

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
DNB Fund Nordic Equities

Legal entity identifier:
5493000YZOLO6HMKQU67

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <div> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ____% </div>	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u>41</u> % of sustainable investments <div> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments </div>



To what extent were the environmental and/or social characteristics promoted by this financial product met?

● How did the sustainability indicators perform?

The fund's sustainability indicator was the average ESG score of the portfolio, which should be above the ESG score of the benchmark which is VINX Benchmark Net Index Capped. Another sustainability indicator was carbon intensity of the portfolio, which should be below the carbon intensity of the benchmark. Carbon intensity of the fund is measured by the weighted average carbon intensity of the fund (tCO₂e/USDm).

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Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

31.12.2022	DNB Fund Nordic Equities	VINX Benchmark Net Index Capped
ESG score (1-10)*	8.22	8.18
CO2 intensity*	58.52	66.27

* Source: MSCI ESG Research.

● **...and compared to previous periods?**

Not applicable.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The fund did not commit to making sustainable investments in 2022, but has made sustainable investments during the reference period. DNB Fund Nordic Equities has an environmental profile and invests in companies whose business models positively contribute to environmental objectives measured by alignment with the EU Taxonomy, alignment with environmental UN Sustainable Development Goals, or companies which demonstrated potential avoided emissions.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The fund has assessed significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

We have used indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. In general, the mandate of the fund is to invest in companies that are already performing relatively well on these indicators. However, we also have dialogues regarding the green transition in particular, in order to try to push companies in a more sustainable direction. Companies who are identified as outliers for one or several principal adverse impact indicators has been put on a watchlist, and was further analysed. This has resulted in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality has been low, the portfolio managers, together with the Responsible Investment team have at a best effort basis made their own assessment of the significant harm caused by the investment. We have aimed to quantify this to the highest possible extent, but reasonable qualitative assessments has been made where data is not available.

Note that data quality and coverage of principal adverse impact indicators in the market has been and is currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

PAIs	Consideration
1. GHG emissions	<p>Carbon footprint was monitored and considered in investment analysis and investment decision-making processes.</p> <p>Active ownership activities were utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies have been developed to influence companies and this was used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM.</p> <p>Scope 3 was analysed and considered in the investment process where data is available.</p> <p>The fund has a low carbon mandate, and the fund excluded companies with a high level of carbon emissions (tonnes CO₂e (scope 1, 2)/USDm revenues above 3000). The fund had a carbon intensity below the benchmark.</p>
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	<p>The fund did not invest in companies with direct exposure to fossil fuels.</p> <p>The fund has applied strict exclusion criteria based on DNB's Standard for Responsible Investments, additional exclusion criteria (defined by DNB AM), and exclusions based on requirements from an external ESG label, and did not invest in any companies in breach of these criteria.</p>
5. Share of non-renewable energy consumption and production	<p>Oil sands extraction, mining companies and power produces from thermal coal were excluded in cases where the company derives 5 percent or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment.</p> <p>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, was excluded from the investment universe or placed under observation.</p>

<p>6. Energy consumption intensity per high impact climate sector</p>	<p>Energy consumption has been a natural point of discussion in company engagements where this has been material. We engaged with companies which we deem to have an energy consumption intensity which might be harmful to the environment or society.</p> <p>No investments were made for companies with an energy consumption intensity above 50 GWh per million EUR revenue, which we consider to be laggards in this area.</p>
<p>7. Activities negatively affecting biodiversity-sensitive areas</p>	<p>Biodiversity has been addressed qualitatively by the fund in company engagements where company research indicates that the topic is material and should be addressed.</p> <p>For landbased biodiversity, we use data from MSCI to measure potential impact on biodiversity. These data points are binary or discrete in nature, and not on a continuous scale. The sustainable investment share of the portfolio did not invest in companies with biodiversity related controversies or those scoring “Red” on the Environmental Land Flag factor.</p> <p>Managing biodiversity risk is an important part of our work on responsible investments. In 2021, DNB AM signed the Finance for Biodiversity Pledge, a multiyear global initiative. As part of this initiative, we are committed to work on many aspects of biodiversity including goal setting, development of metrics, engagements, collaboration, and progress reporting. To complement this work, we joined the UNEP FI Sustainable Blue Economy Initiative in 2022. Here, the focus is on promoting healthy “blue” economy/ocean-related activities. The whole DNB Group also became a member of Partnership for Biodiversity Accounting Financials (PBAF) in 2022. The PBAF will help DNB AM assess and disclose impact and dependencies on biodiversity related to investments. We conducted the engagements both individually and in various investor collaborations and initiatives, including the FAIRR Initiative. The cooperation with FAIRR includes sustainable proteins, meat sourcing, and sustainable aquaculture. In late 2022, “Biodiversity Loss from Waste & Pollution” was added. Other examples of collaborative engagements are our two mining related engagements (Responsible Mining, Mining & Tailings Safety Initiative) as well as the investor working group for a deforestation-free automotive industry.</p>
<p>8. Emissions to water</p>	<p>Assessment of water and waste management has been a component of the fundamental investment process and is reflected on in our</p>

