

European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;

- Signatories are solely responsible for the answers to the questions, and should state this in their response.

Statement of Commitment

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of DNB Asset Management. We have been involved in SRI since 1986 and welcome the European SRI Transparency Code.

This is our third statement of commitment and covers the period 01.08.2022 until 31.07.2023. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

Compliance with the Transparency Code

DNB Asset Management is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. DNB Asset Management meets the full recommendations of the European SRI Transparency Code.

1st July 2022

Eurosif classification of Sustainable and Responsible Investment¹ strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they are involved in certain activities based on specific criteria. Common criteria include

1 Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances². Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

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1. List of funds covered by the Code

Name of the fund(s): DNB Fund – Renewable Energy					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	Asset class	Exclusions standards and norms	Fund capital as at 31 December	Other labels	Links to relevant documents
<input type="checkbox"/> Best-in-Class Investment section <input checked="" type="checkbox"/> Engagement & Voting <input type="checkbox"/> ESG Integration <input type="checkbox"/> Exclusions <input type="checkbox"/> Impact Investing <input type="checkbox"/> Norms-Based Screening <input type="checkbox"/> Leading to exclusions <input type="checkbox"/> Leading to risk management analysis/engagement <input checked="" type="checkbox"/> Sustainability Themed	Passively managed <input type="checkbox"/> Passive investing – core benchmark: specify the index tracking <input type="checkbox"/> Passive investing – ESG/SRI benchmark: specify the index tracking Actively managed <input type="checkbox"/> Shares in a euro area country <input type="checkbox"/> Shares in an EU country <input checked="" type="checkbox"/> International shares <input type="checkbox"/> Bonds and other debt securities denominated in euro <input type="checkbox"/> International bonds and other debt securities <input type="checkbox"/> Monetary assets <input type="checkbox"/> Short-term monetary assets	<input checked="" type="checkbox"/> Controversial weapons <input checked="" type="checkbox"/> Alcohol <input checked="" type="checkbox"/> Tobacco <input checked="" type="checkbox"/> Arms <input checked="" type="checkbox"/> Nuclear power <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Labour rights <input checked="" type="checkbox"/> Gambling <input checked="" type="checkbox"/> Pornography <input type="checkbox"/> Animal testing <input type="checkbox"/> Conflict minerals <input type="checkbox"/> Biodiversity <input type="checkbox"/> Deforestation <input checked="" type="checkbox"/> CO2 intensive (including coal) <input type="checkbox"/> Genetic engineering <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> Global Compact <input checked="" type="checkbox"/> OECD Guidelines for MNCs	EUR 83,190,000,000	<input type="checkbox"/> French SRI label <input type="checkbox"/> French TEEC label <input type="checkbox"/> French CIES label <input checked="" type="checkbox"/> Luxflag Label <input checked="" type="checkbox"/> FNG Label <input type="checkbox"/> Austrian Ecolabel <input type="checkbox"/> Other (please specify)	- (KIID?) https://documents.anevis-solutions.com/dnb/KIIDOC-EN-LU-LU0302296149.pdf - Prospectus https://documents.anevis-solutions.com/dnb/PROSPECTUS-EN-LU-LU0302296149.pdf -Management report https://documents.anevis-solutions.com/dnb/MANAGERCOMMENTS-EN-LU-LU0302296149.pdf -Financial and non-financial reporting -Corporate presentations - Other (please specify) Semi annual report https://documents.anevis-solutions.com/dnb/SEMIANNUALREPORT-EN-LU-LU0302296149.pdf

	<input type="checkbox"/> Structured funds	<input checked="" type="checkbox"/> ILO Conventions <input type="checkbox"/> Other (please specify)			
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2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

DNB Asset Management S.A. (DAM S.A.) is the management company of the DNB Fund, SICAV, of which DNB Fund –Renewable Energy is a registered sub-fund.

DNB Asset Management AS (DAM AS) is the investment manager of DNB Fund –Renewable Energy. DNB Asset Management(DAM)is a subsidiary of the DNB Group and consists of two legal companies –DNB Asset Management AS and DNB Asset Management S.A.

DNB Asset Management S.A. has delegated the investment management service for DNB Fund – Renewable Energy to DNB Asset Management AS.

Management Company

DNB Asset Management S.A.

Address: 13 Rue Goethe, L-1637 Luxembourg, Luxembourg

Website: www.dnbam.com

Contact Person

Name: Mike Judith

Email: mike.judith@dnb.no

Address: 13, rue Goethe, L-1637 Luxembourg, Luxembourg

Phone: +352 45 49 45 503

Investment Manager

Legal name: DNB Asset Management AS

Address: Dronning Eufemies gate 30, 0191 Oslo, Norway

Website: <https://www.dnb.no/en/business/savings-and-investments/asset-management.html>

Contact Person

Name: Dr. Malte Kirchner

Email: malte.kirchner@dnb.no

Address: 13, rue Goethe, L-1637, Luxembourg

Phone: +352 45 49 45 507

Responsible Investments

Contact Person

Name: Janicke Scheele

Email: janicke.scheele@dnb.no Address: Dronning Eufemias gate 30, 0191 Oslo, Norway

Phone: +47 48 07 54 69

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

DAM is a responsible and sustainable investor, striving to provide high long-term return with an acceptable level of risk whilst considering Environment, Social and Governance (ESG) factors.

