

A person wearing a bright yellow jacket and dark pants stands in the foreground, facing away from the camera and holding a camera up to their eye. They are looking out over a vast, rolling landscape at sunset. The sky is a mix of soft pinks, oranges, and blues, with a few wispy clouds. In the middle ground, a paved road curves through golden-yellow fields. To the left, a body of water reflects the low sun. The overall scene is peaceful and scenic.

Active Ownership Report 2022
Danica Pension

Our active ownership activities in 2022

As an investor, we at Danica Pension play a significant role in promoting sustainable development. We recognize the importance of addressing sustainability risks and the principal adverse impacts of our investments and we are committed to promoting sustainable business practices and driving positive change.

This year was marked by several significant geopolitical events, including the war in Ukraine, the energy crisis, and the climate crisis with temperatures increasing around the globe. However, on a positive note, a new global deal on biodiversity was agreed. Leaders from around the world gathered at The COP15 summit in Montreal to discuss the urgent need for action on biodiversity. Danica Pension participated in the summit, highlighting our commitment to promoting sustainability and responsible investment practices.

These events underlined the importance of taking action to address these challenges in our investments and promote sustainable development.

Again in 2022 we contributed to promoting responsible investment practices. Throughout the year, we engaged in a range of activities aimed at promoting sustainability and driving positive change.

Some of the key highlights of Danica Pension's activities during the year include:

- Engaging with companies to promote best practices in corporate sustainability and address key ESG (environmental, social, and governance) issues.
- Voting at general meetings, and voting on sustainability-related issues such as climate change, human rights, and diversity and inclusion.
- Collaborating with other asset managers and asset owners to promote responsible investment practices and drive positive change.

In summary, the year was marked by significant challenges, but also by important progress in promoting sustainable development. Danica Pension played a key role in this progress through its active ownership activities.

400+ engagements

1 200+ total meetings voted

19 000+ total proposals voted

73% Environmental and social proposals supported

Active ownership report

Active Ownership is a way for us at Danica Pension to protect the value of our clients' investments and to generate attractive returns. We leverage Active Ownership to influence the impact that investee companies' have on sustainability-related matters, and thereby make a positive contribution to society.

Danica Pension seeks to be an active owner and to encourage and influence companies directly through dialogue, voting, and collaboration with peers, like-minded investors and stakeholders.

Danica Pension's Active Ownership approach is based on the belief that exercising Active Ownership in certain situations can facilitate the resolution of challenging issues more effectively than the imposition of exclusions and/or divesting, which could limit Danica Pension's opportunities to be a responsible investor and make a positive impact through dialogue.

The Active Ownership Report is an update on our progress and results covering three parts 'Engagements', 'Collaborative Engagements' and 'Voting'.



Engagements

We engage in dialogue with the management of companies



Voting

We vote at the general meetings of companies



Collaborative engagements

We collaborate with other investors and organisations

Danica Pension's approach to engagements

The Investment and Responsible Investment teams engage on a regular basis with investee companies about material sustainability matters in order to seek improvement in performance and processes with the aim of enhancing and protecting the value of Danica Pension's investments and to manage principal adverse impacts. Reasons for dialogue can be, but are not limited to, the following:

- Inform about our voting decisions and guidelines
- Clarify publicly disclosed information from company
- Conduct research
- Identify and assess the quality of available data
- Understand performance and identify potential vulnerabilities
- Develop insights into risks and opportunities
- Identify potential regulatory developments and impacts

The teams interact with companies in various ways (e.g. letters, emails, one-to-one meetings, conferences, site visits, etc.) and with preferred company representatives (e.g. board, chairman, CEO, Investor Relations, Sustainability). If an engagement is unsuccessful, the team can decide to escalate the engagement, vote at the general meeting, hold/maintain weighting, decrease weighting, and/or sell/divest.



