



Active Ownership Report: H1 2020

Danske Invest 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

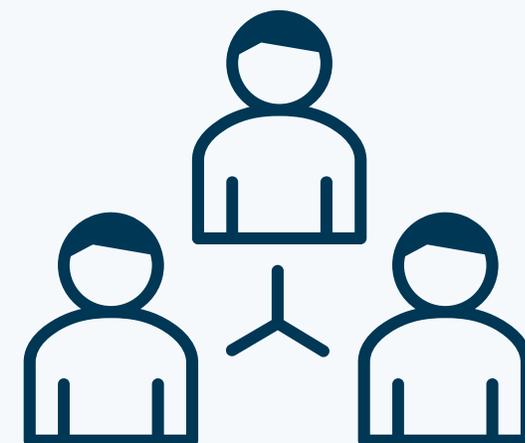
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* Will be published shortly



Active Ownership Report: H1 2020

Part 1: Engagement Report



Engagement Report introduction



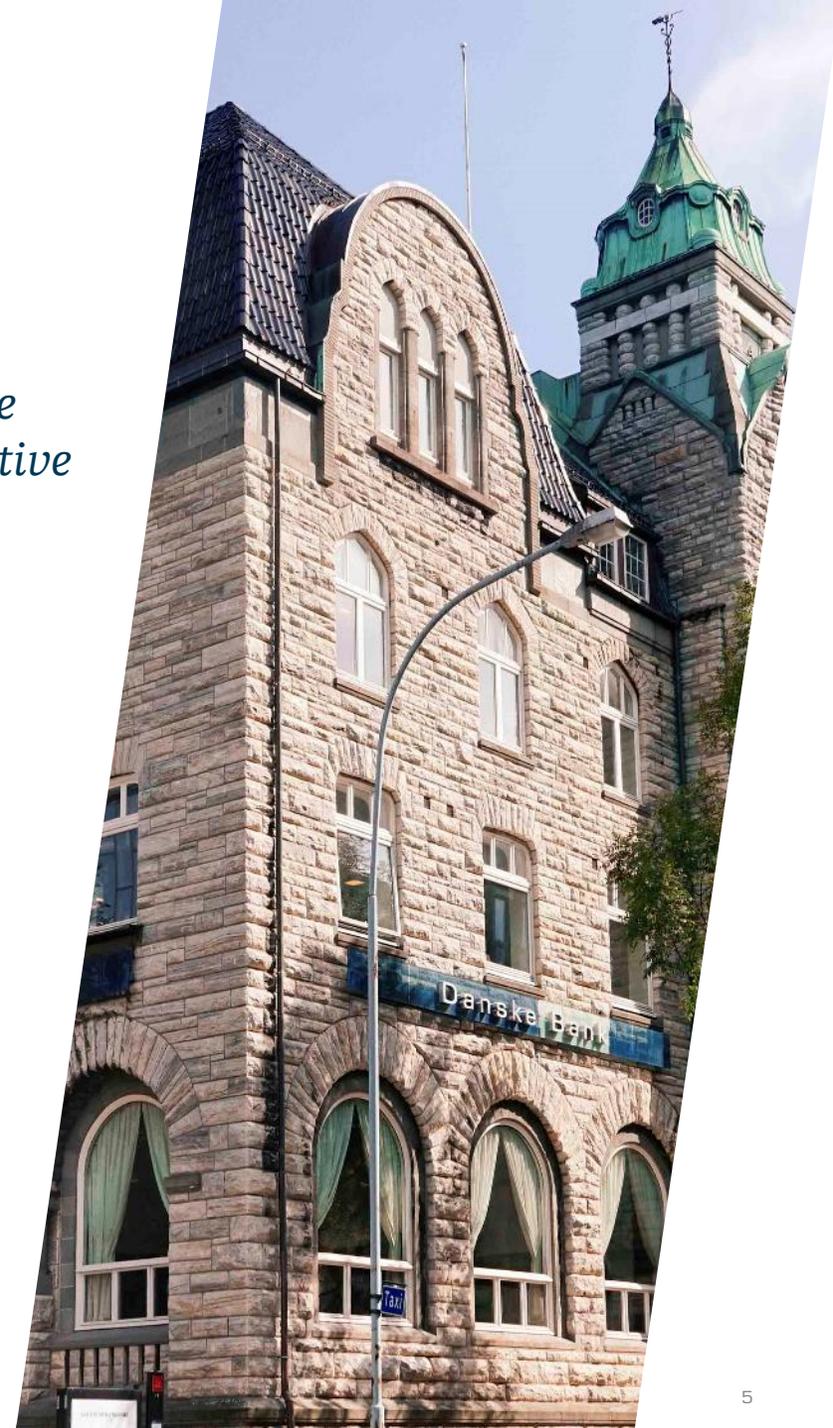
We believe that fund-manager-driven dialogue with companies is the most effective as the investment teams are the experts of their respective strategies and portfolios, and tasked with the buy/sell decision.



