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DNB Markets

ESG INSIGHT: NORDIC EU TAXONOMY NAVIGATOR 2.0

Green activity up, confusion down

For those looking for sustainable investments, Industrials is the sector to watch, our Nordic EU Taxonomy Navigator concludes. This is our second report assessing the sustainable activities as calculated by large European corporates. Although complex and in its infancy, we see growing proof the EU Taxonomy will: 1) remain market practice; 2) signpost slow, but continued growth in sustainable opportunities; and 3) highlight Nordic names with potential transition alpha. In this note, we recap the benefits and flaws of the EU Taxonomy and explain why corporates and investors should care.

EU Taxonomy is now the blueprint for defining sustainable assets. Despite reporting complexity and ESG data gaps, the EU Taxonomy helps capital flow to those sectors most needed for a sustainable transition. Investors tell us, however, that they combine EU Taxonomy data with their own subjective analysis, since the reporting is not mature enough to describe a company's full sustainability profile and since certain sectors are yet to be included.

Role of EU Taxonomy in capital markets set to grow. There is strong regulatory interdependence in the EU, and an ongoing push for a more active role for the EU Taxonomy. Investors should note that the European Securities and Market Authority (ESMA) in July 2024 proposed the EU Taxonomy as 'the sole, common reference point for the assessment of sustainability'.

Leading Nordic sectors are Industrials, Energy (Utilities), Real Estate and Materials. Although these may not be perceived as the usual suspects for sustainability, they rank highly in the number of companies reporting and in the largest share of sustainable activities. These are positives, and figures have improved since last year. In our view these sectors should be explored by investors seeking sustainable investments.

Nordic transition enablers are names in Industrial, Energy and Materials. Investors are seeking transition alpha, i.e. the winners from structural climate transition, and not only dark-green names. We have consequently carried out a deep dive into Industrial, Energy, Materials and Consumer-based sectors, and highlight names that report higher sustainable capex versus sustainable revenue. Capex flow is an indicator for a positive direction and should be explored by investors that have set transition strategies.

Nordic names to watch. This report provides a full list of Nordic names to watch in terms of both best performers and transition perspectives, and explains why these companies are likely to receive greater focus from investors assessing forward-looking sustainable transition opportunities.

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Contents

Executive summary	3
Mirror, mirror on the wall, who is the (reported) greenest of them all?	3
Gaining traction: why investors and corporates care	5
Nordic country reporting: cautious and improving	7
Taxonomy data is more reliable than previously	7
Small increase in number of reporting companies	7
Small increase in Nordic share of sustainable revenue (except for Norway)	8
Nordic sector reporting: leaders of the sector showdown	9
Quick recap on eligibility versus alignment	9
Differentiating between sector average scores versus sector-best performance scores	10
Transition alpha: our sector deep-dive	12
How to use the EU Taxonomy to map transition enablers	12
Industrials	12
Materials	13
Consumer discretionary and Consumer staples	14
Energy and Utilities deep dive	15
Real Estate	16
Appendix I: EU Taxonomy – what is it	17
Appendix II: list of 75 best performers	18
Appendix III: full list of company reporting	20

Executive summary

Mirror, mirror on the wall, who is the (reported) greenest of them all?

This is the second year when European companies must disclose how much they profit from and invest in economic activities defined as 'sustainable', according to the EU. Despite still-limited reporting and regulations still being under development, this year's reported EU Taxonomy data gives improved insight into which countries, sectors and companies that are leading the way in sustainable activities. Additionally, it gives insight into which companies that are transition enablers. In this second consecutive Taxonomy Navigator, we highlight developments since last year and identify the leading Nordic companies in sustainable activities according to this reported data.

After assessing the EU Taxonomy reporting from ~600[1] companies listed in Denmark, Finland, Iceland, Norway and Sweden, we observe notable takeaways, including:

1 **Gaining investor traction.** As more investors integrate E, S and G targets into their investment strategies, which we have tracked among Nordic cornerstone investors, definitions for what makes an activity sustainable become essential. The EU Taxonomy is still the most used common definition with growing user areas.

2 **EU Taxonomy is now the blueprint for defining sustainable assets.** Despite reporting complexity and ESG data gaps, the EU Taxonomy helps capital flow to those sectors most needed for a sustainable transition. Its dual purpose is: 1) regulatory reporting, as the majority of European sustainability-related funds report in line with the EU Taxonomy (66% of Article 8 and 73% of Article 9 funds); and 2) sustainability screening, as the EU Taxonomy identifies activities most needed for a sustainable transition (investors tell us, however, that they combine EU Taxonomy data with their own subjective analysis). A third, growing purpose is offering clear and comparable metrics on companies' ESG performance, which is increasingly used in data-driven ESG analysis.

3 **Role of EU Taxonomy in capital markets set to grow.** There is strong regulatory interdependence in the EU, and an ongoing push for a more active role for the EU Taxonomy. Investors should note that in July 2024 the European Securities and Market Authority (ESMA) proposed the EU Taxonomy as 'the sole, common reference point for the assessment of sustainability'.

4 **Continued conservative, but diligent reporting as 396 companies reported on eligibility, and 375 companies reported on alignment.** This means companies are cautious to disclose since the average reported share of sustainable activities is low, but it also means that of the 396 companies that potentially have sustainable activities, nearly all of them (375) fulfil the strict EU Taxonomy classification criteria and can report a share of fully sustainable activities, which is a positive development from last year. In the Appendix, we explain what eligible versus aligned means.

5 **All Nordic countries show a moderate increase in their share of sustainable activities between 2023 and 2024 (with Norway being the outlier).** In our view, this mirrors the pan-Nordic trend of gradually improved reporting and a greater understanding of the complex disclosure regime. Norway reported very high numbers in 2023, but these were based on voluntary reporting (due to Norway's one-year delay in EU Taxonomy implementation). In 2024, modesty has since caught up in Norway and more companies are reporting a more credible share of EU Taxonomy-aligned numbers.

6 **Leading Nordic sectors are Industrials, Real estate, Utilities and Materials.** New this year is our deep dive into sub-sectors within Industrials: Real estate, Energy, Consumer based and Materials, since these sectors rank high in the number of companies reporting

[1] Based on company reported data as of July 2024. The analysis is based on reported EU Taxonomy data only, and not based on DNB Markets own assessment of company sustainability performance. We first looked at all listed Nordic companies (2000+ companies), but reporting was very limited. We therefore concentrated on a smaller pool, ~600 companies covered by Bloomberg. Of these, 396 had reported on eligibility and 375 had reported on alignment

and in the greatest share of EU Taxonomy-aligned activities. Both these ways are positives. We believe sub-sectors Electrical equipment, Building products and Industrial conglomerates should be looked into by investors seeing high alignment shares.

7 **Notable transition alpha: Nordic companies in Industrial, Energy, Materials and Utilities are transition enablers, reporting higher sustainable capex versus sustainable revenue.** Below we explain how to use the EU Taxonomy as a transition indicator and why these companies will receive greater focus from investors assessing forward-looking sustainable transition opportunities.

8 **There are many best performers and transition enablers**: **Neste, Ørsted, JM AB, Catena AB, Hexagon Purus, UPM Oyj, AAK AB, NRC Group, Rockwool, Borregaard, and Bonheur** are some of the companies under our coverage that stand out within their sectors with a higher share of sustainable capex relative to sustainable revenue based on their EU Taxonomy reporting. We find a large number of interesting transition cases within certain sectors. Utilities stand out, but that is somewhat unsurprising since companies like **Orsted, Scatec** and **Cloudberry** are renewable power producers. More surprising is that, especially within **Industrials** and **Materials,** we find many companies that can be described as actively building the infrastructure and processes needed for transition, hence we have chosen to carry out a deeper dive into these sectors. Within Industrials, we find some clear transition cases within Marine Transportation (**Wallenius Wilhelmsen ASA**), Machinery and Construction & Engineering (**Hexagon Purus, NRC Group and Skanska AS**) as well as in Building Products (**Rockwool and Lindab**). Within Materials, we find good transition cases within Metals & Mining (**Norsk Hydro and SSAB**), Chemicals (**Borregaard and Yara**) and especially within Forestry and Paper which stand out this year (**SCA, UPM and Holmen**). Finally, within Consumer Discretionary, which is a less obvious sector in terms of climate mitigation and adaption, we find transition cases within Household Durables (**JM and Electrolux**) and Transportation (**Volvo Cars**). We expect that companies such as those listed in our deep dive and in the Appendix will get more attention from sustainable investors interested in the EU Taxonomy.

9 **Data: finally improving.** For years, the poor quality of reported and standardised data has made company comparisons tricky. With improved reporting standards and probably a dash of AI, the gathering of EU Taxonomy data has improved, making it easier to differentiate between those companies that report and those that do not. We would still urge investors to tread carefully when using aggregated Taxonomy data as it does not provide the full picture of the sustainability profile. For example, last year there was a long section on data gaps and discrepancies, which has greatly improved since then.

Gaining traction: why investors and corporates care

Current purpose of the EU Taxonomy

The EU Taxonomy has evolved the past years to identify, report on, and (as a key consequence) support the mobilisation of private capital into sustainable investments[2]. As more investors integrate E, S and G targets into their investment strategies (illustrated in figure 1), definitions for what makes an activity sustainable become essential. Within capital markets in particular, the EU Taxonomy is becoming market practice for sustainable investments for three reasons, which we believe it is worthwhile for investors and corporates to understand:

As more investors integrate E, S and G targets into their investment strategies (illustrated in figure 1), definitions for what makes an activity sustainable become essential

1 **Regulatory reporting requirement:** An increasing number of funds report on the EU Taxonomy as part of disclosure requirements and to prevent greenwashing claims. We therefore expect continued attention and circumspection given to the EU Taxonomy as a market standard for defining sustainable activities. Due to the reporting obligation, CFOs are now forced to address their company's sustainable share of economic activities and to integrate the sustainability aspect into any financial decision.

According to Morningstar[3], the majority of European sustainability-related funds report on their alignment with the EU Taxonomy (66% of Article 8 and 73% of Article 9 funds (see below for explanation)). However, a number of these report zero, meaning that they have 'done the homework' but report conservatively. About 35% of Article 8 and 48% of Article 9 funds report taxonomy-aligned investments above zero.

In our view, although funds are still conservative in their reporting, this shows disclosure is improving and that the EU Taxonomy is becoming the market standard for demonstrating sustainable investments. We expect these numbers to increase later in 2024 and in 2025 as more issuer-level taxonomy-alignment data becomes available.

