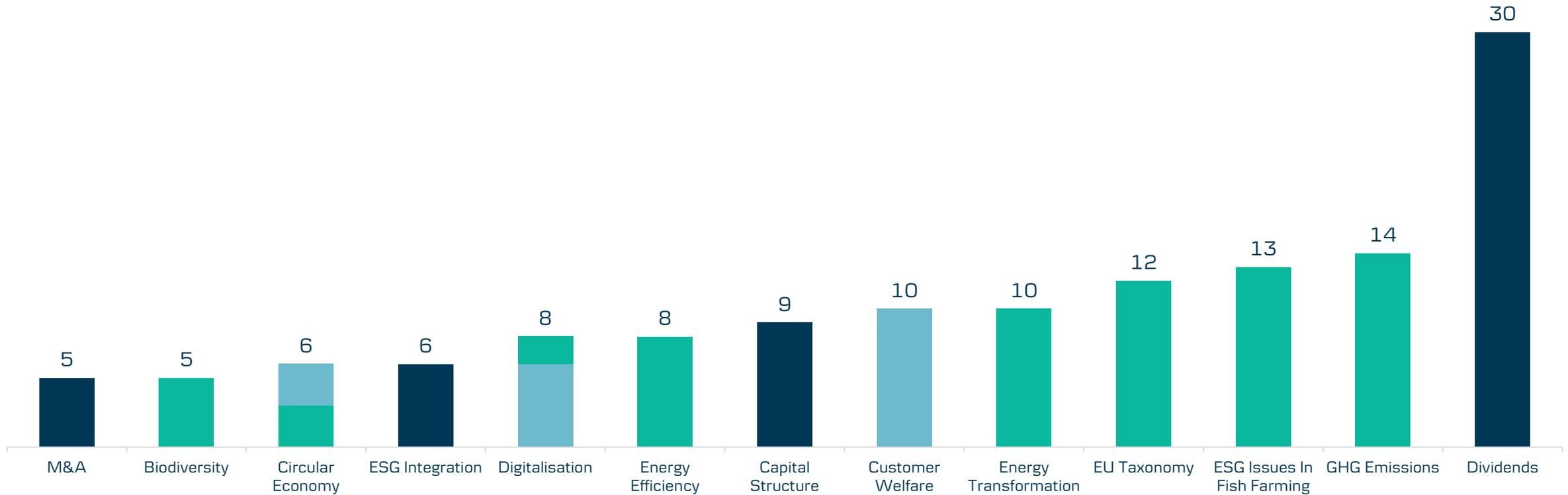
Rank	Subject	Count
1	GHG Emissions	14
2	ESG Issues In Fish Farming	13
3	EU Taxonomy	12
4	Energy Transformation	10
5	Energy Efficiency	8
6	Environmental Issues	5
7	Sustainable Products	5

Rank	Subject	Count
1	Customer Welfare	10
2	Digitalisation	6
3	Product Development	4
4	Employee Retention	4
5	Human Rights & Community Relations	4
6	Selling Practices & Product Labeling	3
7	Business Model Resilience	3

Rank	Subject	Count
1	Dividends	30
2	Capital Structure	9
3	ESG Integration	6
4	M&A	5
5	Competence	5
6	AML Issues & Handling	4
7	Business Ethics	3



Most frequent engagement subjects discussed





Top 10 and interactions distribution across Nordic countries & regions

Rank	Country	Count
1	Norway	117
2	Denmark	2
3	Faroe Islands	2
4	Netherlands	1
5	Singapore	1



Region	Count
Nordics	121
Western & Southern Europe	1
Rest of the world	1
Eastern Europe	-



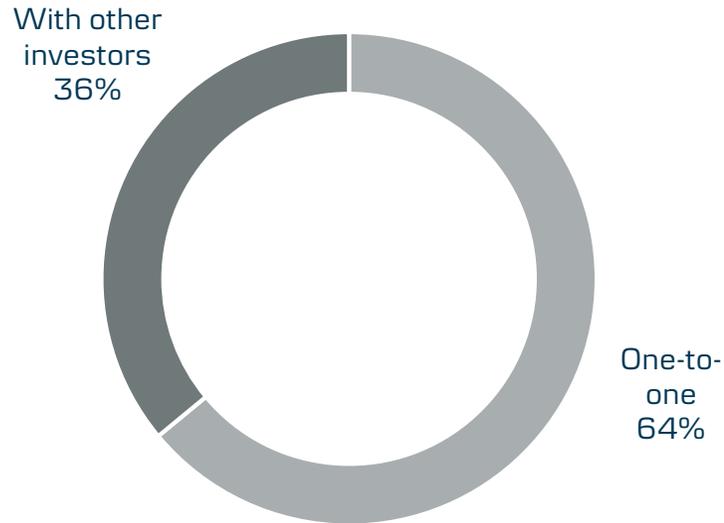
Most commonly addressed engagement subjects across geography



