

## ANNEX V

### Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name DNB Fund - Renewable Energy

Legal entity identifier: 54930081K8CKBHORUK11

## Sustainable investment objective

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

**Yes**

It made sustainable investments with an environmental objective: 98.6%

In economic activities that qualify as environmentally sustainable under the EU Taxonomy

In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made sustainable investments with a social objective: 0%

**No**

It promoted environmental/social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of % sustainable investments.

With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

With a social objective

It promoted E/S characteristics, but did not make any sustainable investments



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

## To what extent was the sustainable investment objective of this financial product met?

DNB Fund Renewable Energy have attained its sustainable investment objective by investing in companies that are solution providers for a better environment, with a particular focus on resource efficiency, energy, and electrification.

The investment focus of the fund was on identifying attractive investment cases among companies contributing to a better environment, from both a financial and an ESG perspective. Companies had to demonstrate that the drive towards lower emissions reductions and a better environment was a significant driver for their business. Companies with low GHG emissions intensities do not necessarily contribute the most to reducing global emissions which is why we considered emissions throughout the entire value chain and place emphasis on what the companies' product does for society from an environmental point of view.

The analysis of potential avoided emissions of the fund has been elaborated in collaboration with an external ESG data provider and is the fund's main indicator for measuring positive contribution of portfolio companies. PAE are emissions that would have been released if a particular action or intervention had not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations. We also assessed whether companies had credible science-based emission reduction targets, either by having a SBTi approved target or through our internal assessment framework. This approach also involves engaging with companies that lacked such targets.

The assessment of alignment to environmental UN SDGs was based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment was measured in terms of revenues or alternatively CapEx.

## How did the sustainability indicators perform?

The fund's sustainability indicator was the fund's potential avoided emissions (PAE). PAE is calculated using the IEA Stated Policies (STEPS) scenario, which is a scenario that reflects current policy settings regarding climate based on a sector-by-sector and country by country assessment of the specific policies that are in place, as well as those that have been announced by governments around the world. The PAE estimate covers 68.81% of the fund holdings.

Note that the fund does not necessarily target a higher PAE intensity year on year, but the figure provides high-level signals that the team's investment process is attaining the sustainable investment objective of the fund.

Period	Fund	*Benchmark	Data source
31.12.2023	DNB Fund - Renewable Energy		
Percentage of the portfolio companies that either have revenues aligned with one or several environmental UN SDGs, have activities that are	92.8 %	na	MSCI ESG Research, S&P Trucost, Bloomberg

taxonomy aligned, or demonstrate potential avoided emissions			
Percentage in breach of the fund exclusion criteria	0.0 %	0.0%	MSCI ESG Research, Sustainalytics
Potential Avoided Emissions (PAE/EURm)	3 016.4	na	ISS-ESG

\* *WilderHill New Energy Global Innovation Index*

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### **and compared to previous periods?**

<i>Period</i>	<i>Fund</i>	<i>*Benchmark</i>	<i>Data source</i>
<b>31.12.2022</b>	<b>DNB Fund - Renewable Energy</b>	<b>*Benchmark</b>	<b>Data source</b>
Potential Avoided Emissions (PAE/EURm)	3 945.0	na	ISS - ESG

\* *WilderHill New Energy Global Innovation Index*

### **How did the sustainable investments not cause significant harm to any 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?**

The fund considered mandatory indicators for adverse impacts (PAIs) on sustainability factors. The indicators were applied to all underlying securities based on the data availability, coverage and quality. This approach facilitated the establishment of measurable or quantifiable thresholds and allowed qualitative assessments of adverse impacts where sufficient information was present. Companies identified as outliers for one or more PAIs were placed on a watchlist. This proactive measure promoted engagements with the respective companies to gather additional information and encourage them to address the PAIs. Companies with the biggest potential for impact have been prioritised in these assessments. In instances where data coverage and quality were limited, the portfolio managers, in collaboration with the Responsible Investment team, undertook a best-effort assessment of the significant harm caused by the investment. While efforts were made to quantify this impact to the highest extent possible, reasonable quantitative assessments were employed in cases where data was unavailable. Companies in breach with our PAI thresholds were not considered a sustainable investment.