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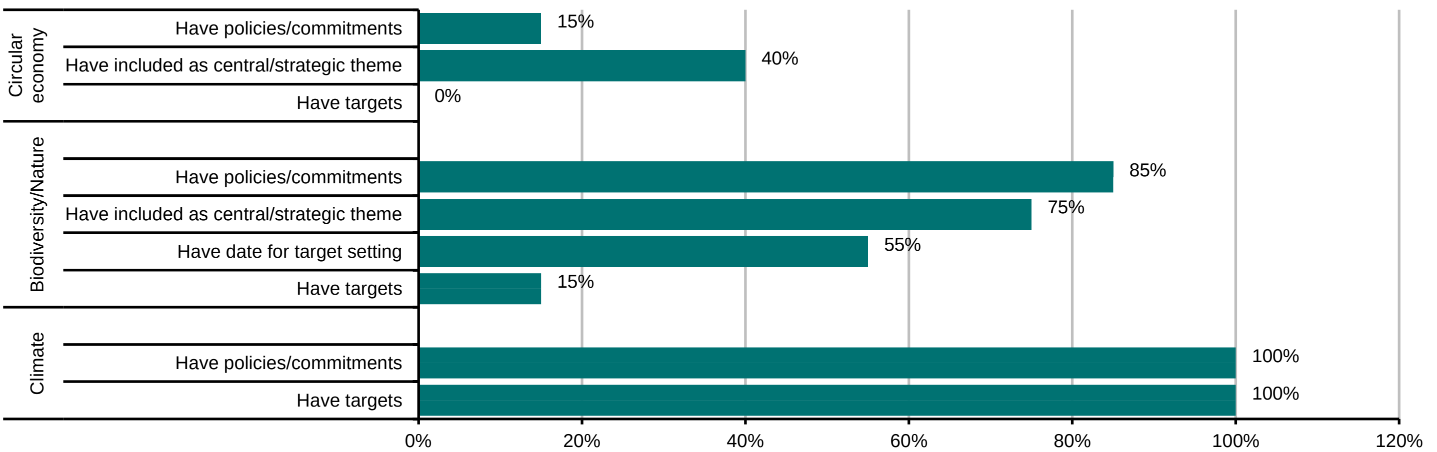
Figure 1: Nordic key investors' overview of sustainability strategies show that climate targets are well-established, and biodiversity and circularity are on the rise



Source: DNB Markets
Note: Based on analysis of the 25 largest investors and asset managers in the Nordics, June 2024

2 **Funds use the EU Taxonomy for sustainability screening:** EU-regulated investors are required to classify funds according to the Sustainable Finance Disclosure Regulation (SFDR). In practice, this means that all funds are grouped in one of three classes that each make a clear distinction between the sustainability content of the fund:

Investors of Article 8 and 9 funds are not looking for perfect companies, but for companies with potential. When used correctly, the EU Taxonomy can indicate a company's positive trajectory

- **Article 6** (a fund integrating sustainability risks into investment decisions),

[2] "Europe will need an estimated EUR350bn in additional investments per year over this decade to meet its 2030 emissions-reduction target in energy systems alone, alongside the EUR130bn it will need for other environmental goals": EC Communication: Strategy for Financing the Transition to a Sustainable Economy (6 July 2021).
[3] 'SFDR Article 8 and Article 9 Funds: Q2 2024 in Review'. Morningstar Sustainalytics. 25 July 2024.

- **Article 8** (a fund that promoted environmental and social objectives), and
- **Article 9** (a fund with a sustainable investment as its objective).

According to Morningstar[4], the majority of Article 8 and Article 9 funds are committed to minimum thresholds of taxonomy-aligned sustainable investments, e.g. 30% of Article 9 funds target exposure to investments above 0% taxonomy-alignment (this figure has increased only 1–2% from Morningstar's overview of Article 9 funds in Q2 2023). In the Nordics, we find that Article 9 funds require their investments to have a minimum threshold of 20% taxonomy alignment to count as a sustainable investment. In short, in the Nordics and in Europe in general, funds actively use the EU Taxonomy, among other requirements, as a guide for their sustainable investments.

A new trend though, is that investors of Article 8 and 9 funds are not necessarily looking for perfect companies, but for companies with potential. When used correctly, the EU Taxonomy can indicate a company's positive trajectory. For more information, see our section on Transition Enablers below.

3 **AI and data-driven ESG analysis is growing:** With more disclosure requirements, the demand for non-financial data increases. Today, there is still a lack of good, comparable information to help inform investors' decision-making, although this area is improving gradually. As EU Taxonomy reporting offers clear and comparable metrics presented in a standardised format, there is significant potential in using AI to screen hundreds of corporates' share of sustainable activities. In our view, ESG data providers are increasingly data-driven, and corporates will need to report systematically and correctly to be included in the investors' universe.

ESG data providers appear increasingly data-driven and corporates will need to report systematically and correctly to be included in the investors' universe

To watch: ESMA's push for a future enhanced role of the EU taxonomy

We believe the role of the EU Taxonomy will be further strengthened given the strong regulatory signals from the EU (and criticism of the current framework). For instance, in July 2024, the European Securities and Market Authority (ESMA), which tends to dictate the EU capital markets outlook, proposed that the "EU Taxonomy should be the sole, common reference point for the assessment of sustainability". This perspective is supported by other European regulators. A condition would be to expand the EU Taxonomy to all industrial sectors, including those with harmful activities and those in a transitioning trajectory or decommissioning, such as the emissions-intensive oil and gas sectors. ESMA further recommends that the current definition framework, the "SFDR definition of sustainable investments" should be phased out, since today's solution opens for discrepancies and little standardisation for investors. ESMA consequently argues its suggestions should facilitate the investor journey towards sustainable investments, "taking the needs of investors as a starting point"[5]. In our view, there will be regulatory changes in the short to medium term to further streamline market practices and the EU Taxonomy will remain fundamental in this definition.

European Securities and Market Authority (ESMA), which tends to dictate the EU capital markets outlook, proposed that the "EU Taxonomy should be the sole, common reference point for the assessment of sustainability"

[4] 'SFDR Article 8 and Article 9 Funds: Q3 2023 in Review'. Morningstar. 25 October 2023.
[5] ESMA Opinion. 24 July 2024. ESMA sets out its long-term vision on the functioning of the Sustainable Finance Framework (europa.eu)

Nordic country reporting: cautious and improving

Taxonomy data is more reliable than previously

Thankfully, ESG practitioners enjoy data. An ongoing headache has been data gaps and discrepancies, especially related to EU Taxonomy data. Over the past year, this data is greatly improved and we foresee further progress in the 2025 reporting. However, since we have based the findings of this report solely on reported EU Taxonomy data, we see obvious flaws that investors that rely on aggregated ESG data should note:

Over the past year, this data is greatly improved and we foresee further progress in the 2025 reporting

- **Missing data:** One flaw is relying on missing data, although this has improved. Last year we noted significant data discrepancies. For instance, we chose to omit from our analysis those companies that had reported '0', since we could not be certain whether that company had skipped reporting altogether, or that it had diligently reported but arrived at a 0% share (the latter being more 'EU Taxonomy mature' than the former). This year, we find reporting standards and quality more reliable. We have double-checked annual reporting against data providers and found few discrepancies. As a greater share of corporates are required to report from 2025 (for financial year 2024), we expect further improvements in coverage[6].

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- **Over-simplification of data may fail to capture leaders.** We divide corporates into groups using the Global Industry Classification Standard (GICS), since this is a commonly used way of assigning companies to a specific industry group that best defines its business operations. Since GICS operates with only 11 sectors, we will always have corporates that fall within a certain GICS sector but that could just as easily be represented by another.

  For example, figure 4 shows the total count of corporates that report within a certain GICS sector and illustrates this key flaw: only five reporting companies fall within the 'Utilities' sector, whereas 121 fall within 'Industrials'. Yet, the average share of revenue aligned is very high among the three Utilities companies (61%) and more modest among the Industrials (18%).

Thus, if we rely on ESG data aggregation alone, we might be tempted to not look for outperformers in the Industrials sector. This would be a mistake, since the Nordics have more than a dozen strong industrial names with a reported share of more than 50% EU Taxonomy alignment. The top five companies have 94% on average, and are clear leaders in EU Taxonomy alignment.

Nordics have more than a dozen strong industrial names with a reported share of more than 50% EU Taxonomy alignment

Figure 2: Nordic countries total number of companies reporting EU Taxonomy-eligible and aligned revenue

	Eligibility		Alignment	
	Total count	Count of eligible revenue > 0	Total count	Count of aligned revenue > 0
Denmark	50	32	50	15
Finland	85	61	82	36
Island	1	1	1	0
Norway	74	52	67	30
Sweden	186	117	175	65
Total	396	263	375	146

Source: Source: Bloomberg (underlying data), DNB Markets (further calculations)

Small increase in number of reporting companies

Among the c600 large companies we checked, Sweden leads in number of reporting companies per country. Figure 2 shows that 175 Swedish companies reported their share of sustainable revenue. This should not come as a surprise considering that Sweden's listed companies far outnumber the rest of the Nordics.

Sweden leads in number of reporting companies per country

Norway has the highest share of companies reporting above 0% alignment (just above Finland, which had the highest share last year). Of the 67 Norwegian companies reporting on alignment, 45% reported on alignment >0, compared to 37% out of the 175 reporting in Sweden. This

Norway has the highest share of companies reporting above 0% alignment (just above Finland, which had the highest share last year)

[6] In this report, if needing to assess "0", we have interpreted a reported "0" as "0% alignment reported". Meanwhile we have interpreted an "n/a", "-" and even "blank" as "no value reported at all" (i.e. the company has not begun EU Taxonomy reporting)

means Norway and Finland host a solid number of sustainable companies relative to their total listed companies.

New this year is also the increased number of Norwegian companies reporting on eligibility and alignment. This should be as expected, given that Norway's EU Taxonomy implementation process lags behind the EU by one year, since Norway is not an EU member.

New this year is also the increased number of Norwegian companies reporting on eligibility and alignment

Small increase in Nordic share of sustainable revenue (except for Norway)

Notably, although Sweden leads in total count, the average alignment is modest. Figure 3 shows that the average EU Taxonomy revenue alignment in Sweden has increased moderately, from 5% in 2023 to 6.6% in 2024. In comparison, Finland and Denmark see a similar pattern, with moderate increases from 10% to 10.2% in Finland and from 7% to 7.6% in Denmark. In our view, this mirrors the pan-Nordic trend of gradually improved, but still quite conservative, reporting.

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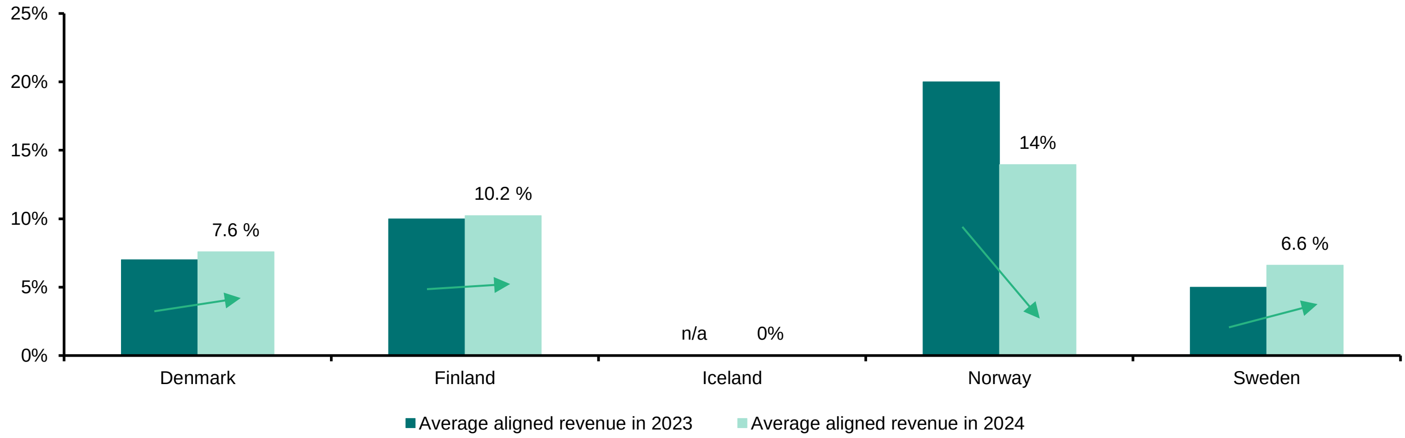
The outlier is Norway. Norwegian companies reported voluntarily, and a significantly high average sustainable share of 20% in 2023. At the time, we believed that high figure meant that those reporting were the companies that could showcase high sustainable revenue and thus have the most to gain from investor capital flow to EU Taxonomy-aligned activities, particularly among sectors that need to decarbonise the most. Modesty has since caught up with Norwegian companies, and as more companies report (including those with less of a sustainability share to showcase), the average alignment share has fallen to 14% in 2024's report. We still see this as an encouraging sign, indicating a relatively high degree of sustainability work among Norwegian companies.