DNB's Standard for Responsible Investments³ shall ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical and/or unsustainable. These guidelines cover all asset classes and financial investments throughout the Group, including the companies established under DNB Asset Management Holding AS.

Our work with Responsible Investments (RI) has been an important focus for DAM for many years, as demonstrated with DAM joining the Principles for Responsible Investment in 2006. Our work is based upon four pillars: standard setting, active ownership (dialogue and voting), risk management (including exclusions), and ESG-integration in investment decisions with a focus on risks and opportunities.

In addition to following Norwegian standards, DNB AM and the DNB Group has chosen to support and participate in a number of global initiatives and international guidelines to ensure shareholder value in a long-term perspective. Our guidelines build on international conventions and norms, including:

- The 10 principles of the UN Global Compact ([link](#))
- The OECD Guidelines for Multinational Enterprises ([link](#))
- The UN Guiding Principles on Business and Human Rights ([link](#))
- The Ottawa Convention ([link](#))
- Convention on Cluster Munitions ([link](#))
- Treaty on the Non-Proliferation of Nuclear Weapons ([link](#))
- Convention on the Prohibition of Development, Production, Stockpiling of Bacteriological (Biological) and Toxin Weapons and their Destruction ([link](#))
- Chemical Weapons Convention (CWC) ([link](#))
- ILO Conventions ([link](#))

2.3. How does the company formalise its sustainable investment process?

³ <https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/2022/group-standard-dnb-responsible-investments.pdf>

DNB AM's formalises the sustainable investment process in the Sustainable Investment policy document on the DNB AM website, and also as part of the DNB AM responsible investment annual report.

The policy contains details regarding:

- *DNB Standard for responsible investments (including product and norms based exclusion information)*
- *The Responsible Investment approach, including details about*
 - *Standard setting*
 - *Exclusions*
 - *ESG Integration*
 - *Active Ownership (Voting and company engagement)*
- *Transparency and reporting being undertaken by DNB AM*

https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2021/DNB_AM_Sustainable_investment_policy.pdf

The DNB AM voting guidelines are in two parts, for companies located in Norway and other global companies. These are located below.

https://dnb-asset-management.s3.amazonaws.com/ESG-SRI-pdf/Voting_Guidelines_for_Norway.pdf?mtime=20191025103944&focal=none

https://dnb-asset-management.s3.amazonaws.com/ESG-SRI-pdf/Guidelines_for_voting_globally_2019_Oct_17.pdf?mtime=20191025103801&focal=none

The DNB AM engagement policy is located as part of the DNB AM responsible investment annual report, from page 38.

https://dnb-asset-management.s3.amazonaws.com/DNB-asset-management_annual-report-responsible-investments-2021.pdf

2.4 How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?⁴

ESG-analysis is used to uncover possible risk factors and opportunities either on a case-by-case basis or in regards to defined themes. We integrate a top level ESG score into our front office portfolio management system, and are in the process of producing additional tools to increase access to data points to portfolio managers. Portfolio managers also receive alerts regarding controversies and changes in ESG pillar scores on a weekly basis.

From a thematic perspective, DAM has three important long-term thematic focus areas: climate change, water and human rights.

Climate change

Climate change and its impacts may present risks and opportunities for companies and their operations. As an investor with a long-term investment horizon, this is a high priority topic for us.

⁴ Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

Climate change can impact companies' revenues, both negatively and positively. Firstly, we engage with companies we identify to be exposed to climate risks, for example through carbon pricing, regulatory risks and breaches of international norms and regulations. We also look at companies where climate change may result in improved business opportunities. We are signatory to CDP's climate change program and a supporter of the TCFD.

In 2019 we were a part of the UNEP FI's TCFD Investor Pilot Project. This enabled us to take a more structured approach to analysing climate-related risks and opportunities and understanding what their impacts may be, thereby informing our strategic thinking. Through the project, we aimed to contribute to the standardisation of scenario analysis within the investment industry, and culminated in the release of a report outlining guidance on how to implement the TCFD recommendations.

We also took part in an update to this UNEPFI working group in 2021-..

<https://www.unepfi.org/wordpress/wp-content/uploads/2019/05/TCFD-Changing-Course-Oct-19.pdf>

Since the work on this project, and as part of our approach to climate risk management, we continue to conduct scenario analyses, to understand the transition and physical risks and opportunities which may be experienced by companies in DNB AM's funds, and the associated potential financial impact. As part of our DNB annual report, we have assessed our thematic funds (climate and environment), under a range of scenarios. The approach assesses the transition risk and opportunities separately from the physical risk and opportunities, ultimately combining the results. The output is a forward-looking Climate Value-at-Risk (CVaR) metric comprised of an assessment of policy risk, transition opportunities, and physical risks. The CVaR assessment aims to "measure the potential impact of different climate scenarios on individual securities' valuation", and provides a percentage value of the potential impact resulting from climate change under each scenario. These security level results are then aggregated up to the fund level to provide a fund level CVaR. A positive Climate Value-at-Risk (CVaR) implies that the overall portfolio-level impact will result in profits under the scenario, whereas a negative CVaR implies that there will be portfolio-level costs associated with the scenario

The funds were evaluated under 1.5°C, 2°C (late action), 2°C and 3°C of warming, for both average and aggressive scenarios, utilising four different integrated assessment models. Broadly, the results are in line with our expectations. More details are available in our Annual responsible investments report:

https://dnb-asset-management.s3.amazonaws.com/DNB-asset-management_annual-report-responsible-investments-2021.pdf (pg 63)

Water

Identified by the World Economic Forum and the UN's 2030 Sustainable Development Goals, access to clean water and sanitation represents one of the top global challenges for the next decade. Water is an important input factor in a number of processes for many sectors. We expect to see an increase in water management being incorporated into business strategies, risk management and measuring and valuing water impact.