The following PAIs were considered for all sustainable investments:

*Green House Gas emissions: GHG emissions (PAI 1), Carbon footprint (PAI 2), GHG intensity of investee companies (PAI 3), Exposure to companies active in the fossil fuel sector (PAI 4), Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6)*

#### **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.

*Biodiversity: Activities negatively affecting biodiversity-sensitive areas (PAI 7)*

*Water: Emissions to water (PAI 8)*


*Waste: Hazardous waste and radioactive waste ratio (PAI 9)*

*Social and employee matters: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), Unadjusted gender pay gap (PAI 12), Board gender diversity (PAI 13)*

*Controversial weapons: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)*

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.

Please refer to the table below for details about how the relevant indicators were considered during the reference period.

 *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 EU 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?

The fund follows the DNB Group Instruction for Responsible Investments, as well as applying additional screening criteria related to the fund strategy. The fund has considered the principal adverse impacts indicators described below for all investments.

We have used indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. 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.

PAIs	Consideration
1. GHG emissions	Carbon footprint was monitored and considered in investment analysis and investment decision-making processes, as well as net zero engagement target commitments. The portfolio managers have had a target of engaging with at least 80 % of the portfolio companies (by weight) on science-based net zero target setting. By the end of 2023, the portfolio managers have engaged with 95 % of portfolio companies on this topic.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	Active ownership activities have been utilised to encourage companies to measure, report and set targets to reduce their scope 1, 2 and 3 emissions. Science-based net zero targets (preferably verified) is considered best practice in this regard.
5. Share of non-renewable energy consumption and production	<p>Scope 3 has been analysed and considered in the investment process where data has been available. Potential Avoided Emissions (PAE) has been considered as additional information to the carbon footprint. Together with an external data provider, the potential avoided emissions of the fund have been analysed. The result showed that the fund's underlying holdings potentially avoid more carbon than they emit.</p> <p>The fund applied strict exclusion criteria based on DNB's Group Instruction for Responsible Investments, additional exclusion criteria (defined by DNB AM), and exclusions based on requirements from an external ESG label.</p> <p>Oil sands extraction, mining companies and power produces from thermal coal have been 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. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10 000 MW from the combustion of thermal coal, was excluded from the investment universe or placed under observation.</p>
6. Energy consumption intensity per high impact climate sector	Energy consumption has been a natural point of discussion in company engagements where this is material. We have engaged with companies which we deem to have an energy consumption intensity which might be harmful to the environment or society.

7. Activities negatively affecting biodiversity-sensitive areas	<p>We have assessed the companies' negative impacts on biodiversity through proxies, where materiality and dialogues have been emphasized.</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.</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 &amp; Pollution' was added. In 2023, FAIR started the Seafood Traceability Engagement, which DNB AM joined.</p> <p>In 2023, we also joined another key collaboration, the Nature Action 100 initiative (NA 100). Similar to the Climate Action 100+ on the climate side, NA 100 is a global investor engagement initiative focused on driving greater corporate action to reverse nature loss. The initiative engages companies in key sectors that are deemed to be systemically important in halting nature and biodiversity loss by 2030. DNB AM have committed to several engagements with this initiative going forward.</p>
8. Emissions to water 9. Hazardous waste and radioactive waste ratio	<p>Assessment of water and waste management is a component of the fundamental investment process and is reflected on in our ESG proprietary database and research. 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.</p> <p>Our expectations call for companies to identify, assess and manage their exposure to water-related risks and opportunities, and to ensure a high level of transparency around how such information can be utilised in our company analysis and as an input to investment decision-making.</p> <p>Data on emissions to water and hazardous waste and waste reduction targets has been gathered and monitored when available and are addressed in company engagements where company research indicated that the topic is material.</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>
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.</p> <p>The fund was not invested in companies that were considered to be non-compliant with UN Global Compact by the end of 2023.</p>