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

26



Country domiciles

2



ESG engagement topics

41



Interactions

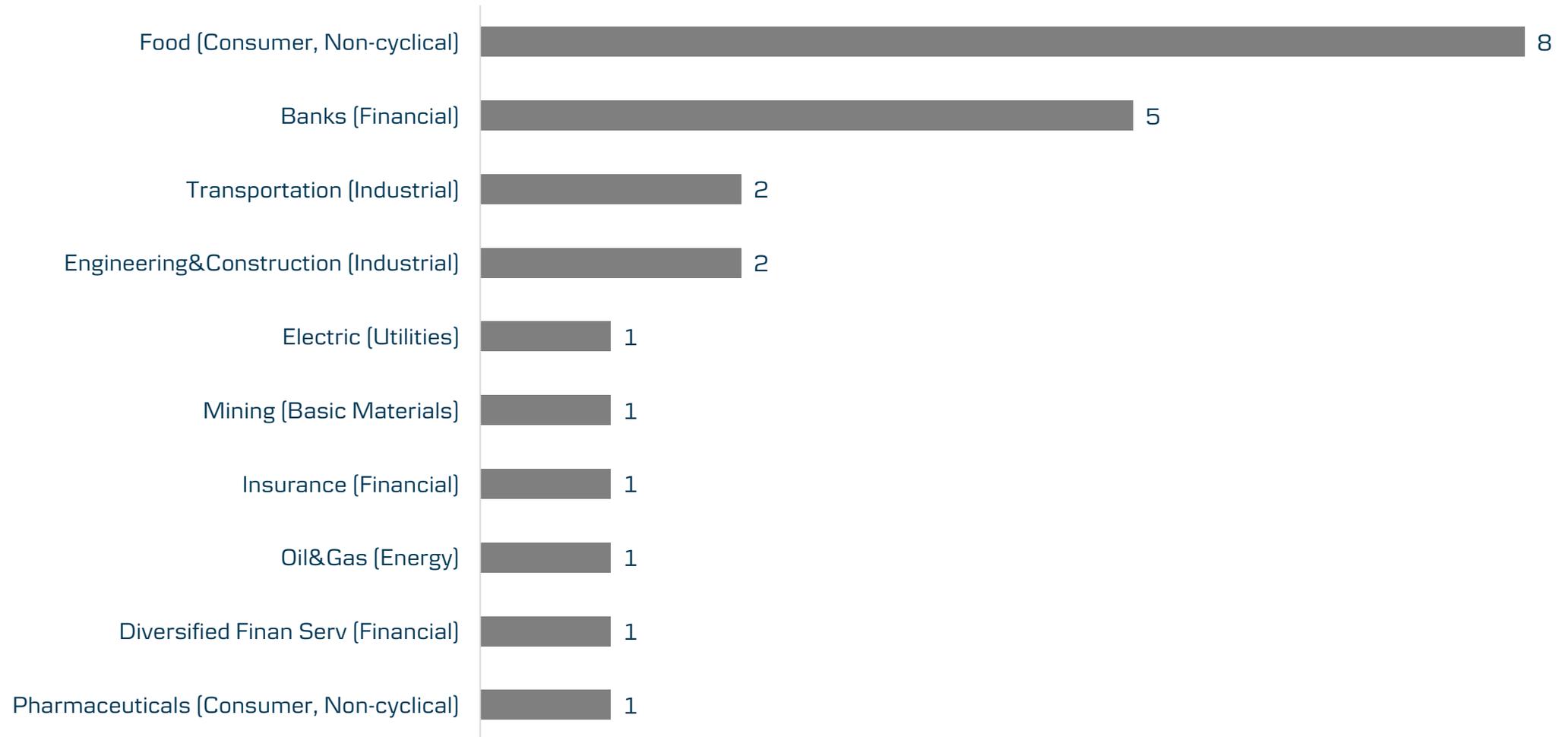
51





Top 10 industries most engaged with during H1 2020

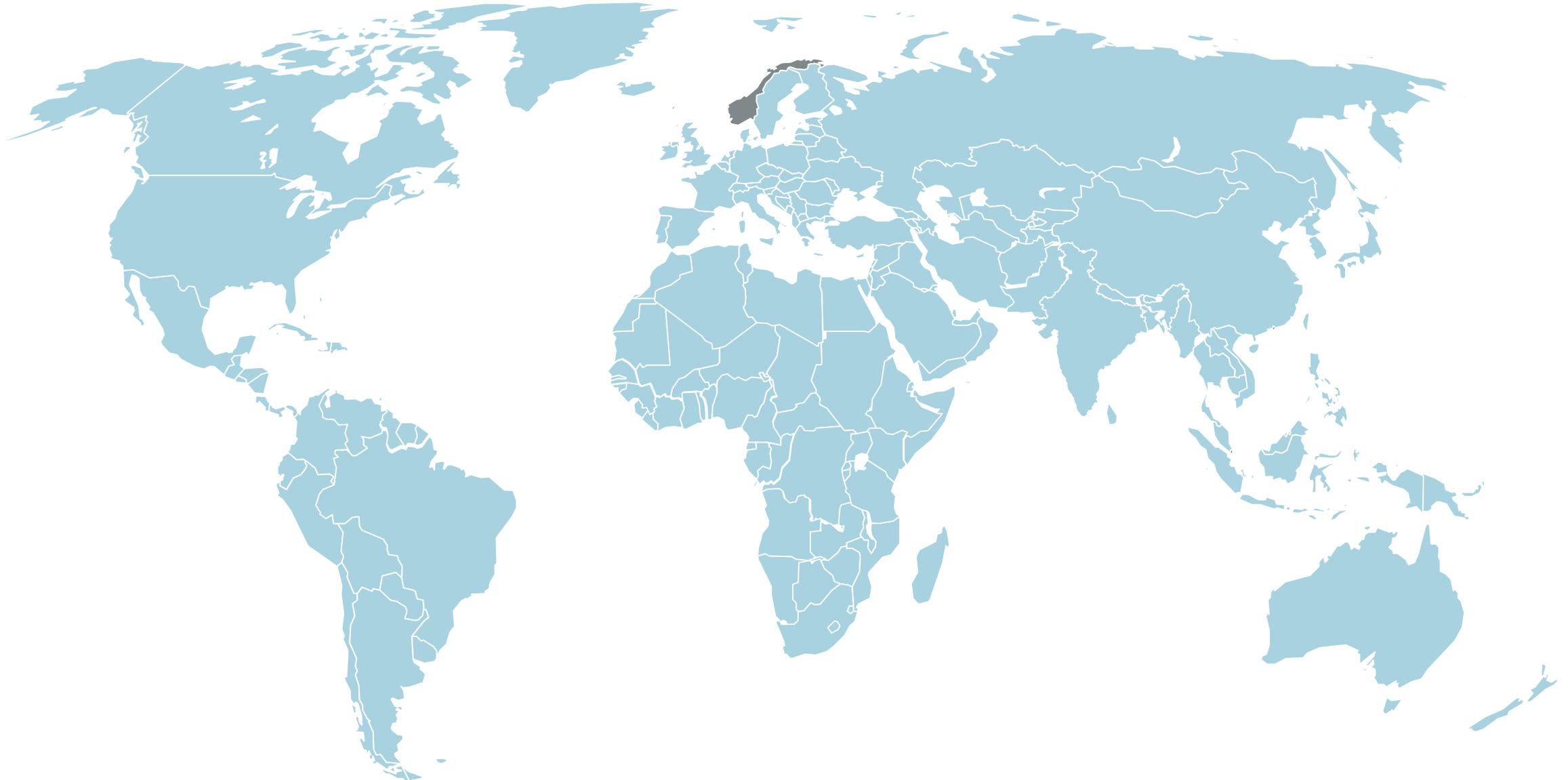
Number of companies per industry (Sector in bracket)