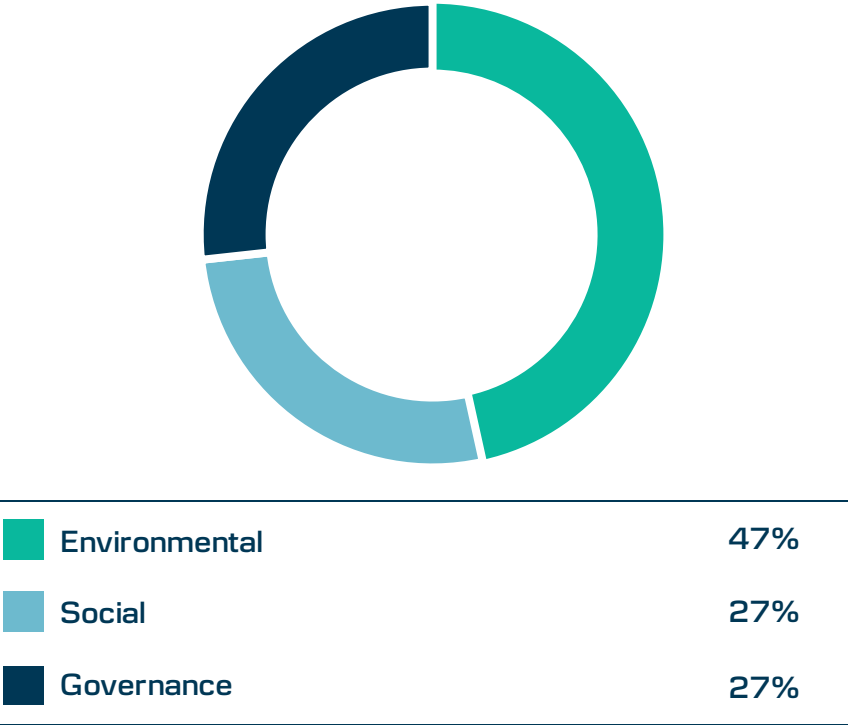
Engagements

We engage in dialogue with the management of companies

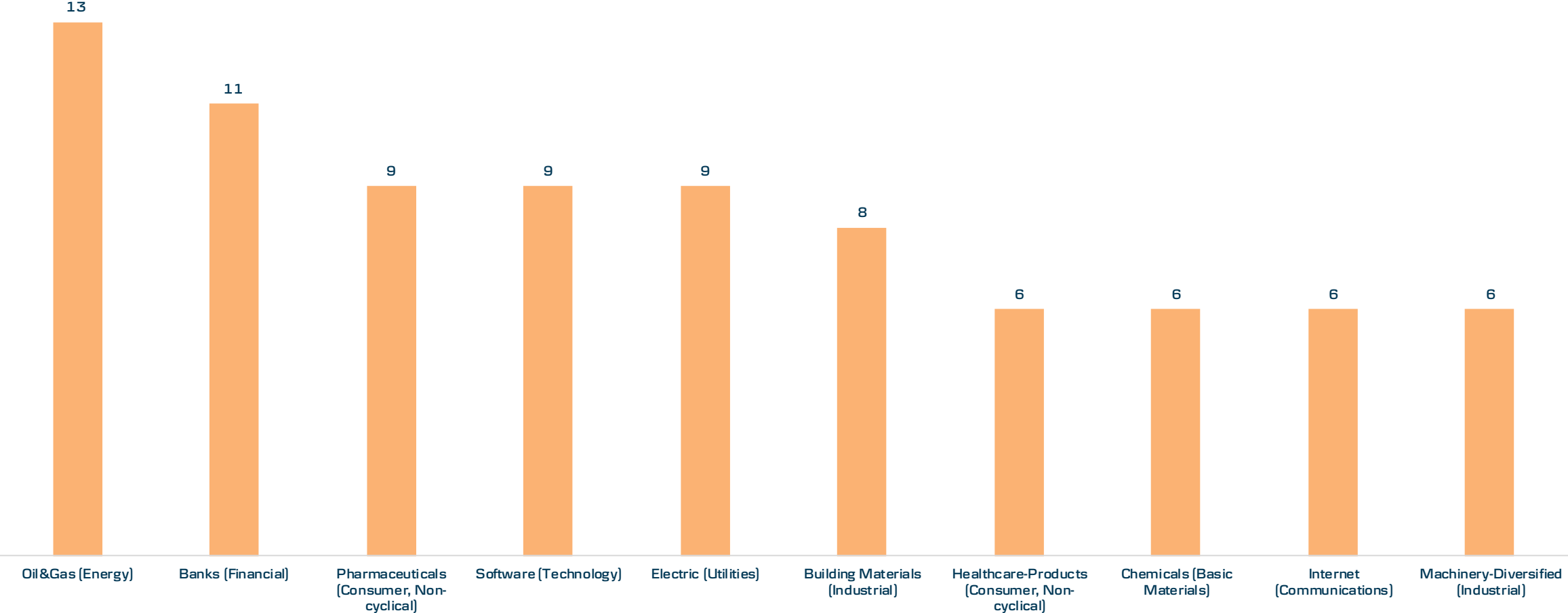
In 2022, we have had the following engagement activities

Companies	404
Country domiciles	20
ESG engagement subjects	90
Interactions	1 207
Governmental entities	30
Governmental interactions	73

Engagement by theme



Engagement activities by industry - Top 10



Note: The Bloomberg Industry Classification Systems (BICS) is used for sector classification. The graph is showing number of companies per industry (Sector in brackets)

Engagement activities by subject - Top 5



Rank	Subject	Count
1	GHG Emissions	87
2	Energy Transformation	71
3	Climate Neutrality	22
4	Energy Consumption	20
5	Energy Efficiency	19

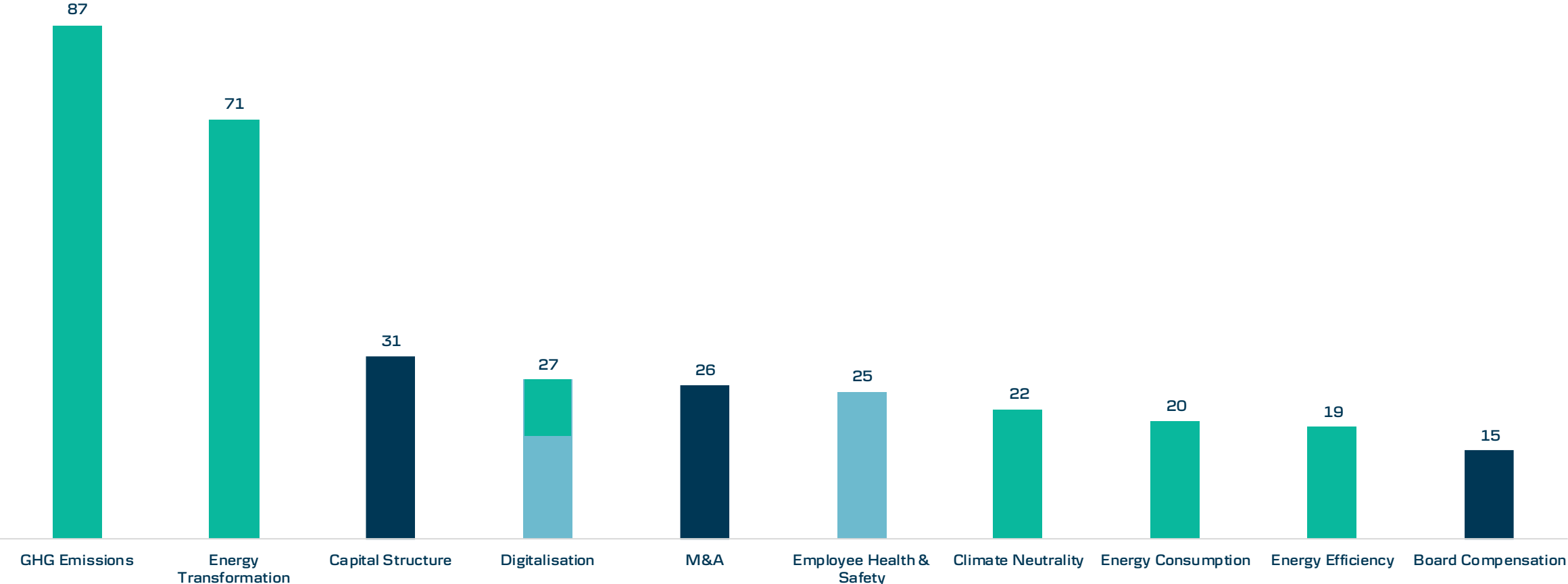


Rank	Subject	Count
1	Employee Health & Safety	25
2	Digitalisation	16
3	Customer Welfare	14
4	Diversity & Inclusion	14
5	Supply Chain Management	13



Rank	Subject	Count
1	Capital Structure	31
2	M&A	26
3	Board Compensation	15
4	Executive Compensation	13
5	Anti-Corruption Issues & Handling	10

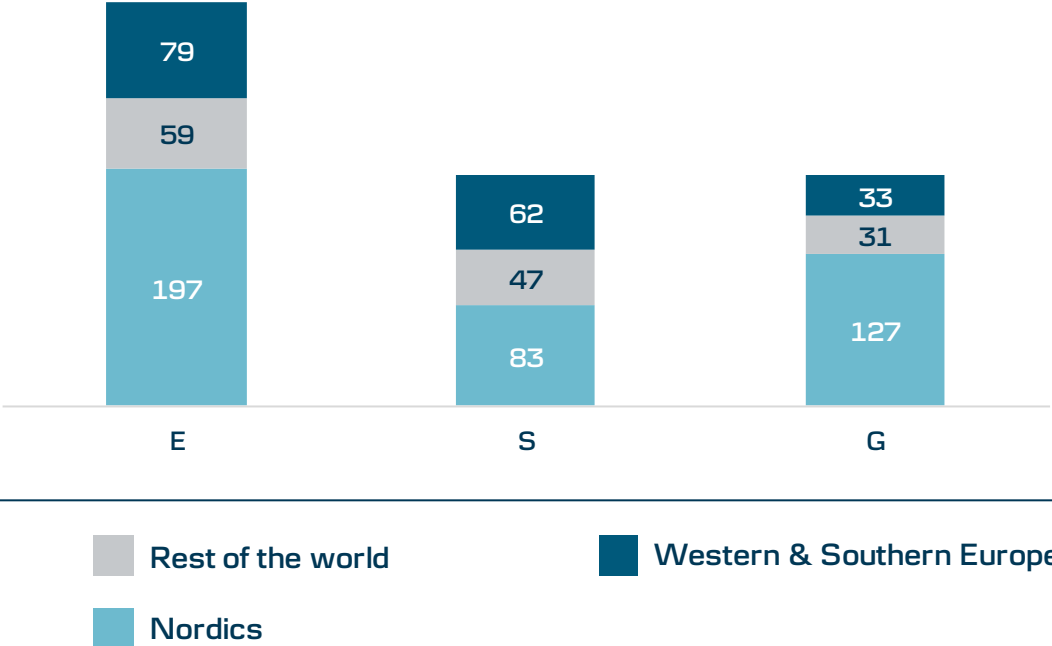
Engagement activities by subject - Top 10



