



Group guideline - Ethical investments

Scope

The guidelines apply to DNB's financial investments through DNB Livsforsikring ASA and Group Investments. The guidelines also apply to companies established under DNB Asset Management Holding AS and cover all asset classes.

The guidelines are based on the group policy for corporate social responsibility.

Scope

The guidelines shall ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm or other actions which may be perceived to be unethical.

Exclusions

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

- produce weapons¹⁾ which through normal use violate basic humanitarian principles,
- produce tobacco, or
- produce pornography

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.

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 labour²⁾ and other exploitation of children
- grave violations of individual rights in wars or conflict situations
- 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.

Exercise of ownership rights

Engagement with companies and the exercise of ownership rights should 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.

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 the ethical investment guidelines of DNB and internationally recognised standards and conventions, encourage them to correct their actions.



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 ethical investments.

DNB shall not invest in or distribute external funds which include companies which themselves or through units they control produce weapons¹⁾ which by normal use breach fundamental humanitarian principles.

DNB screens external funds and has 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.

Committee for ethical investments

A special committee has been established in DNB to administer and follow up approved ethical investment guidelines throughout the DNB Group. The head of CR and Public Affairs chairs the committee, which has group-wide responsibility for coordinating ethical aspects of the Group's investment activities.

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.

Publication

A list of the number of companies excluded from the investment portfolio, according to exclusion criteria, should 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.

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1) DNB will not invest in companies which are involved in the production of anti-personnel mines and cluster weapons as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies which develop and produce central components for use in weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear, biological and chemical).

2) For a more detailed definition of "the worst types of child labour" cf. article three of the International Labour Organization (ILO) Convention no. 182.