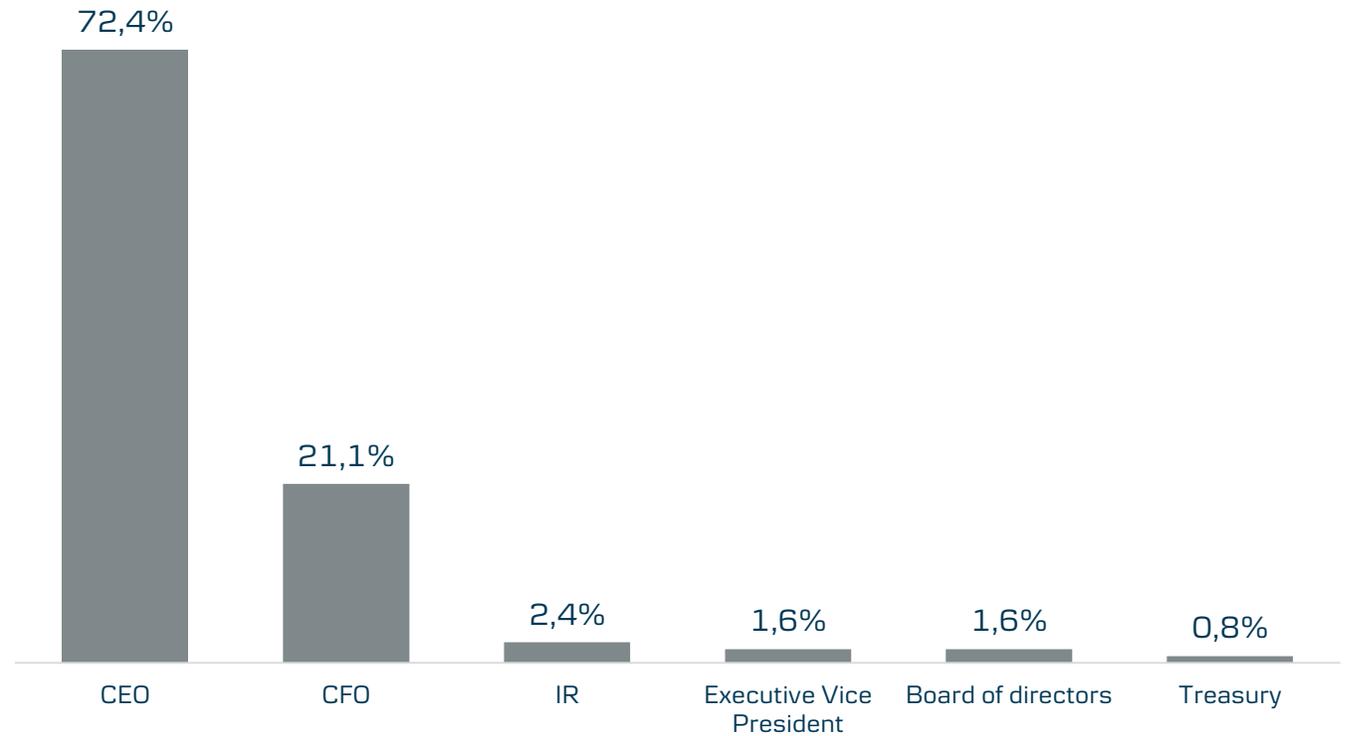


Company interactions by meeting type and participants

Share of meeting types



Share of meetings by participants



Principal Adverse Impacts (PAIs)

We consider the principal adverse impacts on sustainability factors that our investment decisions have. We address principal adverse impacts on sustainability factors according to their materiality and type.

We use external market research providers and other publicly available information, internal dashboards, tools and frameworks and the expertise of our Investment and Responsible Investment teams to identify the principal adverse impacts on sustainability factors. While the considerations relevant to principal adverse impacts on sustainability factors are different from those relating to sustainability risks, we identify principal adverse impacts in the investment decision-making process via utilization of the same framework as the one applied for sustainability risk integration. How sustainability risks are identified is outlined in the Responsible Investment Policy. The consideration and prioritization of identified principal adverse impacts are further defined in the underlying instructions to the Policy.