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances have been analysed based on company reports from external service providers and other publicly available information, as well as data from our 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 should be addressed. Engagement has been conducted directly, through service providers, and/or through collaborative engagement.
12. Unadjusted gender pay gap	Company reporting on gender pay gap is somewhat limited, but we expect this to improve over time and as required by regulation. Overall, gender pay gap disclosures are only mandatory in a few jurisdictions (e.g. UK, California). Gender equality and diversity has therefore been addressed in company engagements where company research indicates that the topic should be addressed. The topic has also been addressed through voting - we usually support reasonable shareholder resolutions requesting disclosure of specific diversity targets and disclosure on gender pay gaps within companies.
13. Board gender diversity	Board gender diversity is assessed for all companies and documented. When below the level defined as best practice, as described in our expectation document on diversity and inclusion, we have occasionally engaged with the company with specific milestones to improve the board diversity. This has also been expressed through voting.
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>



## 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: 01.01.2023-31.12.2023.

Largest investments	Sector	% Assets	Country
IMCD NV	Industrials	7.8 %	Netherlands
Vestas Wind Systems A/S	Industrials	7.0 %	Denmark
Sunrun Inc	Industrials	5.8 %	United States
Enphase Energy Inc	Information Technology	5.4 %	United States
Orsted A/S	Utilities	5.4 %	Denmark
Darling Ingredients Inc	Consumer Staples	5.3 %	United States
Scatec Asa	Utilities	4.5 %	Norway
Novozymes A/S	Materials	4.2 %	Denmark
Signify Nv	Industrials	4.0 %	Netherlands
Amphenol Corp	Information Technology	3.2 %	United States

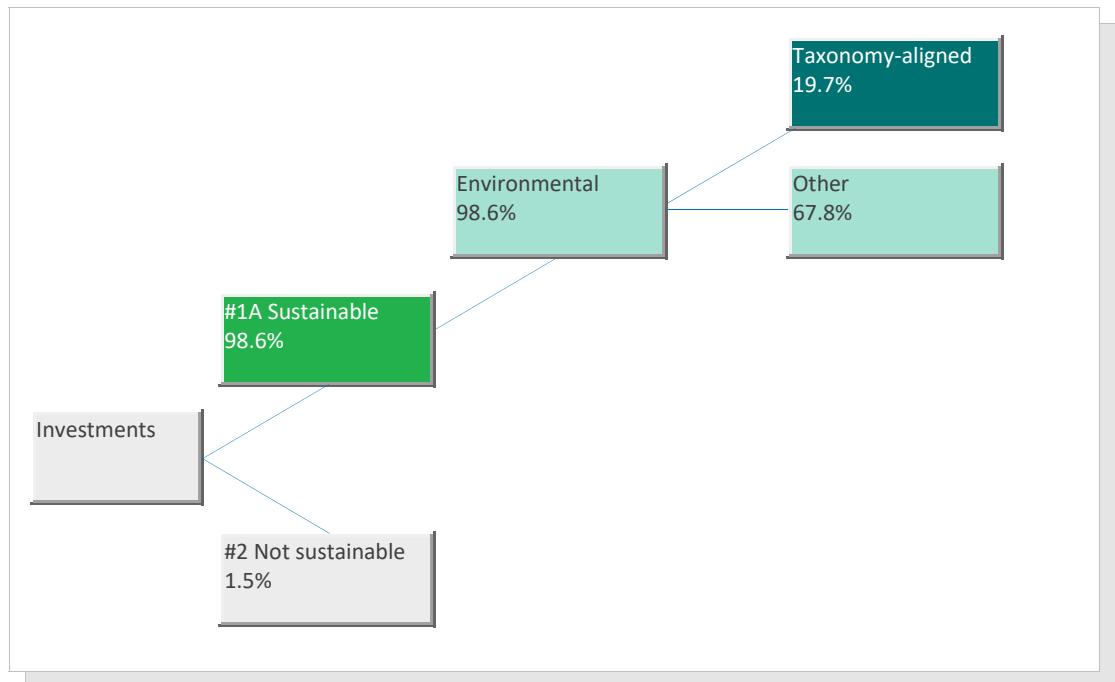


## What was the proportion of sustainability-related investments?

By 31.12.2023, the fund had a proportion of 98.6% sustainable investments (#1 Sustainable). All of these investments were considered environmentally sustainable. Note that we are not reporting socially sustainable investments for this fund, because of the fund's investment strategy. The rest of the fund 1.5%, was invested in cash (#2 Not sustainable).

