



# The Current State of Responsible Investment in Denmark



# Table of Contents

|  |           |
|--|-----------|
| Executive summary . . . . .  | <b>4</b>  |
| Executive summary – dansk . . . . .                                    | <b>5</b>  |
| Introduction and methodology. . . . .                                  | <b>6</b>  |
| Overview of the 50 largest institutional investors in Denmark. . . . . | <b>8</b>  |
| Responsible investment policies . . . . .                              | <b>10</b> |
| Responsible investment governance . . . . .                            | <b>14</b> |
| Responsible investment strategies for listed equities . . . . .        | <b>16</b> |
| Active ownership – engagement . . . . .                                | <b>20</b> |
| Active ownership – voting . . . . .                                    | <b>22</b> |
| Responsible investment policy when using external managers. . . . .    | <b>24</b> |
| Investors and climate change . . . . .                                 | <b>26</b> |
| Investors and the UN Sustainable Development Goals . . . . .           | <b>28</b> |
| Expectations of change in regulation . . . . .                         | <b>29</b> |

## Executive summary

- The 2019 Dansif survey has a 62% response rate and the respondents together represent 90% of total Assets under Management (AuM) for the 50 largest institutional investors in Denmark.
- All of the 31 survey respondents have a responsible investment (RI) policy which covers the majority or all of their total AuM. 89% of the respondents make their RI policy publicly available.
- The UN Principles for Responsible Investment (PRI), Regional or National Networks (e.g. Dansif) and UN Global Compact are the most popular collaborative organisations or initiatives for Danish investors. Additionally, many Danish investors are engaged in networks focused on climate change.
- 89% of the respondents have dedicated RI staff and the average number of dedicated RI staff across all investors is 2.6. There is a positive correlation between AuM and number of dedicated staff among the respondents.
- A combination of screening and integration remains the most popular strategy for incorporating environmental, social and governance (ESG) factors into investment strategies for actively managed listed equities. A combination of screening, integration and thematic investing is the second most commonly used strategy, followed by screening alone.
- Fewer investors, compared to 2017, apply negative screening of companies based on controversial products, while more apply negative screening based on ESG practices of investees.
- Fewer investors apply norm-based screening on the basis of established frameworks and conventions compared to 2017. The UN Global Compact principles remain the framework that is most used for norm-based screening.
- 86% of respondents use externally provided ESG data or ratings. 82% use the data for screening, 36% for thematic investing and 46% for ESG integration into financial analysis.
- 88% of respondents carry out engagement on listed equity assets and 50% of these disclose information on their engagements publicly.
- 64% of engagements are carried out via external service providers and 45% of the respondents say they participate in the engagements that service providers conduct on their behalf.
- The use of voting is increasing among Danish institutional investors and in the 2019 survey 79% of respondents say they vote. 91% of investors use service providers to make voting recommendations or to provide research that guides voting decisions. 52% of respondents disclose information about their voting publicly.
- 71% of the respondents specified at least one tool that they use to manage climate-related risks and opportunities. The climate-related tools that are mostly used are scenario planning and measurement of carbon footprint of investment portfolios.
- 74% of the respondents say they actively use the SDGs for impact mapping, asset allocation or in other ways.
- 82% of responding investors expect that new regulation will impact their investment strategies to some or to a large extent in the coming 1-3 years. Most refer to changes in EU regulations as the most important cause of change in investment strategies.

## Executive summary — dansk

- Dansifs 2019-undersøgelse har en svarprocent på 62% og respondenterne udgør 90% af samlede aktiver under forvaltning (AuM) for de 50 største institutionelle investorer i Danmark.
- Alle 31 respondenter har en ansvarlig investeringspolitik, som dækker majoriteten eller alle deres samlede aktiver under forvaltning. 89% af respondenterne angiver, at deres investeringspolitik er offentligt tilgængelig.
- Blandt respondenterne er FN's "Principles for Responsible Investment" (PRI), regionale og nationale netværk (eksempelvis Dansif) og UN Global Compact de mest populære samarbejdsorganisationer og initiativer. Derudover er mange danske investorer engagerede i netværk, som fokuserer på klimaforandringer.
- 89% af respondenterne har personale, som er dedikeret til ansvarlig investering og det gennemsnitlige antal ansatte med dette formål er 2,6. Der er ydermere en positiv sammenhæng mellem AuM og antallet af medarbejdere, der er dedikeret til ansvarlig investering i undersøgelsen.
- En kombination af screening og integration er fortsat den mest populære strategi for at inkorporere ESG i aktivt forvaltede børsnoterede aktier. En kombination af screening, integration og tematisk investering er den anden mest anvendte strategi, efterfulgt af screening alene.
- Færre investorer, sammenlignet med 2017, anvender negativ screening på baggrund af kontroversielle produkter, mens flere anvender negativ screening baseret på ESG-praksis i investeringerne.
- Brugen af normbaseret screening baseret på etablerede standarder og konventioner er faldet i forhold til 2017. UN Global Compact-principperne er fortsat det framework, som anvendes mest.
- 86% af respondenterne bruger eksternt leveret ESG-data eller ratings. 82% bruger dataene til screening, 36% til tematisk investering og 46% til ESG-integration i finansiell analyse.
- 88% af respondenterne udfører "engagement" på børsnoterede aktier og 50% offentliggør oplysninger om deres engagements.
- 64% af engagements sker via eksterne serviceudbydere og 45% af respondenterne indikerer, at de aktivt deltager i de engagements, som serviceudbydere udfører på deres vegne.
- Danske investorer udnytter i stigende grad deres stemmeret, og i 2019-undersøgelsen indikerer 79% af investorerne, at de deltager i afstemninger. 91% af investorerne bruger serviceudbydere til at give stemmeanbefalinger eller til at lave research, som hjælper afstemningsbeslutninger. 52% af respondenterne offentliggør oplysninger om deres stemmeafgivelse.
- 71% af respondenterne specificerer mindst et værktøj, som de bruger til at håndtere klimarelaterede risici og muligheder. De klimarelaterede værktøjer, som oftest bruges, er scenarieplanlægning og måling af klimaaftryk af investeringsporteføljer.
- 74% af respondenterne indikerer, at de aktivt bruger SDG'erne til impact-måling, allokering af aktiver eller på andre måder.
- 82% af investorerne forventer, at ny regulering vil påvirke deres investeringsstrategier i nogen eller i stor grad inden for de kommende 1-3 år. De fleste refererer til ændringer i EU-regulering som den vigtigste drivkraft for ændringer i investeringsstrategier.

## Introduction and methodology

The 2019 Dansif Study of responsible investment in Denmark is focused on the 50 largest institutional investors. The analysis is based on two different data sources:

- A survey questionnaire has been distributed among the 50 largest institutional investors in Denmark and data has been collected by the Dansif administration. Most of the questions in the survey have been selected from the PRI questionnaire. PRI has over the past years made several changes to the questionnaire, which in some instances limit the possibility to compare the current survey with previous survey results from 2017 and 2015. The Dansif administration has ensured the anonymity of respondents before sending the survey results to Klinkby Enge, an advisory firm, who has carried out the analysis and written the report.
- For the institutional investors that did not respond to the survey, the Dansif administration has carried out desk research to collect the following data points: AuM, investor type, Dansif, PRI and UN Global Compact membership, if a responsible investment policy is publicly available and if active ownership/engagement policy is publicly available.

### Participation rate in the survey

31 out of the 50 largest institutional investors in Denmark have responded to the survey. This represents a higher participation rate than the 2015 and 2017 Dansif surveys.

### Assets under Management

The total AuM numbers used in this report are as of 31 December 2018 and in DKK.

### Type of institutional investor

The institutional investors included in the study have been categorized either as Asset Owner or Investment Manager in line with the PRI survey. In this survey, the investors have been able to select the category which best represents their primary activity. Some of the Danish institutional investors have significant activities in both categories, in particular banking groups that own pension companies. These investors are in this study included in the Investment Manager category.