We address principal adverse impacts through our active ownership and investment restriction activities as described in our Responsible Investment Policy. Active ownership is conducted through voting, dialogue and collaborative activities. In addition, we have incorporated the principal adverse impact indicators into our voting guidelines. Our screenings can result in exclusions related to principal adverse impacts. We exclude companies based on violations in relation to international standards such as the Global Compact and OECD Guidelines for Multinational Enterprises. For example, certain companies that contribute significantly to climate change, damage biodiversity, water pollution, violate human rights, have insufficient labor rights or are involved in corruption are excluded.

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 corporate and for Sovereigns, Supranationals include in the following slides.

Adverse sustainability indicators in scope for PAIs

Climate and other environmental-related indicators

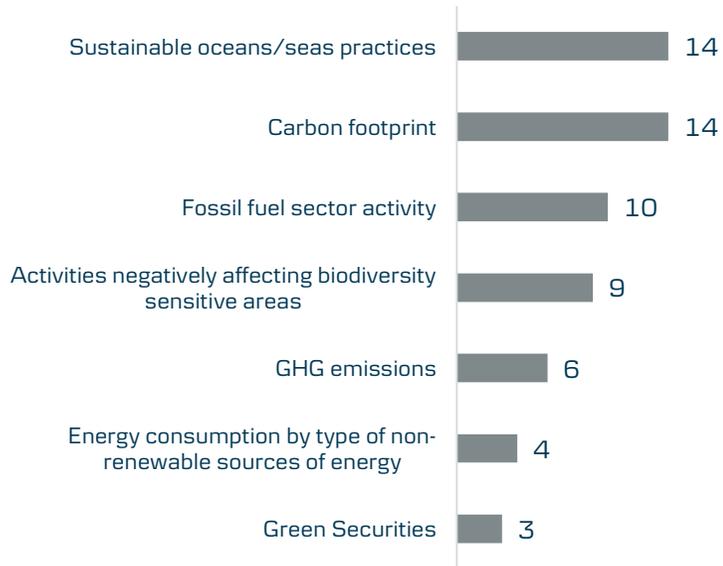
Activities negatively affecting biodiversity sensitive areas
 Carbon emission reduction initiatives
 Carbon footprint
 Chemical production
 Deforestation
 Emissions of air pollutants
 Emissions of inorganic pollutants
 Emissions of ozone depletion substances
 Emissions to water
 Energy consumption by 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

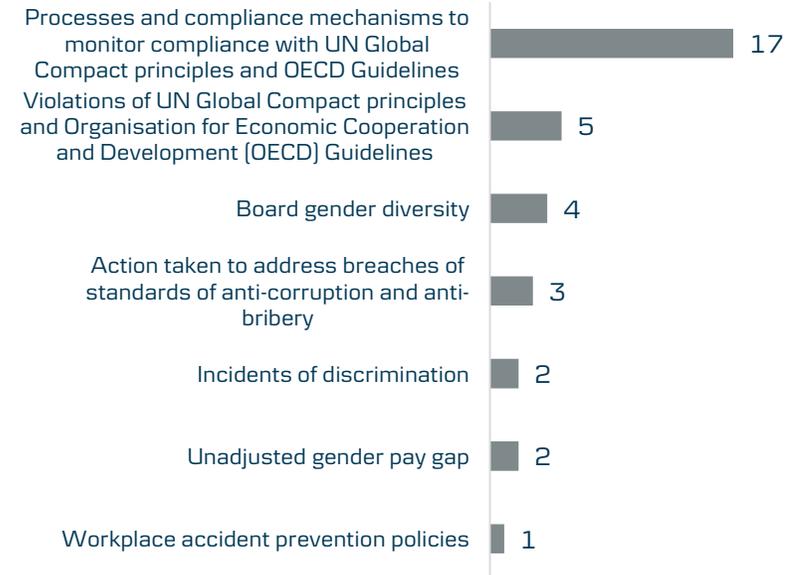
Action taken to address breaches of standards of anti-corruption and anti-bribery
 Anti-corruption and anti-bribery policies
 Board gender diversity
 Convictions and fines for violation of anti-corruption and anti-bribery laws
 Excessive CEO pay ratio
 Exposure to controversial weapons
 Grievance/complaints 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