Modesty has since caught up with Norwegian companies, and as more companies report, the average alignment share has fallen to 14% in 2024's report

Figure 3: Per-country average Alignment share shows moderate increased in sustainable share from 2023 to 2024



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Nordic sector reporting: leaders of the sector showdown

Similar to our 2023 report, the Nordic sectors Industrials, Real Estate, Utilities and Materials stand out in the 2024 report for ranking high on the number of companies reporting (less so for Utilities) and in the greatest share of EU Taxonomy-eligible and aligned activities as shown in figure 4. Both of these are positives. Several sectors show much less maturity in their reporting. One example is healthcare, where most companies report close to 0% alignment if they report at all.

But the high number of companies in certain categories give a skewed picture when looking only at the average sector scores. This year's sector deep-dive into Industrials, Materials, Consumer-based companies and Energy show a fuller picture of well-performing sectors.

Nordic sectors Industrials, Real Estate, Utilities and Materials stand out in the 2024 report for ranking high on the number of companies reporting (less so for Utilities)

Figure 4: Nordic sectors' total count of companies in each GICS sectors reporting EU Taxonomy eligible and aligned revenue

	Eligibility		Alignment	
Nordic sector (based on GICS)	Total count reporting 0 or more	Count of eligible revenue > 0	Total count reporting 0 or more	Count of aligned revenue > 0
Communication Services	22	11	20	5
Consumer Discretionary	54	29	52	12
Consumer Staples	25	9	25	2
Energy	13	9	12	8
Financials	8	4	8	2
Health Care	27	11	26	0
Industrials	144	121	134	73
Information Technology	50	28	46	10
Materials	29	18	29	14
Real Estate	19	19	18	16
Utilities	5	4	5	4
Total	396	263	375	146

Source: mm

Quick recap on eligibility versus alignment

If a company has revenue, capex or opex that is 'eligible' for the EU Taxonomy, it means these activities fall within the definitions of the EU Taxonomy activities that can contribute to the EU's environmental goals. However, the fact that an activity can contribute does not necessarily mean it is in fact working towards a sustainable future, since any activity can have attributes that nullify its positive impact. For example, an activity can bring down emissions, but if it is in breach of human rights, it obviously does not classify as sustainable.

The fact that an activity can contribute does not necessarily mean it is in fact working towards a sustainable future, since any activity can have attributes that nullify its positive impact

This is where the alignment notion comes in. To prove that an activity is done in a sustainable manner (i.e. that it can be and is working towards a sustainable future), it needs to be aligned. An activity is considered aligned if it is eligible, and a) meets one of the EU's six environmental objectives; b) does no significant harm to the environmental objectives; and c) complies with minimum social safeguards (see Appendix I for a full explanation of how the EU Taxonomy works).

Simply put, the alignment criteria are much stricter than eligibility, since the Do No Significant Harm criteria (DNSH) can be detailed and difficult to meet for certain sectors. The EU's Taxonomy Compass continuously improves and lists technical screening criteria against which to test activities.

Our view: high Nordic transition potential, according to eligibility reporting

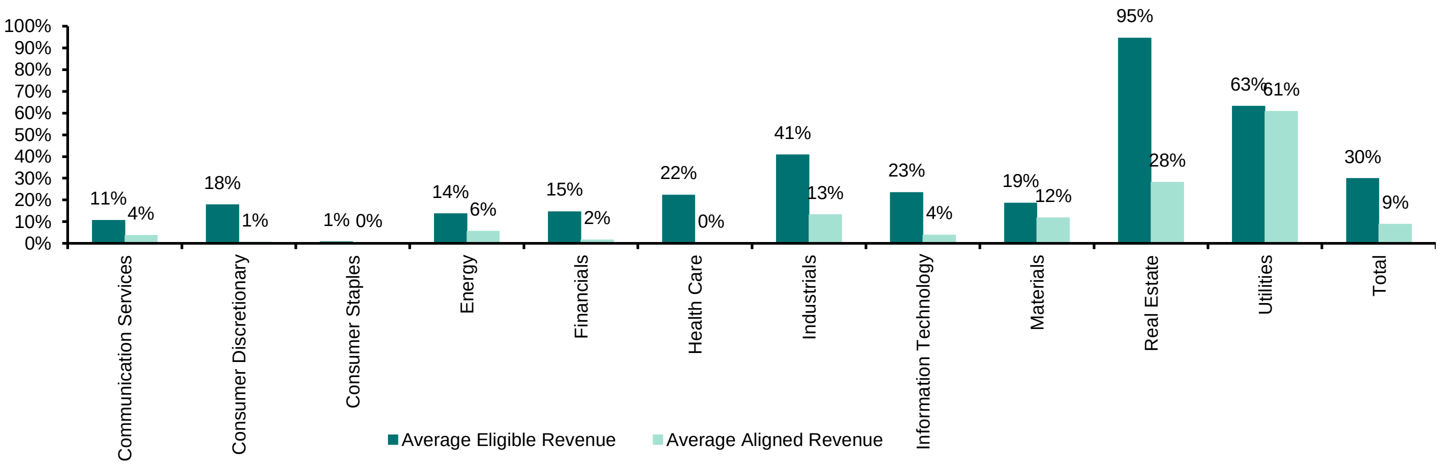
In our view, both numbers are of interest. **Eligible** indicates which sectors are worth investigating for potential attractive sustainable shares, since the mission for eligible activities is to enforce the transition. **Aligned** indicates which corporates within those sectors are in the forefront of the transition. In short, eligible activities that are not transitioning stand the risk of becoming stranded assets.

Eligible: sectors worth investigating for potential attractive sustainable shares. **Aligned:** corporates within those sectors at the forefront of the transition

As illustrated in Figure 5, our Nordic Taxonomy Navigator find discrepancies between average reported eligibility numbers and average reported alignment numbers, particularly for the sectors Real Estate, Health Care, Communication Services as well as for the Consumer-based industries. In our view, the reasons for this discrepancy are either that the DNSH criteria are hard to fulfil for these sectors (as is the case for the Real Estate sector, with very high DNSH criteria), and/or that the alignment report is less mature for certain sectors (as is the case for Health Care, where relatively few companies have begun to report). We expect these reasons to improve in the coming years with more experience in disclosure.

EU Taxonomy reporting is a good signal for well-performing companies in sectors needing to decarbonise the most; thus investors in transition should look more closely at these sectors

Figure 5: Nordic sectors' average eligibility and alignment reporting show high potential in several sectors



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Differentiating between sector average scores versus sector-best performance scores

Similar to last year, we see an overweight of total companies reporting within the Industrials and Materials sectors and consumer-based sectors. Since such a high number of companies report, the average reported number decreases. Figure 6 shows the average aligned revenue share for Utilities is the relatively high 61%, whereas the same number for Industrials is a more moderate 13%. Thus, an investor could be tempted to disregard key ‘Taxonomy winners’ in the Industrials segment.

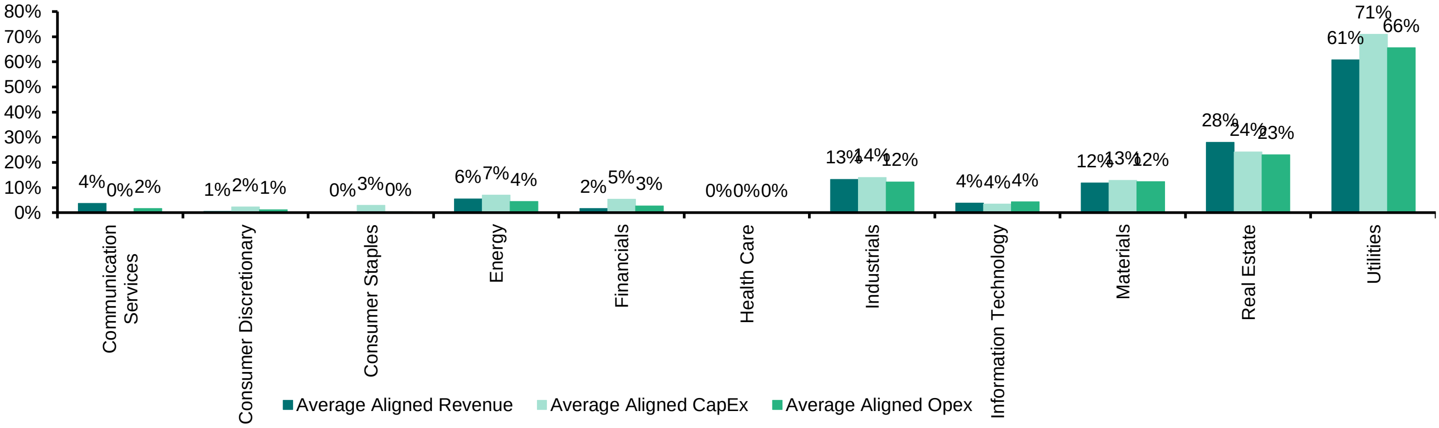
We see an overweight of total companies reporting within the Industrials and Materials sectors and consumer-based sectors

Consequently, as mentioned above, we have to adjust for the flaw that occurs when using aggregated GICS codes when categorising corporates. If no adjustments are made, the report would show a very high average EU Taxonomy share for the Nordic Utilities sector. While it is true that Nordic Utilities are the best performers in share of sustainable revenue and capex, several Nordic Industrials report equally solid, if not better, EU Taxonomy shares.

Figure 7 adjusts for the fact that some sectors are quite populated, and singles out the top five performers within each GICS sector. Consequently, this offers a more normalised view of which sectors to scrutinise further to find the best performers. It shows that Nordic Industrials, Utilities, Real Estate and Materials all have a relatively high share of sustainable activities, and these sectors should be of interest for investors that seek names with a high reported EU Taxonomy share or names with high transition potential.