### Terminology

In this report the term “investors” refer to the respondents, unless otherwise specified.

### Questions or feedback

Dansif can be contacted on [dansif@dansif.dk](mailto:dansif@dansif.dk) or +45 33 32 42 66 for questions or feedback related to this report.





## Overview of the 50 largest institutional investors in Denmark

By the end of 2018, the 50 largest institutional investors in Denmark represented a total AuM of DKK7,241 bn, see Table 1. The 31 survey respondents manage 90% (DKK6,518 bn) of the total AuM. The remaining 10% of AuM belongs to the 19 institutional investors that did not respond to the survey. The AuM for these investors is identified based on desktop research.

33 of the 50 largest institutional investors are asset owners, typically pension funds or foundations. The remaining 17 investors are investment managers, typically banks and mutual funds.

20 of the respondents were asset owners, representing 47% (DKK3,091 bn) of the total AuM for respondents. The remaining 11 respondents were investment managers, representing 53% (DKK3,427 bn) of total AuM.

**Table 1:** Overview of survey population

| Survey population  | Number    | AuM DKK                  | Change in AuM compared to 2017 | % of population AuM |  |
|--------------------|-----------|--------------------------|--------------------------------|---------------------|--|
| Asset Owner        | 33        | 3,648,002,645,183        | + 38%                          | 50%                 |  |
| Investment Manager | 17        | 3,593,332,513,538        | + 2%                           | 50%                 |  |
| <b>Total</b>       | <b>50</b> | <b>7,241,335,158,721</b> | <b>+ 17%</b>                   | <b>100%</b>         |  |

| Survey respondents | Number    | AuM DKK                  | Change in AuM compared to 2017 | % of respondents AuM | % of AuM for all 50 investors |
|--------------------|-----------|--------------------------|--------------------------------|----------------------|-------------------------------|
| Asset Owner        | 20        | 3,091,002,645,183        | + 37%                          | 47%                  | 43%                           |
| Investment Manager | 11        | 3,427,332,513,538        | + 8%                           | 53%                  | 47%                           |
| <b>Total</b>       | <b>31</b> | <b>6,518,335,158,721</b> | <b>+ 20%</b>                   | <b>100%</b>          | <b>90%</b>                    |

**Note:** The figure includes an overlap in AuM as investment managers in the study manage some of the assets of the asset owners among the 50 largest institutional investors. This leads to significant double counting and the total AuM figure should be interpreted accordingly.



The survey has a bias towards size, as larger organisations have a higher response rate compared to smaller organisations.

19 of the 31 respondents in the 2019 survey also participated in the 2017 survey. Benchmarking with the 2017 survey should take into account that 12 of 31 respondents are new compared to 2017.

For the survey respondents, the largest share of AuM is invested in developed markets. Investment in emerging or frontier markets typically represent less than 10% of their total AuM or between 10-50% of total AuM. On average 48% of total AuM is invested in fixed income and 33% is invested in listed equities. The remaining is invested in alternative asset classes, see Table 2.

**Table 2:** Breakdown of AuM of respondents across asset classes and markets

|                              | None | <10 % | 10-50 % | >50 % |
|------------------------------|------|-------|---------|-------|
| Developed Markets            | 3%   | 0%    | 0%      | 97%   |
| Emerging or Frontier Markets | 0%   | 52%   | 41%     | 7%    |

| AuM across asset class, avg. | Fixed income | Listed equities | Private equity | Property | Infra-structure | Other assets |
|------------------------------|--------------|-----------------|----------------|----------|-----------------|--------------|
| Internally managed           | 38%          | 19%             | 3%             | 3%       | 1%              | 4%           |
| Externally managed           | 10%          | 14%             | 5%             | 2%       | 1%              | 1%           |

**Note:** Numbers are not weighted with AuM

## Responsible investment policies

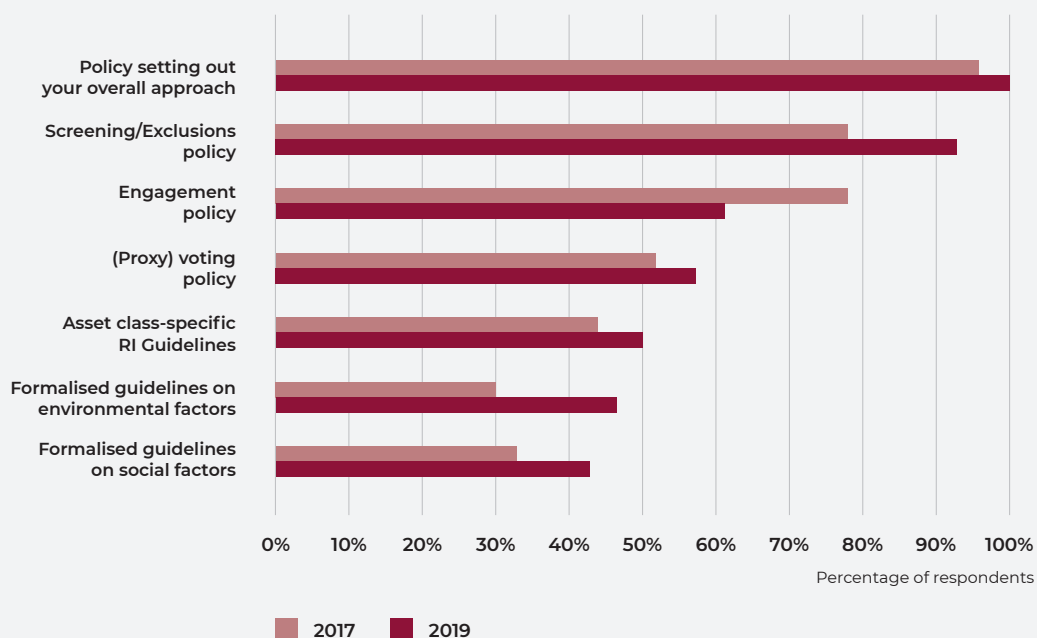
All 31 survey respondents have a RI policy and 89% make it publicly available. 64% of respondents indicate that their RI policy covers all AuM and the remaining 36% say it covers a majority of AuM. The levels were, respectively, 60% and 39% in 2017.

Investors are increasingly integrating responsible investing in their approach, see Figure 1. Especially formalised environmental and social factors are used

more widely, compared with 2017. The only component that saw a decline was engagement policies.

Most investors have implemented a process for responsible investing in government bonds, private equity and infrastructure assets, but not for other asset classes, see Table 3.

**Figure 1:** Indicate if you have an investment policy that covers your responsible investment approach



**Note:** Data for 2017 is based on previous Dansif surveys. The percentages indicate the number of investors responding that the given components is part of their RI policy.

**Table 3:** Indicate whether your organisation has implemented a process to manage responsible investment in the following asset classes

|                     | Yes, we have a process in place | We are working on this and will have a process in place within the next 12 months | No  | Not relevant | No. of replies |
|---------------------|---------------------------------|---|-----|--------------|----------------|
| Government bonds    | 68%                             | 16%   | 8%  | 8%           | 25             |
| Private equity      | 65%                             | 13%   | 13% | 9%           | 23             |
| Property            | 36%                             | 27%   | 18% | 18%          | 22             |
| Infrastructure      | 55%                             | 14%   | 14% | 18%          | 22             |
| Commodities         | 5%                              | 5%  | 19% | 71%          | 21             |
| Hedge funds         | 17%                             | 4%  | 9%  | 70%          | 23             |
| Fund of hedge funds | 15%                             | 5%  | 0%  | 80%          | 20             |
| Forestry            | 33%                             | 5%  | 10% | 52%          | 21             |
| Farmland            | 14%                             | 5%  | 5%  | 76%          | 21             |

### ESG incorporation for internally managed assets

ESG incorporation<sup>1</sup> has risen across all asset classes since 2017, except listed equities, see Table 4. For listed equities, ESG incorporation decreased from 72% to 66%.