Top 7 Adverse sustainability indicators in company engagements addressed

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 engagement subjects

Active Ownership Report, Part 2

Voting

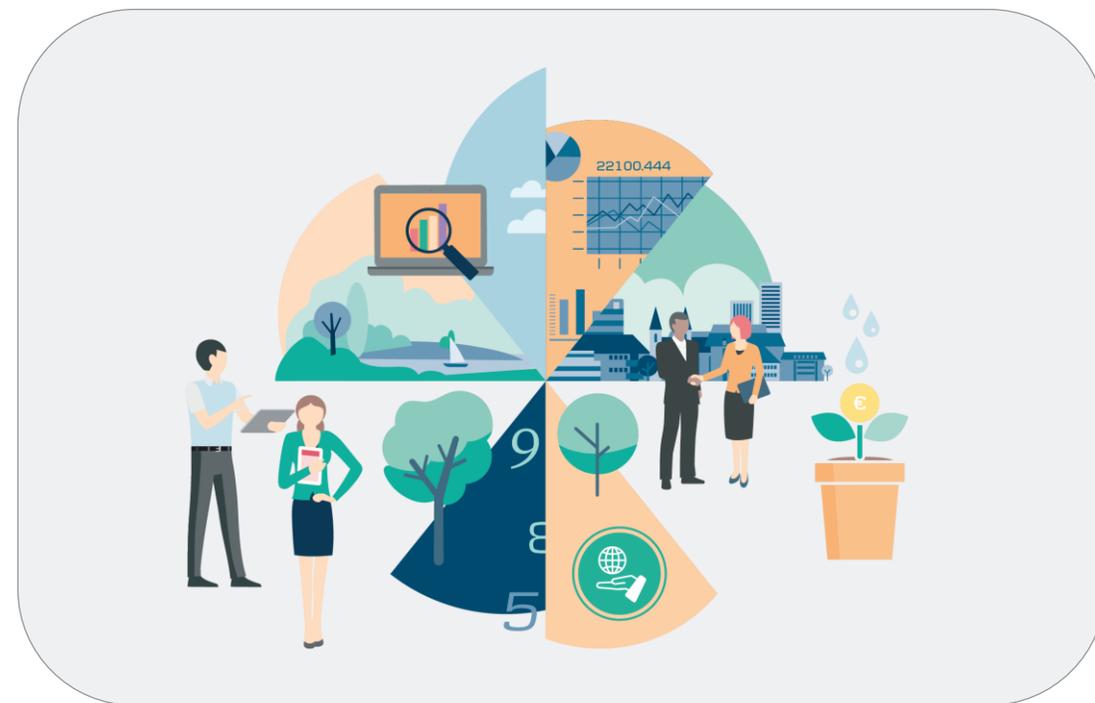


Voting introduction

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 2021, we have had the following voting activities

