



SFDR Art 3 – Sustainability Risk Integration Guidelines

REAL ESTATE

1. Introduction

The purpose of this guideline is to describe DNB Næringsseiendom AS's (DNB REIM) framework for responsible and sustainable investments and property management. In addition, the guidelines describe how sustainabilityrisk is integrated into the investment processes at DNB REIM.

DNB REIM is a property manager that invests in and manages commercial property and real estate funds/Real estate syndicates on behalf of DNB Livsforsikring AS (DNB Life), DNB Scandinavian Property Fund DA (DNB SPF) and DNB Eiendomsfond Core Plus AS (DNB ECP). Investments on behalf of these clients take place partly through the purchase and sale of property, property companies or property funds/property syndicates, partly through projects in the property portfolio, but also as part of the daily operation of the property portfolio.

Definitions:

Investment:

- Real estate and shares in a property company
- Shares in property funds, syndicates or similar (hereinafter collectively referred to as property funds)
- Investment in major development and construction projects in an existing property portfolio

Management:

- Technical management/operation of property, including small construction projects
- Letting and follow-up of tenants
- Business management of companies that directly or indirectly own properties
- Follow-up of property funds

Sustainability risk:

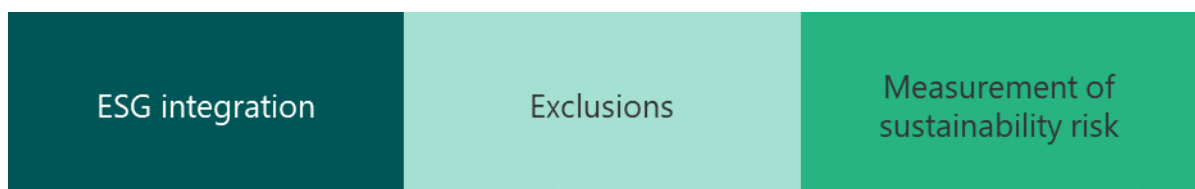
- Environmental, social or governance event or condition which, if it occurs, may have an actual or potential significant adverse effect on the value of the investments, including property - portfolio.

Sustainability factors:

- Environmental, social and employee conditions, conditions that affect human rights, anti-money laundering-, and anti-corruption matters

2. Integration of the environment, social conditions and corporate governance in management and investments

DNB REIM emphasizes the following measures to ensure the integration of the environment, social conditions and corporate governance in the management of the property portfolio and in the case of investments:



2.1 ESG integration

Consideration of the environment, social conditions and corporate governance (ESG factors) is an integral part of the investment process and property management in DNB REIM.

Investment in real estates and property companies:

- DNB REIM assesses ESG factors for new investments in line with the client's strategy. Both risks and opportunities linked to ESG factors are to be assessed.
- Requirements for ESG factors when buying properties are described in the respective property strategy for DNB Life and investment plans for DNB ECP and DNB SPF. These are updated regularly and in line with changes in regulations and objectives.
- For properties that do not meet the client's requirements for sustainability at the time of investment, the additional cost of lifting the property is to be made visible and taken into account in consideration of the investment decision.

Investment in property funds and syndicates:

- DNB REIM assesses ESG integration when purchasing shares in property funds and syndicates. Furthermore, the environmental quality of the property portfolio and any objectives for investments are emphasised.
- Guidelines for assessing the fund manager's ESG factors are described in the investment plan.
- DNB REIM follows up the various property funds and syndicates they have invested in, during the ownership period. It is expected that the various property funds and syndicates report on sustainability information, and such information is requested and followed up.

Major projects:

- The threshold for "major projects" is defined and described in the sustainability strategy for DNB REIM. In the strategy for 2024-2030, the amount is set at NOK 50 million.
- A separate environmental program must be drawn up for all major projects carried out by DNB REIM.
- Projects must generally describe how energy use is affected as a result of the project.
- ESG requirements for larger projects are described in the investment strategy and investment plan for the Client.