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

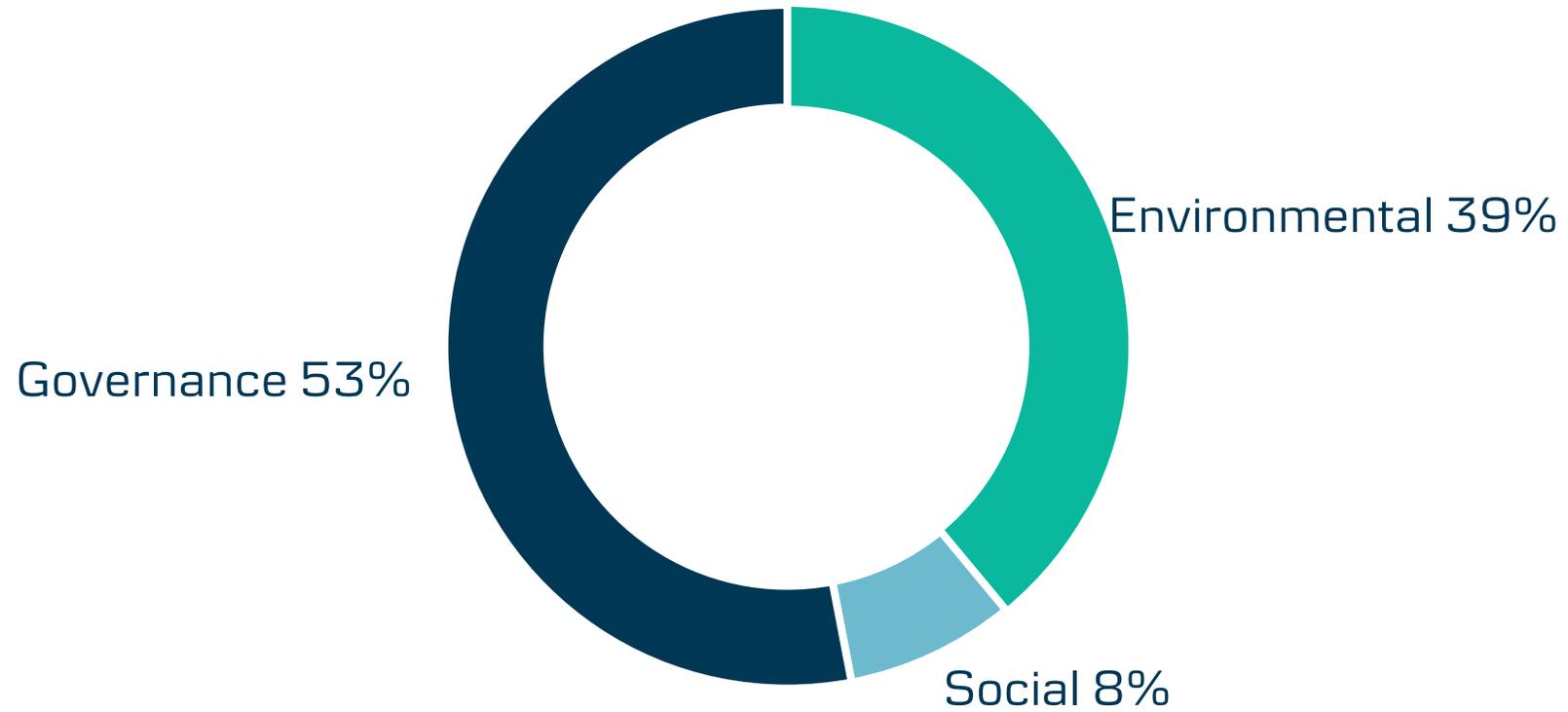


Engagement with companies domiciled in 2 countries



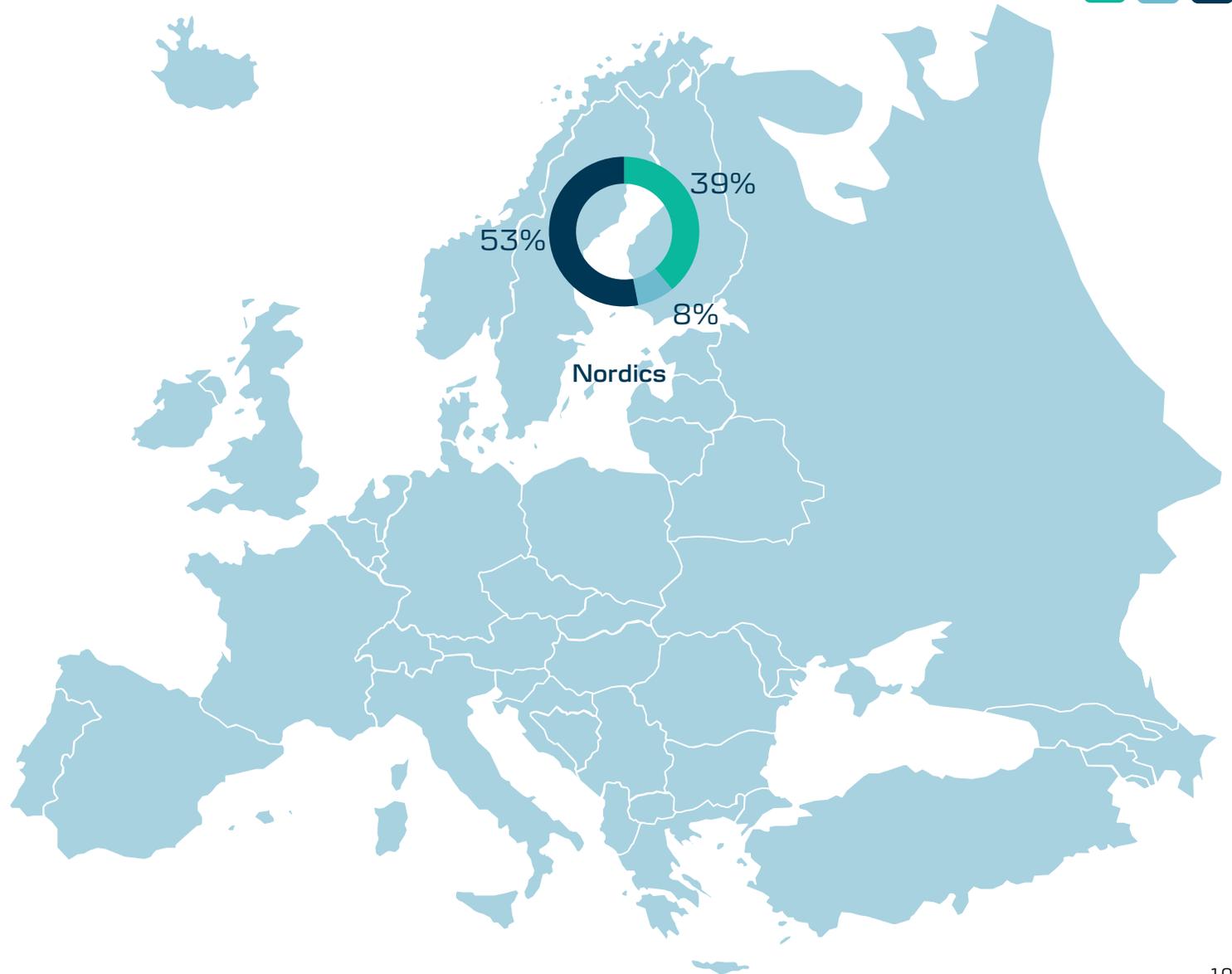


Split between ESG engagement themes





Split between ESG engagement themes across regions





94 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	ESG Issues In Fish Farming	16
2	Digitalisation	8
3	Green Financing	3
4	GHG Emissions	3
5	Ecological Impacts	2
6	Circular Economy	2
7	Water & Wastewater Management	2

S

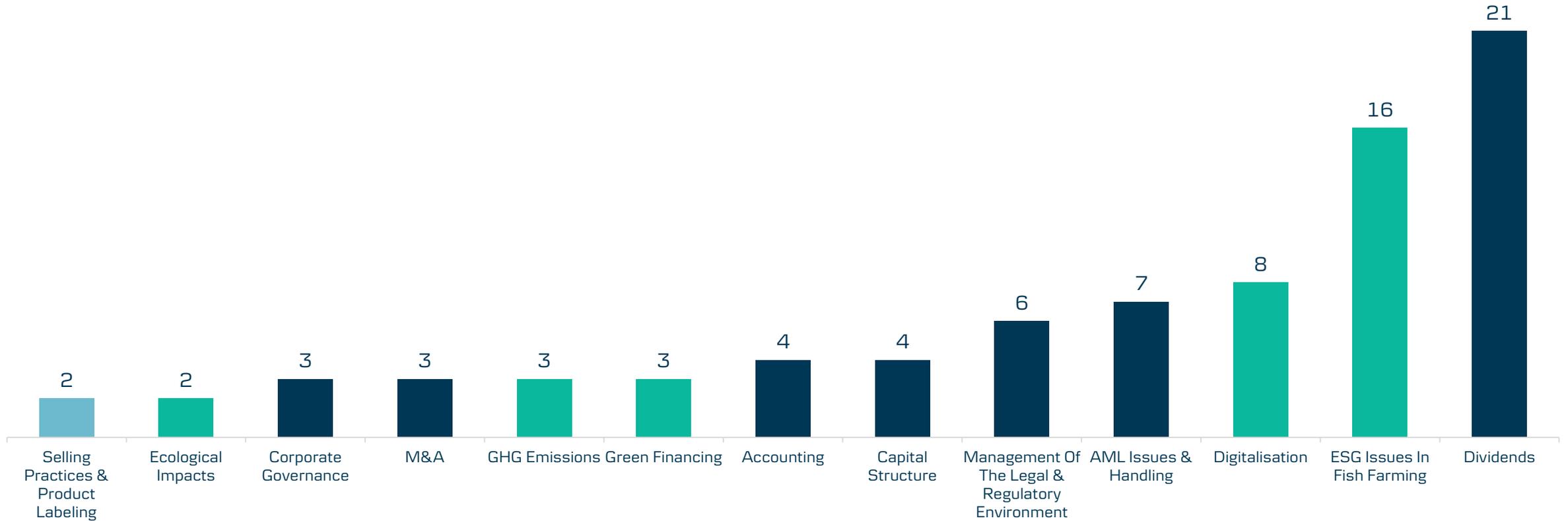
Rank	Topic	Count
1	Selling Practices & Product Labeling	2
2	Labor Standards/Practices	1
3	Indigenous Rights	1
4	Employee Health & Safety	1
5	Animal Welfare	1
6	Supply Chain Management	1
7	Human Rights & Community Relations	1

G

Rank	Topic	Count
1	Dividends	21
2	AML Issues & Handling	7
3	Management Of The Legal & Regulatory Environment	6
4	Accounting	4
5	Capital Structure	4
6	M&A	3
7	Corporate Governance	3



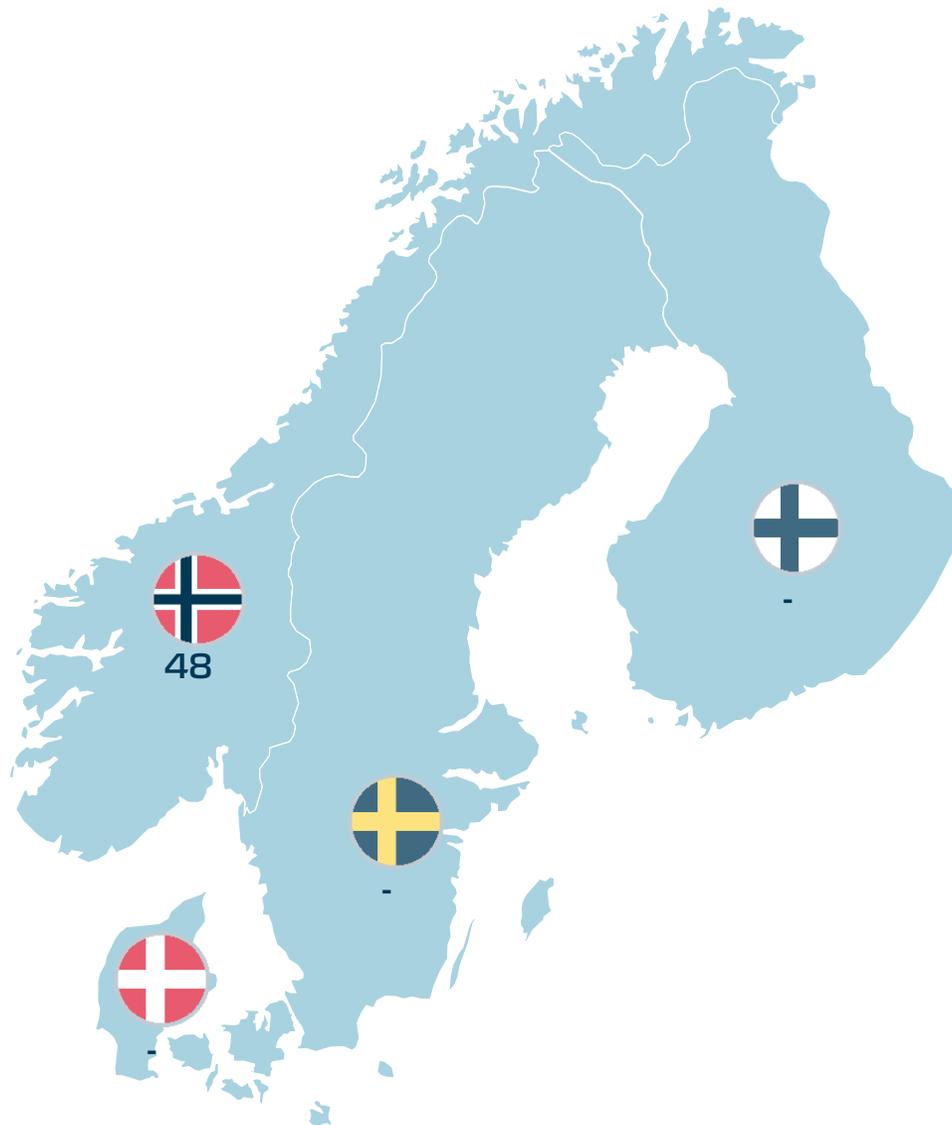
Top 3 among ESG engagement topics: Dividends; ESG Issues in Fish Farming; and Digitalisation