Listed equities are still the asset class with the highest incorporation coverage. A possible explanation for the decrease in listed equities can be that 12 of 31 respondents are new compared to 2017.

<sup>1</sup> PRI refers to ESG incorporation as the review and use of ESG information in the investment decision-making process

### Collaborative organisations and initiatives

Based on the survey respondents, the Principles for Responsible Investment (PRI) is the RI initiative that has the most Danish investors as signatories. Regional or national networks are second, with Dansif being the most common national network that respondents are members of. The UN Global Compact comes third, see Figure 2.

Danish institutional investors are also engaged in initiatives that focus on climate change. 13 respondents are involved with the Institutional Investor Group on Climate Change and 11 are signatories to CDP Climate Change. Four respondents are signatories to CDP Forest and three to CDP water.

### OECD guidelines for Responsible business conduct for institutional investors

“The Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises” sets out to prevent and address adverse impacts related to human and labour rights, the environment, and corruption in investment portfolios.

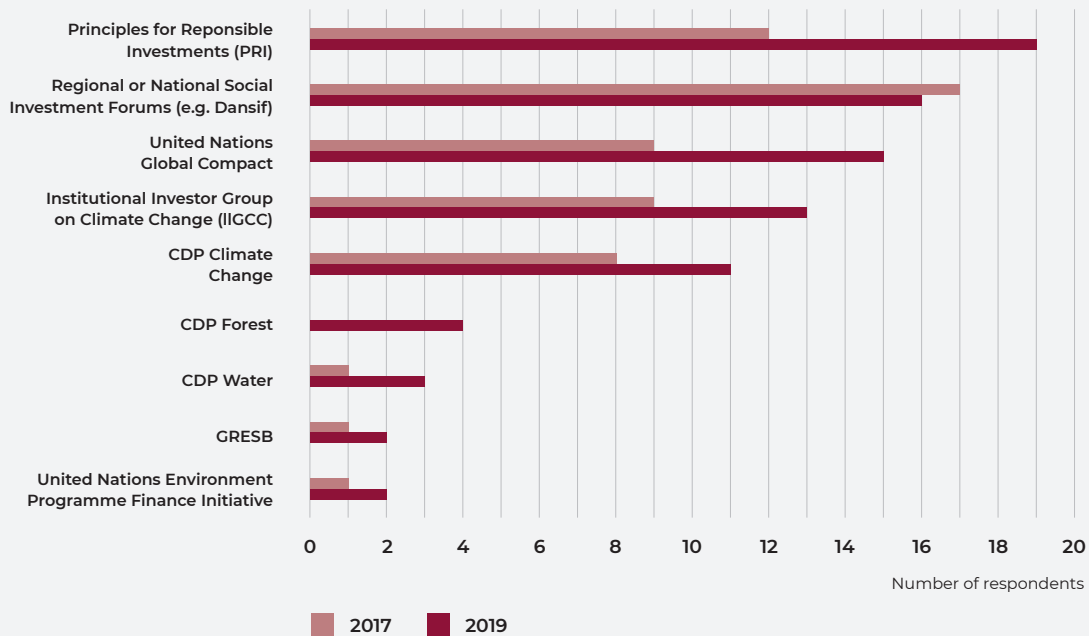
Compared to 2017, significantly more investors have integrated the OECD guidelines into their investment process. The survey shows that 25% of the responding investors have taken new initiatives to integrate the OECD guidelines, see Figure 3. 32% of investors respond that no initiatives were needed as the guidelines were already an integrated part of their investment process. 32% of the respondents say that the principles have not been integrated with the investment process.

**Table 4:** Internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices during 2018

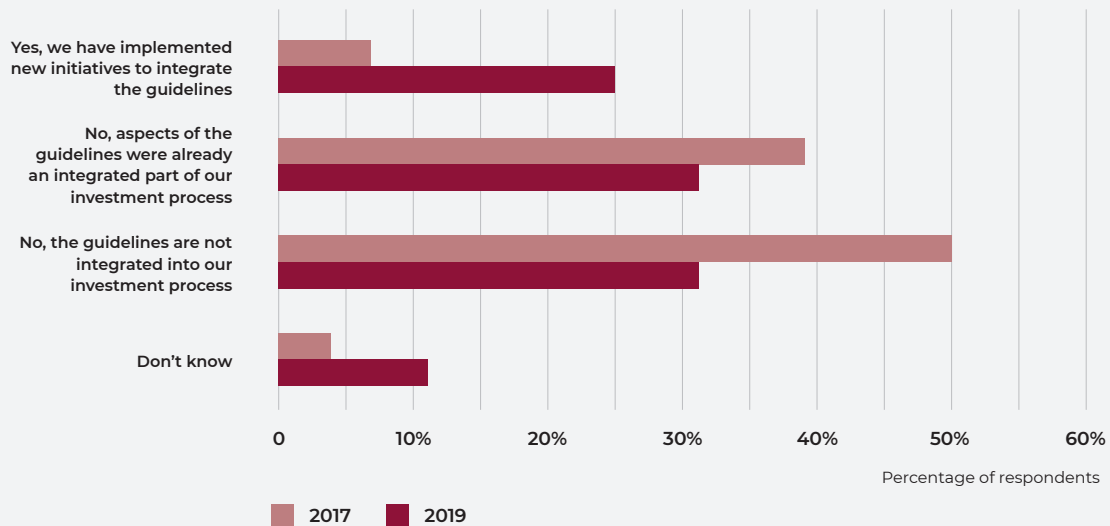
|             | Listed equity | Fixed income – SSA | Fixed income – Corporate | Fixed income – Securitised | Private equity | Property | Infrastructure |
|-------------|---------------|--------------------|--------------------------|----------------------------|----------------|----------|----------------|
| <b>2019</b> | 66%           | 59%                | 59%                      | 41%                        | 45%            | 41%      | 31%            |
| <b>2017</b> | 72%           | 52%                | 48%                      | 28%                        | 34%            | 28%      | 21%            |

**Note:** The 2017 numbers that were published in the 2017 survey are different from the numbers published here. The reason is a methodology change. In the 2017 Dansif survey, respondents indicating a zero share of AuM invested in a given asset class were removed from the calculation. In the 2019 survey, respondents indicating that they address ESG incorporation in an asset class have been included even if the respondent has indicated a zero % share of AuM in the given asset class.

**Note:** SSA: supra-sovereign, sovereign and agency

**Figure 2:** The collaborative organisation and/or initiatives of which your organisation is a member

**Note:** Data for 2017 is based on previous Dansif surveys.

**Figure 3:** Has your organisation implemented specific initiatives to integrate the OECD guidelines for Responsible Business Conduct for Institutional Investors (March 2017) into the investment process?

**Note:** Data for 2017 is based on previous Dansif surveys.



# Responsible investment governance

In 2019, 89% of the respondents have dedicated RI staff, see Figure 4. The average number of dedicated RI staff is 2.6. There is a positive correlation between AuM and number of dedicated staff. As such, the number of dedicated staff varies substantially across the sample. 11% of respondents say they have no dedicated RI staff.

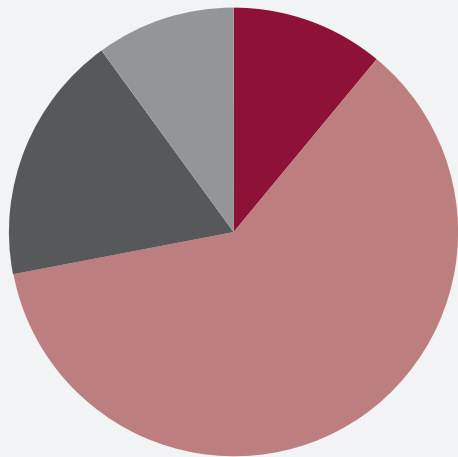
Larger investors appear to set and review objectives for their responsible business activities at least quarterly, while smaller investors do it less frequently or on an ad-hoc basis.