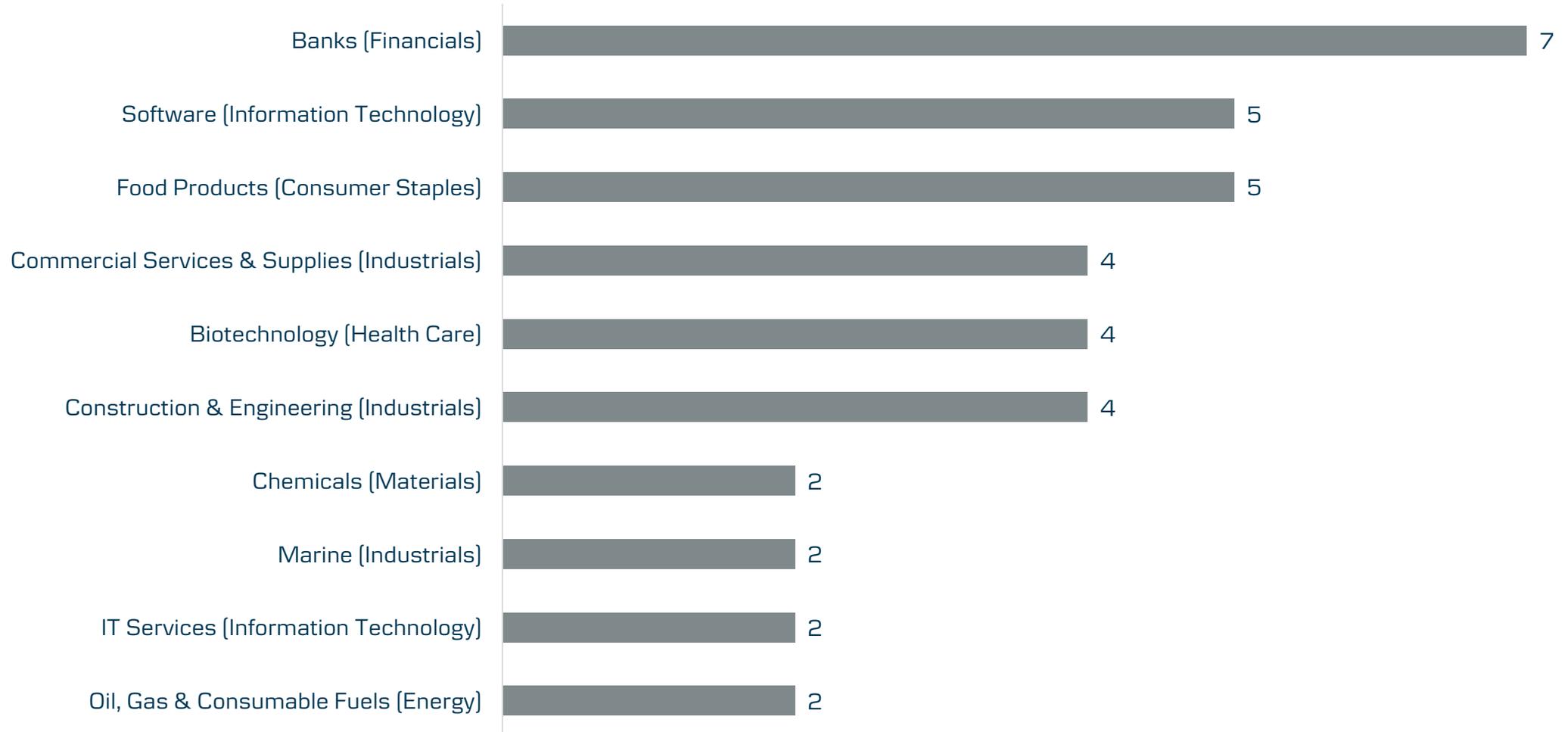


	Companies	51
	Country domiciles	5
	Meetings	57
	Proposals	727



