

**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.

**Pre-contractual 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**

**Product name:**  
DNB Fund - Technology

**Legal entity identifier:**  
2221009HL2G8Z8L26P85

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: %</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: %</b>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies<sup>51</sup>, companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

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

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30 percent or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

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

<sup>51</sup> Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.

Not relevant.

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

Not relevant.

*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.*



### Does this financial product consider principal adverse impacts on sustainability factors?

- Yes:
- No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB’ s Instructions.  Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30 percent or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment.
2. Carbon footprint	In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating
3. GHG Intensity of Investee Companies	

<p>4. Exposure to companies active in the fossil fuel sector</p>	<p>capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.</p> <p>Active ownership activities are 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 has been developed to influence companies and this is 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. Scope 3 is analysed and considered in the investment process where data is available.</p> <p>While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.</p>
<p>10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p>	<p>The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.</p>
<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Companies' processes and compliances are 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 is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.</p>
<p>13. Board gender diversity</p>	<p>We consider at least 40% of the least represented gender to be best-practice. 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 does not meet our expectations, we aim to engage with them on the topic to improve their practices.</p>

	The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	<p>Companies will be 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 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).</p>

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments ([https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible\\_investment\\_-\\_Group\\_Instruction.pdf](https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf)). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Communication Services & Information Technology), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30 percent or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30 percent or more of their income from thermal coal, or base 30 percent or more of its business on thermal coal<sup>52</sup>.
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership<sup>53</sup>.
- The fund shall not invest in companies with exposure to controversial weapons<sup>54</sup>.
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

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<sup>52</sup> In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

<sup>53</sup> Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

<sup>54</sup> The fund will 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.

## ● **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompasses the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.
- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.
- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.



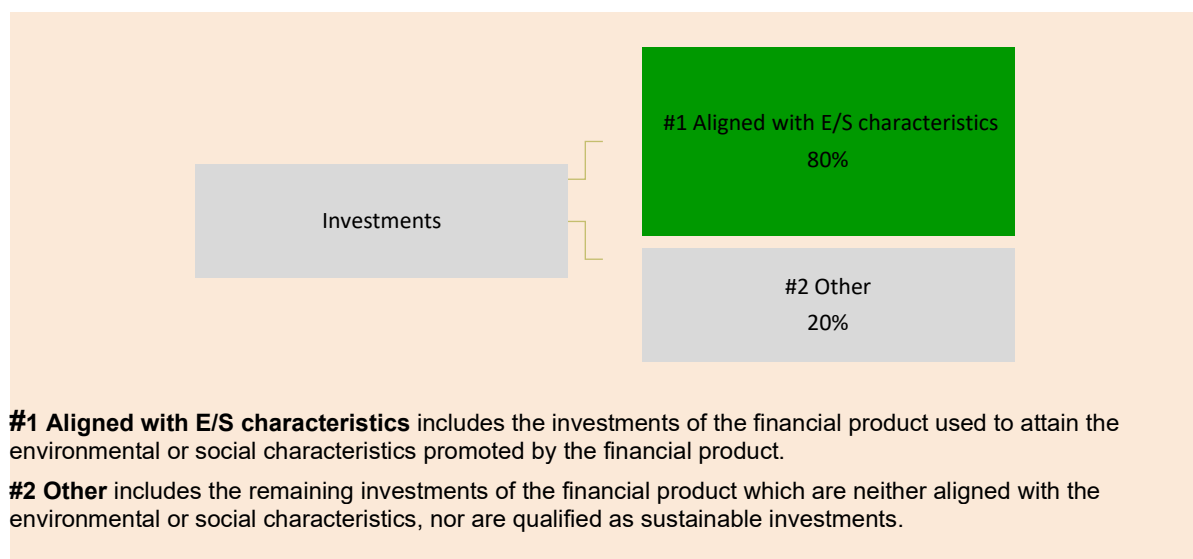
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

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.



**#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.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>55</sup>?**

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

<sup>55</sup> 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.

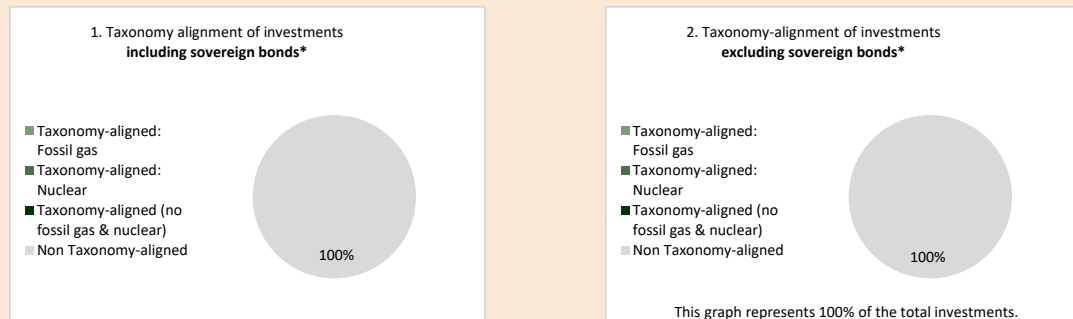


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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.


**The two graphs below show in green the minimum percentage of investments that are 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.

● **What is the minimum share of investments in transitional and enabling activities?**

The fund does not commit to a minimum share of investments in transitional and enabling activities.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

The fund does not commit to a minimum share of socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.



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

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

**Where can I find more product specific information online?**



**More product-specific information can be found on the website:**

Please refer to the section “Our funds” on our website: <https://dnbam.com/>. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” ([https://documents.anevis-solutions.com/dnb/SUSTAINABILITY\\_DISCLOSURE-EN-LU-LU0302296495.pdf](https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0302296495.pdf)).