Top 10 and engagement interactions across Nordic countries

Rank	Country	Count
1	Norway	48
2	Faroe Islands	3



Region	Count
Nordics	51
Western & Southern Europe	-
Rest of the world	-
Eastern Europe	-



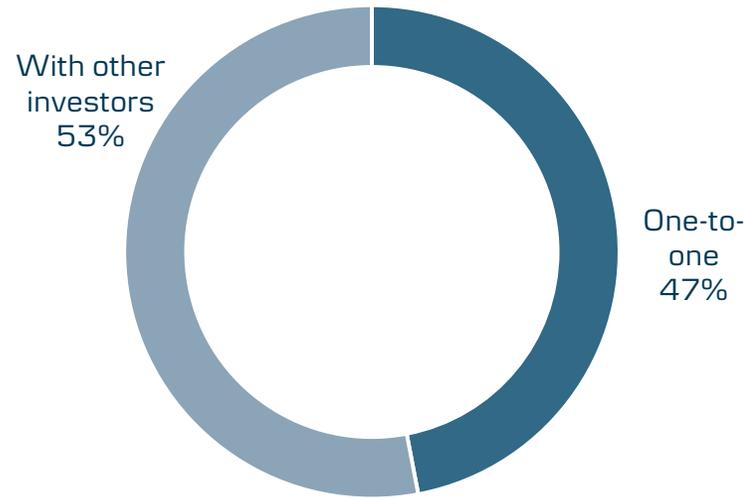
Most commonly addressed ESG topics across geography



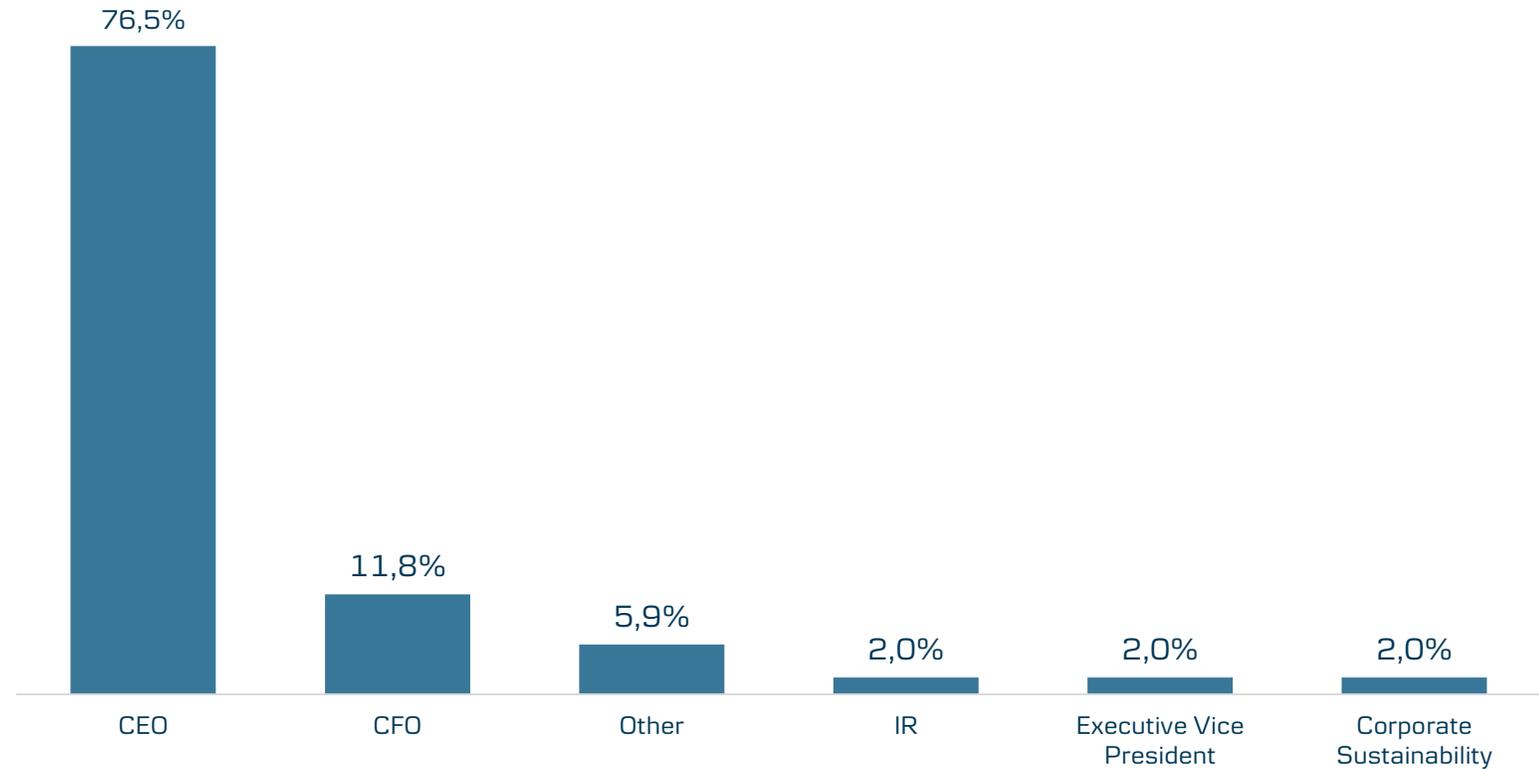


Company interactions are mainly with other investors and with CEO

Type of meeting



Share of meetings by level of participants



Engagement examples: Dividends

21 engagements



Among the 51 total engagements focused on Dividends.

Dividends is the first most common topic for our portfolio managers to engage with companies on during H1 2020. **Dividends** are payments from company's earnings to its shareholders, usually as a cash payment. The company has a choice of returning some portion of its earnings to investors as dividends, or of retaining the cash to fund internal development projects or acquisitions.

Company Example



Sector: Financials

"Discussed about postponing company's dividends."



Sector: Consumer, Non-Cyclical

"Discussion about dividends."



Sector: Industrial

"Company's strategy due to dividends."

Topic addressed
in the following countries



■ Dividends

■ Other topics 17

Engagement examples: ESG Issues in Fish Farming

16 engagements



Among the 51 total engagements focused on ESG Issues in Fish Farming.

ESG Issues in Fish Farming is the second most common topic for our portfolio managers to engage with companies on during H1 2020. **ESG Issues in Fish Farming** refer to factors influencing mainly aquaculture. ESG risks such as effluents, disease, habitat destruction, excessive antibiotic use, biodiversity loss, fish feed supply are identified among most important ones.

Company Example



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."

Topic addressed in the following countries



Engagement examples: Digitalisation

8 engagements



Among the 51 total engagements focused on Digitalisation.

Digitalisation is the third most common topic for our portfolio managers to engage with companies on during H1 2020. **Digitalisation** is the incorporation of digital technologies to change a business/social processes and provide new revenue and value-producing opportunities. It is the process of converting information from a physical into digital format.

Company Example



Sector: Consumer, Non-Cyclical
 "Discussion around digitalisation."