For 75% of the respondents, board members or trustees have oversight responsibilities<sup>2</sup> of RI activities. 82% of the respondents have staff at the CEO, CIO or investment committee-level with oversight responsibilities and 50% have staff at this level involved in the implementation<sup>3</sup> of the RI policies, see Table 5. Mostly portfolio managers, dedicated RI staff or external managers are involved in implementation of RI activities.

**Figure 4:** Indicate the number of dedicated responsible investment staff your organisation has.

|               |     |
|---------------|-----|
| ■ None        | 11% |
| ■ 1-2         | 61% |
| ■ 3-4         | 18% |
| ■ More than 4 | 11% |

Percentage of respondents



<sup>2</sup> Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies and achieves its objectives and targets in relation to responsible investment performance.

<sup>3</sup> Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy-makers.

**Table 5:** Indicate the internal and/or external roles used by your organisation and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

| Roles involved with Responsible Investment   | 2019      |                | 2017      |                |
|--|-----------|----------------|-----------|----------------|
|  | Oversight | Implementation | Oversight | Implementation |
| Board members or trustees  | 75%       | 4%             | 75%       | 0%             |
| Chief Executive Officer (CEO), Chief Investment Officer (CIO)/Investment committee | 82%       | 50%            | 93%       | 36%            |
| Other Chief-level staff or head of department                                      | 57%       | 54%            | 39%       | 36%            |
| Portfolio managers   | 46%       | 71%            | 43%       | 86%            |
| Investment analysts  | 14%       | 32%            | 14%       | 43%            |
| Dedicated responsible investment/ESG staff   | 54%       | 64%            | 39%       | 50%            |
| External managers or service providers   | 29%       | 64%            | 21%       | 57%            |

**Note:** Data for 2017 is based on previous Dansif surveys.

## Responsible investment strategies for listed equities

Investors have different responsible investment strategies, which can be divided into screening, thematic and integration.

Screening is the systematic selection of investments based on a set of criteria.<sup>4</sup>

A thematic strategy is investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture).

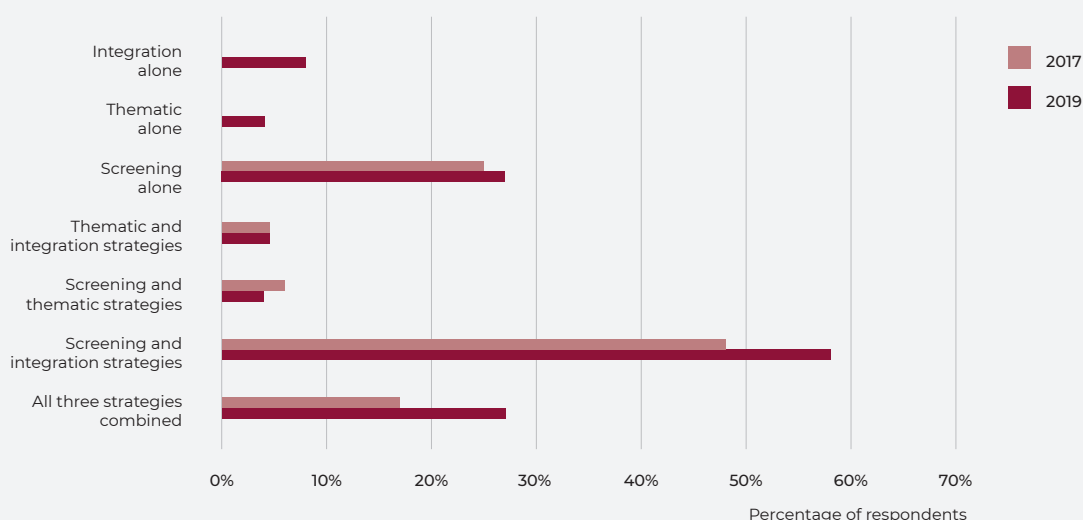
Integration is the systematic and explicit inclusion by investment managers of environmental, social and governance factors into traditional financial analysis.

Among the survey respondents, 58% use a combination of screening and integration for some part of their listed equity portfolio. 27% use a combination of screening, integration and thematic investment and 27% use screening alone, see Figure 5.

72% of the respondents are applying negative screening of controversial products such as weapons or tobacco, see Figure 6.

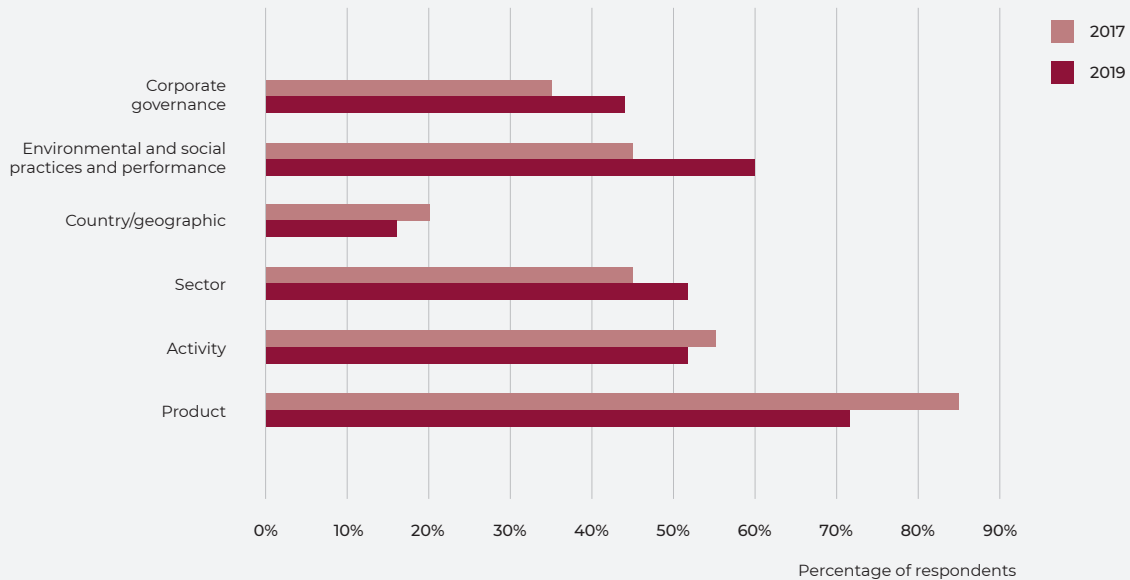
Negative screenings based on ESG practices and performance, and sector screens, all increased in use compared with 2017. Fewer investors are screening based on geographical region and activity.

**Figure 5:** Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities?

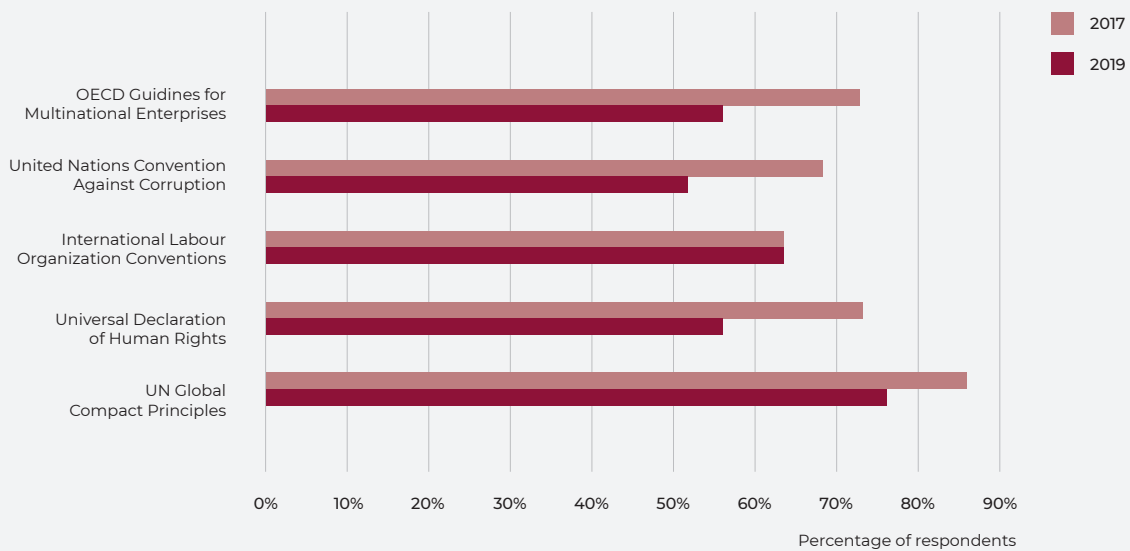


**Note:** Data for 2017 is based on previous Dansif surveys.

<sup>4</sup> Screening in the PRI framework involves three types of screening: negative (exclusion based on specific criteria); positive (investments selected for positive ESG performance); norm-based (screening against minimum standards of business practices based on international norms).