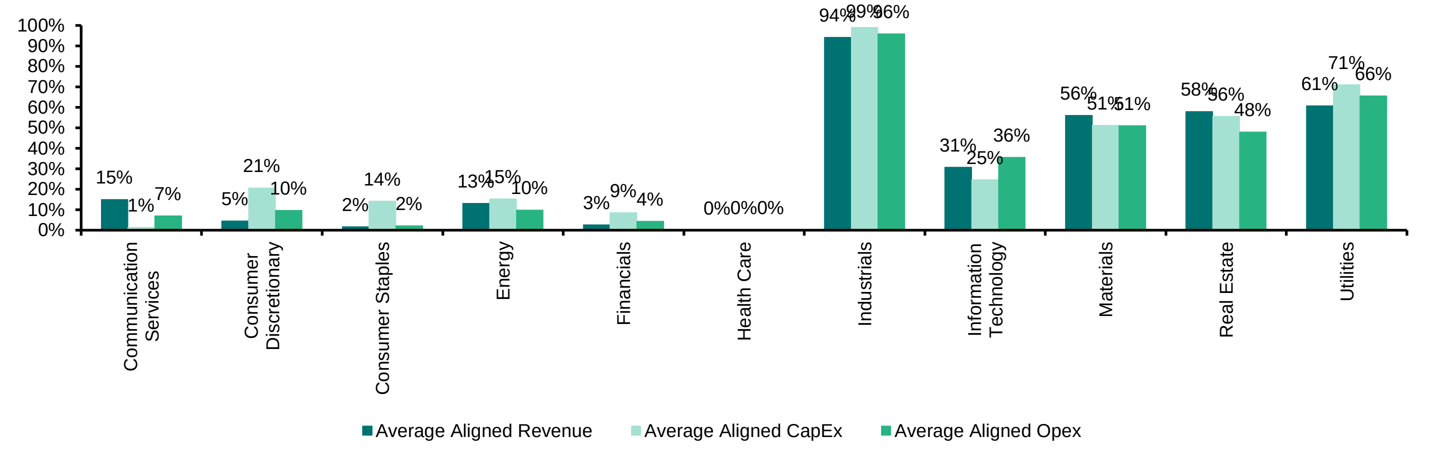
Nordic Industrials, Utilities, Real Estate and Materials all have a relatively high share of sustainable activities

Figure 6: Nordic sectors reporting: average alignment of GICS sectors do not show the full picture



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 7: Nordic sector reporting: average alignment numbers of best performers show key outstanding sectors



Source: Bloomberg (underlying data), DNB Markets (further calculations)

In our view, since there are obvious interesting EU Taxonomy names in the 'best performance' category, we have chosen this year to do a deep dive into the sectors where many companies report and where the 'best performers' average is high, e.g. Industrials, Materials, Information Technology and Real Estate. The next section elaborates on this.

Transition alpha: our sector deep-dive

How to use the EU Taxonomy to map transition enablers

The EU Taxonomy is not one figure but three. Knowing how to read these can help investors assess forward-looking sustainable transition opportunities. Briefly explained: the EU Taxonomy-aligned revenue indicates the current sustainability status of a company, whereas the EU Taxonomy-aligned capex indicates in which direction a company is moving or transitioning.

The EU Taxonomy is not one figure but three. Knowing how to read these can help investors assess forward-looking sustainable transition opportunities

In short: if a corporation has high EU Taxonomy capex, or higher capex than revenue, this is an indicator of its appetite to invest in sustainable activities. To paraphrase the architects of the EU Taxonomy, studying the reported capex flow is a key indicator of transition. Simply put: 'Sustainable revenue' = current sustainability performance; 'sustainable capex' = transitional direction.

'Sustainable revenue' = current sustainability performance; 'sustainable capex' = transitional direction

We believe that using the EU Taxonomy for mapping transition investments will be more prevalent, and want to highlight two reasons:

1. Recent developments in the EU also support this. For instance, ESMA's Opinion to the EU Commission in July 2024 requests a legal definition of transition investments that 'make full use of the potential of the EU Taxonomy,' and that this also includes 'the share of revenue and capex associated with harmful activities that are in a transitioning trajectory or are decommissioning because their environmental performance cannot be improved'.
2. Morningstar has similarly noted this trend across European reporting of sustainable funds: the overall average reported aligned capex was just above 16% for 2023. Although this figure is quite low, it still surpasses the average aligned revenue of 11.5%[7]. This can be interpreted as a positive signal that companies are investing in environmental projects that are turning non-sustainable activities into sustainable ones.

We see a significant number of companies reporting higher EU Taxonomy capex versus EU Taxonomy revenue, particularly in high-emitting sectors such as Industrials, Energy and Materials. We believe a closer look at these sectors and corporates is key for investors assessing forward-looking sustainable transition opportunities.

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When investigating sub-sectors, we have focused below on companies where the alignment share is high as well as where the aligned capex is higher than the aligned revenue. However, there are several companies of interest in the full list of best performers in the Appendix.

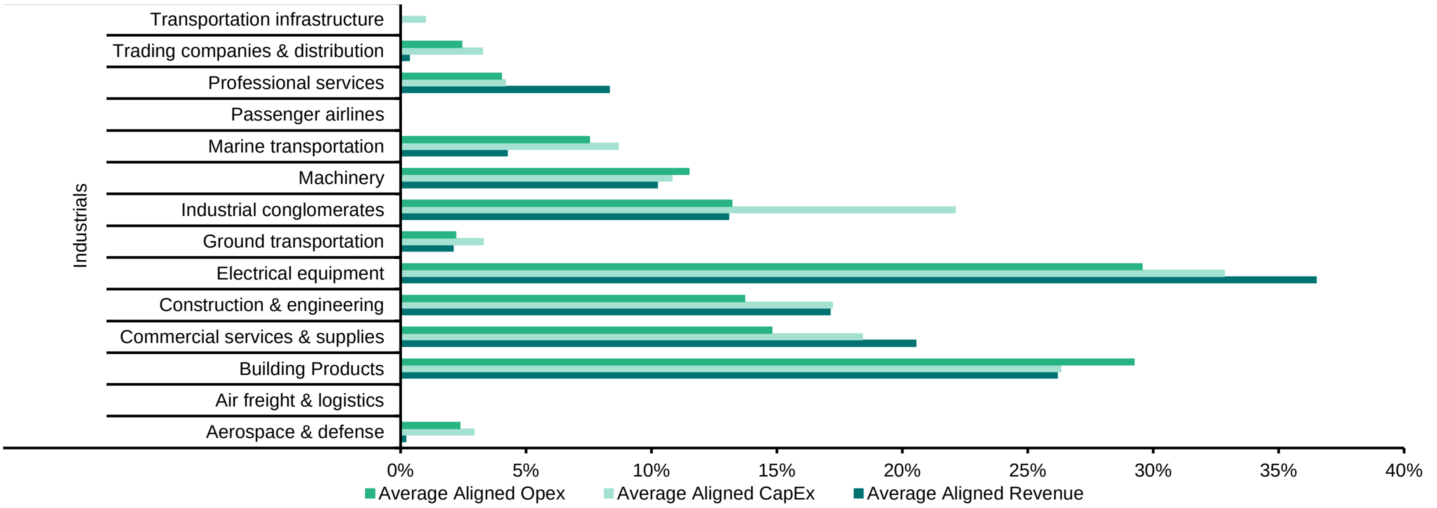
Industrials

Within Industrials, Figure 8 shows that Electrical Equipment, Building Products and Industrial Conglomerates stand out as high performers. We have looked at companies under our coverage within these subsectors, and listed below those that stand out for their high reported EU Taxonomy reported shares, where sustainable capex is higher than sustainable revenue.

Within Industrials, Figure 8 shows that Electrical Equipment, Building Products and Industrial Conglomerates stand out as high performers

[7] 'SFDR Article 8 and Article 9 Funds: Q2 2024 in Review'. Morningstar Sustainalytics. 25 July 2024.

Figure 8: Industrials deep dive



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 9: Building products: transition enablers

	Ticker	Revenue (%)	Capex (%)
Rockwool A/S	ROCKB DC Equity	57%	71%
Lindab International AB	LIAB SS Equity	50%	63%
NIBE Industrier AB	NIBEB SS Equity	1%	2%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 10: Machinery, Construction and Engineering: transition enablers

	Ticker	Revenue (%)	Capex (%)
Hexagon Purus ASA	HPUR NO Equity	n/a	99%
NRC Group ASA	NRC NO Equity	72%	76%
Hexagon Composites ASA	HEX NO Equity	62%	71%
Skanska AB	SKAB SS Equity	7%	40%
AF Gruppen ASA	AFG NO Equity	14%	39%
Peab AB	PEABB SS Equity	9%	29%
NCC Aktiebolag	NCCB SS Equity	7%	8%
FLSmidth & Co. A/S	FLS DC Equity	6%	7%

Source: mm

Figure 11: Other Industrials transition enablers of interest

	Ticker	Revenue (%)	Capex (%)
Aker Carbon Capture ASA	ACC NO Equity	100%	100%
Bonheur ASA	BONHR NO Equity	70%	80%
NKT A/S	NKT DC Equity	36%	55%
Aker ASA	AKER NO Equity	25%	54%
Wallenius Wilhelmsen	WAWI NO Equity	0%	31%
AP Moller - Maersk AS	MAERSKB DC Equity	4%	18%
Bufab AB	BUFAB SS Equity	0%	3%
Kongsberg Gruppen ASA	KOG NO Equity	0%	3%

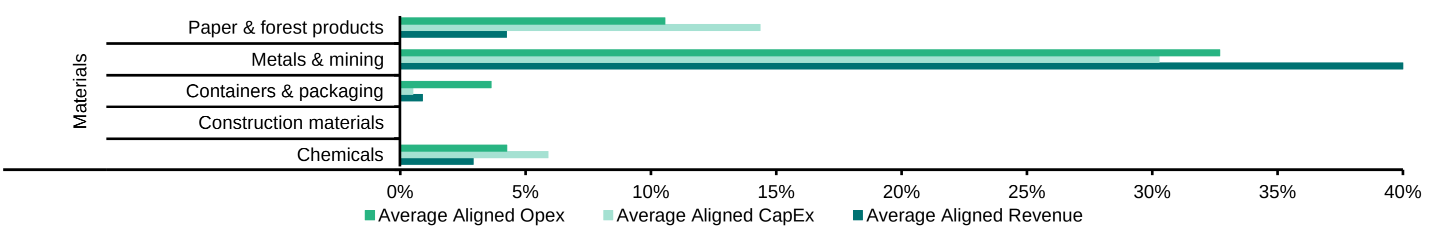
Source: Bloomberg (underlying data), DNB Markets (further calculations)

Materials

Within Materials, Figure 12 shows that Metals and Mining, Chemicals and Forestry/Paper stand out as interesting sub-sectors to investigate for high performers. We have looked at companies under our coverage within these subsectors, and listed below those that stand out for their high reported EU Taxonomy reported shares.