We engage with companies around the world

Rank	Country	Count
1	Sweden	114
2	Denmark	84
3	United States	50
4	Norway	41
5	United Kingdom	32
6	Germany	18
7	Finland	14
8	Netherlands	9
9	Italy	9
10	Spain	7

Engagement by theme and region



Engagement with TotalEnergies leads to action

As a result of repeated investor engagement in the oil major TotalEnergies, the company has now suspended their activities in Myanmar.

[Find information](#)



Engaging Australian mining companies on harassment and bullying

Western Australian mining companies are struggling with bullying, harassment and assault. We engaged with Rio Tinto, BHP Group, Fortescue and Anglo American to find out how they will prevent this culture going forward.

[Find information](#)



Principal Adverse Impacts (PAIs)

Danica Pension considers principal adverse impacts of its investment decisions on sustainability factors.

“Principal adverse impacts” means the negative, material or likely to be material effects on sustainability factors caused, compounded by or directly linked to our investment decisions.

Through the consideration of principal adverse impacts, Danica Pension is monitoring and reporting on 18 mandatory principal adverse impact indicators and six voluntary indicators defined by SFDR. The aim is to address these impacts at different degrees on 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.

Find information



Adverse sustainability indicators for corporates 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

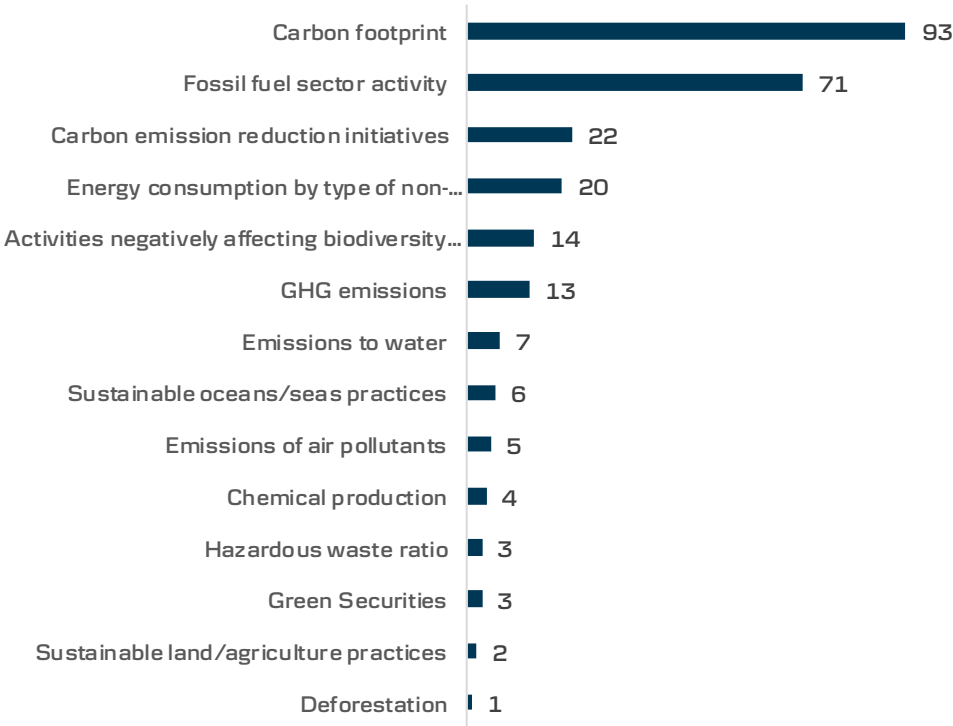
Violations of UNGC principles and OECD Guidelines