	ESG proprietary database and research. We have designed our own water questionnaire with the aim of retrieving more data and information on companies' practices regarding water. In addition, we have used our expectations documents on water, oceans, biodiversity and serious environmental harm to communicate our expectations in this area towards companies.
9. Hazardous waste and radioactive waste ratio	<p>Data on emissions to water and hazardous waste and waste reduction targets have been gathered and monitored when available and addressed in company engagements where company research indicates that the topic is material.</p> <p>For the sustainable investment share of the fund, there were no companies with water emissions intensity above 10t/m EUR revenue.</p> <p>Regarding hazardous waste, we also look to complementary data sources such as MSCI as well as to the SASB materiality map to guide conservative evaluations where the primary external data is lacking.</p> <p>The sustainable investment share of the fund did not consist of companies with a hazardous waste ratio above 500 t/m EUR revenue.</p>
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	<p>The portfolio and the investment universe have been regularly screened to make sure no companies were in violation of international norms and standards. Violations, or indication of possible violation, based on controversy assessments from external service providers or other publicly available information, lead to further investigation by the responsible investments team to determine whether this issue contributes to the conclusion of a breach of DNB's standard for responsible investments. Companies in breach was engaged with to learn more and encourage improvement. If a significant improvement was not observed over a certain period of time, we have considered exclusion from the investment universe as a last resort.</p> <p>As an example, we have in 2022 had discussions with a company in our investment universe regarding a lawsuit on human rights breaches in Sudan.</p> <p>The fund did not invest in companies that were non-compliant with UN Global Compact.</p>
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and	Companies' processes and compliances have been analyzed based on company reports from external service providers and other publicly available information, as well as data from our

OECD Guidelines for Multinational Enterprises	<p>own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic has been addressed in company engagements where company research has indicated that the topic is material and should be addressed. Engagement has been conducted directly, through service providers, and/or through collaborative engagement.</p> <p>For the sustainable investment share of the portfolio, companies that were lacking processes or compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises were not included if they showed non-compliance with UN Global Compact or if the company had severe controversies.</p>
12. Unadjusted gender pay gap	<p>Gender equality and diversity has been addressed in company engagements where company research indicates that the topic should be addressed. The topic has also been addressed through voting - we have usually supported reasonable shareholder resolutions requesting disclosure of specific diversity targets and disclosure on gender pay gaps within companies.</p>
13. Board gender diversity	<p>We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company has not met our expectations, we have aimed to engage with them on the topic to improve their practices.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	<p>Companies were excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles.</p> <p>The fund did not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.</p>

- Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights has been tested and assured as part of the process to identify sustainable investments.

We have screened companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose has been to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

DNB Fund Nordic Equities follows the DNB Group Standard for Responsible Investments, as well as applying additional screening criteria related to the fund strategy. The fund considers the principal adverse impacts indicators which are depicted above.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.01.2022 – 31.12.2022

Largest investments	Sector	% Assets	Country
NOVO NORDISK 'B'	PHARMACEUTICALS AND COSMETICS	9.78%	DENMARK
NORDEA BANK	BANK & OTHER CREDIT INSTITUTIONS	5.90%	FINLAND
NIBE INDUSTRIER 'B'	MACHINERY & APPARELS	5.51%	SWEDEN
VESTAS WIND SYSTEMS	ENERGY & WATER SUPPLY	5.44%	DENMARK
ORSTED	ENERGY & WATER SUPPLY	4.86%	DENMARK
INVESTOR AB 'B'	HOLDING & FINANCIAL TRUST	4.31%	SWEDEN
SWEDBANK 'A'	BANK & OTHER CREDIT INSTITUTIONS	3.98%	SWEDEN
ESSITY 'B'	PHARMACEUTICALS AND COSMETICS	3.84%	SWEDEN
ABB	ELECTRICAL APPLIANCES & COMPONENTS	3.44%	SWITZERLAND
NKT	ELECTRICAL APPLIANCES & COMPONENTS	3.33%	DENMARK



What was the proportion of sustainability-related investments?

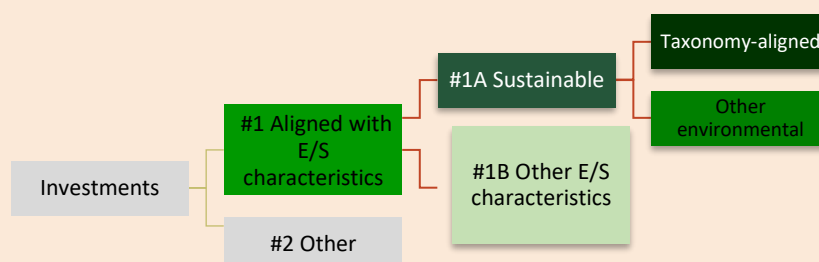
By 31.12.2022, the fund had a proportion of 95.84 % investments that were aligned with environmental and/or social characteristics (#1 Aligned with E/S characteristics). 41.34 % of investments were considered sustainable investments (#1A Sustainable). All of these sustainable investments were either taxonomy-aligned investments or other environmentally sustainable investments. The rest of the fund, 4.16 %, was invested in cash (#2 Other).