Within Materials, Figure 12 shows Metals and Mining, Chemicals and Forestry/Paper stand out as interesting sub-sectors to investigate for high performers

Figure 12: Materials deep dive



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 13: Metals and mining: transition enablers

	Ticker	Revenue (%)	Capex (%)
Norsk Hydro ASA	NHY NO Equity	29%	35.0 %
SSAB AB	SSABA SS Equity	32%	12.0 %

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 14: Chemicals: transition enablers

	Ticker	Revenue (%)	Capex (%)
Borregaard ASA	BRG NO Equity	29%	52.0 %
Yara International ASA	YAR NO Equity	0%	5.6 %
Novonesis (Novozymes) B	NSISB DC Equity	0%	1.6 %

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 15: Forestry/paper: transition enablers

	Ticker	Revenue (%)	Capex (%)
Svenska Cellulosa Akt. SCA	SCAB SS Equity	6%	39.0%
UPM-Kymmene Oyj	UPM FH Equity	9%	35.0%
Holmen AB	HOLMB SS Equity	10%	16.0%
Metsa Board Oyj	METSB FH Equity	0%	10.0%
Stora Enso Oyj	STERV FH Equity	5%	5.7%
Nordic Paper Holding AB	NPAPER SS Equity	0%	1.0%

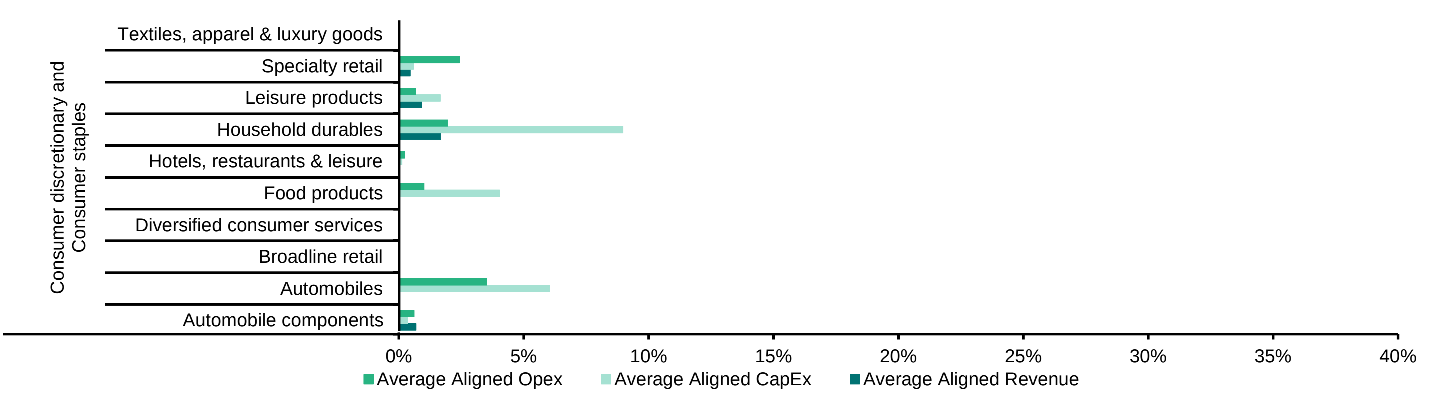
Source: Bloomberg (underlying data), DNB Markets (further calculations)

Consumer discretionary and Consumer staples

Within the consumer-based sectors of Consumer discretionary and Consumer staples, Figure 16 shows that Household durables, Food products, Leisure products and Automobiles are all subsectors that show higher sustainable capex than sustainable revenue (although overall Taxonomy shares are moderate), indicating a willingness within these sectors to invest in sustainable solutions. We have looked at companies under our coverage within these subsectors, and listed below those we believe to stand out.

Household durables, Food products, Leisure products and Automobiles are all subsectors that show higher sustainable capex than sustainable revenue

Figure 16: Consumer discretionary and consumer staplers deep dive



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 17: Consumer discretionary: transition enablers

	Ticker	Revenue (%)	Capex (%)
Nobia AB	NOBI SS Equity	0%	55%
JM AB	JM SS Equity	0%	23%
AB Electrolux	ELUXB SS Equity	5%	7%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 18: Consumer staples: transition enablers

	Ticker	Revenue (%)	Capex (%)
AAK AB	AAK SS Equity	0%	23%
Kesko Oyj	KESKOB FH Equity	0%	11%
Orkla ASA	ORK NO Equity	0%	6%
Aker BioMarine ASA	AKBM NO Equity	0%	4%
Austevoll Seafood ASA	AUSS NO Equity	0%	1%
Leroey Seafood Group ASA	LSG NO Equity	0%	1%
Axfood Aktiebolag	AXFO SS Equity	0%	1%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Energy and Utilities deep dive

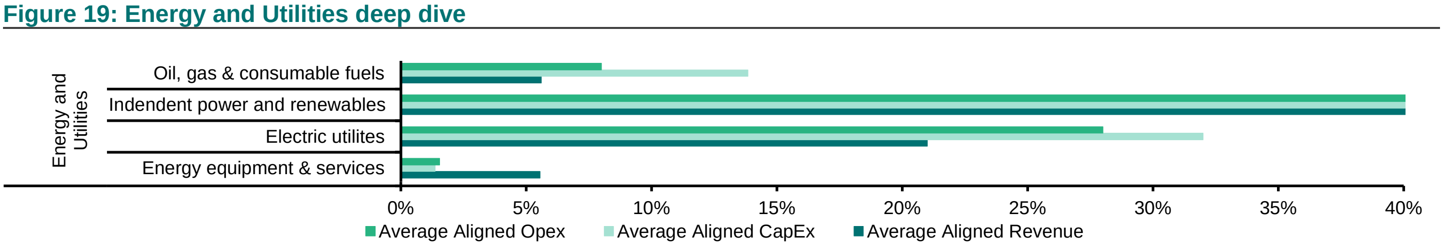
Energy remains an interesting sector from an EU Taxonomy perspective, given that solid fossil fuels (e.g. coal, oil) are excluded from the EU Taxonomy. In effect, the regulation stipulates that fossil-related activities can never be sustainable. Below, we have chosen to combine the two GICS sectors of Energy and Utilities, given the relatively low number of companies reporting (and given their common purpose of energy production).

However, the regulation includes a section (labelled the Complementary Delegated Act, CDA) that includes fossil gas and nuclear energy under very environmentally strict conditions. As of today, this CDA is so strict that essentially no fossil gas-related activities report sustainable shares according to the EU Taxonomy, but in the future, this CDA might be key for certain retrofittings of existing gas power plants to renewables or low-carbon gases.

In the future, this CDA might be key for certain retrofittings of existing gas power plants to renewables or low-carbon gases

Consequently, within Energy, Figure 19 shows that it is Utilities that by far show the highest share of sustainable activities, which should be of little surprise given the share of renewables within this sector. There is a relatively high sustainable capex share within the sub-sector Oil, Gas & Consumable Fuels, thanks to certain new renewables investments by more traditional oil & gas companies, and to one substantial contributor, namely Finnish company Neste Oyj. We have looked at companies under our coverage within these subsectors, and listed below those we believe to stand out.

Figure 19: Energy and Utilities deep dive



Note: Independent power producers and renewables go all the way up to 65%, 73% and 68% for Revenue, CapEx and Opex respectively-

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 20: Utilities: transition enablers

	Ticker	Revenue (%)	Capex (%)
Orsted A/S	ORSTED DC Equity	86%	99%
Scatec ASA	SCATC NO Equity	94%	97%
Cloudberry Clean Energy ASA	CLOUD NO Equity	81%	95%
Fortum Oyj	FORTUM FH Equity	43%	64%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 21: Energy: transition enablers

	Ticker	Revenue (%)	Capex (%)
Neste Oyj	NESTE FH Equity	28%	68%
BW Offshore Limited	BWO NO Equity	0.6%	1.2%
Equinor ASA	EQNR NO Equity	0.0%	0.8%
Var Energi ASA	VAR NO Equity	0.0%	0.4%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

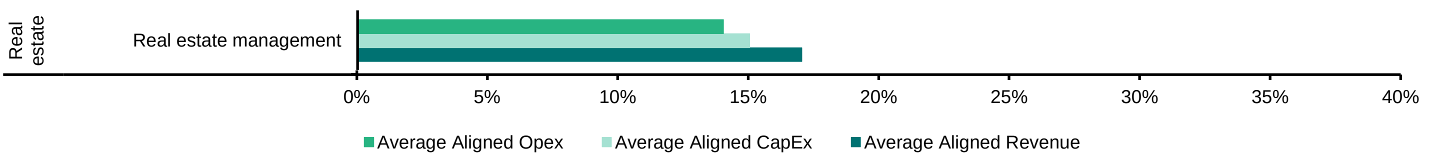
Real Estate

Real Estate can be regarded as an outlier in the EU Taxonomy due to its high eligibility score. In fact, of the 29 Nordic companies assessed in our coverage, nearly all of them reported a full, 100%-eligible sustainable revenue, capex and opex. This is driven by the EU having listed nearly all real estate-related economic activities as potential areas for sustainable activities, since the sector has such a great potential for transition, e.g. emissions cuts and energy efficiency. This sector (combined with real estate construction) accounts for 40% of the EU's total greenhouse gas emissions and 35% of the EU's total energy consumption and is thus regarded as a significant focus area in the EU's climate efforts.

The EU has listed nearly all real estate-related economic activities as potential areas for sustainable activities

Figure 22 shows that there are no sub-sectors of key interest within the GICS sector of Real Estate apart from Real Estate Management. We have furthermore looked at real estate companies under our coverage with higher capex than revenue, and listed below those we believe to stand out. Please note that there are more real estate companies of interest in the Appendix.

Figure 22: Real estate deep dive



Source: Bloomberg (underlying data), DNB Markets (further calculations)

Figure 23: Real estate: transition enablers

	Ticker	Revenue (%)	Capex (%)
Catena AB	CATE SS Equity	56%	74%
Wallenstam AB	WALLB SS Equity	42%	52%
Fastighets AB Balder	BALDB SS Equity	13%	50%
Kojamo Oyj	KOJAMO FH Equity	29%	41%
Atrium Ljungberg AB	ATRLJB SS Equity	21%	23%

Source: Bloomberg (underlying data), DNB Markets (further calculations)

Appendix I: EU Taxonomy – what is it

The EU Taxonomy Regulation entered into force in 2020 to help channel capital towards activities that contribute to reaching the objectives of the European Green Deal. As shown in figure 13, the purpose of the regulation is twofold:

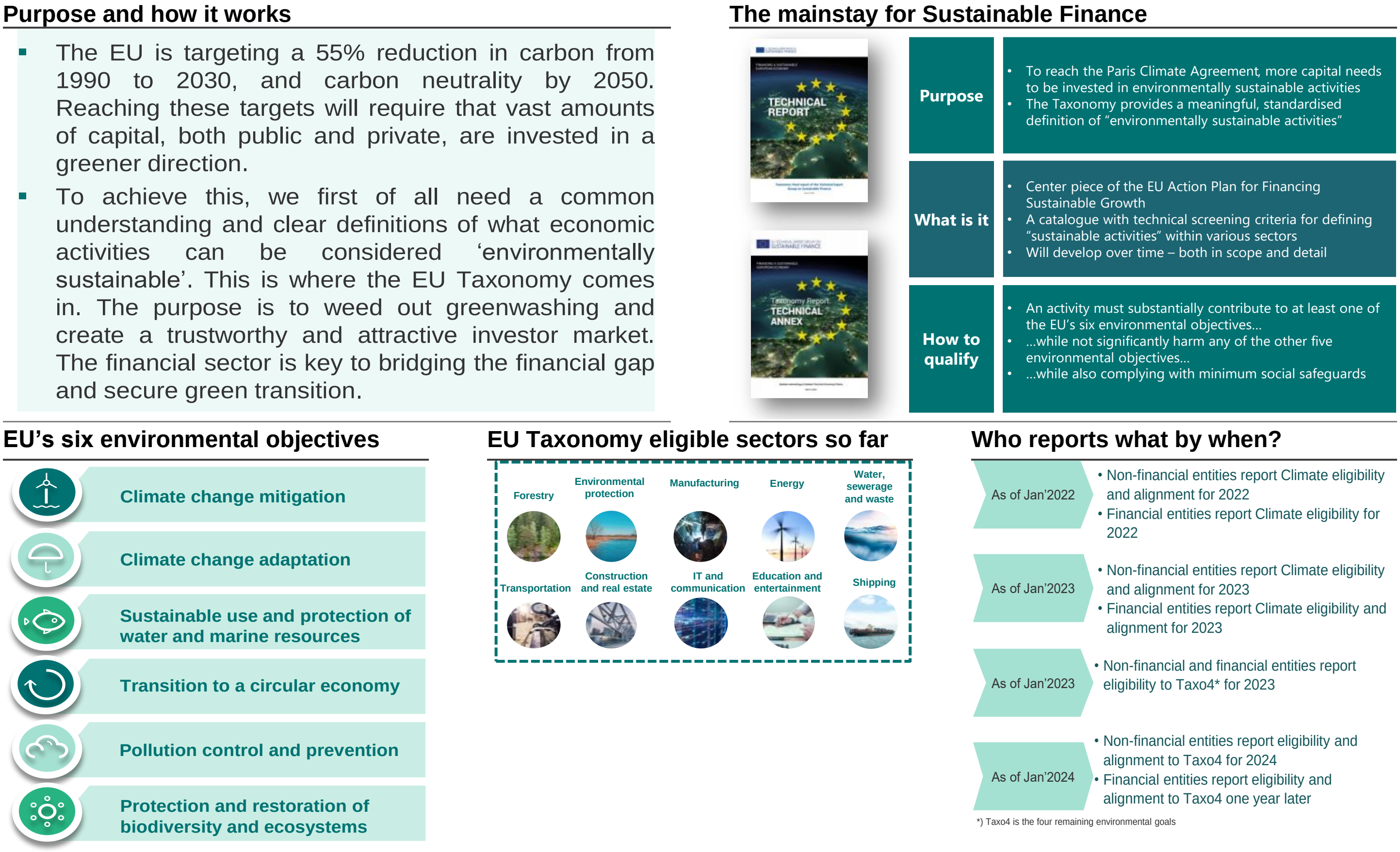
1 **Classification:** for the EU to classify which activities fulfil sustainability criteria and substantially contribute to climate neutrality and resilience, zero pollution, preservation of biodiversity and ecosystems, the transition to a circular economy and sustainable use of water and marine resources. There are roughly 150 economic activities eligible for being EU Taxonomy aligned today, and more are set to be included gradually.