Whistle-blower protection

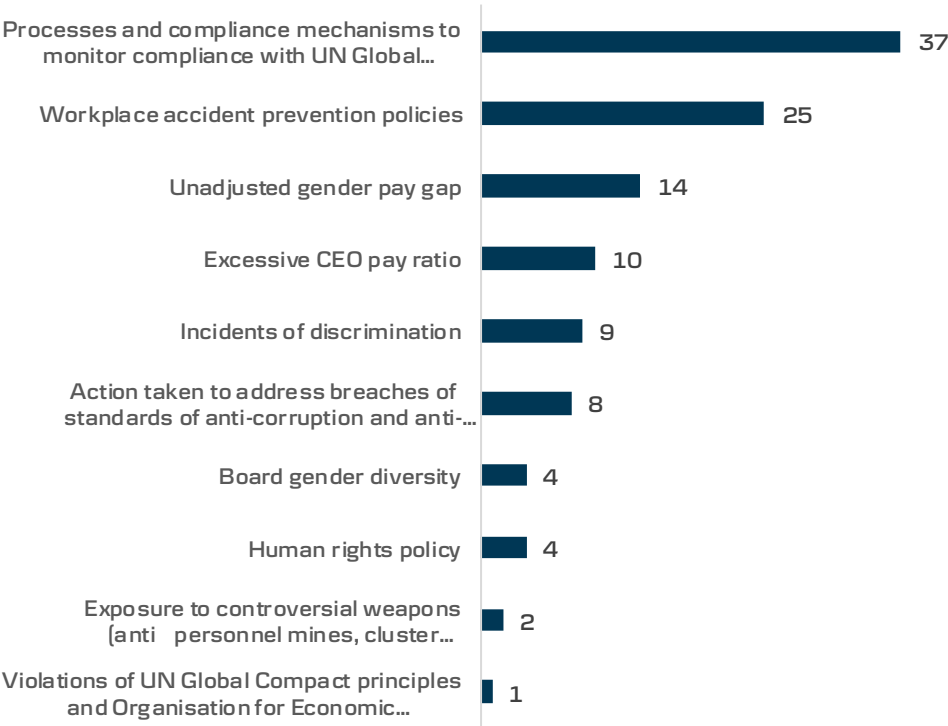
Workplace accident prevention policies

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*

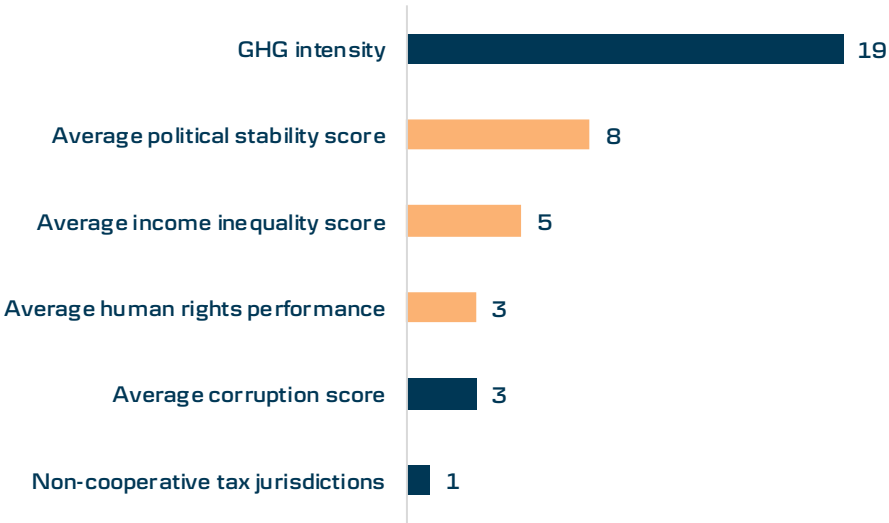


* Adverse sustainability impact indicators may have been engaged within certain broader ESG engagement subjects

Indicators marked in blue are in scope for Danica Pensions PAI monitoring and reporting

Adverse sustainability indicators addressed in sovereigns and real estate

Indicators applicable to investments in sovereigns and supranational*



Indicators applicable to investments in real estate*



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

Indicators marked in blue are in scope for Danica Pensions PAI monitoring and reporting

We engaged with 10+ Oil & Gas companies and 5 steel companies

BP

- Targets
- Capital allocation
- Decarbonisation strategy

Royal Dutch Shell

- Targets
- Capital allocation
- Decarbonisation strategy

JFE Holdings

- Ambitions
- Capital allocation
- Decarbonisation strategy

US Steel

- Ambitions
- Decarbonisation strategy

By 2050 at the latest, our investments will be carbon neutral, and we are taking action in the short-term to achieve our target. Towards 2025, we will reduce our investments in five of the most climate-damaging sectors by up to 35%. By encouraging and influencing companies to reduce the impact they have on the climate, we can take good care of our customers' pension savings and can make the biggest positive difference for the climate.

companies have progressed sufficiently against our expectations, If the company is not progressing in line with the targets, we will consider escalating the engagement.

Carbon emission reduction targets towards 2025
Towards 2025, we will reduce the carbon footprint of our investments in five sectors as follows:

		
Energy 15% reduction	Transport 20% reduction	Utilities 35% reduction
		
Cement 20% reduction	Steel 20% reduction	

We engage with the companies on the following climate related topics:

- Ambitions
- Targets
- Governance
- Emission performance
- Emission data disclosure and verification
- Decarbonisation strategy
- Capital allocation
- Climate policy engagement
- Just transition
- Climate risk and accounts

Companies engaged with will be tracked and followed-up with on an annual basis. After each annual cycle we will assess if

Get more sustainability related info on Danicapension.dk

Find information



Danica Pension's approach to voting

A company's general meeting is an opportunity for Danica Pension as an investor to voice our opinion on issues of key importance to corporate governance and to contribute to a company's sustainability performance. As a general guideline, Danica Pension supports company management; however, Danica Pension will exercise its shareholder rights to vote in line with our fiduciary duty, which is to consider what is in the best interests of our clients.

Danica Pension votes at the general meetings of companies where we represent relevant holdings in accordance with our outlined voting scope. We vote either by ourselves or through a service provider by proxy or in person by attending AGMs (or a combination of both).

Before voting, the Investment and Responsible Investment teams will assess resolutions and apply Voting Guidelines of the Danica Pension Group and market standards to each agenda item. Our Voting Guidelines are available on the Danica Pension website