**Figure 6:** Criteria used for negative screening (for internally managed active listed equities)

**Note:** Data for 2017 is based on previous Dansif surveys

**Figure 7:** Criteria used for norm-based screening (for internally managed active listed equities)

**Note:** Data for 2017 is based on previous Dansif surveys

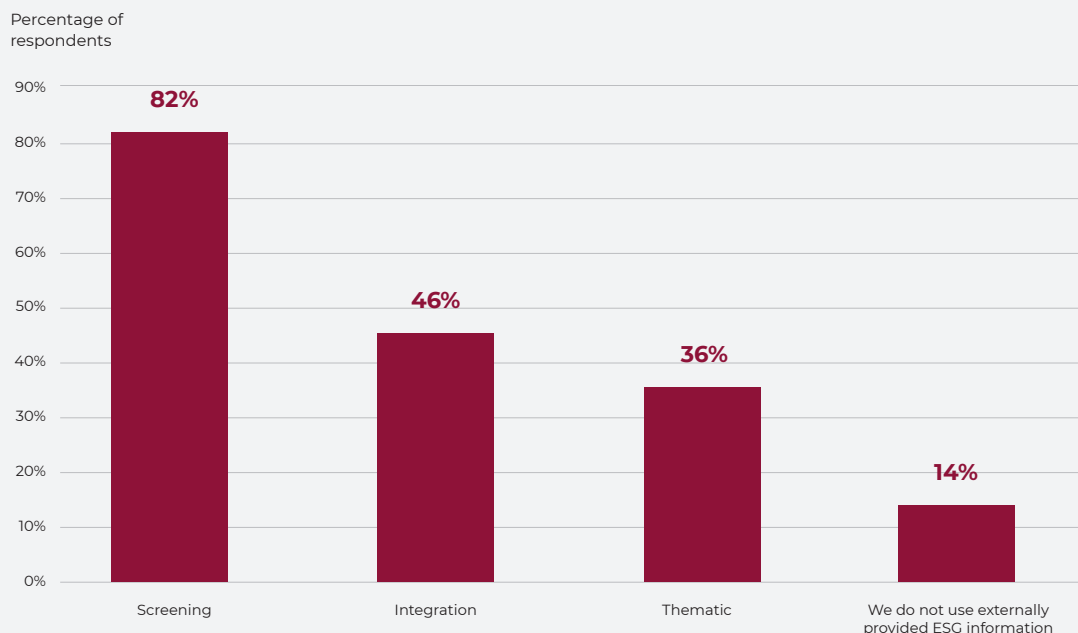
The use of norm-based screening has decreased since 2017, see Figure 7. This picture is in accordance with European trends within norm-based investments<sup>5</sup>.

### Use of external ESG data

The increased focus on sustainability among investors has generated a high demand for data that can support investment decisions based on ESG data. Since consistent and high-quality data is difficult to collect, many investors choose to outsource this to external providers.

86% of the respondents use externally provided ESG data or ratings, with 82% using the data for screening, 36% thematically and 46% for ESG integration into financial analysis, see Figure 8. 65% state that the data meets their requirements to a large extent, while no one indicated that the ESG data never meet their requirements.

**Figure 8:** Strategies to which externally provided ESG data and/or ESG ratings are applied by your organisation



<sup>5</sup> Eurosif European SRI Study 2018





## Active ownership — engagement

88% of the survey respondents carry out engagement in relation to investments in listed equities. 50% of survey respondents disclose information on their engagements publicly. Of these disclosures, 79% disclose the same information to the public as to clients or beneficiaries.

Since 2017, the number of engagements via internal staff or collaborative engagements has increased, but most engagements are still done via external service providers. The survey respondents reported a total of 4,937 engagements in 2018. 64% of these engagements were done via service providers, see Table 6.

Large organisations typically use internal staff. The three largest respondents based on AuM conduct 81% of the total individual engagements. Use of collaborative engagements and service providers is widely used by the relatively smaller Danish investors. The number of engagements varies greatly among the respondents from single digit numbers of engagements to three-digit numbers.

For investors using service providers, the survey shows that investors increasingly participate in engagements together with their service provider, see Figure 9. 45% of respondents participate directly in engagements conducted for them by service providers compared to 6% in 2017.

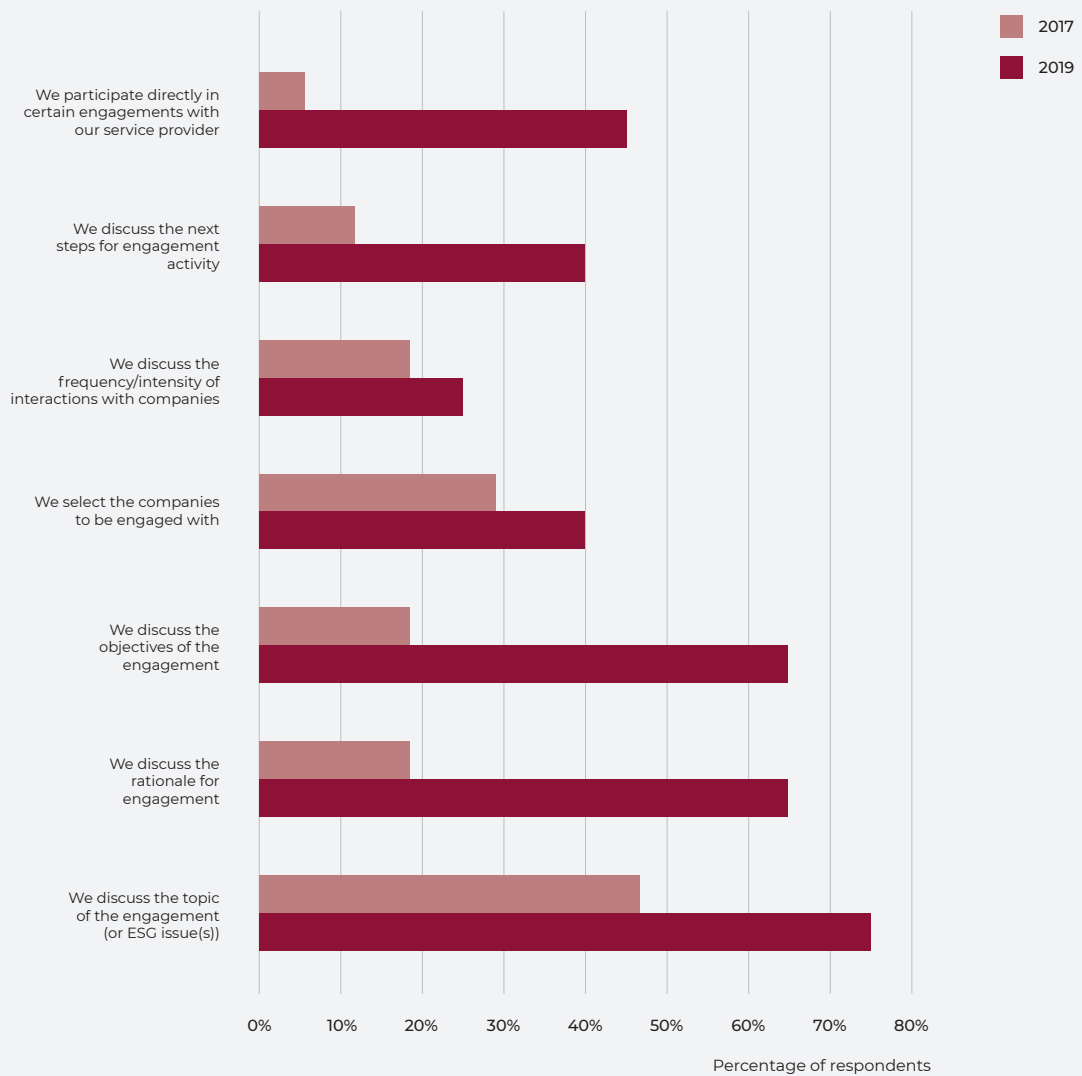
**Table 6:** How Danish investors engage with listed companies