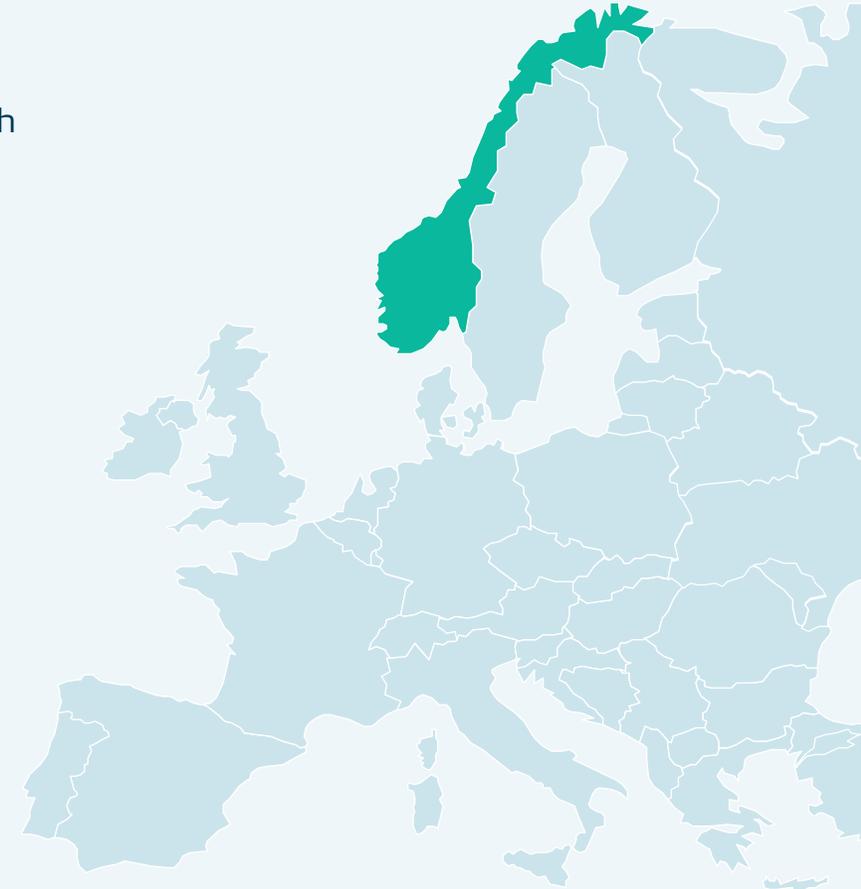


Sector: Financial
 "Company's approach to digitalisation."



Sector: Financial
 "Discussed about digitalization possibilities."

Topic addressed
 in the following countries



■ Digitalisation

■ Other topics 19

Active Ownership Report: H1 2020

Part 2: Voting Report



Engagement Report introduction



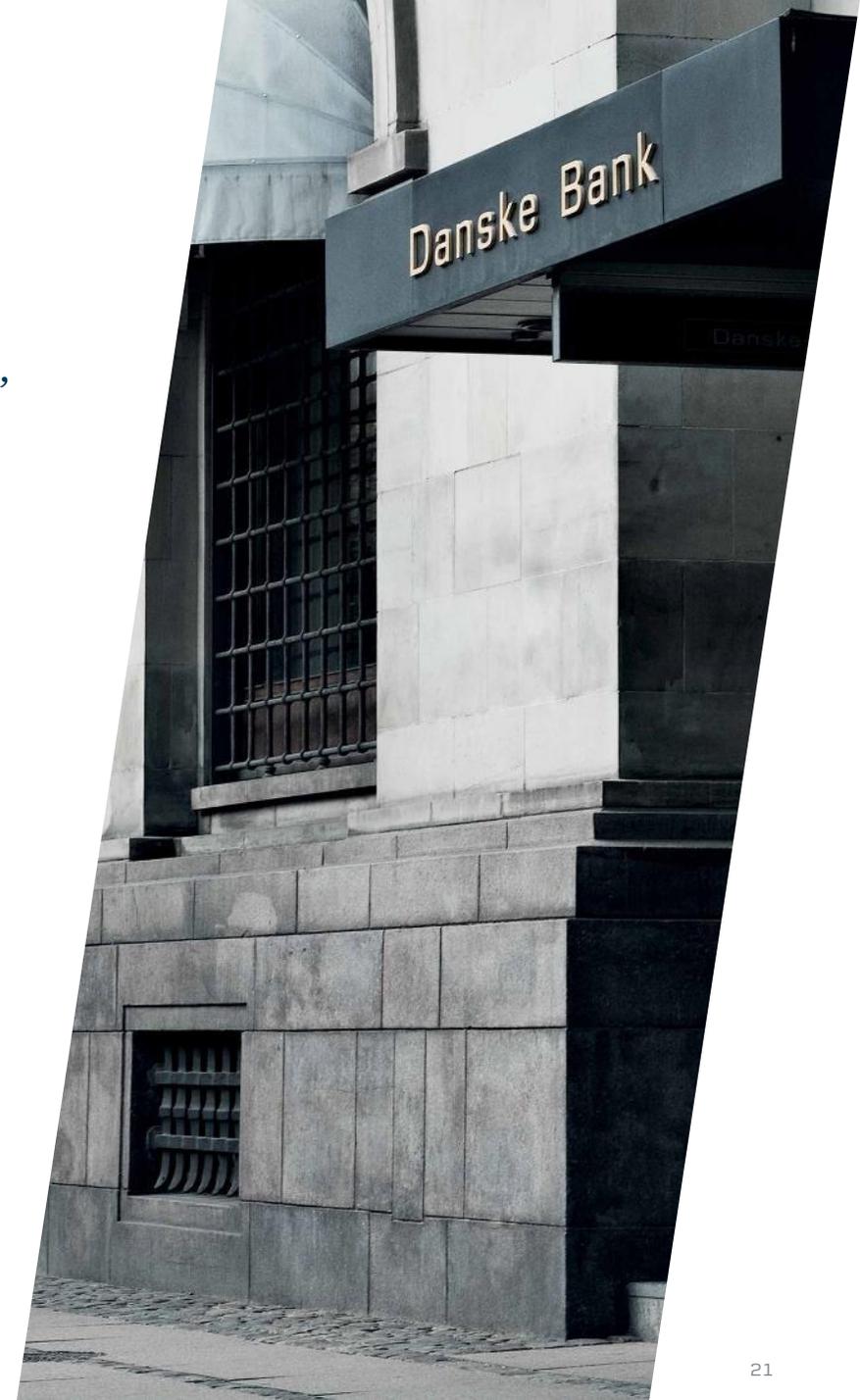
The annual general meeting is an opportunity to voice our opinion, vote on issues of key importance to the running of a company, and contribute to the good governance of the company.