Top 10 industries most voted

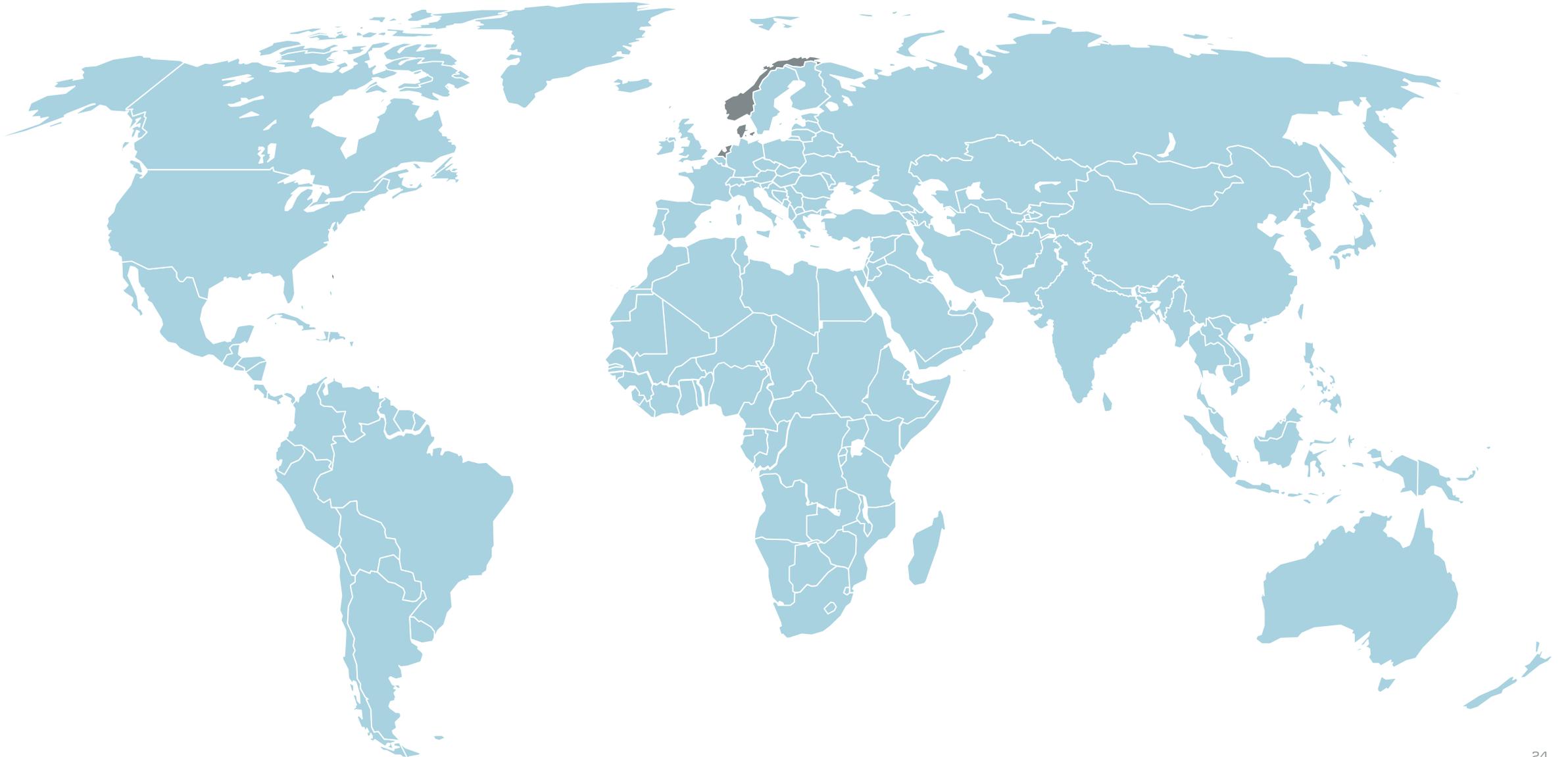
Number of companies per industry (Sector in bracket)