In 2022, we aim to encourage companies to improve in line with our expectations document on water. We will continue to work on the Global Investor Mining and Tailings Safety Initiative, and any water-relevant initiatives as part of the 2030 Investor Agenda for Mining Sector. We will also continue to support collaborative engagements on water, including the FAIRR initiative. We intend to systematically continue to identify and engage companies on water, targeting industries and companies we have identified as facing high water related risks and/or opportunities. The collaboration with CWC will be continued in 2022, where we will be a part of the ESG, Water and Emerging Risks Network (EWER). The EWER initiative aim to define a robust and applicable process for assessing and disclosing water risks, based on pertinent metrics and evolving data sources.

Human rights

The long-term credibility of sectors, markets and companies may be dependent on the level of respect for human rights in their operations and products, including their supply chain. Companies which ignore human rights factors in their business may bear operational, legal, regulatory and reputational risk. We expect companies to respect human rights in agreement with international 'hard and soft laws', norms and standards. We expect companies to incorporate human rights in their strategic planning, risk management and reporting, in line with the UN Guiding Principles for Business and Human Rights, the UN Global Compact and ILO Conventions.

In addition we have short-term thematic engagements which vary year to year and which we apply to our entire investment universe. In 2022, we continue to focus on emerging markets supply chains, and deforestation and land use, both of which have strong links to human rights challenges. In addition, we will look at biodiversity, gender equality and diversity, oceans, and product safety and quality.

2.4. How many employees are directly involved in the company's sustainable investment activity?

As of 30.06.2022, DAM has a dedicated Responsible Investments team consisting of one Manager and four Analysts. The team works closely with Portfolio Managers.

2.5. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
<input type="checkbox"/> ECCR – Ecumenical Council for Corporate Responsibility <input type="checkbox"/> EFAMA RI WG <input type="checkbox"/> European Commission's High-Level Expert Group on Sustainable Finance <input type="checkbox"/> ICCR – Interfaith Center on Corporate Responsibility <input type="checkbox"/> National Asset Manager Association (RI Group)	<input checked="" type="checkbox"/> CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) <input type="checkbox"/> Climate Bond Initiative <input type="checkbox"/> Green Bond Principles <input type="checkbox"/> IIGCC – Institutional Investors Group on Climate Change <input checked="" type="checkbox"/> Montreal Carbon pledge <input type="checkbox"/> Paris Pledge for Action <input type="checkbox"/> Portfolio Decarbonization Coalition	<input type="checkbox"/> Access to Medicine Foundation <input checked="" type="checkbox"/> Access to Nutrition Foundation <input type="checkbox"/> Accord on Fire and Building Safety in Bangladesh <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> ICGN – International Corporate Governance Network <input type="checkbox"/> Other (please specify)

<input checked="" type="checkbox"/> PRI - Principles For Responsible Investment <input checked="" type="checkbox"/> SIFs - Sustainable Investment Fora <input type="checkbox"/> Other (please specify)	<input type="checkbox"/> Other (please specify)		
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The DNB Group supports the following internationally recognised standards and initiatives⁵:

- UN Global Compact [\(link\)](#)
- UN Guiding Principles for Business and Human Rights [\(link\)](#)
- UN Sustainable Development Goals [\(link\)](#)
- UN Environment Programme Finance Initiative (UNEP FI) [\(link\)](#)
- The G20/OECD Principles of Corporate Governance [\(link\)](#)
- The OECD Guidelines for Multinational Enterprises [\(link\)](#)
- Global Reporting Initiative (GRI) [\(link\)](#)
- The Equator Principles [\(link\)](#)
- CDP [\(link\)](#)
- Green Bond Principles [\(link\)](#)
- RE100 [\(link\)](#)
- The Responsible Ship Recycling Standard (RSRS)
- Task Force on Climate Related Financial Disclosure (TCFD) [\(link\)](#)

DAM signed the Principles for Responsible Investment in 2006. Our overall score for the Strategy and Governance Module in the 2020 PRI Assessment Report was A+, which matched the A+ received the previous year. We are yet to receive our assessment report for 2021.