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

49



Country domiciles

4



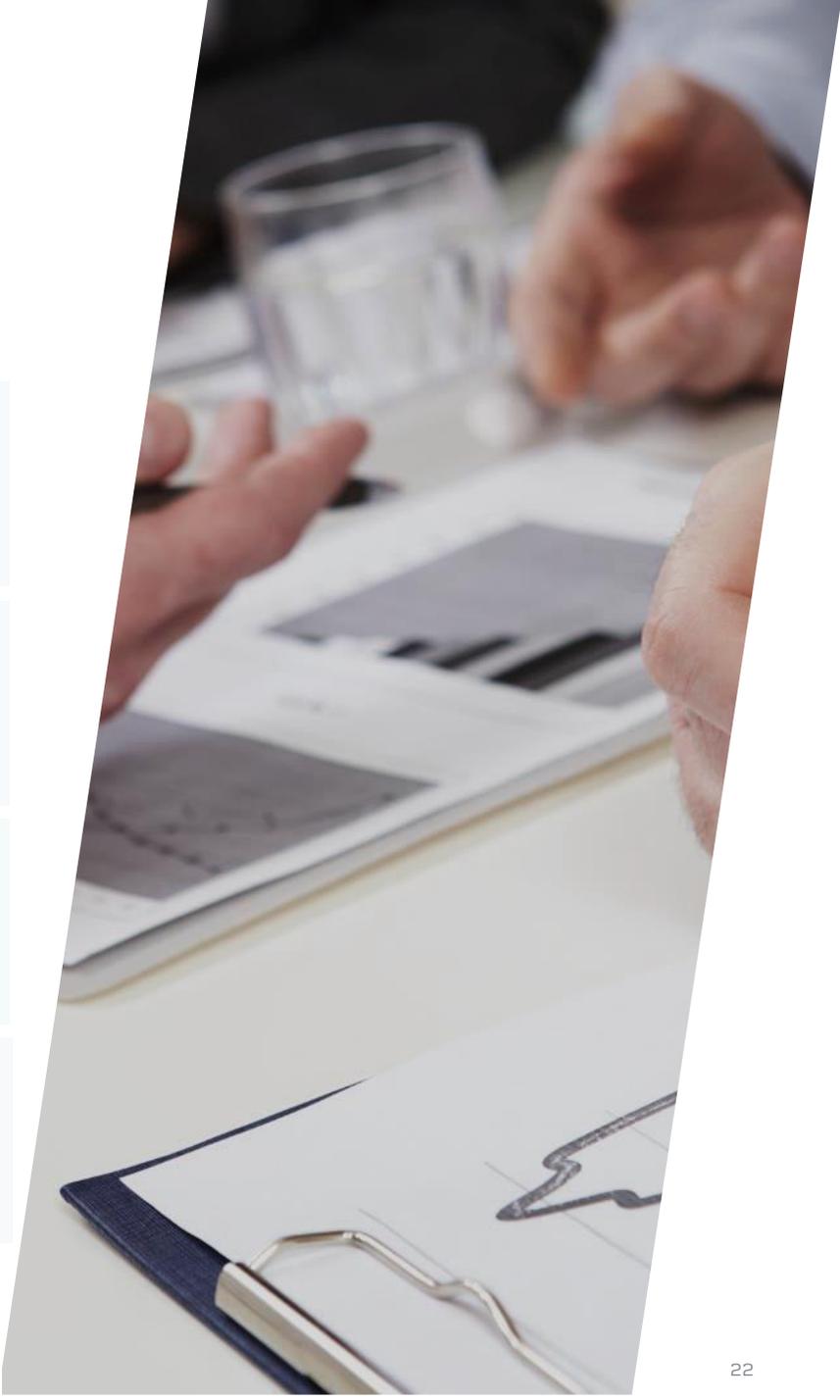
Meetings

52



Proposals

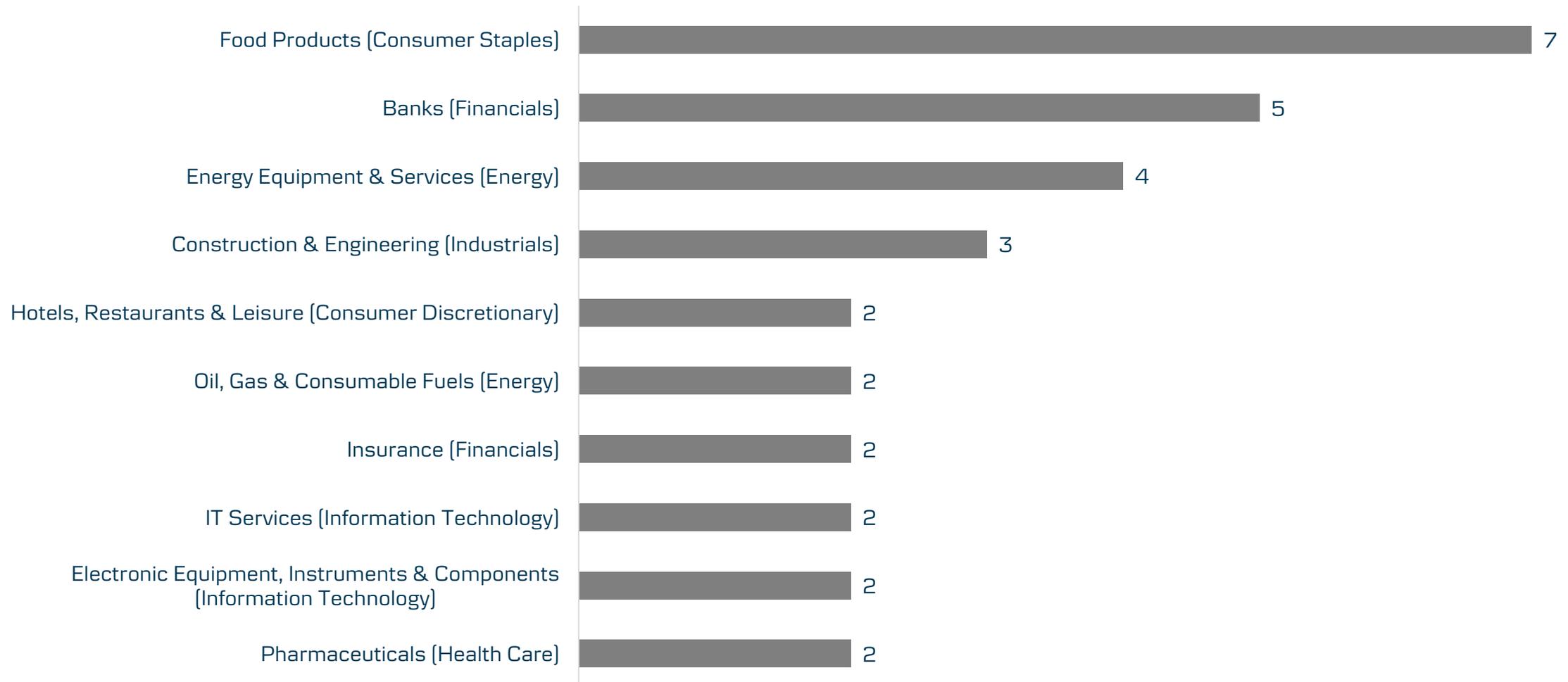
772





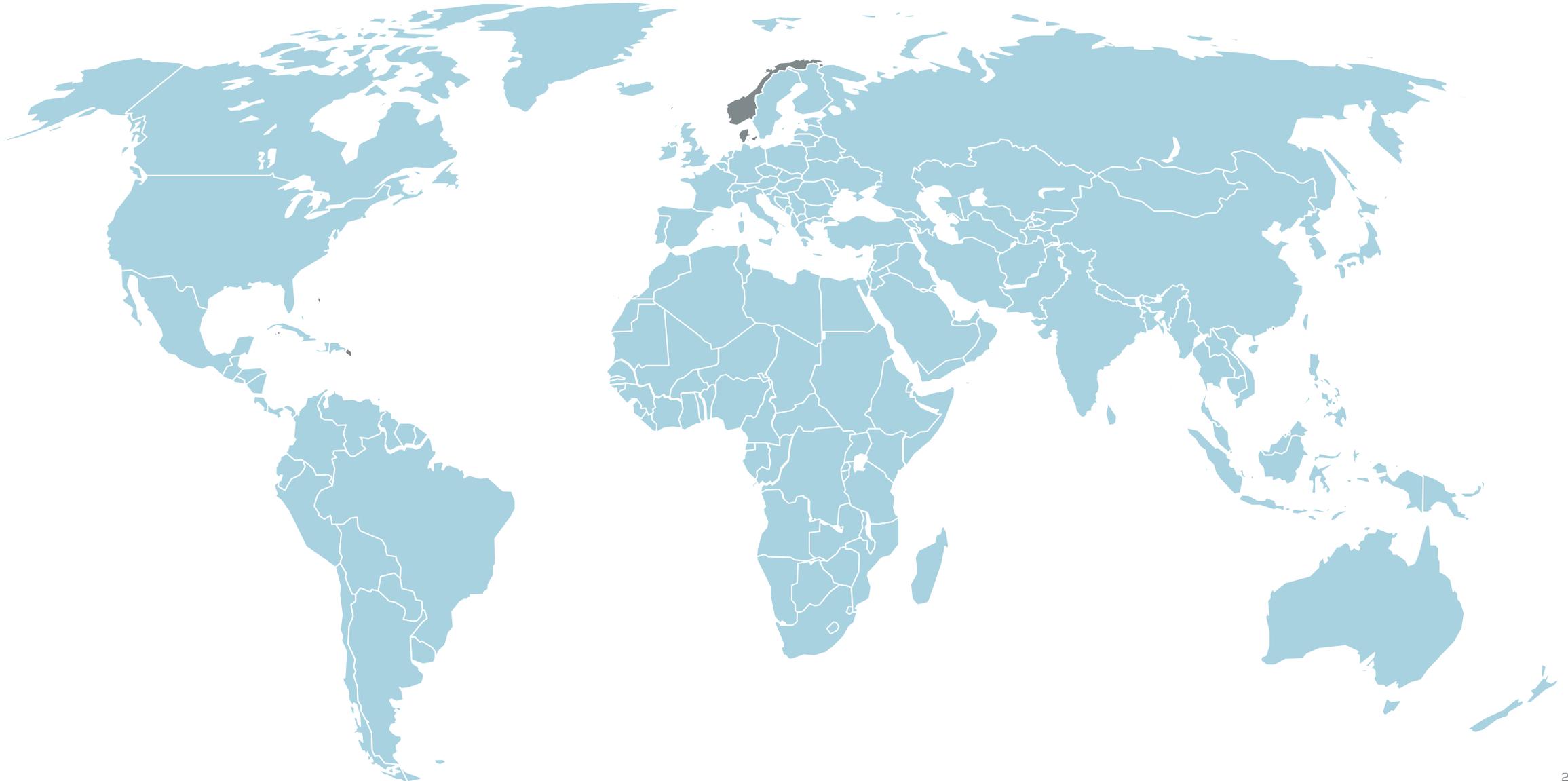
Top 10 industries most voted during H1 2020