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

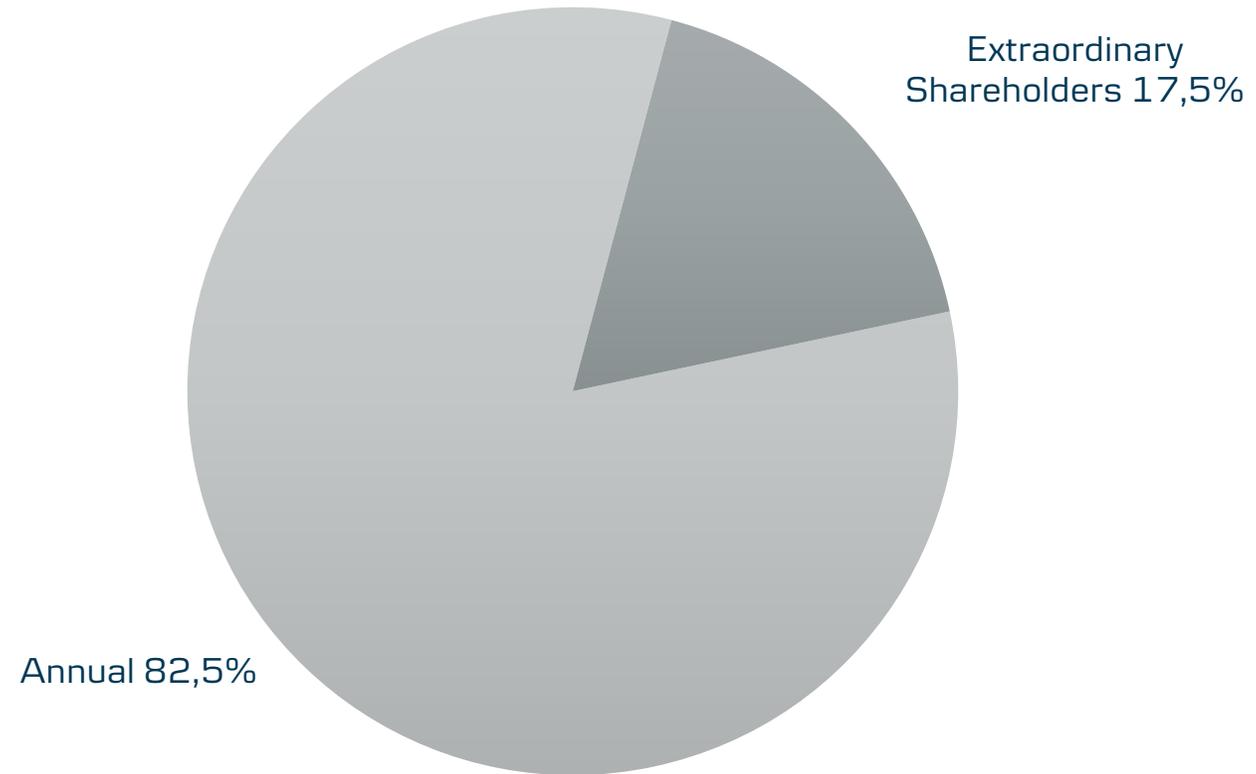


Voting on companies domiciled across the world





Split between meeting types





Top 10 and voting distribution across Nordic countries & regions

Rank	Country	Count
1	Norway	52
2	Denmark	2
3	Bermuda	1
4	Faroe Islands	1
5	Netherlands	1



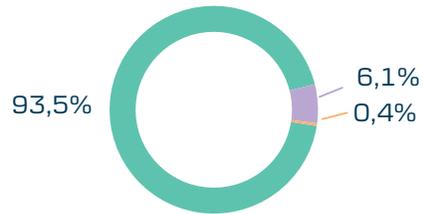
Region	Count
Nordics	55
Western & Southern Europe	2
Rest of the world	-
Eastern Europe	-