## What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



*Taxonomy-aligned investments are reported as a weighted average of the portfolio, as set out by the EU Taxonomy Regulation. The other percentages are reported based on a pass/fail approach. Thus, the different sub-categories might not sum up to #1A Sustainable investments.*

#1 Sustainable covers sustainable investments with environmental or social objectives

#2 Not sustainable includes investments which do not qualify as sustainable investments.

**In which economic sectors were the investments made?**

Sector	Percent of holdings
Industrials	38.5 %
Materials	19.2 %
Information Technology	15.6 %
Utilities	14.8 %
Consumer Staples	6.1 %
Consumer Discretionary	3.7 %



**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 19.7%.

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

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy [1]?**

- Yes
- In fossil gas
- In nuclear energy
- No

[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.

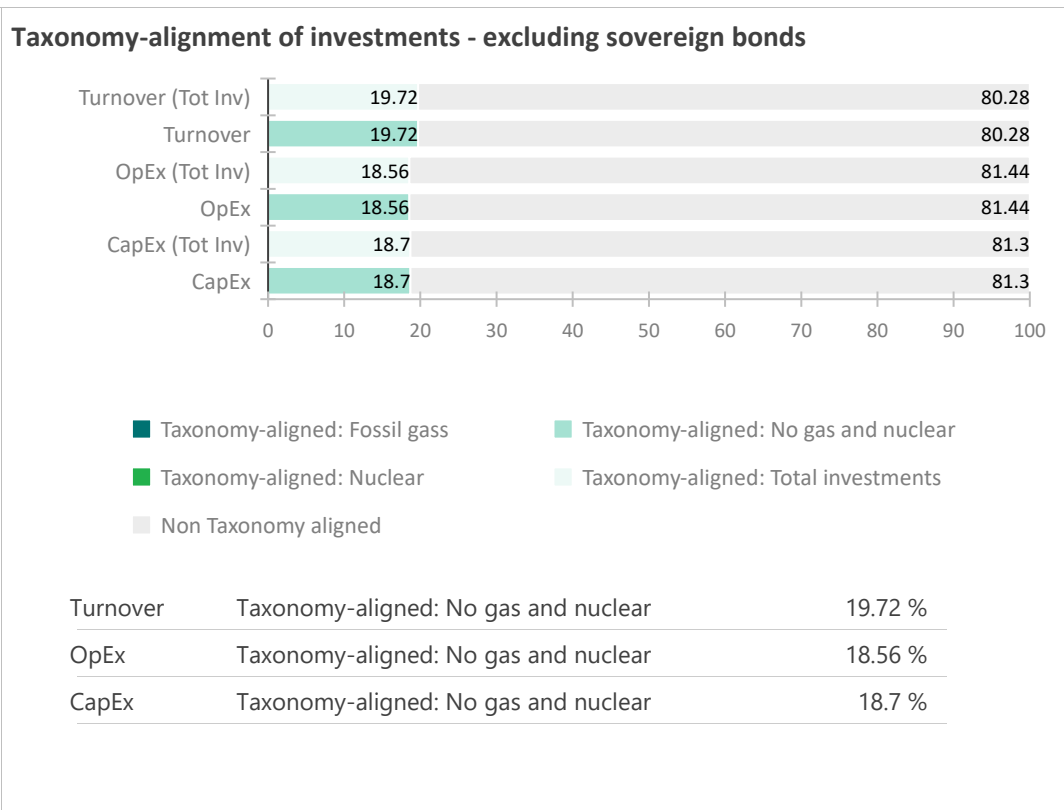
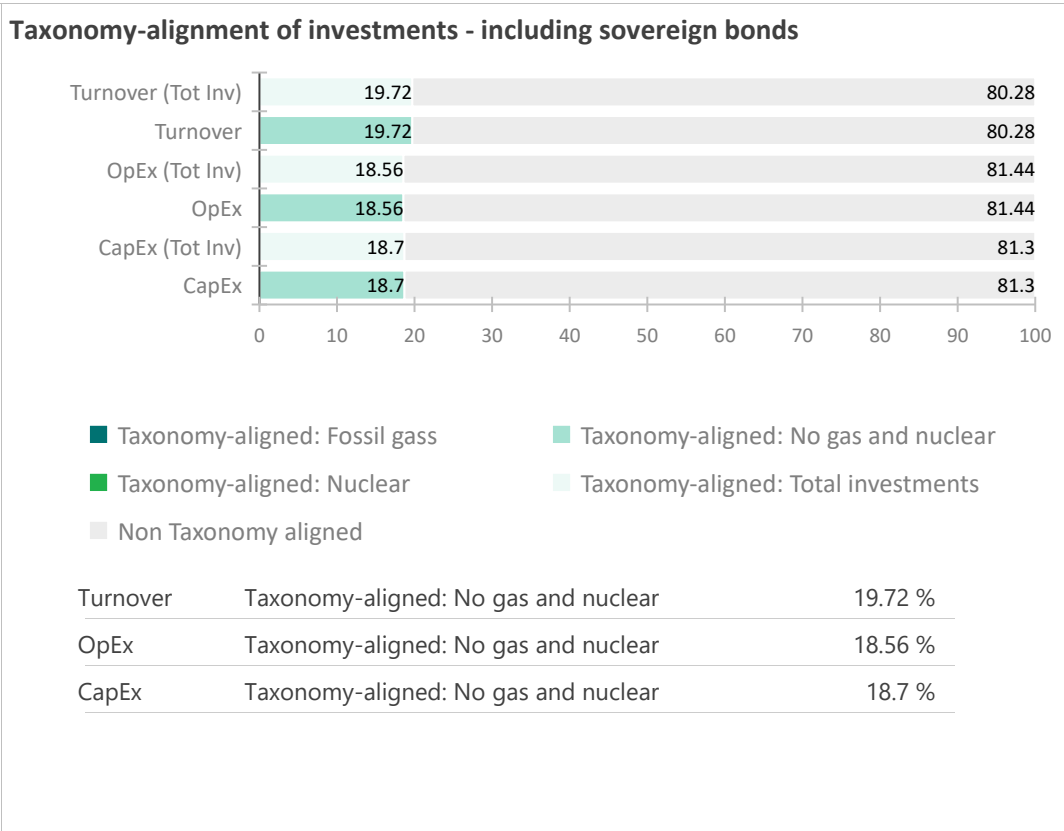
Taxonomy-aligned activities are expressed as a share of:

- turnover reflects the "greenness" of investee companies today.


- capital expenditure (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- operational expenditure (OpEx) reflects the green operational activities of investee companies.

**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

 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 investments made in transitional and enabling activities?**

Investments made in transitional activities were 0%, while investments made in enabling activities were 7.4%.


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

The proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy in previous reference period (2022) was 9.39%.


 **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 67.8 %. These investments had a contribution to an environmental objective by showing alignment with one or more environmental UN SDGs, by demonstrating potential avoided emissions, and/or by having a credible science based emission reduction target\*. Note that the fund's proportion of environmentally sustainable investments consists of both taxonomy-aligned investments and environmentally sustainable investments which are not taxonomy-aligned.


*\*DNB AM changed its sustainable investments methodology in October 2023. Therefore, credible science based targets has been used as a positive contribution indicator since then.*

 **What was the share of socially sustainable investments?**

The fund did not commit to making any socially sustainable investments. Due to the fund's investments strategy being oriented around environmentally sustainable investments, the socially sustainable investments made by the fund are not reported.

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

The category "#2 Not sustainable" includes cash. Cash has been included for liquidity purposes

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

In 2023, we voted at 66 company meetings. Management sponsored 718 proposals during the period, where shareholders sponsored 8 proposals, with Director election representing the categories with the most proposals, respectively. Votes casts were in line with management recommendations 91% of the time, with 9% contrary to management recommendations. The sector with the highest number of meetings held during the period was industrials with 25 meetings.

The Responsible Investment team had 20 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. Moreover,

we also discussed social and governance issues, such as human capital and remuneration. In addition, the portfolio managers had 27 investor dialogues with both portfolio companies and other relevant companies. The focus has been specifically on environmental topics such as carbon emissions, carbon reduction targets, and climate change. We have for example engaged in dialogue with the portfolio company, Sunrun, several times. Specifically addressing remuneration and corporate culture. Another important aspect of DNB Fund Renewable Energy's actions to attain its sustainable investment objective is the commitment to engage on science-based net zero target setting.



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

The fund did not use a benchmark that is aligned with the sustainable investment objective of the fund.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.