Number of companies per industry (Sector in bracket)



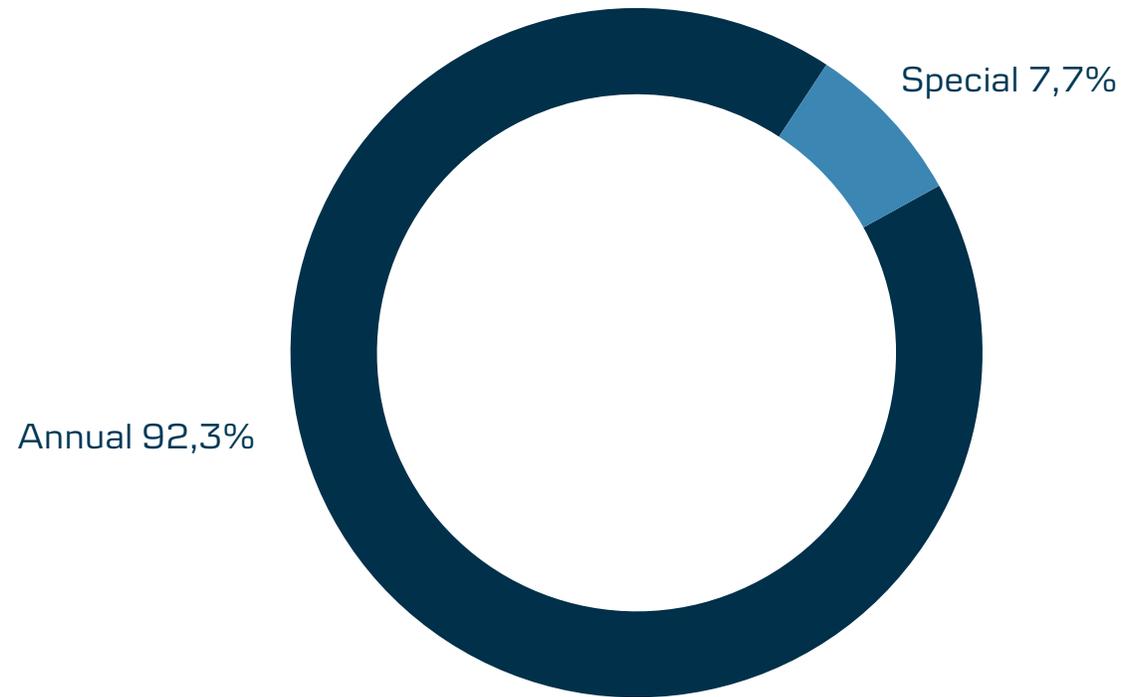


Voting with companies domiciled in 4 countries





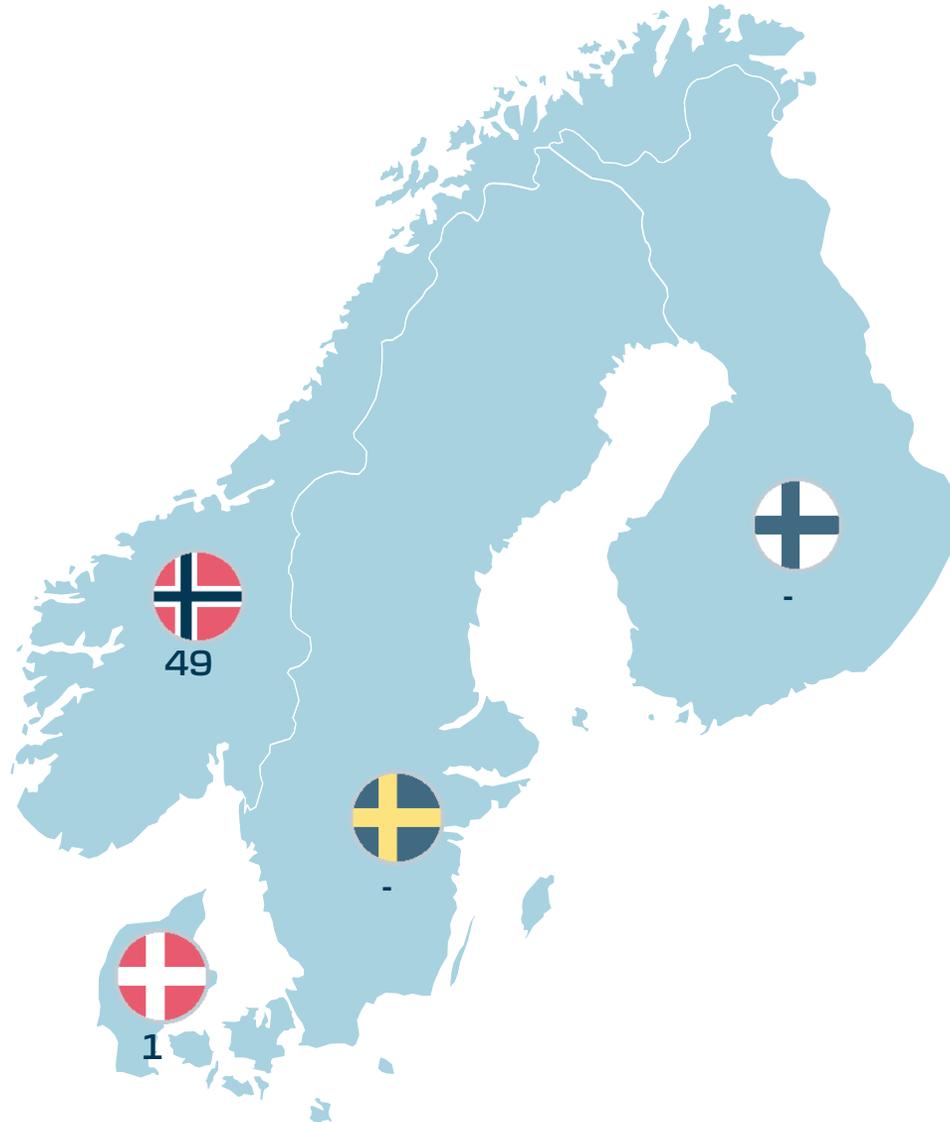
We voted primarily at Annual General Meetings (AGM)





Top 10 and voting distribution across Nordic countries

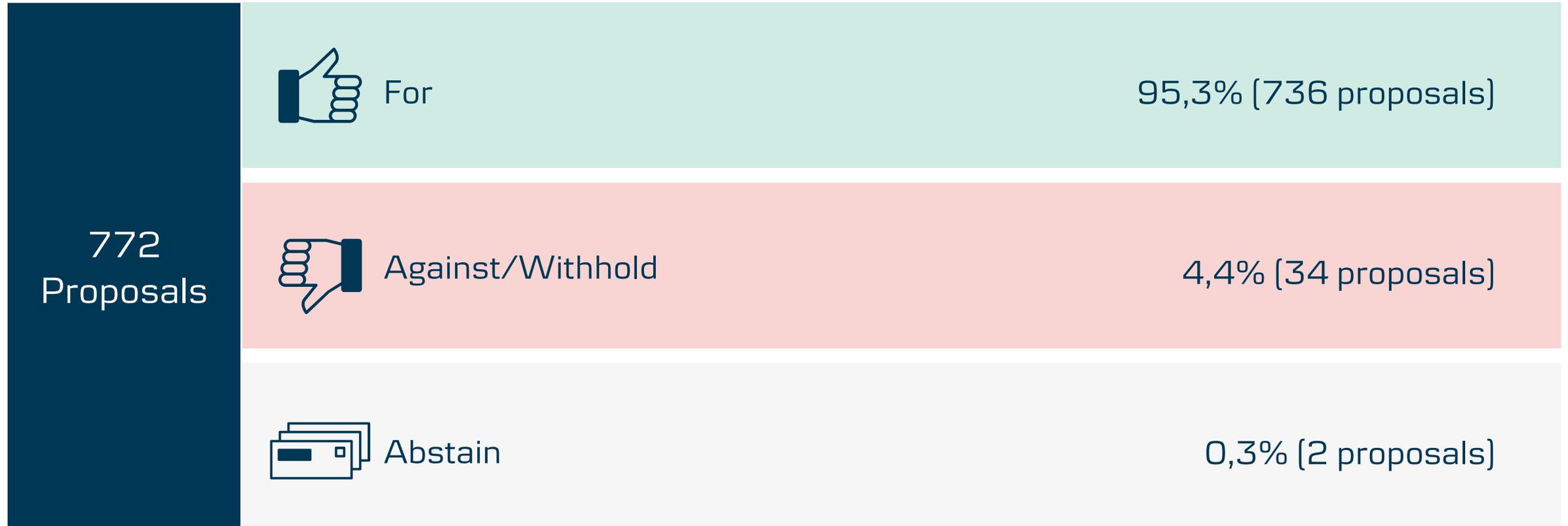
Rank	Country Domicile	Count
1	Norway	49
2	Denmark	1
3	Faroe Islands	1
4	Luxembourg	1