What was the asset allocation?

To Comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

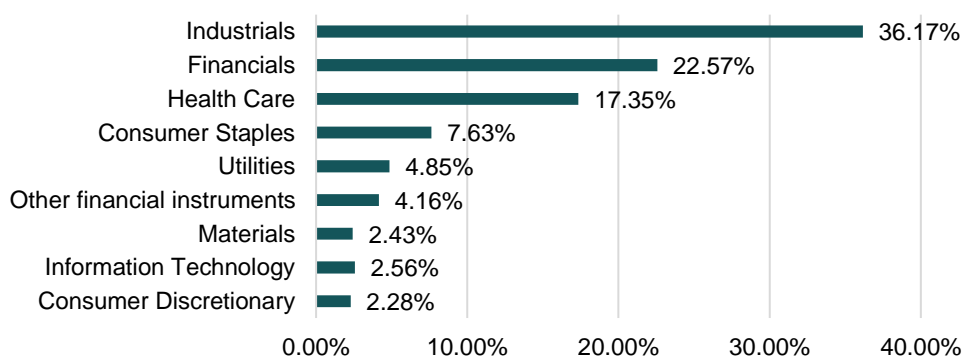
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Investments were made in the following economic sectors:



Source: DNB Asset Management. Based on holdings as at 31.12.2022.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Note that “Other financial instruments” refers to cash. The fund had no exposure to the “Energy” sector, which is the sector we have defined as the sector containing exposure to fossil fuels. Economic sector exposure is shown using the GICS classification from MSCI.



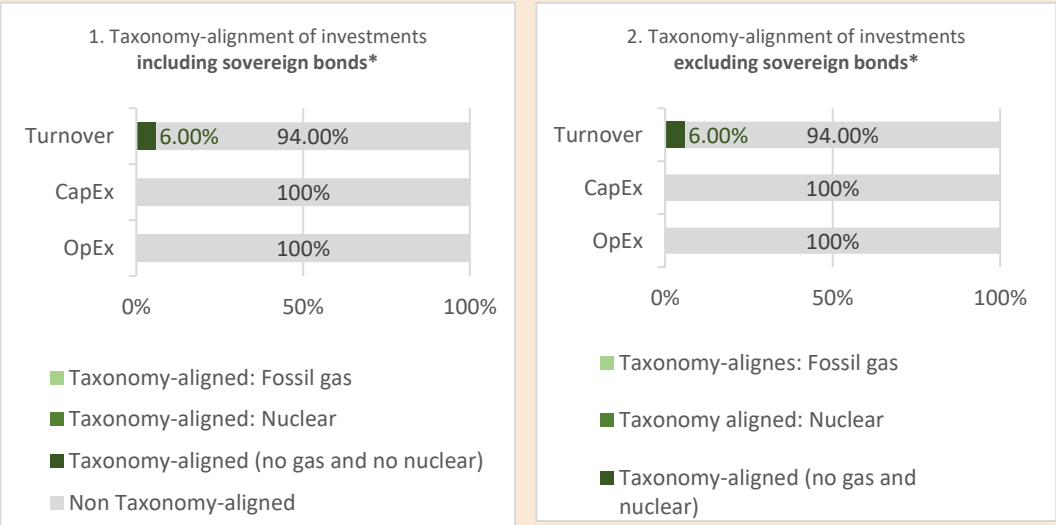
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy was 6 %.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- ☐ Yes:
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

Source: Bloomberg, reported and estimated data, including estimated data from Nordea Markets. Based on holdings as at 31.12.2022.

¹ Fossil gas and or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

We do currently not have access to reliable data to disclose the share of investments made in transitional and enabling activities. Therefore, investments made in transitional and enabling activities were 0 %.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 35.34 %. These investments have a contribution to an environmental objective by showing alignment to one or more environmental UN SDGs and/or by demonstrating potential avoided emissions.



What was the share of socially sustainable investments?

The share of socially sustainable investments was 0 %.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The category “#2 Other” includes cash. Cash has been included for liquidity purposes.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2022, we voted on 43 company meetings. Management sponsored 817 proposals during the period, where shareholders sponsored 11 proposals, with Directors Related and Routine/Business representing the categories with the most proposals, respectively. Votes cast were in line with management recommendations 96% of the time, with 4% contrary to management recommendations. The sector with the highest number of meetings held during the period was Industrials with 24 meetings.

The Responsible Investment team has had 26 engagements with companies in the portfolio throughout the year regarding environmental, social and governance aspects. Most engagements have been on environmental topics, especially climate change and biodiversity, trying to influence companies in a more sustainable direction. In addition, the portfolio managers have had investor dialogues on several topics. We have for example had dialogues with our portfolio company Bonheur, regarding how impact from their cruise business will affect their environmental profile.



How did this financial product perform compared to the reference benchmark?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.