|                             | Individual/Internal staff engagements | Collaborative engagements | Service provider engagement | Do not engage |
|-----------------------------|---------------------------------------|---------------------------|-----------------------------|---------------|
| 2019                        | 58%                                   | 69%                       | 77%                         | 12%           |
| 2017                        | 56%                                   | 48%                       | 74%                         | 7%            |
| Total engagements 2019      | 929                                   | 837                       | 3,171                       |               |
| % of total engagements 2019 | 19%                                   | 17%                       | 64%                         |               |

**Note:** Data for 2017 is based on previous Dansif surveys



**Figure 9:** Indicate the role(s) you play in engagements that your service provider conducts on your behalf.



**Note:** Data for 2017 is based on previous Dansif surveys

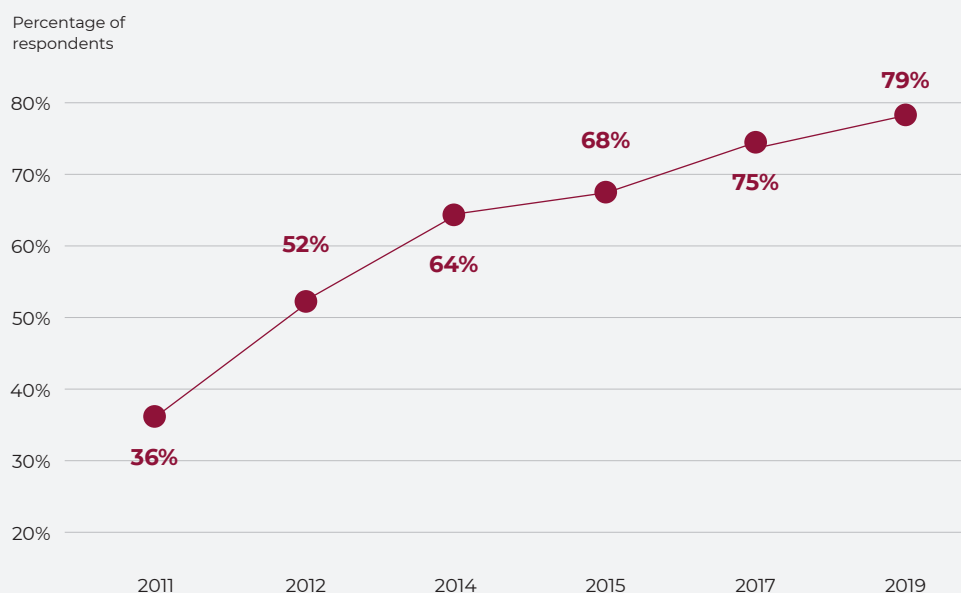
## Active ownership — voting

The use of voting continues to grow among Danish investors. 79% cast votes (see Figure 10) and 52% publicly disclose information on voting activities. Information is usually being published on a quarterly or ad-hoc basis.

The percentage of possible votes that are actually cast by the survey participants for their listed equities varies. In 2018, investors voted on average on 54% of the potential votes. Eight of the respondents voted on more than 90% of the potential votes and 15 respondents gave no indication of the percentage of votes cast<sup>6</sup>.

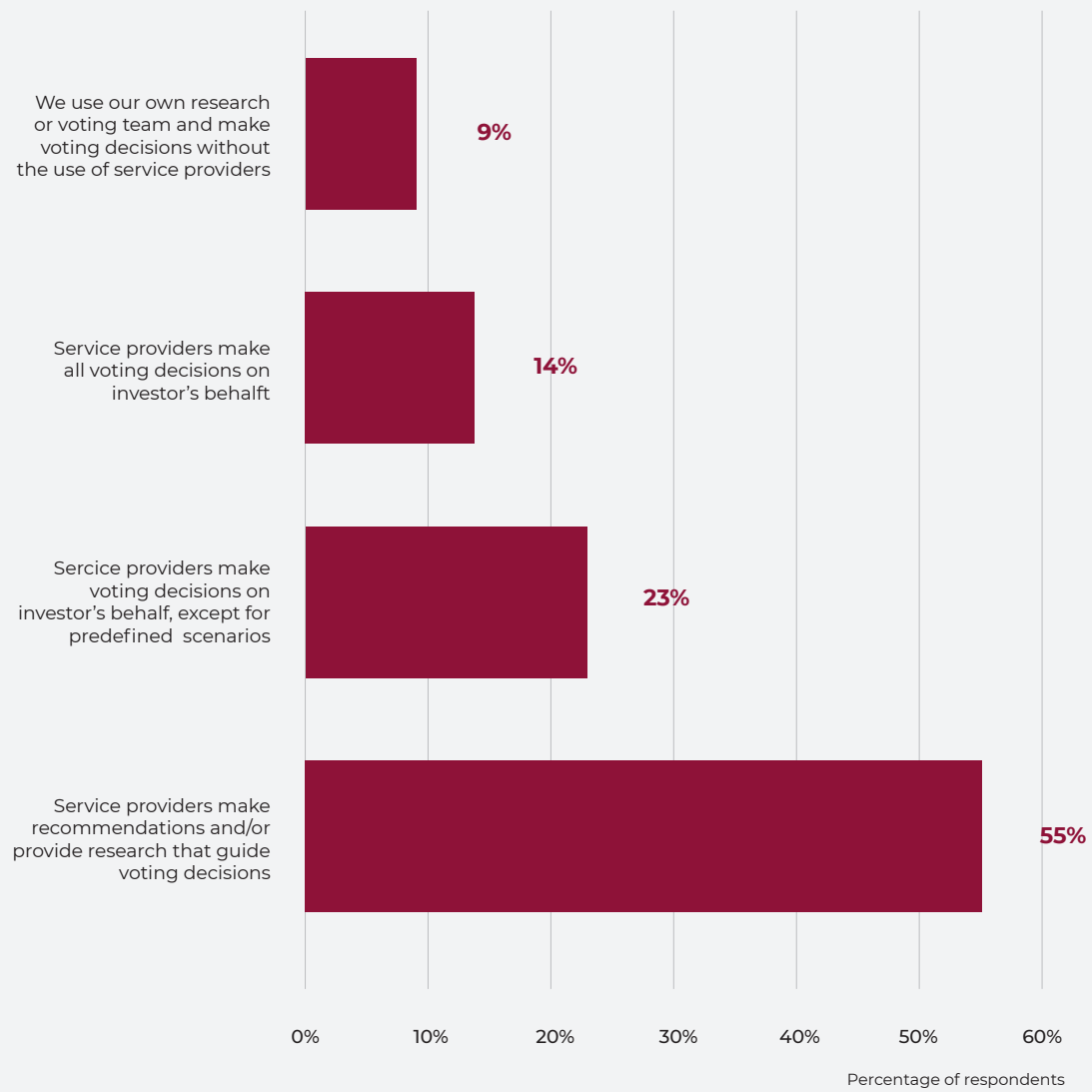
Most investors use service providers to inform their voting decisions. 91% of respondents use service providers to either inform their voting decisions or to vote on their behalf. 9% of respondents use own research to inform voting decisions, see Figure 11.

