



DNB Luxembourg's Approach to Sustainability in Investment

This disclosure is made in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector in relation with discretionary portfolio management services and investment advice services.

As a responsible investor with a long-term view, we aim to provide high, long-term returns, at an acceptable level of risk, whilst considering Environmental, Social and Governance (ESG) factors.

On a broad level DNB Group's Standard for Responsible Investments ensures that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm, and other actions which may be perceived to be unethical and/or unsustainable. It shall further ensure that assessments of ESG risks and opportunities are integrated into investment decision-making.

These requirements are translated in an investment exclusion list which is available upon request by e-mail at: PrivateBanking@dnbgroup.lu

DNB Luxembourg relies on an open architecture in its investment services, including external management, which means that customer assets may be invested through external mutual funds and asset management companies.

DNB Luxembourg excludes external funds that include companies which themselves or through units, control or produce weapons or which may breach fundamental humanitarian principles.

At the level of its investment services and products (Discretionary Management and Investment Advisory), in addition to only selecting external funds meeting the aforementioned requirements, the Bank offers the following:

- Investment Advisory: alignment of total portfolio sustainability¹ factors with individual sustainability preferences, unless waived (refer to the 'Sustainable investing – Information letter' for further information);
- Discretionary Portfolio Management (DPM): alignment with Article 8 requirements of Regulation (EU) 2019/2088 in the promotion of environmental/social characteristics (refer to DPM pre-contractual disclosure for further information) through limiting investment to funds themselves qualifying under Article 8, Article 9 and/or taking account of Principal Adverse Impact (PAI) under the same regulation.

¹ I.e. sustainable investments, investments promoting ESG factors, or investments taking account of Principal Adverse Impacts (PAI).



Principal Adverse Impact of Investment Decisions on Sustainability Factors at Entity Level

Although the Bank applies its 'Standard for Responsible Investments' and offers investment products aligned with sustainability preferences, it does not consider PAI of investment decisions on sustainability factors at entity level in the meaning of Article 4 of Regulation (EU) 2019/2088.

This decision is based on the rationale that such factors are more effectively taken into account at the level of DNB Group as whole, as applicable under the relevant regulatory framework, rather than locally in Luxembourg.

Sustainability in our remuneration policy

The respect of internal ESG guidelines is explicitly taken into consideration in the remuneration policy for the determination of variable compensation. Such discretionary compensations must be aligned with the promotion of long-term sustainability. The respect of internal ESG guidelines is one factor of evaluation for their determination.
