

## > Nordea Asset Management: Active Ownership Expanded

Shareholder activism – or active ownership, a perhaps less antagonistic term – can make a difference. “We have had success in getting shareholder resolutions approved at AGMs for better climate disclosure”, says senior analyst Hetal Damani of Nordea Asset Management. “More and more companies understand the importance of transparency and investors are demanding it.”

One of the largest asset managing companies in the Nordics with over €215bn in its portfolios, Nordea Asset Management concentrates its active ownership policy on four specific areas: climate change, water, corruption, and human rights. The firm is also a member of the Aiming for A Coalition – an Pan-European investor platform for climate action that aims to coordinate and expand the active ownership approach to support corporate resilience in a low-carbon universe.

Nordea Asset Management is considered a pioneer of responsible investing and was one of the first to introduce the full scope of ESG (environment, social, and governance) data into its investment platform. The firm’s ESG-enhanced products include its Star Funds, split according to geography, and a newly-launched Global Stars Fund which leverages the proprietary research of a large industry-leading team of analysts.

Ms Damani reveals that all of Nordea’s STARS portfolio managers are required to take ESG performance into consideration – and even those portfolio managers who oversee “traditional” investment funds are increasingly taking this type information into account. “We wish to create more awareness of ESG as a gauge of future corporate performance. Portfolio managers need good reasons to take positions in companies that are ESG laggards.”

Last year, Nordea Asset Management also joined the Corporate Human Rights Benchmark, the first-ever ranking of the world’s largest publicly listed companies on their human rights performance. The ranking offers investors a valuable additional tool for the evaluation and engagement of businesses.

In the area of water, Ms Damani explains Nordea Asset Management lived one of its “proudest moments” when it was able to increase awareness of and trigger action in the pharma industry to clean up their supply chains. “We found that a number of suppliers of active product ingredients released toxic effluents which impacted the surrounding community and degraded local water supplies. We managed to bring this to the attention of pharmaceutical industry CEOs and



Senior Analyst: Hetal Damani



encourage the Pharmaceutical Supply Chain Initiative to address this.”

The recent political lurch away from environmentally sound politics is not seen as particularly worrisome: “Whilst at times the rhetoric is disconcerting, we must remain aware of the difference between talk and action. We are, in fact, a bit more optimistic and consider that it is highly unlikely that the current trend towards more environmental and social awareness

will revert. Regulatory entities and the wider public will most certainly insist on continual improvements to address the issues at hand.”

Nordea Asset Management is the largest Nordic retail fund provider with a 16% market share and around 1.7 million unitholders. The firm also serves more than 600 institutional investors. It also maintains a global distribution franchise which some 300 international fund distributors, including 25 wealth managers. ✱