Voting

**We vote at the
general meetings of
companies**

In 2022, we have had the following voting activities

Companies	1 295
Country domiciles	43
Meetings	1 402
Proposals	19 648

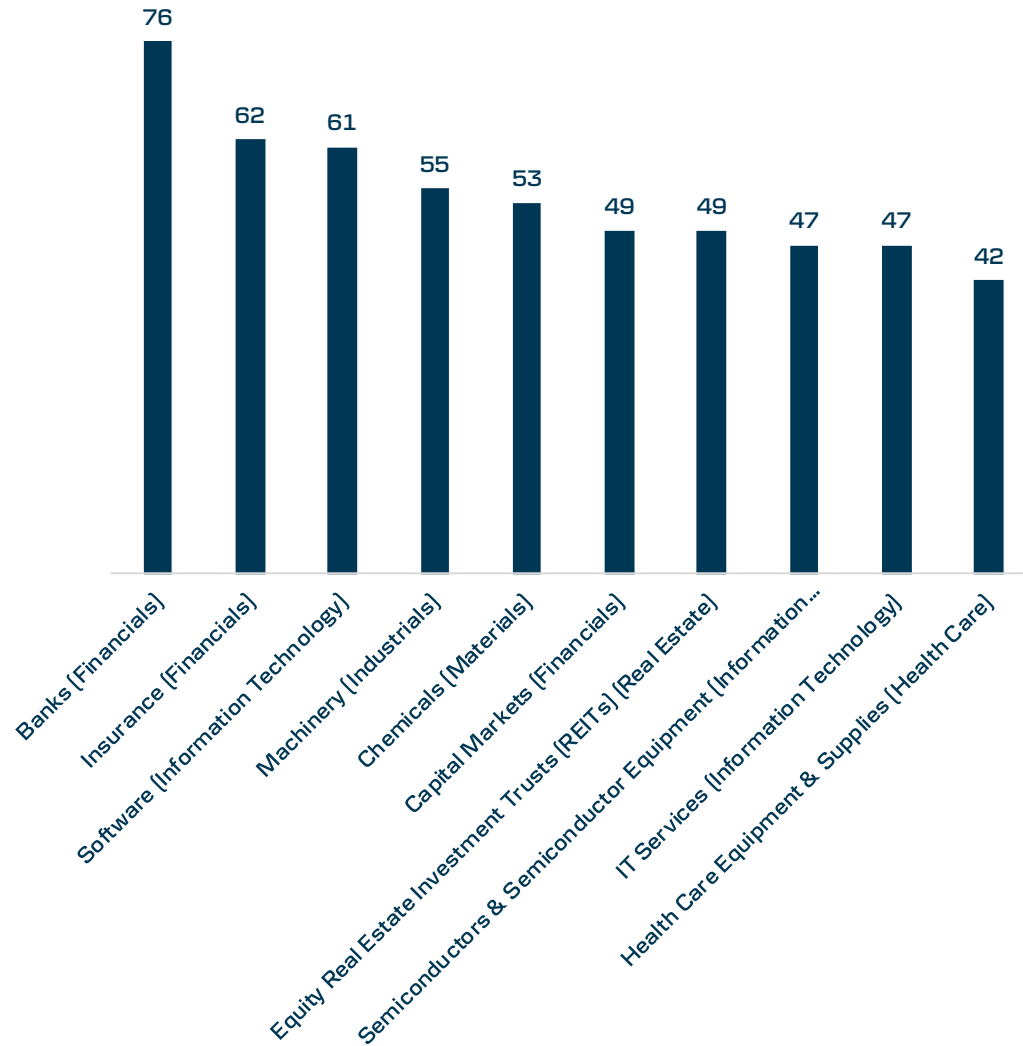


We vote on general meetings across the globe

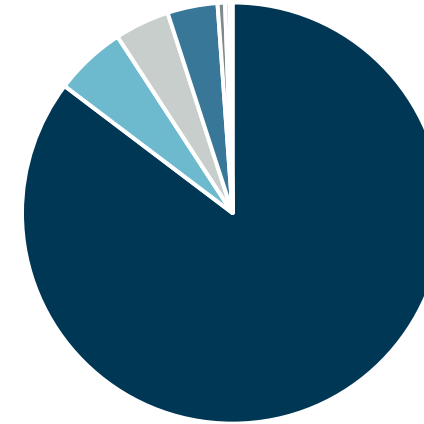
Rank	Country	Count
1	USA	488
2	Japan	173
3	United Kingdom	106
4	Canada	58
5	Denmark	52
6	Germany	52
7	France	48
8	Sweden	43
9	Australia	41
10	Switzerland	38



Voting by industry and type



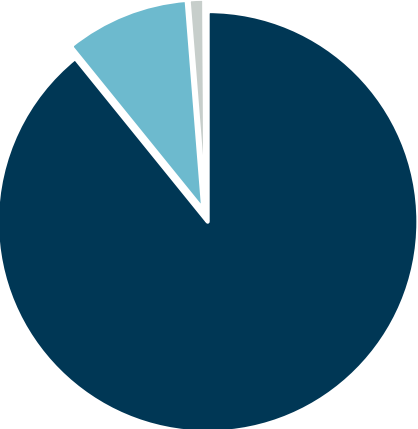
Voting by type



Annual	85%
Annual/special	6%
Special	4%
Extraordinary Shareholders	4%
Court	1%
Ordinary Shareholders	0%
Proxy Contest	0%

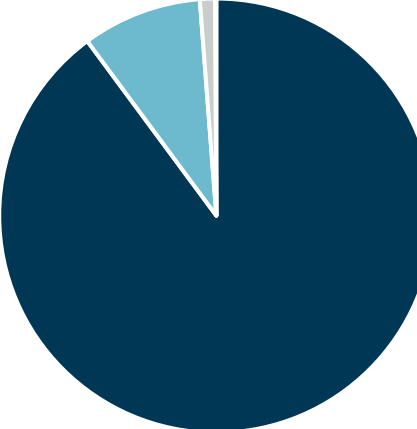
How we voted on management and shareholder proposals