Property portfolio management:

- In the property strategy for DNB Life and investment plans for DNB SPF and DNB ECP, it is described how environmentally efficient operations are to be achieved.
- DNB REIM's sustainability program will specify the commitments and objectives that will apply.
- The sustainability program will contribute to investments in energy-efficient technology, operational optimization and upgrades.
- Tenants are followed up through annual surveys and through annual tenant meetings where the environment is part of the fixed agenda. Questions are taken from the "green appendix" in the lease agreement.
- DNB REIM wishes its subcontractors to be open about their work on sustainability and expects partners to have public reporting of their work with responsible investments. DNB REIM carries out a third-party check of all suppliers, where social conditions, the supplier's environmental profile and working conditions and human rights are part of the control. In addition, annual supplier and contractor audits are carried out.

2.2 Exclusions

Investments and management shall contribute to the development of the properties in a sustainable direction through active property management. Exclusions in the form of sales or not making an investment can be used if properties are not considered part of the future and cannot be brought up to satisfactory sustainability requirements within a reasonable time.

Exclusion of suppliers can also occur through management if the supplier does not have satisfactory ambitions and transparency related to ESG.

DNB REIM also excludes investment in new properties or property funds in line with DNB's group standard for responsible investments.

2.3 Measurement of the investments to uncover risk and to document development

An important area for DNB REIM is to identify and adopt good quantitative sustainability targets for the management of the property portfolio, property funds and syndicates that can contribute to governance and document and report developments in the portfolios. This contributes to a better overview and control of sustainability risk.

For investments in property funds and syndicates, the management company (DNB REIM) will monitor and stimulate good reporting from the investments. Furthermore, active ownership and good governance will be a key focus for achieving our goals.

DNB REIM assesses and decides which certification schemes and tools provide appropriate and good measurement of sustainability work in relation to the property portfolio:

Environment:

- DNB REIM follows a sustainability program that contains defined targets for energy and water reduction, reduced waste volumes, increased sorting rates and a reduction in greenhouse gas emissions.
- The sustainability programme's goal is to stimulate investment in new and energy-efficient technology, upgrades and operational optimization for individual buildings.
- DNB REIM measures emissions intensity (greenhouse gas emissions relative to sales revenue) for the portfolio, where this is available.

Social conditions:

- Social responsibility is anchored in DNB's "Code of conduct", in the "Policy for supplier management" and guidelines in line with the Transparency Act.
- Tenants are followed up through annual surveys and periodic meetings.
- Projects are carried out with a defined and clear ethical line and close follow-up of the contractors.

Business management:

- DNB REIM is certified according to ISO 14001, which is an environmental management system for the external environment.
- The property portfolio is certified through BREEAM In-Use. This is done to collect and document all matters of importance for sustainability in commercial buildings.

3. DNB standard for responsible investments

DNB's standard for responsible investments is to ensure that DNB does not contribute to the violation of human and labour rights, corruption, serious environmental damage or other actions that can be perceived as unethical. It is also to ensure that assessments of risks and opportunities within the environment, social conditions and corporate governance are integrated into management. DNB REIM has integrated these principles into its processes.

The companies' involvement and exercise of active ownership must be based on the UN Global Compact and the OECD Guidelines for Multinational Enterprises, and be in line with the UN Guiding Principles on Business and Human Rights.

4. Disclosure and reporting of DNB REIM

DNB REIM is open about its work related to responsible and sustainable investments and reports regularly through:

- DNB Life Sustainability annual report.
- DNB SPF Sustainability annual report
- Publication of the GRESB Benchmark
- Publication of the Environmental Program on our websites
- INREV Climate Metrics
- MSCI Norway Climate Metrics
- Periodic reporting according to SFDR

5. Change log

Date	Version no.	Comments
1 October 2022	Version 1.0	First Sustainability Statement prepared.
1 July 2023	Version 2.0	New improvements implemented.
1 July 2024	Version 3.0	Review and quality improvements.