**Figure 10:** For listed equity, indicate if you (directly or via third parties) cast your (proxy) votes.



**Note:** Data for 2017 is based on previous Dansif surveys

<sup>6</sup> There are different ways to measure the percentage of votes cast. 15% uses the total number of ballots, 31% use the total number of company meetings, 39% use the total value of the equity holdings and the 31% do not track the needed information to perform the calculation.

**Figure 11:** Indicate how you typically make your (proxy) voting decisions



## Responsible Investment policy when using external managers

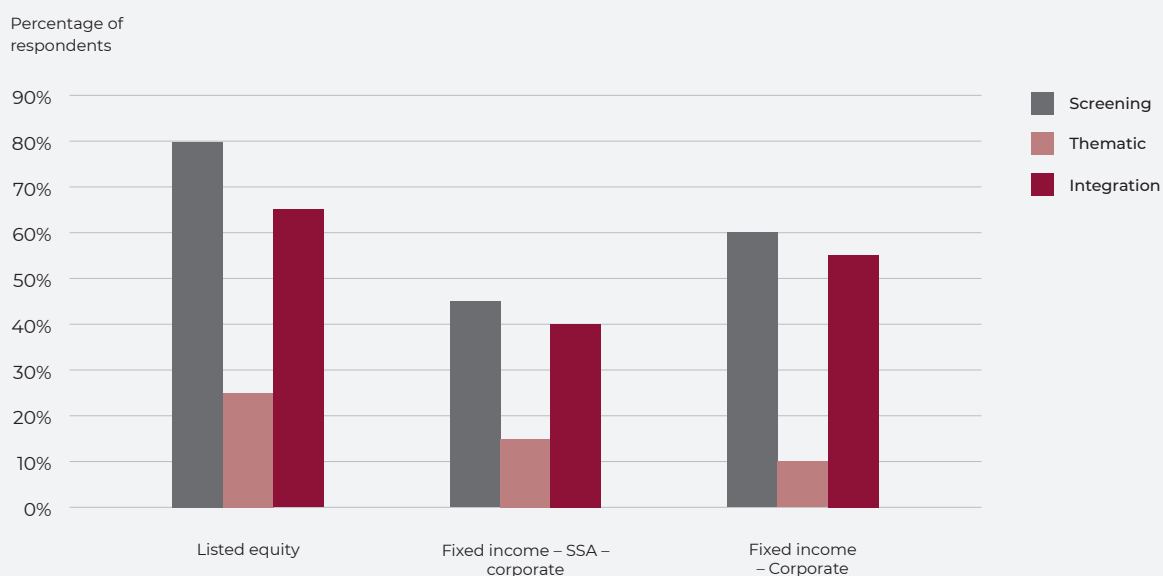
For externally managed assets, screening strategies is the most popular approach to responsible investing among the survey respondents for both active and passive investment strategies.

For active investment strategies, investors are requiring external managers not only to apply screening but integration strategies as well across asset classes, see Figure 12. This development is in line with the way responsible investing has developed for internally managed assets.

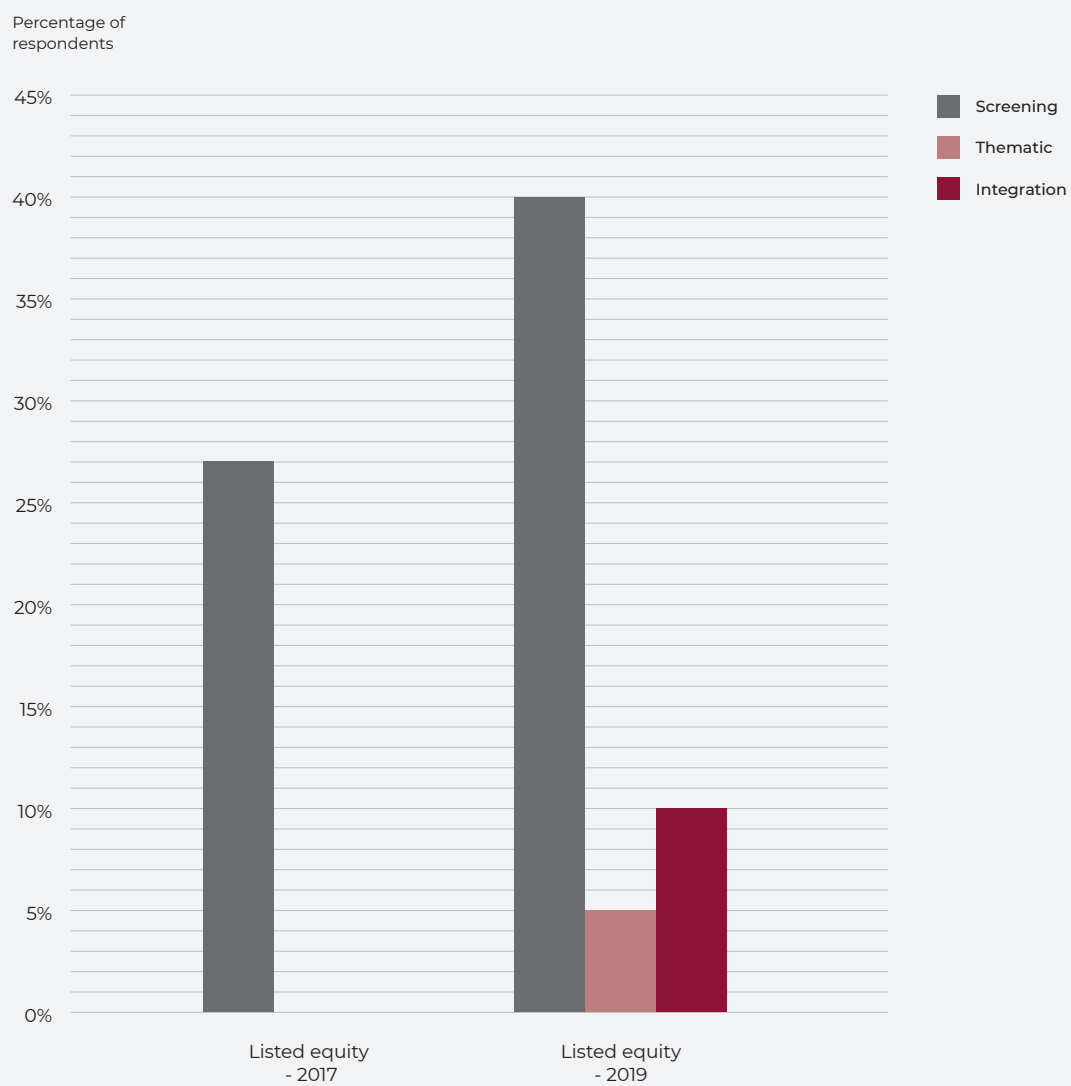
For passive investment strategies, 40% of investors require screening of listed equities, compared to 27% in 2017, see Figure 13. A few respondents say that thematic and integration is a requirement for their passive investment strategies, which no respondents indicated in 2017.

29% of respondents using external managers for listed equity require the external managers to engage on their behalf, up from 20% in 2017. 14% of respondents require external managers to vote on their behalf, while 82% cast votes on externally managed equities directly themselves or via service providers. That is an increase of 22%-points compared to 2017.

