Responsible investments - Group instructions

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1 Purpose

The instruction shall 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.

2 Scope

This document applies to all permanent and temporary employees in the Group.

In principle, it also applies to all companies in the DNB Group, including the Group's international operations.

The governing document does not apply to:

1. Companies in which DNB has no controlling influence as defined by the Norwegian Limited Liability Companies Act, or companies that DNB owns jointly with other financial institutions. In such companies, DNB should use its owner influence in the governing bodies to work towards ensuring that the companies have governance principles in place relating to corporate responsibility and ethics that are in line with DNB's own governance principles.
2. Companies that DNB has taken over or acquired for temporary ownership. Such companies must implement and comply with principles for ethics and corporate responsibility that are in line with DNB's own governance principles.

In the event of any conflict, legislation and other binding external rules will take precedence over this document. The person responsible for implementation must notify the document owner of any such conflict.

This instruction applies to all financial investments and covers all asset classes.

3 Roles and responsibilities

- The EVP of Corporate Responsibility and Public Affairs is the document owner.
- All group executive vice presidents have executing responsibility.
- Compliance shall be monitored according to the three lines of defence.
- All managers are responsible for reporting non-compliance with the principles in the instruction.

4 Principles

4.1 Exclusions

Companies will be excluded from the investment universe if they themselves or through the entities they control:

- produce weapons[1] which through normal use violate basic humanitarian principles,
- produce tobacco,
- produce cannabis for recreational use, or
- produce pornography.

[1] DNB shall 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.

Companies which derive 30 per cent or more of their income from oil sands extraction[2], 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.

Companies may be excluded from the investment universe if there is an unacceptable risk that a company contributes to or is responsible for:

- serious or systematic violations of human rights, such as murder, torture, deprivation of liberty, forced labour, the worst types of child labour[3] and other forms of exploitation of children
- grave violations of individual rights in wars or conflict situations
- the sale of weapons to states engaged in armed conflict that use the weapons in ways that constitute serious and systematic violations of international rules on the conduct of hostilities
- the sale of weapons or military materiel to states that are subject to investment restrictions on government bonds from countries subject to sanctions imposed by the UN Security Council[4]
- serious violations of basic labour rights
- grave harm to the environment
- acts or omissions that on an aggregate company level lead to unacceptable greenhouse gas emissions
- serious corruption
- other particularly critical violations of basic ethical norms

DNB will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council.

DNB will not invest in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to financial investments in DNB.

4.2 Exercise of ownership rights

Engagement with companies and the exercise of ownership rights shall be based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises, and be consistent with the United Nations Guiding Principles on Business and Human Rights.

[2] Bitumen is the main component of oil sands. Oil sands are typically a mixture of sand, water, clay and bitumen. Bitumen is oil which is too heavy or viscous to flow or be pumped without being diluted or heated. Oil sands are often also referred to as tar sands.
[3] For a more detailed definition of "the worst types of child labour", see Article 3 of the International Labour Organization (ILO) Convention no. 182.
4 May also include other international measures of particularly large scale aimed at a specific country where Norway has supported the measures.

DNB Asset Management is responsible for exercising ownership rights through dialogue, meetings and other measures. DNB Asset Management will seek to influence companies positively, and in cases where companies are suspected of acting contrary to DNB's s responsible investment guidelines and internationally recognised standards and conventions, encourage them to correct their actions. Furthermore, assessments of risks and opportunities related to ESG factors will be an integral part of the investment management and a starting point for active exercise of ownership rights.

4.3 External management

External management means management of customer assets outside DNB through various mutual funds and asset management companies.

The selection of external suppliers is based on an evaluation of whether the supplier's guidelines and implementation thereof are in line with DNB's own guidelines for responsible investments.

DNB shall not itself invest in external funds which include companies which themselves or through units they control produce weapons which during normal use breach fundamental humanitarian principles.

With respect to the investment services Discretionary management and Investment advice, only external funds which meet the requirements in the previous paragraph will be used. Customers who enter into agreements on discretionary management or investment advice may nevertheless ask that their portfolio be exempt from this restriction.

DNB normally screens external funds and labels them based on the findings of the screening. In cases where it has not been possible to carry out screening, this will be clearly stated. With respect to funds which are used in the investment services Discretionary management and Investment advice, DNB will have an active dialogue with fund managers that have companies in their mutual funds which DNB itself has excluded from its investment universe. The aim is to influence the funds to adopt a more sustainable and responsible investment practice.

4.4 Responsible Investment Committee

A special committee has been established in DNB to administer and follow up the approved responsible investment guidelines throughout the DNB Group. The committee is chaired by the head of Sustainability and Public Affairs division, which has the group-wide responsibility for coordinating assessments of whether the Group's investment activities are responsible with regards to climate and environmental issues, social conditions and corporate governance.

The committee collects information about companies and makes sure that matters are as well elucidated as possible before issuing a recommendation regarding a possible exclusion of companies from the investment portfolio. The committee issues such recommendations to the heads of Asset Management, Group Investments and DNB Livsforsikring ASA, who serve as decision-makers for their respective units.

The committee will regularly consider whether the grounds for excluding a company still exist. Based on new information, the committee may recommend that the decision to exclude a company be revoked. The committee will be regularly updated on DNB's exercise of ownership rights. In cases

where these efforts are unsuccessful, the committee may recommend the exclusion of the relevant company.

The committee reports to the group executive vice president of Communications and Sustainability once a year.

4.5 Publication

A list of the number of companies excluded from the investment portfolio, according to exclusion criteria, shall be publicly available and regularly updated.

DNB will be open about the subjects the Group focuses on in its exercise of ownership rights. DNB will also make available voting records from general meetings when voting against the Board of Directors' recommendation. In addition, DNB will disclose voting records in matters of public interest or of particular interest to the fund unit holders.

Mandatory meta data

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Other relevant documents:	Code of Conduct (EN) - Governance principles Sustainability – Group policy UN Global Compact OECD Guidelines for multinational enterprises UN Guiding principles on business and human rights The International Labour Organization (ILO) Convention no. 182 Members of ethical committee
Relevant process:	
Norwegian version (Yes/No)?	Yes
Briefly describe the **purpose** of this document to enable readers to become familiar with the content and consider relevance to their work	The standard shall 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.
Briefly describe **changes** from the previous version in order for the reader to consider changes relevant to them. The change log is visible in KRAFT and an important part of the documents change history.	- Torbjørn Rodt removed as contact person. Contact is temporarily changed to Gine Wang-Reese until new contact person is decided. - Minor change in foot-note. - In content the name standard has been changed to instructions.
If the **document is completely new**, describe the reason why it is being established and which previous governing document (s) it may replace.	