Voted proposals



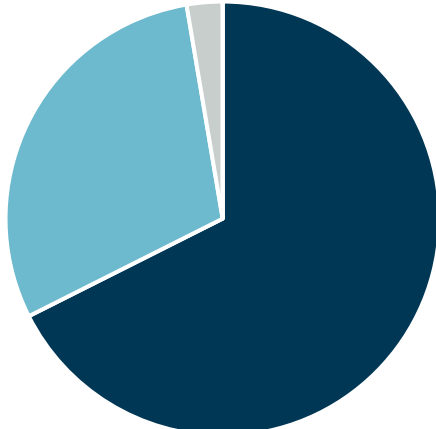
For	92%
Against/Withhold	7%
Abstain	1%

Voting by management



For	93%
Against/Withhold	5%
Abstain	1%

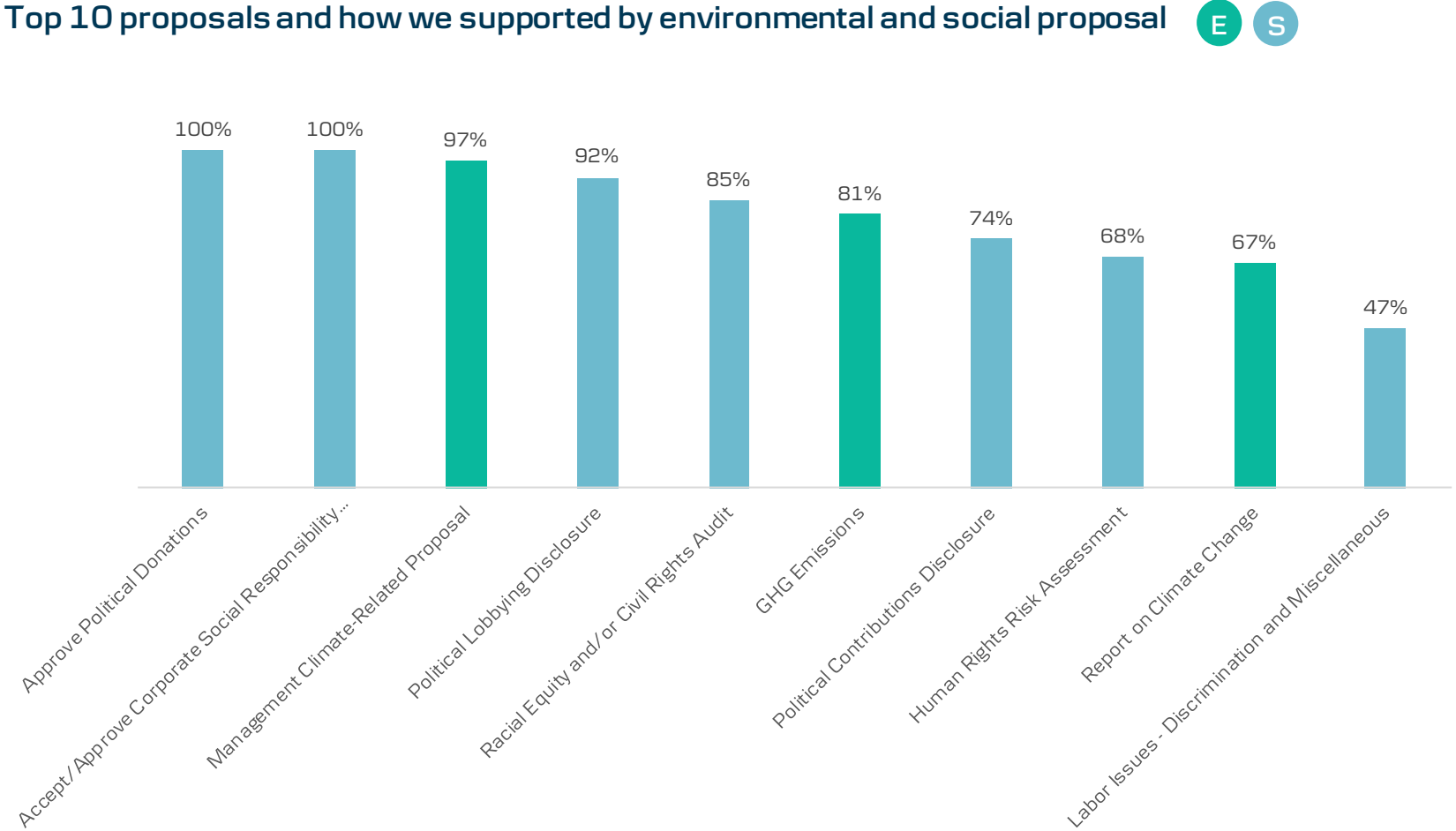
Voting by shareholder proposal



For	58%
Against/Withhold	42%
Abstain	0%

An overview of environmental and social proposals we supported in 2022

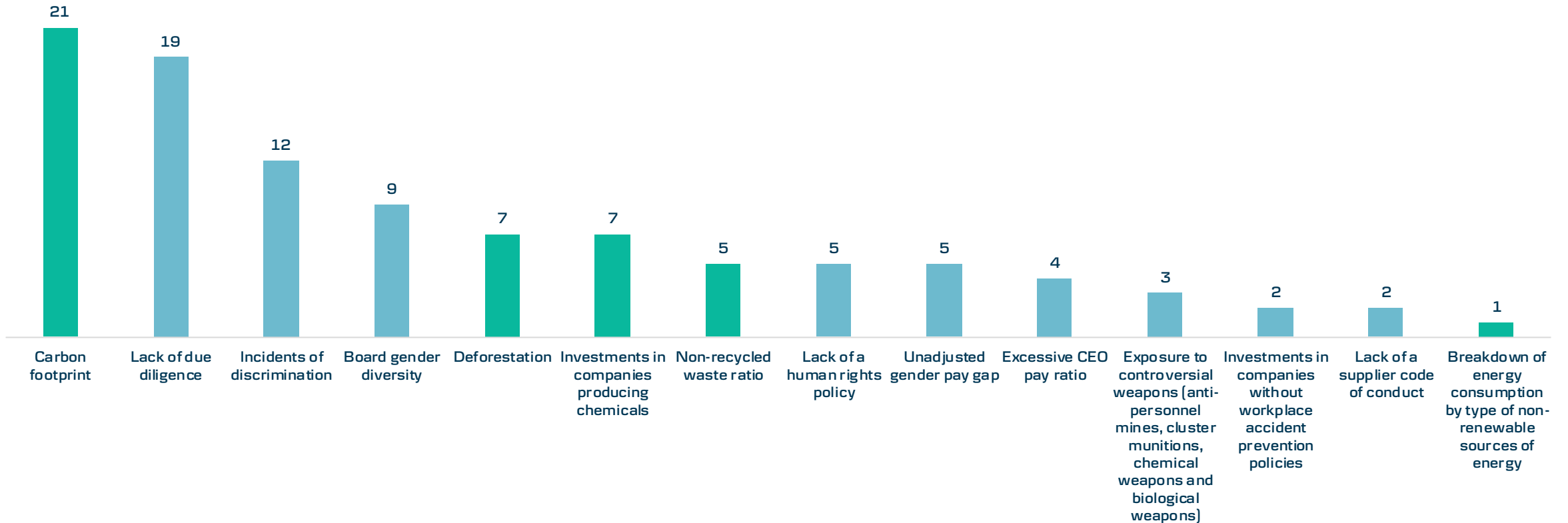
Top 10 proposals and how we supported by environmental and social proposal E S



- 73%** E/S proposals supported
- 72%** Environmental proposals supported
- 74%** Climate proposals supported
- 73%** Social proposals supported

Voting by Principal Adverse Impact

Proposals supported in relation to Principal Adverse Impact E S



Voting at the annual general meeting of the world's largest banks

We supported a shareholder proposal asking some of the world's biggest banks to stop financing new coal, oil and gas projects.

[Find information](#)

Voting at the annual general meeting of some of the big tech firms

We supported shareholder proposals at Facebook and Alphabet urging them to take greater responsibility in stopping the spread of misleading information, racism and inappropriate content for children and young people.

Find information



Voting at the annual general meeting of Chevron

We supported a shareholder proposal asking Chevron to disclose on how the IEA's Net Zero by 2050 scenario will affect key components of the company's financial position. 39% of the shareholders voted in favor of the resolution.

[Find information](#)

Voting at the annual general meeting of Tesla

We supported a shareholder proposal that urges Tesla to improve transparency and take more action. The board recommended that shareholders to vote against the proposal, which require Tesla to report how they prevent harassment, discrimination and racism as well as the effect of the measures taken.

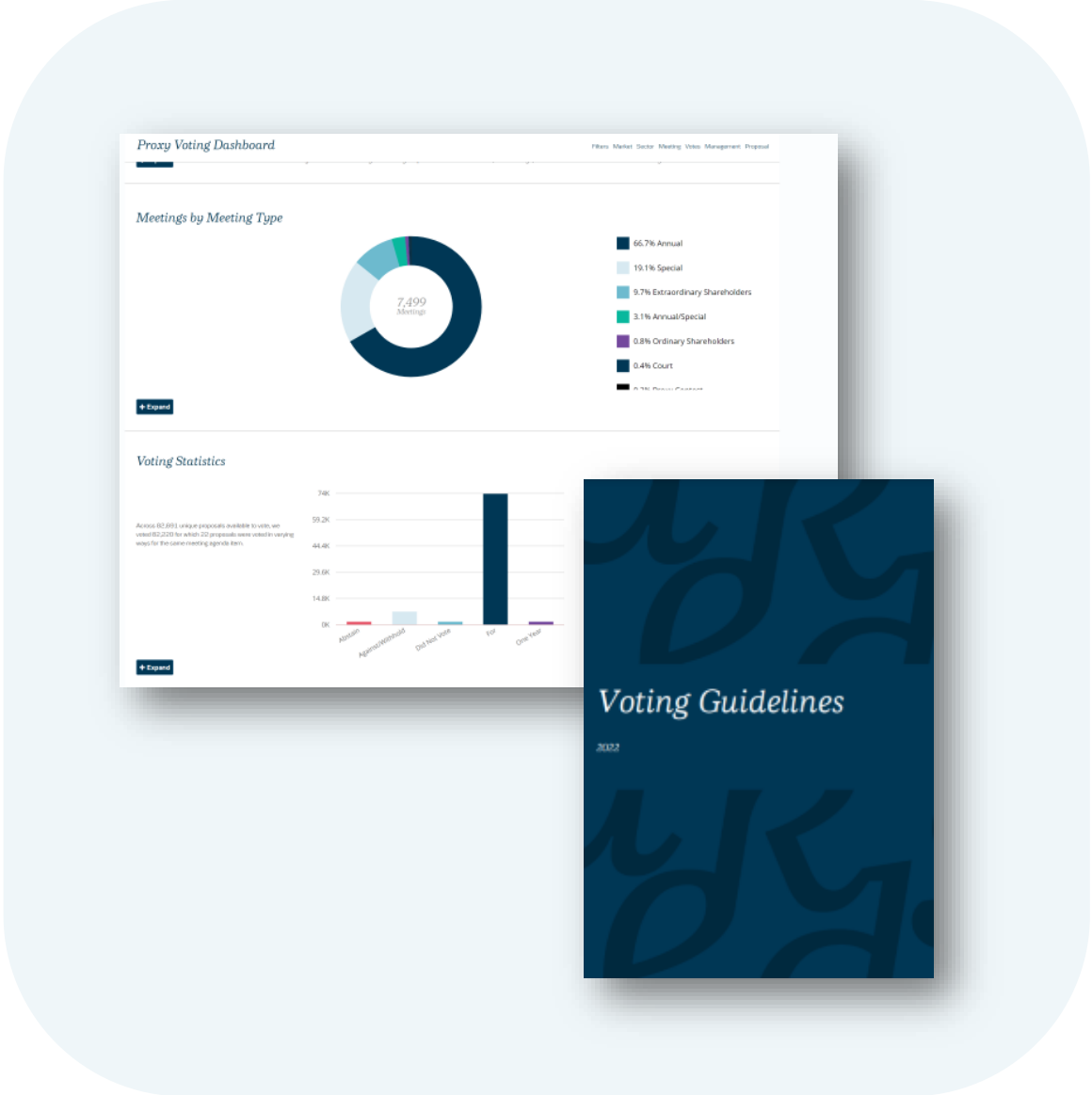
[Find information](#)