Split between voting instructions and voted proposals

Voted proposals

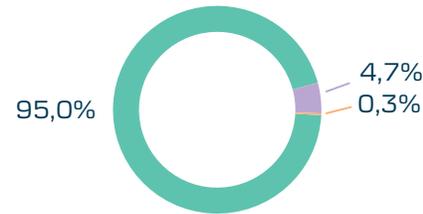
■ For ■ Against/Withhold ■ Abstain



For	680
Against/Withhold	44
Abstain	3
Total	727

Management proposals

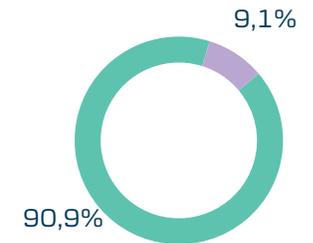
■ For ■ Against/Withhold ■ Abstain



For	680
Against/Withhold	34
Abstain	2
Total	716

Shareholder proposals

■ Against/Withhold ■ Abstain

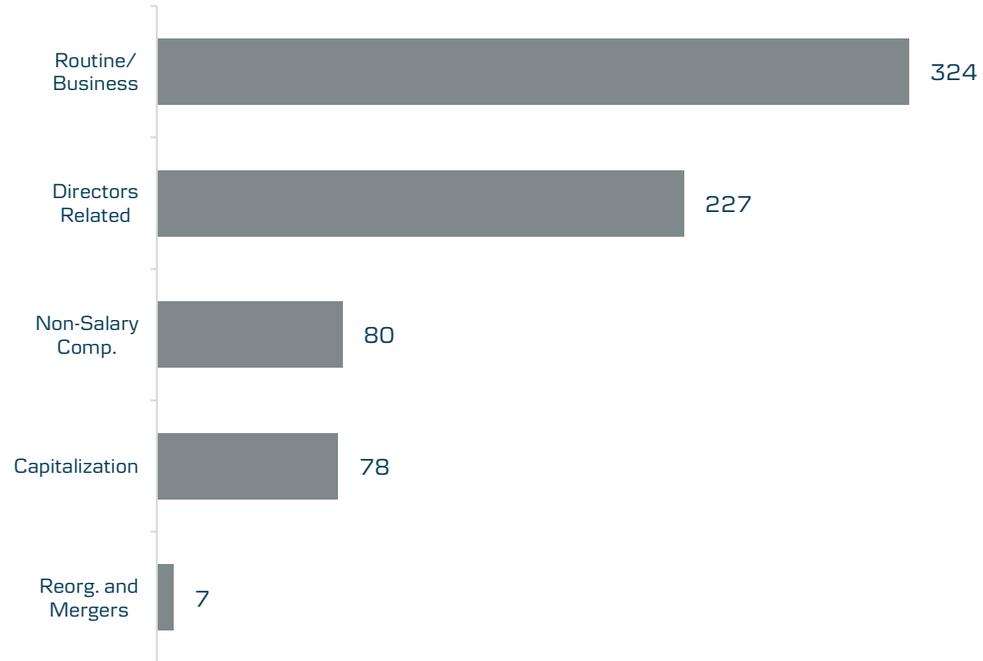


For	-
Against/Withhold	10
Abstain	1
Total	11

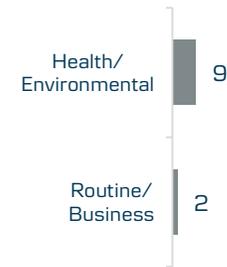


Split between voted proposals categories

Management proposals



Shareholder proposals





Top 10 voted proposals against Management recommendations



Active Ownership Report, Part 3

Collaborative Engagements

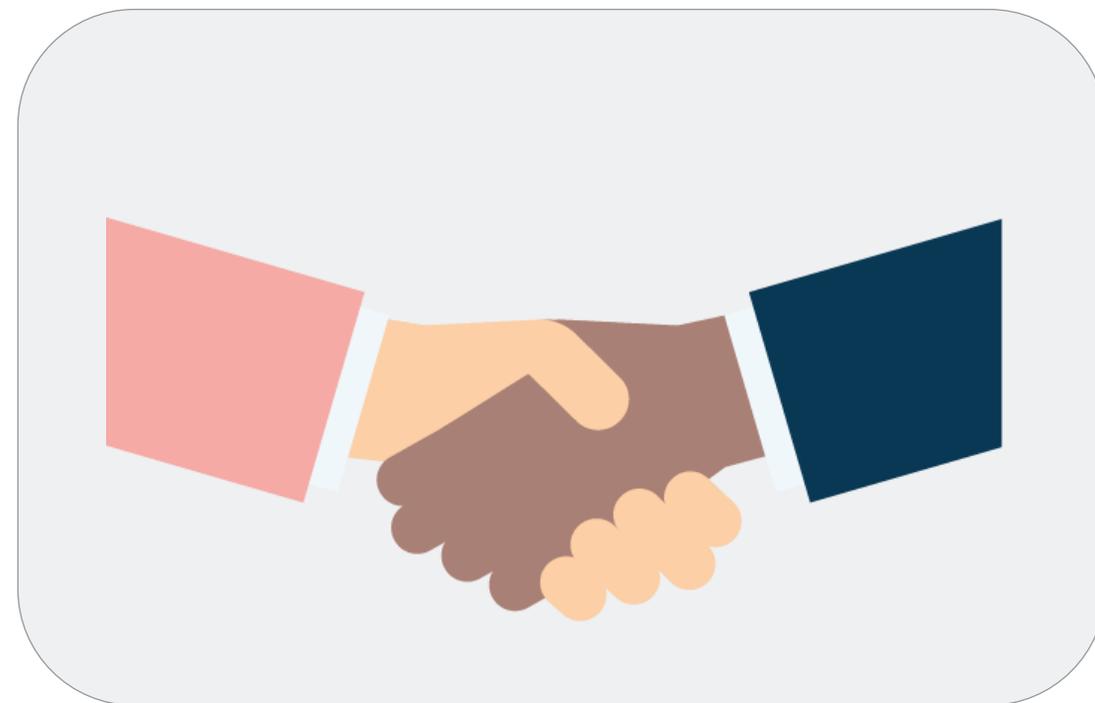


Collaborative Engagements introduction

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.



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 Management 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.

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Engagement by company

Airthings ASA
Aker ASA
Aker BioMarine ASA
Aker BP ASA
Aker Carbon Capture ASA
Aker Clean Hydrogen AS
Aker Horizons Holding AS
Atea ASA
Bakkafrost P/F
Bouvet ASA
BW Energy Ltd
Cadeler A/S
Canopy Holdings AS
Carasent ASA
Cloudberry Clean Energy ASA
Crayon Group Holding ASA
DNB ASA
Equinor ASA
EXACT Therapeutics AS
Fjordkraft Holding ASA
Gjensidige Forsikring ASA
Grieg Seafood ASA
ICE Group AS
Kahoot! ASA
Kongsberg Gruppen ASA
Leroy Seafood Group ASA
LINK Mobility Group Holding ASA
Medistim ASA
Meltwater Holding NV
Merzell Holding ASA
Mowi ASA
Navamedic ASA
Nordic Semiconductor ASA
Norsk Hydro ASA
NRC Group ASA
Nykode Therapeutics AS
Orkla ASA
Pareto Bank ASA
Reach Subsea ASA
Salmar ASA
Sbanken ASA
Scatec ASA
Seaway 7 ASA
Smartoptics Group AS
Sparebank 1 Oestlandet
SpareBank 1 SMN
SpareBank 1 SR-Bank ASA
Storebrand ASA
Telenor ASA
TOMRA Systems ASA
Ultimovacs ASA
Veidekke ASA
Yara International ASA