2 **Disclosure:** for the corporates to report their share of activities that meet the Taxonomy classification. Corporates subject to EU Taxonomy reporting are mandated to report their percentage of revenue, capex and opex that are eligible and aligned with one of the six environmental objectives of the EU Taxonomy (figure 13). For example, corporates report how much they invest in sustainable activities (i.e. the capex share) and what part of their revenue is derived from these sustainable activities (i.e. the revenue share).

The goal is that by providing corporates, investors and policymakers with definitions of economic activities that are sustainable, the EU Taxonomy is expected to help direct investments to economic sectors where they are most needed for a fair transition to a sustainable economy. In short, the EU Taxonomy is first and foremost a classification and a reporting framework to make it easier and more transparent to invest in sustainable activities, but does not dictate what investors are allowed to invest in.

By providing corporates, investors and policymakers with definitions of economic activities that are sustainable, the EU Taxonomy should help direct investments to sectors where they are most needed for a fair transition to a sustainable economy

Figure 24: EU Taxonomy overview



Source: European Commission

Appendix II: list of 75 best performers

Sorted first by largest revenue, then by capex, and lastly by opex

Figure 25: 75 best performers sorted by revenue, then capex, then opex"

Company	Country	Sector	Alignment Revenue (%)	Alignment CapEx (%)	Alignment Opex (%)
Aker Carbon Capture ASA	NO	Industrials	100	100	100
Kempower Oyj	FI	Industrials	100	100	100
Aker Horizons ASA	NO	Industrials	100	99	83
Vestas Wind Systems A/S	DK	Industrials	99	97	92
Scatec ASA	NO	Utilities	94	97	97
Alleima AB	SE	Materials	91	45	63
Outokumpu Oyj	FI	Materials	90	75	83
Orsted A/S	DK	Utilities	86	99	79
Cloudberry Clean Energy ASA	NO	Utilities	81	95	96
Eastnine AB	SE	Real Estate	79	61	78
NRC Group ASA	NO	Industrials	72	76	74
TOMRA Systems ASA	NO	Industrials	72	54	53
Bonheur ASA	NO	Industrials	70	80	87
SRV Group OYJ	FI	Industrials	67	55	100
Fabege AB	SE	Real Estate	66	23	53
Hexagon Composites ASA	NO	Industrials	62	71	63
Etteplan Oyj	FI	Industrials	62	50	0
Balco Group AB	SE	Industrials	61	74	69
Rockwool A/S	DK	Industrials	57	71	53
Catena AB	SE	Real Estate	56	74	42
Enersense International Oyj	FI	Industrials	53	0	4
Lindab International AB	SE	Industrials	50	63	51
Entra ASA	NO	Real Estate	47	24	21
Glaston Oyj Abp	FI	Industrials	46	34	25
Fortum Oyj	FI	Utilities	43	64	56
Wallenstam AB	SE	Real Estate	42	52	25
Norva24 Group AB	SE	Industrials	41	42	37
Wihlborgs Fastigheter AB	SE	Real Estate	39	30	36
North Media A/S	DK	Communication Services	39	0	0
Granges AB	SE	Materials	39	45	45
NKT A/S	DK	Industrials	36	55	25
Dovre Group Oyj	FI	Industrials	36	0	48
Teleste Oyj	FI	Information Technology	36	22	49
Munters Group AB	SE	Industrials	35	48	37
Ependion AB	SE	Information Technology	35	27	44
Castellum AB	SE	Real Estate	34	22	31
Volue ASA	NO	Information Technology	34	24	4
Eltel AB	SE	Industrials	33	39	28
SSAB AB	SE	Materials	32	12	21
Kitron ASA	NO	Information Technology	30	30	30
DFDS A/S	DK	Industrials	30	17	53
Kojamo Oyj	FI	Real Estate	29	41	23
Borregaard ASA	NO	Materials	29	52	40
Norsk Hydro ASA	NO	Materials	29	35	17
Netel Holding AB	SE	Industrials	29	0	0
Neste Oyj	FI	Energy	28	68	40
Husqvarna AB	SE	Industrials	28	23	28
Systemair AB	SE	Industrials	28	16	34
Aker ASA	NO	Industrials	25	54	34
Dios Fastigheter AB	SE	Real Estate	25	10	25
Exel Composites Oyj	FI	Industrials	24	12	3
Arendals Fossekompani ASA	NO	Industrials	22	17	7
Solstad Offshore ASA	NO	Energy	22	2	2

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 26: 75 best performers sorted by revenue, then capex, then opex (continued)

Company	Country	Sector	Alignment Revenue (%)	Alignment CapEx (%)	Alignment Opex (%)
Alma Media Oyj	FI	Communication Services	21	2	29
Atrium Ljungberg AB	SE	Real Estate	21	23	15
Metso Oyj	FI	Industrials	20	13	52
NP3 Fastigheter AB	SE	Real Estate	20	9	17
Digia Oyj	FI	Information Technology	19	19	19
Sitowise Group Oyj	FI	Industrials	19	23	0
Konecranes OYJ	FI	Industrials	19	4	19
Inwido AB	SE	Industrials	17	4	15
Fasadgruppen Group AB	SE	Industrials	17	6	5
Lassila & Tikanoja Plc	FI	Industrials	17	18	12
AB Sagax	SE	Real Estate	16	14	17
OX2 AB	SE	Industrials	14	0	0
AF Gruppen ASA	NO	Industrials	14	39	22
Fastighets AB Balder	SE	Real Estate	13	50	11
L E Lundbergforetagen AB	SE	Financials	13	12	22
GARO Aktiebolag	SE	Industrials	13	6	10
Sdiptech AB	SE	Industrials	13	5	8
Cargotec Oyj	FI	Industrials	13	5	19
Scanfil Oyj	FI	Information Technology	11	11	11
Hufvudstaden AB	SE	Real Estate	11	1	8
Bravida Holding AB	SE	Industrials	11	0	0
KONE Oyj	FI	Industrials	10	0	0

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Appendix III: full list of company reporting

All EU Taxonomy numbers used are gathered manually through company reporting or through Bloomberg in Q2 2024. They are not based on DNB Markets' own assessment of the corporates listed. Given that we initially screened around 600 companies, EU Taxonomy disclosures made available under or after this period may not be reflected, and some might have slipped our data catchment for any number of possible reasons. As mentioned above, we expect general EU Taxonomy reporting to improve from 2025, and that Financials are not included in this list.

Figure 27: Full list of companies reporting >0 on eligibility or alignment

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
Elisa Corporation	FI	Communication Services	11	19	0	8	4	0
Telenor ASA	NO	Communication Services	2	3	2	n/a	0	0
Telia Company AB	SE	Communication Services	3	5	40	0	0	3
Transtema Group AB	SE	Communication Services	6	57	54	6	1	3
Embracer Group AB	SE	Communication Services	0	6	0	0	0	0
Modern Times Group MTG AB	SE	Communication Services	0	21	0	0	n/a	0
Stillfront Group AB	SE	Communication Services	0	1	0	0	0	0
Better Collective A/S	DK	Communication Services	0	23	0	0	0	0
Alma Media Oyj	FI	Communication Services	21	2	29	21	2	29
Gyldendal A/S	DK	Communication Services	0	0	17	0	0	0
Keskisuomalainen Oyj	FI	Communication Services	1	6	17	0	0	0
North Media A/S	DK	Communication Services	74	1	32	39	0	0
Sanoma Oyj	FI	Communication Services	13	37	56	0	0	0
Schibsted ASA	NO	Communication Services	7	19	13	n/a	n/a	n/a
Viaplay Group AB	SE	Communication Services	81	2	62	0	0	0
Tele2 AB	SE	Communication Services	16	2	2	0	0	0
Bulten AB	SE	Consumer Discretionary	0	16	2	0	0	0
Dometic Group AB	SE	Consumer Discretionary	47	72	4	0	0	0
Nokian Renkaat Oyj	FI	Consumer Discretionary	3	1	2	2	1	2
Kabe Group AB	SE	Consumer Discretionary	1	0	0	0	0	0
Volvo Car AB	SE	Consumer Discretionary	90	95	88	0	12	7
Boozt AB	SE	Consumer Discretionary	0	39	0	0	0	0
Europris ASA	NO	Consumer Discretionary	0	24	18	0	0	0
Puuilo Oyj	FI	Consumer Discretionary	0	2	0	0	0	0
AcadeMedia AB	SE	Consumer Discretionary	0	86	0	0	0	0
Parken Sport & Entertainment A/S	DK	Consumer Discretionary	3	1	2	0	0	0
Scandic Hotels Group AB	SE	Consumer Discretionary	100	100	100	n/a	n/a	n/a
SkiStar AB	SE	Consumer Discretionary	2	4	6	0	1	2
Tivoli A/S	DK	Consumer Discretionary	46	34	91	0	0	0
Viking Line Abp	FI	Consumer Discretionary	22	78	35	0	0	0
AB Electrolux	SE	Consumer Discretionary	72	69	74	5	7	8
Bang & Olufsen A/S	DK	Consumer Discretionary	2	4	1	0	0	0
Bonava AB	SE	Consumer Discretionary	99	100	100	3	n/a	n/a
Duni AB	SE	Consumer Discretionary	0	53	28	0	0	0
Fiskars Oyj Abp	FI	Consumer Discretionary	1	4	7	0	0	2
GN Store Nord A/S	DK	Consumer Discretionary	38	1	41	0	0	0
HusCompagniet A/S	DK	Consumer Discretionary	100	92	76	0	0	0
JM AB	SE	Consumer Discretionary	93	36	0	0	23	0
Nobia AB	SE	Consumer Discretionary	0	83	52	0	55	n/a
Purmo Group Oyj	FI	Consumer Discretionary	84	66	91	4	1	3
YIT Oyj	FI	Consumer Discretionary	82	90	81	6	3	5
Harvia Oyj	FI	Consumer Discretionary	7	7	1	4	1	0
MIPS AB	SE	Consumer Discretionary	0	21	0	0	0	0
Rapala VMC Oyj	FI	Consumer Discretionary	6	0	0	0	0	0
Thule Group AB	SE	Consumer Discretionary	0	15	7	0	6	3
BHG Group AB	SE	Consumer Discretionary	0	2	0	n/a	n/a	0
Bilia AB	SE	Consumer Discretionary	58	22	82	4	4	8
Byggmax Group AB	SE	Consumer Discretionary	0	64	0	0	0	0
Clas Ohlson AB	SE	Consumer Discretionary	0	58	0	0	0	0
Gyldendal ASA	NO	Consumer Discretionary	0	1	3	0	0	1
H & M Hennes & Mauritz AB	SE	Consumer Discretionary	0	19	1	0	3	0