**Figure 12:** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets – Active investment strategies



**Figure 13:** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed assets – Passive investment strategies

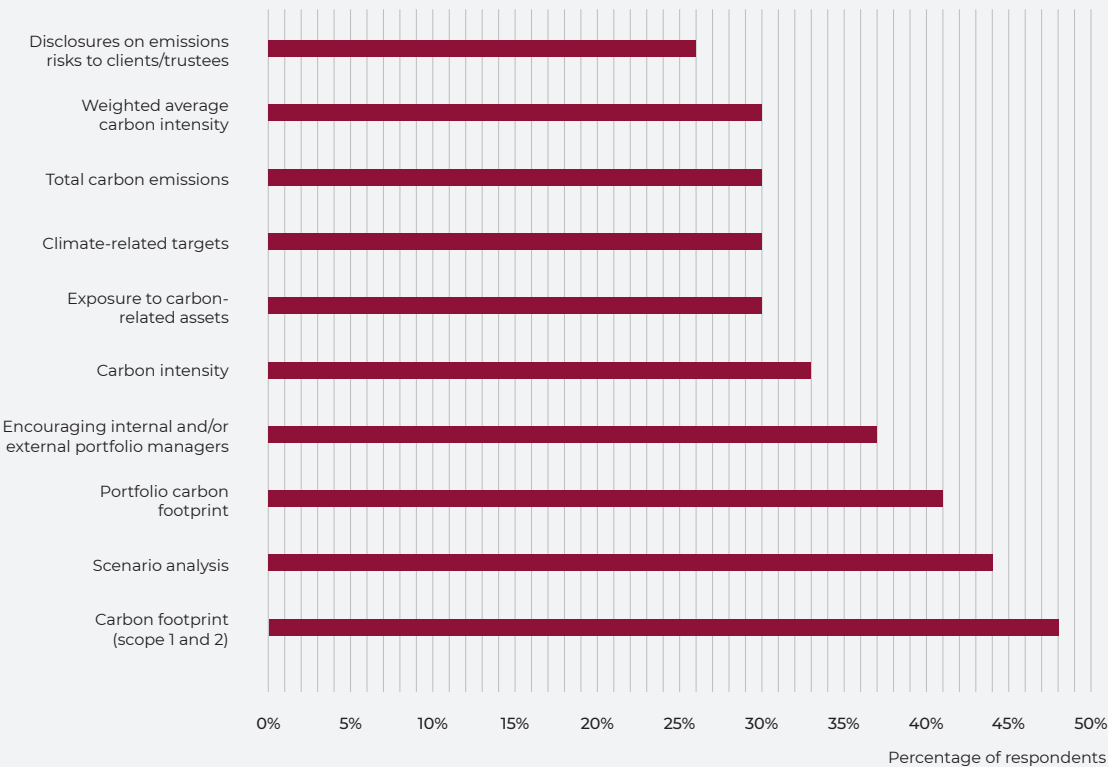


**Note:** Data for 2017 is based on previous Dansif surveys

# Investors and climate change

81% of respondents use dedicated tools to manage climate-related risks and opportunities. Climate-related tools are mostly used for measurement of carbon footprint of investment, scenario planning and to encourage internal and/or external portfolio managers to monitor emissions risks, see Figure 14.

**Figure 14:** Indicate which of the following tools your organisation uses to manage climate-related risks and opportunities



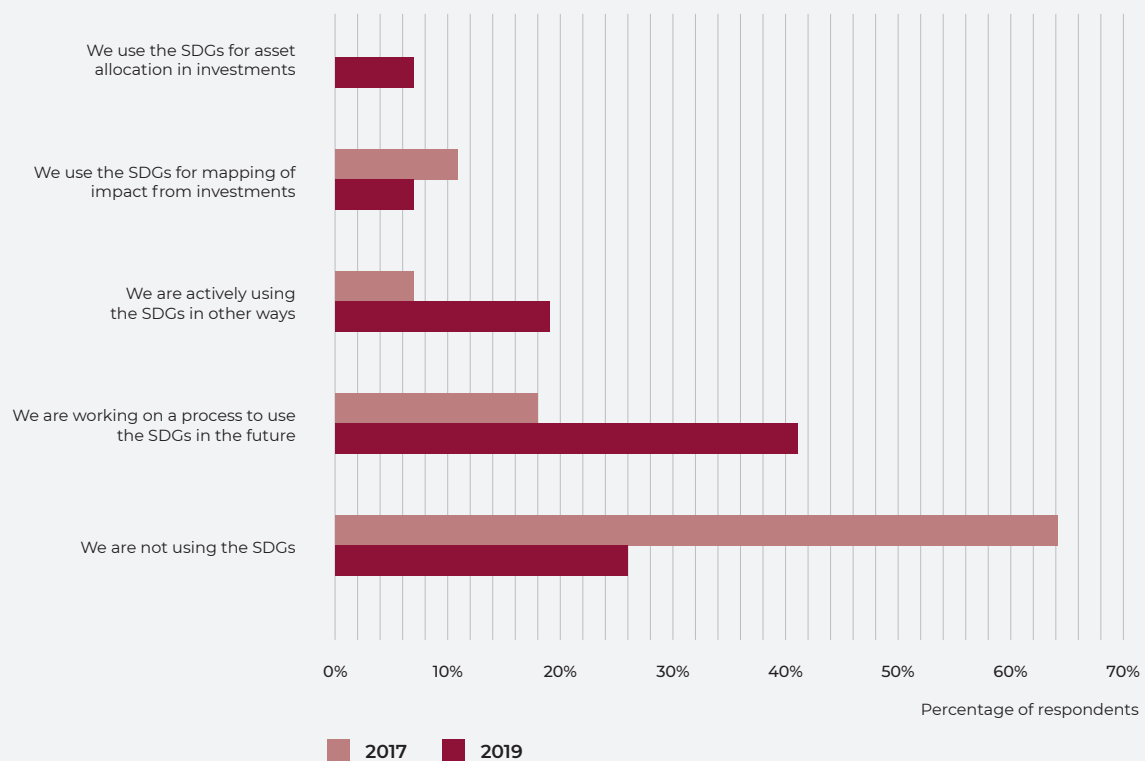
**Note:** Data for 2017 is based on previous Dansif surveys





## Investors and the UN Sustainable Development Goals

**Figure 15:** Does your organisation use the Sustainable Development Goals (SDGs) in asset allocation of investments or to map impact from investments?



**Note:** Data for 2017 is based on previous Dansif surveys





33% of respondents say that they are currently using the UN Sustainable Development Goals (SDGs), a large increase compared to 18% in 2017, see Figure 15. Meanwhile, 41% of investors say that they are working on a process to use the SDGs in the future.

Other than using the SDGs for asset allocation and mapping of impact of investments, respondents say that the SDGs are used as a framework for considering ESG opportunities and to inform responsible investment decisions or commitments to NGOs.

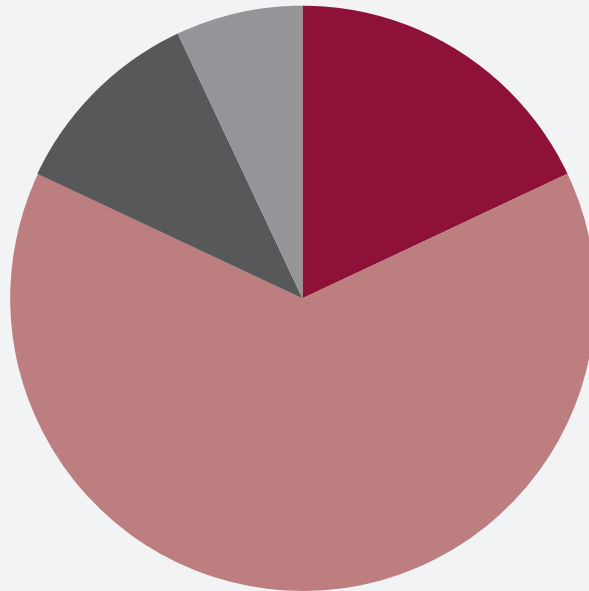


## Expectations of change in regulation

**Figure 16:** Indicate to what extent you expect changes to regulation to impact your strategies in the coming 1-3 years.

|   |                        |     |
|---|------------------------|-----|
|    | To a large extent      | 18% |
|    | To some extent         | 64% |
|    | To little or no extent | 11% |
|  | Do not know            | 7%  |

Percentage of respondents



82% of respondents expect that changes to regulation will impact their investment strategies in the coming 1-3 years to a large or to some extent, see Figure 16. Some respondents mention EU regulation and the EU Sustainable Finance Initiative as having the most potential to impact strategies in the coming 1-3 years.