Get more voting related info below

Voting guidelines

Voting platform



Danica Pension's approach to collaborative engagements

When appropriate, Danica Pension collaborates with peers, like-minded investors and other relevant parties to exercise Active Ownership by engaging through joint dialogue and contributing collectively to make a positive impact. It might be appropriate to raise the issue with others in instances where Danica Pension's own engagement may have proven to be unsuccessful. Collaborative engagements include contacting other investors to get support on engagement activities, discuss voting issues, and make proposals for general meetings. This is done on through formal investor networks or membership forums such as Climate Action 100+, FAIRR and UN PRI Advance as well as other initiatives.



Collaborative engagements

We collaborate with other investors and organisations

Read more about the collaborative initiatives that we have joined

Find information

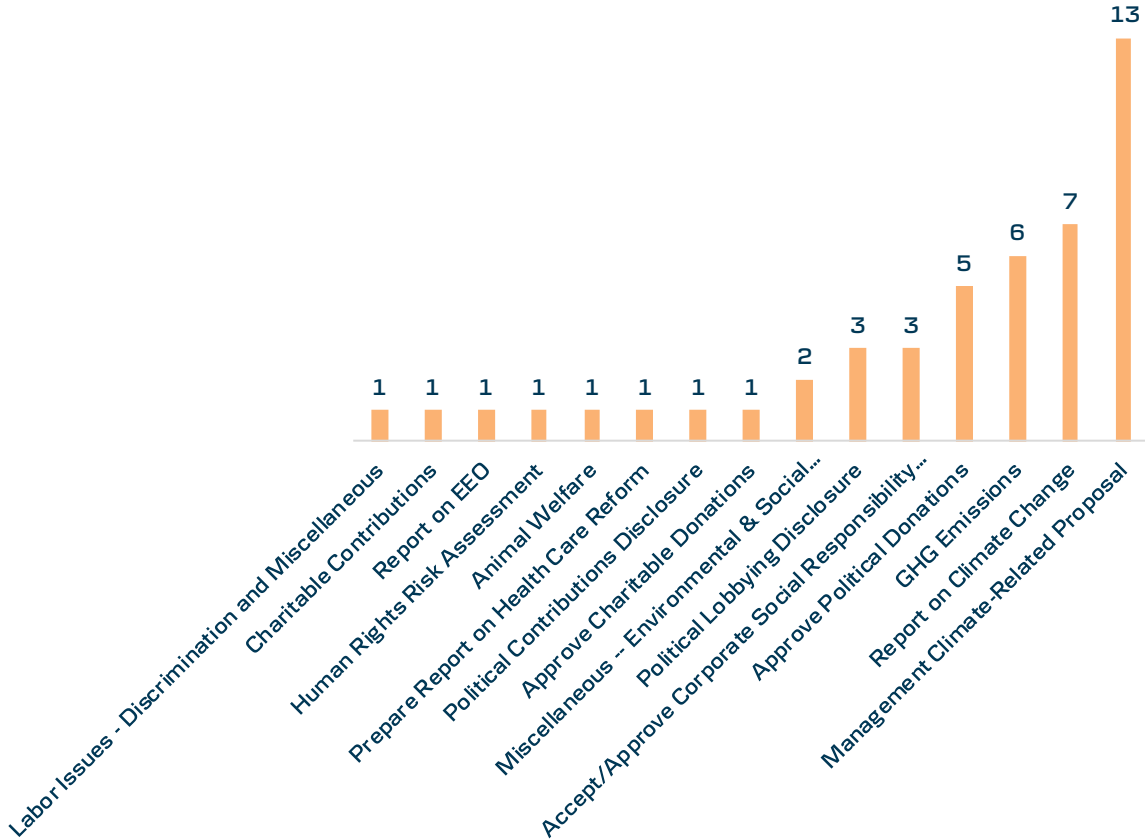


Climate Action 100+ activities

Examples of engagements that we have participated in through CA100+

Equinor	Petrobras
Shell	ENEOS
Chevron	Valero
Caterpillar	TotalEnergies

We supported 47 environmental and social proposals on the AGM of CA100+ companies