Please find the latest RI Transparency report via the below link:

<https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/0769F73D-A7A4-4799-89A2-1C58631645AB/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>

In addition, DAM is a part of the following initiatives:

- UN PRI Plastics Investor Working Group
- UN PRI's Methane Engagement Group
- UN PRI Montreal Carbon Pledge
- Climate Action 100+
- The Norwegian forum for responsible and sustainable investments (NORSIF)
- Sustainable Investment Forums (SIFs)
- Eierforum (for good shareholder accountability)

⁵ [https://www.dnb.no/portalfont/nedlast/en/about-us/Reporting/2020/Support to global initiatives.pdf](https://www.dnb.no/portalfont/nedlast/en/about-us/Reporting/2020/Support%20to%20global%20initiatives.pdf)

Further details about the above initiatives can be found in our Sustainability library:

https://www.dnb.no/portalfont/nedlast/en/about-us/Reporting/2020/Support_to_global_initiatives.pdf

2.6. What is the total number of SRI assets under the company's management?

All assets are subject to negative and norms-based screening, for this purpose they can be considered SRI assets.

EUR 78,770,000,000 (as of 31.03.2022) DNB Asset Management AS

- Institutional vs retail customers
 - Institutional – 78%
 - Retail – 22%
- Equity vs bonds
 - Equities – 56%
 - Bonds – 44%

3. *General information about the SRI fund(s) that come under the scope of the Code*

3.1. What is (are) the fund(s) aiming to achieve by integrating ESG factors?

DNB Fund - Renewable Energy is a global sustainability-themed fund investing in renewable energy companies and companies whose services contribute to improved energy efficiency, thereby providing solutions for the transition to a low carbon economy.

We believe in the long-term potential of environmentally sustainable investments, and that the best way to get exposure to this growing area of opportunities is through a thorough bottom-up fundamental approach.

We invest in companies whose services and technologies aid the reduction of global emissions, predominantly energy related emissions. Before qualifying for the investment universe, companies must demonstrate that the drive towards lower emissions is a significant driver for their business. Low GHG emission intensity (Scope 1+2) companies do not necessarily contribute the most to reduce global emissions which is why we consider emissions throughout the entire value chain when assessing a company's contribution. Emphasis is placed on what the companies' product does for society as a whole from an environmental point of view. Often this will be environmental solutions for the companies' clients or further down the supply chain. Thus, understanding the industry themes and trends is crucial, and this is ensured by the long experience and sector specialisation of each of the investment team members.

Within this scope, we believe in generating alpha through bottom-up stock picking with a long term horizon. We do this by identifying the companies that are best positioned for rapid changes, with proven good quality management and corporate governance, and where we can identify value as well as benefitting from price discrepancies through momentum monitoring.

ESG considerations permeate our investment process - they are not separated from the rest. It seems obvious to us that a proper assessment of an investment's risks and rewards must include these

considerations. For example, we believe that businesses offering solutions to lower their customer's carbon footprint often face attractive growth prospects. Additionally, if their environmental innovation velocity is faster than competition, they are likely to grow their competitive advantage in the future. Such findings guide our view on revenue growth and expectations for return on capital. Understanding the impact that companies have on the climate and environment requires deep analysis. Typically, carbon footprint is used as a metric to tell us about how companies impact the climate, and, subsequently, how exposed they are to transition risk. Whilst this is important, it does not tell us anything about the positive climate impacts that a company delivers. Potential avoided emissions are therefore used as a metric to quantify how companies' products potentially contribute to reduced emissions in the long run. An analysis by ISS-ESG shows that the fund's underlying holdings potentially contribute to six tonnes of avoided emissions per ton emitted. The team's second potential avoided emissions report can be found [here](#). Culture is another source of competitive advantage. For example, we seek to understand whether the company's sustainability division serves mainly reporting functions or whether they actively partake in the business' core activities. Do management set the right example by having a thorough understanding of the environmental drivers of the business' products and services? Are salespeople able to sell based on a wholistic value proposition that includes lower emissions or resource intensity? Addressing climate challenges is at the core of our investment mandate. However, we also believe that other ESG elements are important drivers of value creation. Companies that have a sustainable approach to its employees, corporate culture, products and services, supply chain and corporate governance will attract talent over time, which will in turn develop the best products and services, which will attract customers, which in turn attracts investors. This continuous process results in a lasting competitive advantage for those that are best-in-class.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

Internal ESG resources

In order to facilitate the implementation of DNB's RI Policy, there is a dedicated Responsible Investments (RI) team comprised of one Manager and four experienced analysts. The team is located in Oslo, Norway, and works closely with our Portfolio Managers.

Environmental, Social and Governance (ESG) data is incorporated into our investment management system and are available to all of our investment professionals. Our Portfolio Managers use this data in their company risk assessments. We also have a database where rating and company meeting information can be shared between the Portfolio Managers and RI Analysts.

External ESG resources

- Sustainalytics (<https://www.sustainalytics.com/>) – analysis, screening and engagement
- MSCI ESG Research/Manager (<https://esgmanager.msci.com/esgmanager/>) – ESG ratings, business involvement screening research, carbon metrics, analysis, thematic/industry research, and screening
- ISS (<https://www.issgovernance.com/>) – Proxy voting and analysis
- CDP data (<https://www.cdp.net/en>)
- Bloomberg – Data, research and analysis

- Sell-side equity research
- Other: news, industry reports (NGOs, research bodies, governmental bodies, etc)

3.3. What ESG criteria are taken into account by the fund(s)?

DNB Asset management

Based on the aforementioned conventions and norms (section 2.2), companies involved in controversial weapons, production of tobacco and pornography shall be excluded from our investment universe⁶. In addition, companies which derive 30 per cent or more of their income from oil sands extraction, as well as mining companies and power producers which themselves or through entities they control derive 30 per cent or more of their income from thermal coal, or base 30 per cent or more of their operations on thermal coal, may be excluded from the investment universe. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. In addition, emphasis shall be placed on forward-looking assessments of the companies, including any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

DNB has a Committee for Responsible Investments that implement and monitor our Standard for responsible investments and meets five times a year. If a company is identified as being involved in controversial weapons, or the production of tobacco or pornography, all holdings will be sold and the company will be excluded as a possible investment. If companies are considered to violate other parts of the guidelines, we primarily try to influence the companies by actively exercising ownership rights to include companies in a positive and sustainable direction, but we also exclude companies on these grounds.