Region	Count
Nordics	51
Western & Southern Europe	1
Rest of the world	-
Eastern Europe	-



We predominantly voted 'For' the proposals





We predominantly voted 'For' the Management proposals





We predominantly voted 'Against/Withhold' the Shareholder proposals

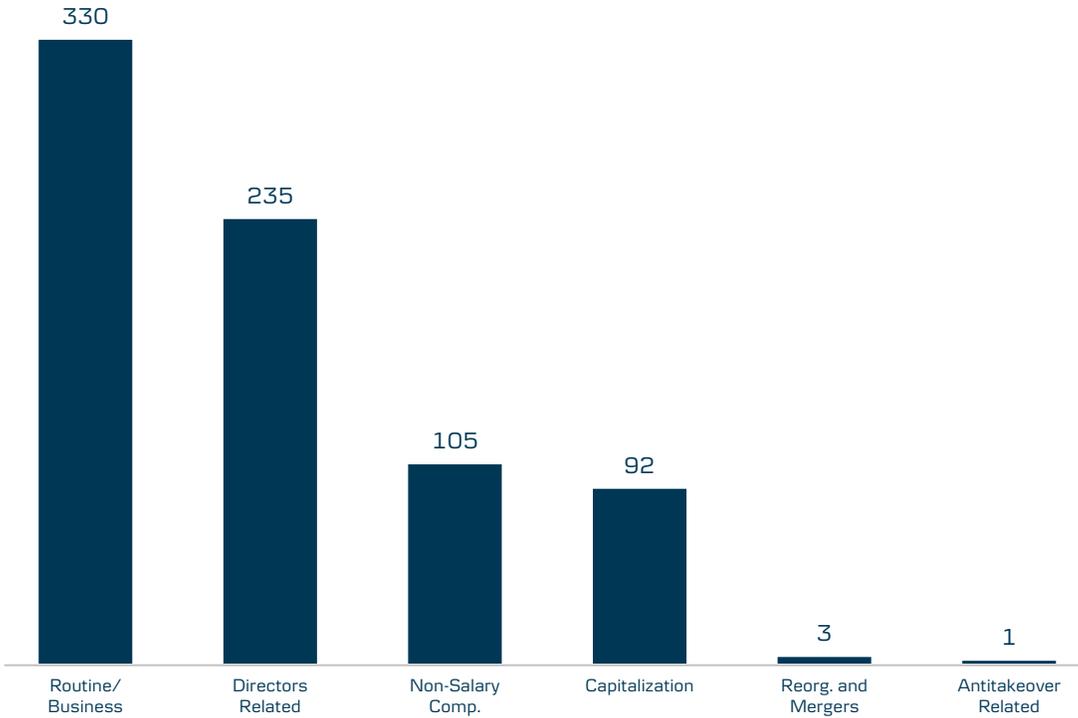




Voted proposals are mainly Directors-related

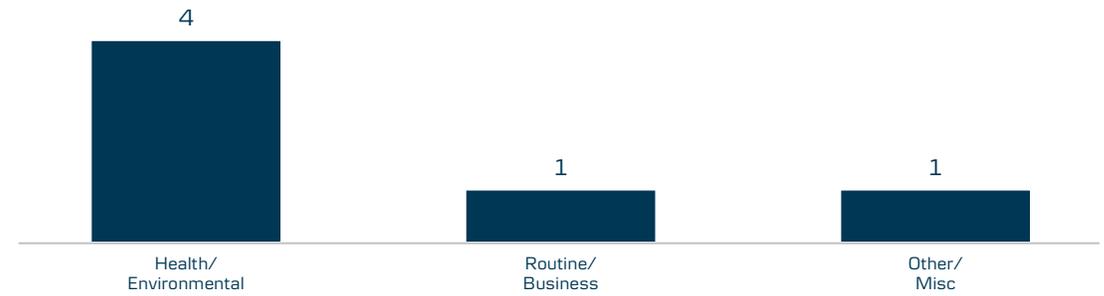
Management proposals

A total of 766 proposals



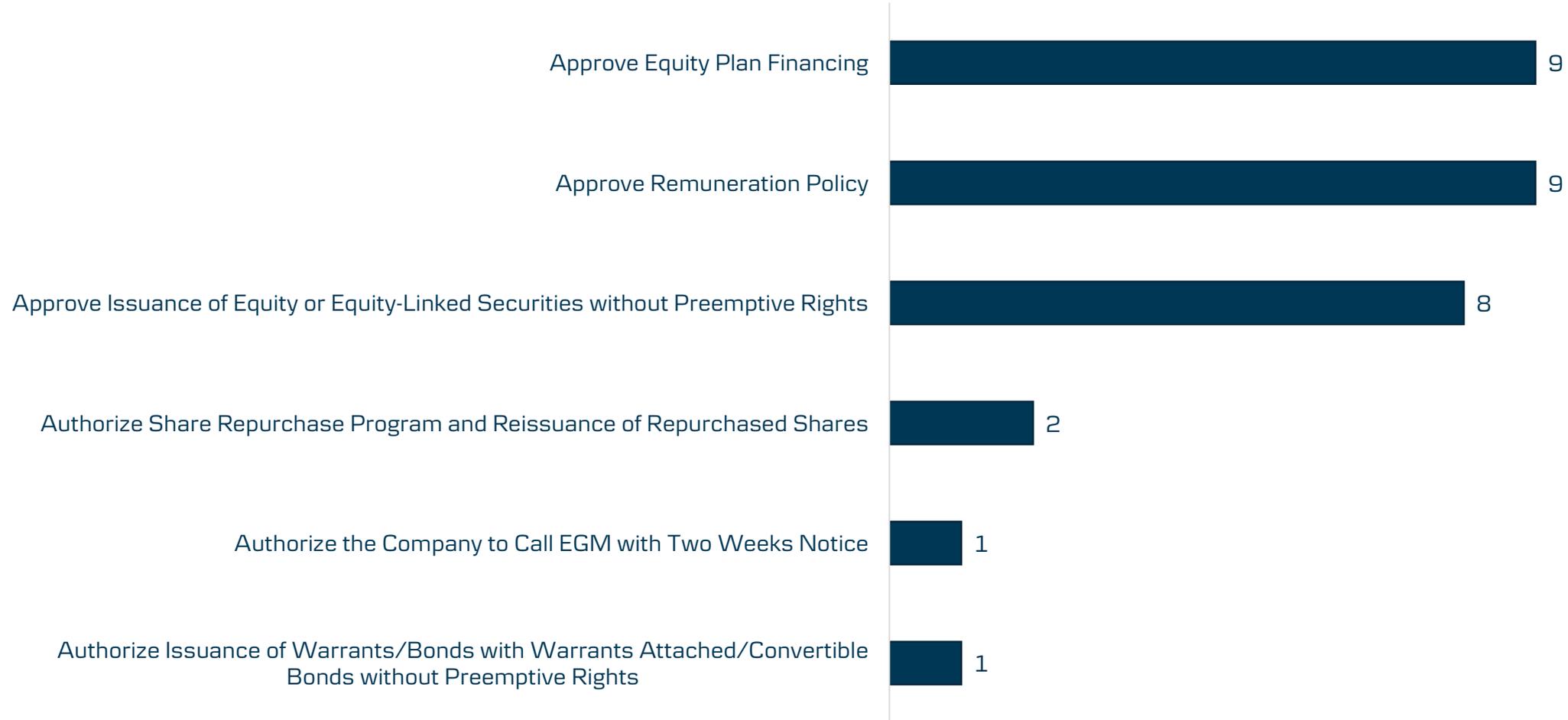
Shareholder proposals

A total of 6 proposals





Most common voted proposals against Management recommendations



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Engagement during H1 2020, by company

Aker BioMarine AS
Austevoll Seafood ASA
Bakkafrost P/F
BW Offshore Ltd
DNB ASA
Equinor ASA
Fjordkraft Holding ASA
Grieg Seafood ASA
Leroy Seafood Group ASA
Medistim ASA
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
SpareBank 1 SR-Bank ASA
Storebrand ASA
TOMRA Systems ASA
Veidekke ASA
Wallenius Wilhelmsen ASA