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 28: Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
Komplett ASA	NO	Consumer Discretionary	0	0	20	0	0	20
Mekonomen AB	SE	Consumer Discretionary	4	0	12	0	0	0
Synsam AB (publ)	SE	Consumer Discretionary	0	67	88	0	0	0
XXL ASA	NO	Consumer Discretionary	1	0	2	1	0	2
Marimekko Oyj	FI	Consumer Discretionary	0	1	9	0	0	0
Nilorngruppen AB	SE	Consumer Discretionary	0	53	0	0	n/a	0
Pandora A/S	DK	Consumer Discretionary	0	82	98	0	0	0
Anora Group Oyj	FI	Consumer Staples	2	1	0	0	0	0
Carlsberg AS	DK	Consumer Staples	0	21	20	0	0	0
Harboes Bryggeri A/S	DK	Consumer Staples	0	24	3	0	0	0
Royal Unibrew A/S	DK	Consumer Staples	0	3	8	0	0	0
Axfood Aktiebolag	SE	Consumer Staples	0	56	2	0	1	0
Kesko Oyj	FI	Consumer Staples	3	79	100	0	11	0
Aker BioMarine ASA	NO	Consumer Staples	0	4	3	0	4	3
Atria Oyj	FI	Consumer Staples	0	67	0	0	0	0
Austevoll Seafood ASA	NO	Consumer Staples	0	11	19	0	1	0
Cloetta AB	SE	Consumer Staples	0	27	3	0	0	0
Grieg Seafood ASA	NO	Consumer Staples	0	53	9	0	0	0
Leroey Seafood Group ASA	NO	Consumer Staples	0	5	26	0	1	0
Midsona AB	SE	Consumer Staples	0	34	0	0	0	0
Orkla ASA	NO	Consumer Staples	4	36	6	0	6	0
SalMar ASA	NO	Consumer Staples	0	2	7	0	0	0
Scandi Standard AB	SE	Consumer Staples	0	28	16	0	0	0
Schouw & Co.	DK	Consumer Staples	8	58	7	8	27	7
UIE PLC	DK	Consumer Staples	1	12	30	0	0	0
AAK AB	SE	Consumer Staples	0	47	13	0	23	0
Suominen Oyj	FI	Consumer Staples	0	13	17	0	0	0
Scandinavian Tobacco Group A/S	DK	Consumer Staples	0	12	58	0	0	0
Abl Group ASA	NO	Energy	1	n/a	n/a	1	n/a	n/a
Aker Solutions ASA	NO	Energy	10	44	0	10	3	0
BW Offshore Limited	NO	Energy	1	1	5	1	1	5
DOF Group ASA	NO	Energy	10	2	6	3	0	1
Havila Shipping ASA	NO	Energy	100	100	100	n/a	n/a	n/a
Solstad Offshore ASA	NO	Energy	22	2	2	22	2	2
TGS ASA	NO	Energy	2	2	2	2	2	2
Aker BP ASA	NO	Energy	0	0	0	0	0	0
Equinor ASA	NO	Energy	0	9	0	0	1	0
Neste Oyj	FI	Energy	32	77	45	28	68	40
Var Energi ASA	NO	Energy	0	0	0	0	0	0
Catella AB	SE	Financials	19	100	26	0	0	0
EQT AB	SE	Financials	0	94	0	0	13	0
Ratos AB	SE	Financials	47	14	9	0	0	0
Axactor ASA	NO	Financials	0	10	21	0	0	0
Investor Aktiebolag	SE	Financials	30	34	20	0	18	0
L E Lundbergforetagen AB	SE	Financials	22	56	32	13	12	22
Mandatum Oyj	FI	Financials	0	0	4	0	0	0
Bavarian Nordic A/S	DK	Health Care	98	87	18	0	0	0
Genmab A/S	DK	Health Care	0	0	0	0	0	0
Swedish Orphan Biovitrum AB	SE	Health Care	39	84	35	n/a	0	n/a
Arjo AB	SE	Health Care	0	0	0	0	0	0
Coloplast A/S	DK	Health Care	0	3	0	0	0	0
Demant A/S	DK	Health Care	96	67	0	0	0	0
Elekta AB	SE	Health Care	0	4	6	0	0	1
Getinge AB	SE	Health Care	0	18	0	0	n/a	0
Ambea AB	SE	Health Care	0	64	3	0	0	0

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 29: Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
Attendo AB	SE	Health Care	0	74	0	0	0	0
Dedicare AB (publ)	SE	Health Care	0	57	0	0	0	0
Humana AB	SE	Health Care	0	96	100	0	0	0
Medicover AB	SE	Health Care	0	39	80	0	0	0
Terveystalo Plc	FI	Health Care	1	0	1	0	0	0
Nnit A/S	DK	Health Care	5	0	0	0	0	0
Sectra AB	SE	Health Care	0	53	1	0	0	0
AddLife AB	SE	Health Care	0	53	1	0	0	0
Biotage AB	SE	Health Care	1	1	0	0	0	0
ALK-Abello A/S	DK	Health Care	98	71	47	0	0	0
H. Lundbeck A/S	DK	Health Care	100	27	48	0	0	0
Novo Nordisk A/S	DK	Health Care	100	60	5	0	0	0
Orion Oyj	FI	Health Care	65	48	89	0	0	0
Kongsberg Gruppen ASA	NO	Industrials	9	69	27	0	3	2
Saab AB	SE	Industrials	4	11	5	0	3	3
DSV A/S	DK	Industrials	0	66	0	0	0	0
Elanders AB	SE	Industrials	3	1	3	0	0	0
ASSA ABLOY AB	SE	Industrials	19	3	2	n/a	n/a	n/a
Balco Group AB	SE	Industrials	90	83	87	61	74	69
Byggma ASA	NO	Industrials	12	4	17	7	3	14
FM Mattsson AB	SE	Industrials	0	43	19	n/a	4	n/a
Inwido AB	SE	Industrials	94	97	97	17	4	15
Lindab International AB	SE	Industrials	64	74	63	50	63	51
Munters Group AB	SE	Industrials	61	59	62	35	48	37
Nederman Holding AB	SE	Industrials	13	21	39	6	5	19
NIBE Industrier AB	SE	Industrials	53	57	44	1	2	0
Nordic Waterproofing Holding AB	SE	Industrials	40	14	0	0	0	0
Rockwool A/S	DK	Industrials	87	72	89	57	71	53
Systemair AB	SE	Industrials	43	22	47	28	16	34
Aker Carbon Capture ASA	NO	Industrials	100	100	100	100	100	100
Aker Horizons ASA	NO	Industrials	100	99	83	100	99	83
Bravida Holding AB	SE	Industrials	13	4	13	11	0	0
Caverion Oyj	FI	Industrials	32	48	13	6	5	6
Coor Service Management Holding AB	SE	Industrials	0	43	67	0	0	n/a
Enersense International Oyj	FI	Industrials	55	85	5	53	0	4
Green Landscaping Group AB	SE	Industrials	1	1	0	n/a	n/a	0
Intrum AB	SE	Industrials	0	5	3	0	0	0
ISS A/S	DK	Industrials	0	43	0	0	0	0
ITAB Shop Concept AB	SE	Industrials	37	25	25	0	0	0
Lamor Corporation Oyj	FI	Industrials	71	82	97	n/a	59	n/a
Lassila & Tikanoja Plc	FI	Industrials	18	18	12	17	18	12
Loomis AB	SE	Industrials	65	33	51	0	0	0
Norva24 Group AB	SE	Industrials	46	46	41	41	42	37
Sdiptech AB	SE	Industrials	18	8	20	13	5	8
Studsvik AB	SE	Industrials	9	4	2	9	4	2
AF Gruppen ASA	NO	Industrials	83	87	83	14	39	22
Consti Oyj	FI	Industrials	85	0	0	10	0	0
Eltel AB	SE	Industrials	38	45	40	33	39	28
Fasadgruppen Group AB	SE	Industrials	64	46	56	17	6	5
Instalco AB	SE	Industrials	6	5	2	6	5	2
MT Hoejgaard Holding A/S	DK	Industrials	88	78	0	2	4	0
NCC Aktiebolag	SE	Industrials	74	34	44	7	8	6
Netel Holding AB	SE	Industrials	29	22	0	29	0	0
Nordisk Bergteknik AB	SE	Industrials	16	8	17	0	0	0
NRC Group ASA	NO	Industrials	98	98	99	72	76	74

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 30: Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
OX2 AB	SE	Industrials	88	0	0	14	0	0
Peab AB	SE	Industrials	86	59	69	9	29	22
Per Aarsleff Holding A/S	DK	Industrials	75	49	66	4	2	2
Sitowise Group Oyj	FI	Industrials	54	66	0	19	23	0
Skanska AB	SE	Industrials	92	100	0	7	40	0
SRV Group OYJ	FI	Industrials	92	100	100	67	55	100
Sweco AB	SE	Industrials	20	69	0	6	1	0
Veidekke ASA	NO	Industrials	92	78	0	7	0	0
Vestum AB	SE	Industrials	6	61	25	4	0	0
AQ Group AB	SE	Industrials	0	41	52	0	0	0
Fagerhult Group AB	SE	Industrials	86	52	74	7	5	10
GARO Aktiebolag	SE	Industrials	83	76	97	13	6	10
Hexatronic Group AB	SE	Industrials	0	19	23	0	0	0
Kempower Oyj	FI	Industrials	100	100	100	100	100	100
Nel ASA	NO	Industrials	93	95	44	n/a	0	0
NKT A/S	DK	Industrials	68	80	57	36	55	25
Vestas Wind Systems A/S	DK	Industrials	99	97	92	99	97	92
NTG Nordic Transport Group A/S	DK	Industrials	4	7	28	2	3	2
Aker ASA	NO	Industrials	58	78	39	25	54	34
Arendals Fossekompani ASA	NO	Industrials	60	63	17	22	17	7
Aspo Oyj	FI	Industrials	35	95	99	4	67	6
Bonheur ASA	NO	Industrials	95	99	100	70	80	87
Infrea AB	SE	Industrials	71	82	72	0	0	0
Investment Aktiebolaget Latour	SE	Industrials	20	18	24	7	2	7
Lifco AB	SE	Industrials	0	13	0	0	n/a	0
Nolato AB	SE	Industrials	7	8	1	0	0	0
Storskogen Group AB	SE	Industrials	5	3	7	3	2	4
Volati AB	SE	Industrials	0	0	0	n/a	0	0
Aktiebolaget Volvo	SE	Industrials	73	86	81	0	0	0
AKVA group ASA	NO	Industrials	0	18	0	0	1	0
Alfa Laval AB	SE	Industrials	49	41	24	0	0	0
Alimak Group AB	SE	Industrials	9	7	12	9	7	12
Atlas Copco AB	SE	Industrials	65	17	29	0	0	0
AutoStore Holdings Ltd.	NO	Industrials	71	53	100	0	0	0
Beijer Alma AB	SE	Industrials	5	5	5	3	0	4
Cargotec Oyj	FI	Industrials	80	43	76	13	5	19
Componenta Oyj	FI	Industrials	49	33	9	0	0	0
Electrolux Professional AB	SE	Industrials	90	71	98	0	0	0
Epiroc Aktiebolag	SE	Industrials	4	9	16	0	0	0
Exel Composites Oyj	FI	Industrials	28	13	3	24	12	3
FLSmidth & Co. A/S	DK	Industrials	30	53	35	6	7	2
Glaston Oyj Abp	FI	Industrials	46	34	25	46	34	25
Hexagon Composites ASA	NO	Industrials	98	98	90	62	71	63
Hexagon Purus ASA	NO	Industrials	89	99	99	n/a	99	79
Husqvarna AB	SE	Industrials	28	39	28	28	23	28
Hydrogenpro ASA	NO	Industrials	100	100	89	n/a	n/a	n/a
Indutrade AB	SE	Industrials	7	15	11	0	0	0
KONE Oyj	FI	Industrials	44	17	0	10	0	0
Konecranes OYJ	FI	Industrials	58	23	23	19	4	19
Marel hf.	IS	Industrials	54	27	80	0	0	0
Metso Oyj	FI	Industrials	89	57	95	20	13	52
Nilfisk Holding A/S	DK	Industrials	89	56	90	0	4	4
Ponsse Oyj	FI	Industrials	14	35	1	0	0	0
Sandvik AB	SE	Industrials	12	16	9	0	1	3
SKF Aktiebolaget	SE	Industrials	37	41	33	n/a	n/a	n/a