For more information on sustainability in DNB please visit our Sustainability library:

https://www.dnb.no/en/about-us/csr/sustainability-library.html?la=EN&site=DNB_NO

For more information on the Group Standard for responsible investment, please visit:

https://dnb-asset-management.s3.amazonaws.com/ESG-SRI-pdf/Standard-Responsible-Investment-KL-approved-September_2019.pdf?mtime=20200129161117&focal=none

For more information on DNB's expectation documents for companies, please visit:

Human rights: https://www.dnb.no/portalfont/nedlast/en/about-us/corporate-responsibility/2017/Criteria_and_expectations_Human_right.pdf

Serious environmental harm: https://www.dnb.no/portalfont/nedlast/en/about-us/corporate-responsibility/2017/Criteria_and_expectations_Serious_environmental_harm.pdf

Climate change: <https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/2018/Climate-Change-Expectations.pdf>

⁶ <https://www.dnb.no/en/about-us/exclusions.html>

Anti-corruption: <https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2018/Corruption-expectations.pdf>

Taxation: <https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2018/Tax-expectations.pdf>

Oceans: https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2020/Oceans_Expectations_002.pdf

Gender Equality and diversity: https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2019/Gender_Equality_Diversity_Expectations_final.pdf

Water: https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2020/Water_Expectations.pdf

Biodiversity: https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2021/Biodiversity_expectations_2021.pdf

Engagement strategy

The objective of engagement is to influence companies to improve their practices, thereby securing long-term shareholder value and mitigating risk in the best interest of our clients, as required as part of our fiduciary duty. The reason for engagement is often determined by specific concerns related to environmental, social and governance matters, but could also be to improve companies' general performance or sustainability related processes, which may otherwise lead to underperformance. Any company within our investment universe, or companies we plan to invest in, may be considered for engagement. This process also ensures that our entire investment universe is compliant with our Guidelines for Responsible Investments.

We practice active ownership by engaging with companies (on a proactive and reactive basis) that have been identified as being exposed to ESG risks or which are in breach of our Guidelines for Responsible Investments. We may also engage with companies where ESG factors may lead to business opportunities which have not been sufficiently addressed. ESG risks and opportunities may also vary between sectors (as uncovered through sector research). Our engagement efforts are primarily guided by our long- and short-term thematic focus areas. Our long-term focus areas are: climate change, water and human rights. In 2022, our short-term thematic engagements are: biodiversity, oceans, deforestation and land-use, product safety & liability, and Health and sustainable food systems. Companies may be identified for engaged based on alerts/cases from our external engagement provider, Sustainalytics, or through screening using MSCI data or data/research we collect ourselves or through brokers.

In addition, we use our proxy voting service provider, ISS's platform, to vote at Annual General Meetings (AGMs) and Extraordinary Meetings of listed companies in which we have ownership. Our Guidelines for Voting⁷ state that we shall vote at all Norwegian company AGMs where we have

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https://www.dnb.no/portalfront/nedlast/no/privat/Praktisering_Retningslinjer_stemmegivning_Norge.pdf?pop=true
https://www.dnb.no/portalfront/nedlast/no/om-oss/samfunnsansvar/2019/Guidelines_for_voting_globally_2019_Oct_17.pdf

holdings, and we have adopted a systematic approach to determining which global companies' AGMs we will vote at. We engage with Boards, Management and Nomination Committees prior to AGMs and will explain our voting decisions to companies when we have voted against the company's recommendation, and the results of our proxy voting are made publicly available⁸. Through informed proxy voting we endeavour to secure long-term shareholder value and ensure that companies act sustainably.

For further details regarding the mandate for the committee for responsible investments:

https://dnb-asset-management.s3.amazonaws.com/ESG-SRI-pdf/Responsible_Investment_Committee_-_mandate.pdf?mtime=20191028092954&focal=none

Please refer to our Responsible Investments Annual Report for more information on our formalised sustainable investment process (our engagement strategy is detailed on pages 38):

https://dnb-asset-management.s3.amazonaws.com/DNB-asset-management_annual-report-responsible-investments-2021.pdf

Please refer to our voting policies:

Norway: https://www.dnb.no/portalfont/nedlast/en/about-us/Voting_Guidelines_for_Norway.pdf

Global: https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/2019/Guidelines_for_voting_globally_2019_Oct_17.pdf

Fund specific

DNB Renewable Energy is a thematic environmental fund with sustainable investment as its objective. It invests in sustainable enablers of a better environment. A natural starting point is therefore understanding the environmental angle of companies, and whether the businesses are significantly driven by enabling a better environment or not.