In 2022 we joined 4 collaborative engagements with FAIRR

**Unpacking Labour Risk in
Global Meat Supply
Chains**

Find information

**Biodiversity Loss from
Waste & Pollution**

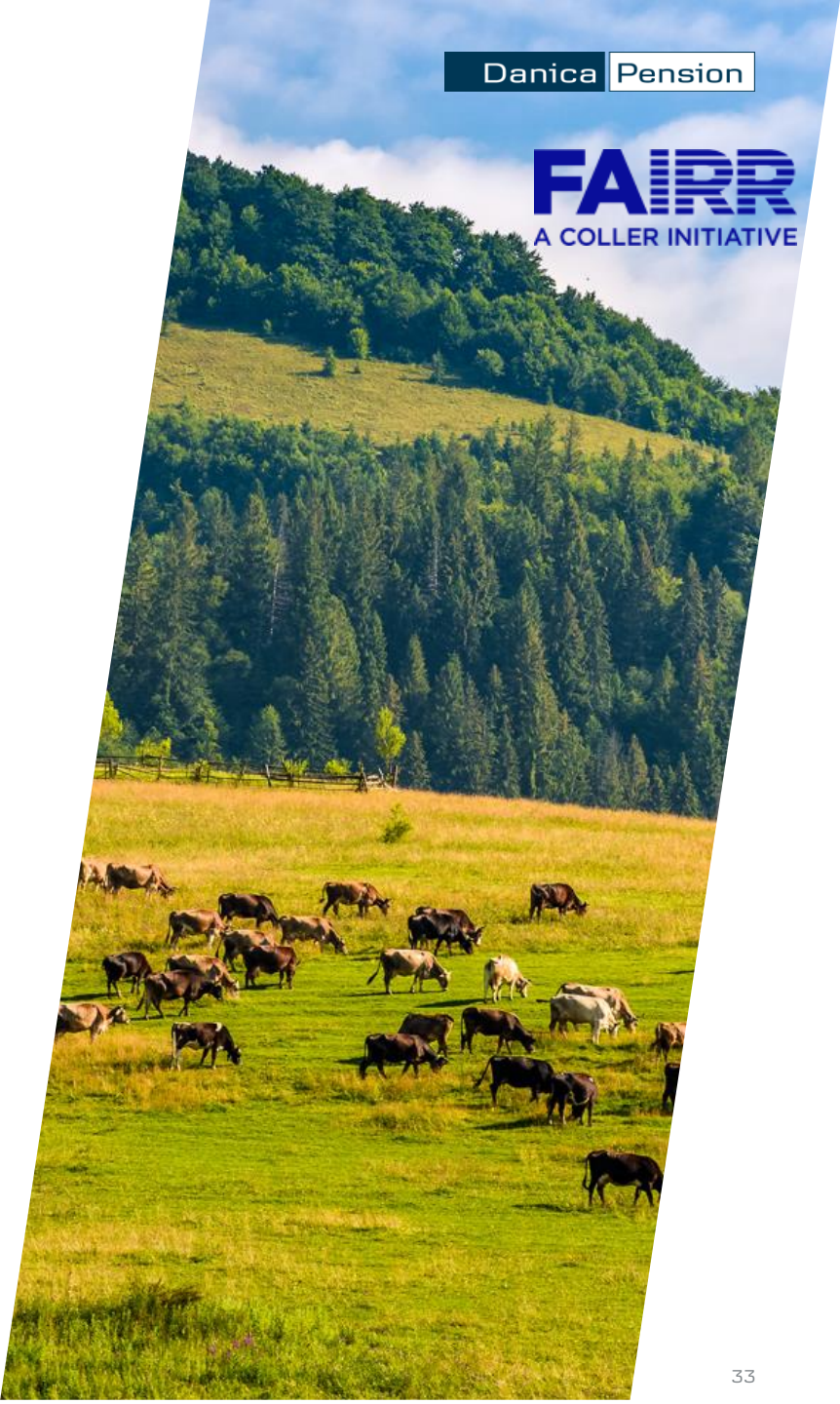
Find information

**Managing Biodiversity &
Climate risks in Aquafeed**

Find information

**Building Sustainable Protein
Supply Chains**

Find information



Engagement by company

3M company	BP PLC	EQS Group AG	JFE Holdings, Inc.	Nordnet AB
A.P. Moller-Maersk A/S	British American Tobacco PLC	EQT AB	Johnson & Johnson	Nordson Corporation
AB Dynamics PLC	Carlsberg A/S	Equinix, Inc.	Kingspan Group PLC	Novo Nordisk A/S
Absolent Air Care Group AB	Caterpillar Inc.	Equinor ASA	Kinnevik AB	Novozymes A/S
AddLife AB	Chemometec A/S	Essential Utilities, Inc.	Kongsberg Automotive ASA	Occidental Petroleum Corporation
AddTech AB	Chevron Corporation	Experian PLC	Koninklijke DSM NV	Orion Oyj
			Learning Technologies Group	
adidas AG	Chr. Hansen holding A/S	Fair Isaac Corporation	PLC	Orkla ASA
Admicom Oyj	Cigna Corporation	Ferrovial SA	Lime Technologies AB	Orsted A/S
Aker BP ASA	Cint Group AB	FLSmidth & Co. A/S	Lloyds Banking Group PLC	OX2 AB
Akzo Nobel NV	Citigroup Inc.	FMC Corporation	Lumen Technologies, Inc.	Pandora AS
				Per Aarsleff Holding A/S
ALK-Abello A/S	Coloplast A/S	Fortescue Metals Group Ltd.	Medical Properties Trust, Inc.	Petroleo Brasileiro SA
Alm. Brand A/S	Compass Group PLC	Fortnox AB	Medicover AB	Pfizer Inc.
Alstom SA	Croda International PLC	Genmab A/S	Medistim ASA	Prysmian SpA
				QT Group PLC
Amazon.com, Inc.	Danske Bank A/S	Getlink SE	MGM Resorts International	Repsol
Ambu A/S	Delta Air Lines, Inc.	Gjensidige Forsikring ASA	MIPS AB	Rio Tinto PLC
Anheuser-Busch InBev SA/NV	Demant A/S	GN Store Nord A/S	Mowi ASA	Roche Holding AG
Antofagasta PLC	Deutsche Bank AG	GSK PLC	National Grid PLC	ROCKWOOL A/S
Applied Materials, Inc.	Devon Energy Corporation	H&M Hennes & Mauritz AB	Neste Corp.	Royal Unibrew A/S
Applus Services SA	Dfds A/S	H+H International A/S	Nestle SA	RWE AG
ASML Holding NV	Diageo PLC	Halliburton Company	Netcompany Group A/S	Sandvik Aktiebolag
Assa Abloy AB	Direct Line Insurance Group PLC	Harvia Oyj	Netflix, Inc.	Shell PLC
AstraZeneca PLC	DNB Bank ASA	Heineken NV	NextEra Energy, Inc.	Siemens AG
Atlas Copco AB	DSV A/S	Hemnet Group AB	Nibe Industrier AB	SIG Group AG
Atmos Energy Corporation	E.ON SE	Hess Corporation	NIKE, Inc.	Skandinaviska Enskilda Banken AB
Bakkafrost P/F	Electronic Arts Inc.	Hexagon AB	Nilfisk Holding A/S	Skanska AB
BASF SE	Enel SpA	HSBC Holdings PLC	NIOX GROUP PLC	SKF AB
Beijer Ref AB	Engcon AB	Iberdrola SA	Nippon Steel Corp.	Snam SpA
	Eni SpA			
BHP Group Limited	Eneos, Inc.	Investor AB	NKTA/S	Solar A/S
Boliden AB	EOG Resources, Inc.	ISS A/S	Nordea Bank Abp	SS&C Technologies Holdings, Inc.
BorgWarner Inc.	Epiroc AB	James Hardie Industries PLC	Nordic Semiconductor ASA	SSE PLC

Engagement by company

Straumann Holding AG
Svenska Handelsbanken AB
Swisscom AG
Systemair AB
Telenor ASA
Tencent Holdings Ltd.
Teradyne, Inc.
Tesla, Inc.
The Walt Disney Company
Thule Group AB
T-Mobile US, Inc.
TotalEnergies SE
Tyler Technologies, Inc.
Uber Technologies, Inc.
UltraTech Cement Ltd.
UniCredit SpA
Unilever PLC
Uniper SE
Universal Health Services, Inc.
Universal Music Group NV
Valero Energy Corporation
Vestas Wind Systems A/S
Volvo AB
Volvo Car AB
Vonovia SE
Wells Fargo & Company
Wihlborgs Fastigheter AB
Woodside Energy Group Ltd.
Xylem Inc.
AAK AB

Disclaimer & contact information

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