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 31:Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
TOMRA Systems ASA	NO	Industrials	72	61	53	72	54	53
Trelleborg AB	SE	Industrials	19	23	20	0	0	0
Troax Group AB	SE	Industrials	0	2	0	0	0	0
Valmet Oyj	FI	Industrials	31	12	27	5	1	1
VBG Group AB	SE	Industrials	0	5	0	0	n/a	0
Wartsila Oyj Abp	FI	Industrials	17	23	12	0	0	0
XANO Industri AB	SE	Industrials	2	0	48	0	0	0
A.P. Moller - Maersk A/S	DK	Industrials	80	75	68	4	18	7
Dampskibsselskabet Norden A/S	DK	Industrials	78	100	75	0	4	0
DFDS A/S	DK	Industrials	84	96	100	30	17	53
Hoegh Autoliners ASA	NO	Industrials	100	100	100	0	0	0
MPC Container Ships ASA	NO	Industrials	100	100	100	0	0	0
Odfjell SE	NO	Industrials	94	70	93	0	0	0
Wallenius Wilhelmsen ASA	NO	Industrials	84	76	100	0	31	0
Wilh. Wilhelmsen Holding ASA	NO	Industrials	5	17	40	0	0	0
Finnair Oyj	FI	Industrials	87	83	100	0	0	0
Norse Atlantic ASA	NO	Industrials	98	100	100	0	0	0
SAS AB	SE	Industrials	92	85	99	0	0	0
AFRY AB	SE	Industrials	41	43	0	1	0	0
BTS Group AB	SE	Industrials	0	13	0	0	0	0
Dovre Group Oyj	FI	Industrials	36	0	48	36	0	48
Etteplan Oyj	FI	Industrials	64	51	0	62	50	0
Multiconsult ASA	NO	Industrials	1	5	0	0	0	0
Panostaja Oyj	FI	Industrials	8	16	4	0	0	0
Projektengagemang Sweden AB	SE	Industrials	43	0	0	1	0	0
Rejlers AB	SE	Industrials	11	23	0	0	0	0
Addtech AB	SE	Industrials	4	12	8	0	0	0
Alligo AB	SE	Industrials	0	0	0	n/a	n/a	0
BE Group AB (publ)	SE	Industrials	0	5	2	0	0	0
Beijer Ref AB	SE	Industrials	8	1	30	4	1	27
Broedrene A&O Johansen A/S	DK	Industrials	0	51	27	0	0	0
Bufab AB	SE	Industrials	0	55	0	0	3	0
Ferronordic AB	SE	Industrials	35	26	1	0	26	0
Momentum Group AB	SE	Industrials	11	7	0	0	0	0
OEM International AB	SE	Industrials	0	51	98	0	3	0
Relais Group Oyj	FI	Industrials	0	6	0	0	0	0
Solar A/S	DK	Industrials	0	6	12	0	0	0
Koebenhavns Lufthavne A/S	DK	Industrials	38	51	7	0	1	0
HMS Networks AB	SE	Information Technology	7	1	10	n/a	n/a	n/a
Nokia Oyj	FI	Information Technology	61	52	66	0	0	0
Telefonaktiebolaget LM Ericsson	SE	Information Technology	38	43	29	0	0	0
Teleste Oyj	FI	Information Technology	36	22	49	36	22	49
Ependion AB	SE	Information Technology	37	30	48	35	27	44
Hexagon AB	SE	Information Technology	6	4	12	0	0	0
Incap Oyj	FI	Information Technology	67	61	65	n/a	n/a	n/a
Kitron ASA	NO	Information Technology	30	30	30	30	30	30
Lagercrantz Group AB	SE	Information Technology	0	23	0	0	0	0
Mycronic AB	SE	Information Technology	20	11	8	2	11	3
NCAB Group AB (publ)	SE	Information Technology	0	3	0	0	0	0
NORBIT ASA	NO	Information Technology	75	88	37	n/a	n/a	n/a
NOTE AB	SE	Information Technology	100	48	75	0	0	0
Scanfil Oyj	FI	Information Technology	12	12	12	11	11	11
Strongpoint ASA	NO	Information Technology	0	1	1	0	n/a	n/a
Vaisala Oyj	FI	Information Technology	87	24	75	0	0	0
Addnode Group AB	SE	Information Technology	0	29	0	0	0	0

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 32: Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
Atea ASA	NO	Information Technology	6	29	2	0	0	0
B3 Consulting Group AB	SE	Information Technology	0	100	100	0	0	0
Columbus A/S	DK	Information Technology	96	39	0	0	0	0
Digia Oyj	FI	Information Technology	19	19	19	19	19	19
Gofore Oyj	FI	Information Technology	26	0	0	10	0	0
Itera ASA	NO	Information Technology	0	0	0	0	0	0
Knowit AB	SE	Information Technology	40	76	0	0	5	0
Netcompany Group A/S	DK	Information Technology	8	3	81	3	1	36
Prevas Aktiebolag	SE	Information Technology	15	0	0	0	0	0
Proact IT Group AB	SE	Information Technology	12	85	29	0	0	0
Siili Solutions Oyj	FI	Information Technology	2	0	0	0	0	0
TietoEVRY Oyj	FI	Information Technology	20	61	21	0	0	0
Webstep ASA	NO	Information Technology	98	88	88	0	0	0
Nordic Semiconductor ASA	NO	Information Technology	0	46	0	0	9	0
Bittium Oyj	FI	Information Technology	65	3	59	0	0	0
Cint Group AB (publ)	SE	Information Technology	0	13	0	0	0	0
Sinch AB	SE	Information Technology	0	23	1	0	0	0
Tecnotree Oyj	FI	Information Technology	74	0	0	0	0	0
Vitec Software Group AB (publ)	SE	Information Technology	0	78	0	0	0	0
Volue ASA	NO	Information Technology	41	29	7	34	24	4
Dynavox Group AB	SE	Information Technology	76	42	9	n/a	n/a	n/a
Tobii AB	SE	Information Technology	0	18	0	0	0	0
BEWi ASA	NO	Materials	49	50	20	0	0	0
Borregaard ASA	NO	Materials	30	54	42	29	52	40
Elkem ASA	NO	Materials	42	68	42	0	0	0
Fluegger Group A/S	DK	Materials	0	4	10	0	0	0
Kemira Oyj	FI	Materials	0	1	0	0	0	0
Novonesis (Novozymes) B	DK	Materials	0	3	0	0	2	0
SP Group A/S	DK	Materials	7	38	10	0	0	0
Yara International ASA	NO	Materials	7	36	33	0	6	3
H+H International A/S	DK	Materials	0	9	0	0	0	0
Billerud Aktiebolag	SE	Materials	3	18	7	3	0	7
Metsa Board Oyj	FI	Materials	2	13	21	1	2	8
Alleima AB	SE	Materials	92	46	65	91	45	63
Boliden AB	SE	Materials	0	11	3	0	0	0
Granges AB	SE	Materials	39	45	45	39	45	45
Norsk Hydro ASA	NO	Materials	52	43	27	29	35	17
Outokumpu Oyj	FI	Materials	90	75	83	90	75	83
SSAB AB	SE	Materials	84	93	95	32	12	21
Holmen AB	SE	Materials	10	16	20	10	16	20
Koskisen Oyj	FI	Materials	10	11	20	0	4	0
Nordic Paper Holding AB	SE	Materials	0	1	0	0	1	0
Stora Enso Oyj	FI	Materials	6	7	14	5	6	10
Svenska Cellulosa Aktiebolaget SCA	SE	Materials	7	42	26	6	39	24
UPM-Kymmene Oyj	FI	Materials	10	38	20	9	35	20
AB Sagax	SE	Real Estate	100	100	100	16	14	17
Atrium Ljungberg AB	SE	Real Estate	100	100	100	21	23	15
Castellum AB	SE	Real Estate	100	100	100	34	22	31
Catena AB	SE	Real Estate	100	100	100	56	74	42
Citycon Oyj	FI	Real Estate	97	95	71	n/a	n/a	n/a
Dios Fastigheter AB	SE	Real Estate	100	100	100	25	10	25
Eastnine AB	SE	Real Estate	100	100	100	79	61	78
Entra ASA	NO	Real Estate	100	100	96	47	24	21
Fabege AB	SE	Real Estate	100	100	100	66	23	53
Fastighets AB Balder	SE	Real Estate	100	100	100	13	50	11

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

Figure 33: Companies reporting >0 on eligibility or alignment (continued)

Company	Country	Sector	Eligibility Rev. (%)	Eligibility CapEx (%)	Eligibility Opex (%)	Alignment Rev. (%)	Alignment CapEx (%)	Alignment Opex (%)
Hufvudstaden AB	SE	Real Estate	73	95	70	11	1	8
Jeudan A/S	DK	Real Estate	94	97	85	3	0	1
K-Fast Holding AB	SE	Real Estate	44	98	10	0	0	0
Kojamo Oyj	FI	Real Estate	100	100	99	29	41	23
NP3 Fastigheter AB	SE	Real Estate	100	100	100	20	9	17
Pandox AB	SE	Real Estate	98	100	100	5	3	13
Wallenstam AB	SE	Real Estate	100	96	100	42	52	25
WASTBYGG GRUPPEN	SE	Real Estate	92	81	4	0	0	0
Wihlborgs Fastigheter AB	SE	Real Estate	100	100	100	39	30	36
Fortum Oyj	FI	Utilities	50	76	77	43	64	56
Orsted A/S	DK	Utilities	86	99	79	86	99	79
Cloudberry Clean Energy ASA	NO	Utilities	81	95	96	81	95	96
Scatec ASA	NO	Utilities	99	100	100	94	97	97

Source: Factset and Bloomberg (underlying data), DNB Markets (further calculations)

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