The result is a broad universe of companies with exposure to the environmental theme. The “obviously green” companies are a natural part of the universe. Here there is strong consensus that these companies and sectors contribute directly and positively to environmental challenges. An example is renewables – a large part of the decarbonisation story will come from renewables and technology that already exists today. In addition, nascent technology, such as hydrogen, carbon capture and storage, and recycling/circularity solutions still need to be developed and scaled and will also play a significant role. The availability of cheap renewable energy also drives electrification, which enables emissions reductions within hard-to-decarbonise sectors, such as steel production. However, we also see opportunities within industries providing “less obvious” solutions. These are the companies that deliver products and services that enable emissions reductions along value chains. We believe that some of the most exciting opportunities exist within this category, as you can often find “hidden gems” with attractive business models and strong competitive advantage. The companies providing or enabling solutions will experience tailwinds in their financials as the world economy makes investments to decarbonise the global capital stock. They are also well-placed to benefit from

⁸ <https://vds.issgovernance.com/vds/#/OTY1Nw==>

structural drivers from policy, shifting focus from investors, and increased societal expectations on climate.

Before conducting any financial fundamental evaluation of the equities, we investigate the environmental angle of the company and seek to understand if the business is significantly driven by enabling a better environment or not. There can be numerous ways to measure this. We can, for instance, look at percentages of revenue, profits, assets, Research and Development (R&D), capital expenditure (CAPEX), and the sum-of-the-parts value which provide climate and environmental benefits. This information is interesting for any investment candidate but, in practice, the data will not always be available, and it will also be somewhat dependent on which stage of the business lifecycle the company is in. For instance, in earlier phases, such as start-up and growth, R&D and CAPEX will be most relevant. For mature businesses, profits become more important. We also seek to avoid investing in businesses with controversial environmental angles, as clients investing in environmental funds typically do not want this exposure.

In addition to having a strong environmental angle, the companies invested in must also be good investments. We believe that investment returns are driven by a thorough assessment of competitive advantage, growth opportunities and intrinsic value relative to the share price. The investment process is a set of tools to evaluate and understand these most important aspects of the investment philosophy. The process is bottom-up and driven by a curiosity for businesses models, and, more broadly, an appetite for understanding how the world works. In practice it includes review of all public company filings and various industry sources. Beyond this we particularly enjoy expert networks and company meetings as they yield good chances of understanding corporate culture. Valuation is another part of the process worth highlighting. We enjoy building models, thinking through scenarios, and comparing our views with those prevailing in the market. We believe in holding equities for the long term and are attracted to companies with proven value creating capabilities. Over time we believe such companies, properly identified, will continue to generate attractive returns. We also see opportunities with shorter time horizons, for example where investor psychology leads to outsized reactions in the share price. Lastly, we observe a diverse and dynamic investment universe, and we strive for a process that is flexible and adaptable to change.

DNB Renewable Energy is subject to the following exclusion criteria, as covered by DNB's Group Standard for responsible investment:

Criteria	Threshold
International norms and conventions	0%
Controversial weapons (incl. cluster munitions, chemical and biological weapons, landmines, nuclear weapons, etc)	0%
Pornography (production)	0%
Tobacco (production)	0%
Oil sands (production)	>=30% of revenues
Thermal coal	>=30% of revenues or generation
	Absolute coal criteria (extract more than 20 million tonnes of thermal coal or with power generating capacity of more than

	10000 MW from the combustion of thermal coal)
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In 2019, 2020, and 2021, FNG awarded the DNB Renewable Energy Fund its FNG Label with the highest possible rating of three stars. The fund is awarded the label for its thematic investment in renewables, sustainable transportation and energy efficiency. Furthermore, established voting and formal engagement policies show active involvement with respect to ESG aspects.

In addition to adhering to DNB's Standard for Responsible Investments, the portfolio managers apply additional exclusion criteria in line with the FNG criteria, based on revenues, to ensure compliance with the label:

- >=5% nuclear energy
- >=5% coal mining*
- >=5% oil sands*
- >=5% fracking
- >=10% revenues or generation related to thermal coal*

* Stricter threshold than that defined in the DNB Group Standard for Responsible Investments.

3.4. What principles and criteria linked to climate change are taken into account in the fund(s)?⁹

DNB Fund - Renewable Energy seeks to invest in equities whose services and technologies contribute to the reduction of global emissions, historically these investments have typically been related to energy-related emissions.

Before qualifying for the investment universe, Portfolio Managers evaluate if enabling lower emissions is a significant driver for the business.

Governance is a key part of the investment thesis as the Portfolio Managers look for companies which are aligned with shareholders and have a history of capital discipline, or which show a willingness to improve in these areas.

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

All issuers undergo the same evaluation which entails meeting DAM's minimum ethical criteria and ensures compliance with our Standard for Responsible Investments. Before an issuer qualifies for inclusion in our investment universe, our RI team conducts a thorough analysis to uncover possible risk factors. This analysis relies on MSCI's ESG Business Involvement Screening Research (BISR) to

⁹ Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code):

<https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697>

uncover potential product violations, Sustainalytics to uncover norms-based risks through their Global Standards screening, as well as research from industry/NGOs and/or the media.

To qualify for inclusion into the DNB Renewable Energy fund, companies must demonstrate that contributing to lower emissions is a significant driver for their business. A company's GHG emissions intensity (scope 1+2) is not always a true reflection of its environmental impact and as such, companies with low GHG emissions intensities do not necessarily contribute the most to reducing global emissions. This is why we consider emissions throughout the entire value chain when assessing a company's contribution. Emphasis is placed on what the companies' product does for society as a whole from an environmental point of view. Often this will be environmental solutions for the companies' clients or further down the value chain. Thus, understanding the industry themes and trends is crucial, and this is ensured by the long experience and sector specialisation of each of the investment team members. The Portfolio Managers of DNB Renewable Energy therefore evaluate companies based on the interpreted positive environmental impact of their products and services. To do so, the team runs proprietary analyses of the different companies' contribution to the environmental solutions and assesses the companies' total emissions, considering scopes 1, 2, and 3. In addition, the team attempts to factor in the impact the companies' products may have on potential avoided emissions, this has been quantified as part of a piece of analysis DNB AM have undertaken with ISS.

https://dnb-asset-management.s3.amazonaws.com/ESG-SRI-pdf/DNB_Renewable_Energy_Avoided_Emissions_2021.pdf

3.6. How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?

DAM performs quarterly reviews of the ESG evaluation of issuers. DAM's RI team receives and assesses alerts from Sustainalytics/MSCI on company controversies on a rolling basis, along with other alerts from news services and Bloomberg. Given the nature, and severity of the controversy, an investigation will be conducted by the RI team to determine the appropriate actions, including Incident based (reactive) engagement. These takes place when a company is reported (where allegedly or confirmed) to be in breach of the DNB Group Standard for Responsible Investments. The incident in question should be deemed systematic in nature and/or as leading to severe, negative consequences. In general, incident-based engagement processes should aim to not exceed two years.

Following a decision to exclude a company from the DNB investment universe, the portfolio managers will look to sell out as soon as possible, within two weeks of the date of notification.

4. Investment process

4.1. How are the results of the ESG research integrated into portfolio construction?

DNB Renewable Energy's investment universe is a sub-set of DNB's total investment universe and comprises approximately 700 companies, of which a number will be selected for inclusion within the portfolio. DNB Renewable Energy is a thematic environmental fund with sustainable investment as its objective. It invests in sustainable enablers of a better environment.

ESG considerations permeate our investment process - they are not separated from the rest. It seems obvious to us that a proper assessment of an investment's risks and rewards must include these considerations. For example, we believe that businesses offering solutions to lower their customer's carbon footprint often face attractive growth prospects. Additionally, if their environmental innovation velocity is faster than competition, they are likely to grow their competitive advantage in the future. Such findings guide our view on revenue growth and expectations for return on capital. Understanding the impact that companies have on the climate and environment requires deep analysis. Typically, carbon footprint is used as a metric to tell us about how companies impact the climate, and, subsequently, how exposed they are to transition risk. Whilst this is important, it does not tell us anything about the positive climate impacts that a company delivers. Potential avoided emissions are therefore used as a metric to quantify how companies' products potentially contribute to reduced emissions in the long run. An analysis by ISS-ESG shows that the fund's underlying holdings potentially contribute to six tonnes of avoided emissions per ton emitted. The team's second potential avoided emissions report can be found [here](#). Culture is another source of competitive advantage. For example, we seek to understand whether the company's sustainability division serves mainly reporting functions or whether they actively partake in the business' core activities. Do management set the right example by having a thorough understanding of the environmental drivers of the business' products and services? Are salespeople able to sell based on a wholistic value proposition

that includes lower emissions or resource intensity? Addressing climate challenges is at the core of our investment mandate. However, we also believe that other ESG elements are important drivers of value creation. Companies that have a sustainable approach to its employees, corporate culture, products and services, supply chain and corporate governance will attract talent over time, which will in turn develop the best products and services, which will attract customers, which in turn attracts investors. This continuous process results in a lasting competitive advantage for those that are best-in-class.

Comprehensive ESG data, such as carbon footprints and ESG ratings, are measured for all issuers and is available at company and aggregate portfolio level in DAM's decision support system. These measurements have led to an increased focus on ESG issues by the investment team and increased collaborative interaction between the Portfolio Managers and the RI team. In addition to an increased level of engagement by the RI team, engagement meetings are more frequently conducted in cooperation with portfolios managers. More comprehensive ESG integration in portfolio management will maintain high priority moving forward.

The DNB standard is in place to ensure that DNB does not contribute to the infringement of human or labour rights, corruption, serious environmental harm or other actions that could be regarded as unethical. It shall also ensure that assessments of risks and opportunities related to ESG (Environment, Social and Governance) factors are integrated in the investment management. DAM's RI team manage a list of companies excluded from the investment universe based on the exclusion criteria outlined in the DNB standard. In the event of a decision to exclude a company, all holdings will be sold and the company will be excluded from the investment universe. We also exclude companies based on their exposure to a range of factors (see question 3.3). If companies are considered to violate other parts of DNB's Standard for Responsible Investments, we primarily try to influence the companies by actively exercising ownership rights, but companies may be excluded from our investment universe should their ESG risk be considered too high.

4.2. How are the criteria specific to climate change integrated into portfolio construction?

The fund has sustainable investments as the objective and invests in sustainable enablers of a better environment, and therefore the environmental aspect and particularly climate is a key focus for the fund. A company's GHG emissions (scope 1+2+3) and company ESG score are considered, but emphasis is placed on the lifecycle emissions of a company's products and services and whether or not these contribute to positive environmental impact. In 2019, DNB AM set about finding an alternative process for demonstrating the emissions reduction impact of companies in the DNB Renewable Energy fund. The result was the production of the report in 2020 "Assessment of potential avoided emissions and exposure to the UN Sustainable Development Goals", and a follow up report in 2021. It contains information at the fund, and in some cases company level on the potential avoided emissions from the companies in the portfolio. This research is being undertaken in Q2/Q3 2022 and will be released in Q3/Q4 2022.

https://www.dnb.no/portalfont/nedlast/no/om-oss/samfunnsansvar/2021/Potential_avoided_emission_DNB_AM_Renewable_Energy_fund.pdf

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

All issuers that are present in the portfolio have been subject to ESG evaluation before qualifying for the investment universe.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

The fund management team are working to continuously refine the approach to ESG evaluation of companies, to ensure the most relevant and critical information is being collected for use in the investment process. This has included an increased emphasis on carbon emission reduction target setting, and a focus on net zero. While already an important focus, the development of a best practice framework and company engagement piece, is helping to ensure the companies in the fund are taking action to reduce carbon emissions and that their actions are in line with the emission reductions required by science to limit warming.

The DNB standard for responsible investments has not undergone any changes in the last 12 months in terms of changes to the exclusion criteria, nor has the fund adopted additional exclusion criteria.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

No.

4.6. Does (do) the fund(s) engage in securities lending activities?

Yes, the fund has engaged historically in securities lending. DAM has a policy in place to recall the securities so as to exercise the voting rights. In selecting the counterparties, integration of environment and social criteria are not primary elements in the process, although some governance factors are considered as part of the assessment.

4.7. Does (do) the fund(s) use derivative instruments?

No. The fund does not use derivative instruments.

4.8. Does (do) the fund(s) invest in mutual funds?

No. The fund does not invest in mutual funds.

5. *ESG controls*

5.1. What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?¹⁰

Non-compliance occurs if a company is found to not be in-line with our DNB Standard for Responsible Investments, the portfolio's investment policy (mandate), and any investment restrictions imposed by applicable laws.

Compliance monitoring is performed on two levels:

- 1) Pre-trade controls are included as part of the Portfolio Manager's trade simulation routine in DAM's decision-support system.

Our decision support system has integrated modules for pre trade compliance and post compliance. Our front-office solution integrates seamlessly with our portfolio management system, SimCorp Dimension (SCD), and our SRI database.

- 2) Post-trade controls are performed in DAM's portfolio management system, SimCorp Dimension (SCD), throughout the day. First level controls are performed by DAM's Risk Management Function (RMF) and second level controls are managed by DAM's Compliance & Quality division.

Post-trade compliance checks ensure adherence to DNB Asset Management's Guidelines for Responsible Investments

6. *Impact measures and ESG reporting*

6.1. How is the ESG quality of the fund(s) assessed?

As a starting point, we measure the portfolio carbon footprint and overall ESG score for all of our equity portfolios versus their benchmarks. In addition, we measure the financial impact of exclusions in the funds using our decision support system. The impact of active ownership is measured through milestones reached and cases resolved. As of today, the financial impact of ESG integration is not systematically measured.

6.2. What ESG indicators are used by the fund(s)?¹¹

-GHG emissions data (absolute and intensity)

¹⁰ Reference to Article 173 of the French TECV Act

¹¹ Reference to Article 173 of the French TECV Act

- Avoided emissions data
- ESG scores (both external and internal)
- Governance assessment (qualitative)

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

A range of communication resources are utilised to communicate with investors. Including:

- DNB Renewable Energy “Sustainable enablers of a better environment” report, 2021
- Responsible Investment Annual Report
- DNB Group’s Annual Integrated Report
- PRI Transparency Report
- Sustainability library
- Tailor-made quarterly reports/presentations as requested by clients
- Website concerning fund:
 - <https://dnbam.com/en/our-funds/fund-range>
- KIID:
 - <https://documents.anevis-solutions.com/dnb/KIIDOC-EN-LU-LU0302296149.pdf>
- Prospectus:
 - <https://documents.anevis-solutions.com/dnb/PROSPECTUS-EN-LU-LU0302296149.pdf>
- Fact sheet:
 - <https://documents.anevis-solutions.com/dnb/FACTSHEET-EN-LU-LU0302296149.pdf>

6.4. Does the fund management company publish the results of its voting and engagement policies?¹²

Yes. Please refer to our Responsible Investments Annual Report for the results of our voting and engagement policies:

https://dnb-asset-management.s3.amazonaws.com/DNB-asset-management_annual-report-responsible-investments-2021.pdf

All voting details are available on the DNB AM VDS page. Details on every decision are available when clicking on the company name:

<https://vds.issgovernance.com/vds/#/OTY1Nw==>

¹² Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE