



Asset Management

Quarterly Report for Responsible Investments

Q2 2025



Highlights from active ownership – Q2 2025



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Q2 is a busy time for voting across all markets

- The first and second quarter mark the busiest time of the year for voting, having reviewed thousands of AGMs for the holdings in our portfolio.
- The AGM season involves not only voting, but also extensive engagement with companies ahead of the meetings. In Q2, we met with nomination committees, board members, and company management to gather valuable insights to inform our voting decisions and, where relevant, to encourage companies on the adoption of best practices.
- Key meetings with Nordic companies this quarter have included meetings with **TGS ASA** and **Equinor ASA**.

Norwegian investor collaboration

- For several years, DNB AM have collaborated with the largest asset managers in Norway to engage with Norwegian companies on climate and biodiversity.
- This quarter we have engaged with **Mowi ASA**, **Elkem ASA**, **Stolt-Nielsen Ltd.** and **Orkla ASA**.
- Compared to when we began these engagements a few years ago, many companies have reached a steady state on their climate efforts. However, their work on biodiversity remains less mature.
- On biodiversity, we are encouraging companies to set targets and report in line with frameworks such as the TNFD and ESRs E4.

Semiconductors on the agenda

- Over the past quarter, DNB AM engaged with **TSMC** and **SK Hynix** – two leaders in the semiconductor industry – on climate and water management.
- While their transition efforts and water management practices are shaped by their respective national regulatory contexts, both companies are making progress in these areas. Geopolitical challenges affecting supply chains were also part of the discussions.
- **SK Hynix**, in particular, highlighted challenges related to reducing Scope 1-3 emissions and lowering water intensity, which are closely tied to production levels and growing demand.

Pushing companies on their NZ ambitions

- DNB AM is engaging with the largest contributors to the carbon intensity of our investments. Over the past quarter, we held dialogues with several companies on setting science-based emissions reduction targets.
- One of the companies we engaged was **MPC Containerships**, which is among the top contributors to our portfolio's carbon intensity.
- **MPC** has made significant changes since our last meeting in 2023, including hiring a Head of Sustainability and initiating work on a transition plan, which is expected to be published later this year.

The Principal Adverse Impact (PAI) Statement for 2024 is out!

The document describes how PAIs of investment decisions on sustainability factors are considered.

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What you can read about in the report

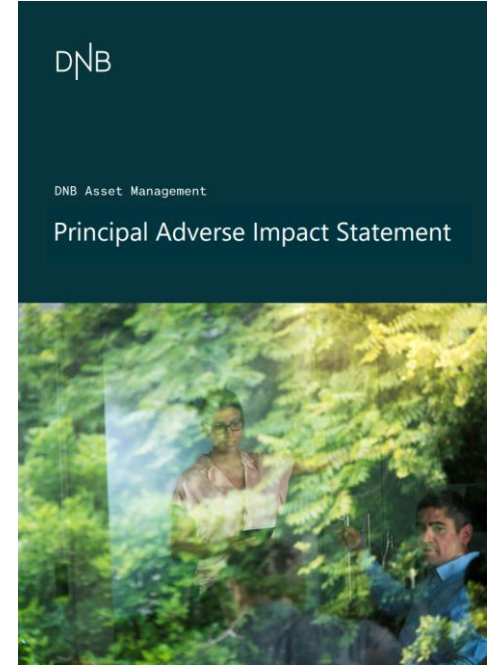
In 2024, we have considered PAIs of our investment decisions alongside the targets set for 2025. We report on all mandatory PAIs, as well as two voluntary indicators that support our long-term focus areas and align with the targets outlined in the DNB Sustainability Policy and Transition Plan. This year, we have also included a historical comparison, marking our second reporting on behalf of DNB Asset Management AS.

Key takeaways

The PAIs for 2024 show no clear overarching trend, as the ongoing increase in disclosures continues to yield diverse outcomes. However, we expect data coverage and the standardization of reported data to improve with related regulatory disclosure requirements, enabling us to make more informed assessments.

Data Progress

In 2025, we have entered into a new agreement to enhance data coverage for PAIs in our fixed income portfolio. We have also initiated a similar project for our Private Equity portfolio, which was excluded from the 2024 reporting; this project is still ongoing. Additionally, changes in the calculation methodology for several indicators have impacted the comparability of multiple PAIs.



Voting, initiatives, and progress on the transition plan

Highlights from investor initiatives



The Access to Nutrition Initiative (ATNI) ranks major food and beverage companies on their efforts to improve global nutrition, focusing on product healthiness, marketing practices, and accessibility. In Q2, we engaged with **Nestlé** following a decline in their ATNI index rating. Our key asks included setting clear and ambitious targets to increase the share of healthier products sold, as well as enhancing transparency and public reporting.



In April, DNB AM engaged with **UPM-Kymmene Oyj** through the Nature Action 100 investor engagement initiative. This meeting marked our third engagement with the company via this initiative. Even though the company is considered a leader among forest companies in terms of biodiversity, it could still demonstrate substantial progress through TNFD-aligned reporting, including disclosures aligned with ESRS E4 and participation in an SBTN pilot.



Over the years, DNB AM have participated in several initiatives led by Rainforest Foundation Norway (RFN), including the Responsible Nickel Mining Initiative and Investor Working Group for a Deforestation-free Automotive Industry. During London Climate Week in June, RFN published an investor statement addressed to COP 30, which will be held in Belém later this year. DNB AM supported the statement and its key asks, including the implementation of strong policies, regulatory measures and financial mechanisms to eliminate commodity-driven deforestation.



Voting				Transition plan progress	
Meetings voted at		Shareholder proposals voted on		Target	Result Q2 2025
Q2	986	Q2	763	AUM in Sustainability-themed funds and portfolios	223 NOK bn
YTD	1 152	YTD	958	Share of AUM covered by a science-based emissions reduction target	38.4 per cent*
In line with management (YTD)	91%	Of which environmental/ climate related proposals (YTD)	105	Engagements with the largest contributors to our carbon intensity this quarter	10 meetings

*As of 30.06.2025

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Exclusions and reinclusions



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We exclude companies that produce:



And may exclude companies that breach international norms and standards

Companies excluded in Q2

Company	Criterion	Description
Paz Retail and Energy Ltd	Violations of individuals' rights in situations of war or conflict.	The company was excluded due to its involvement in activities associated with Israel's settlement policy in the West Bank, which contributes to serious violations of individuals' rights in situations of war or conflict.
Petroleos Mexicanos	Gross corruption	The company was excluded due to an unacceptable risk of gross corruption, based on long-standing bribery allegations involving senior executives and insufficient implementation of anti-corruption measures.

Companies reincluded in Q2

Thales SA	Production of controversial weapons	The company was reincluded due to a changed interpretation of ownership in defense joint-ventures. Consequently, the company's involvement does not constitute a violation of our controversial weapons criterion.
Leonardo SpA	Production of controversial weapons	The company was reincluded due to a changed interpretation of ownership in defense joint-ventures. Consequently, the company's involvement does not constitute a violation of our controversial weapons criterion.
Reinet Investments SA	Production of tobacco	The company was reincluded due to no longer holding a significant stake in British American Tobacco (BAT).
Pingdingshan Tianan Coal Mining Ltd	Production of thermal coal	The company was reincluded due to no longer breaching the criteria of revenue from thermal coal mining of 30 per cent of total revenue.
RWE AG	Production of thermal coal	The company was reincluded due to no longer breaching the criteria of revenue from thermal coal mining of 30 per cent of total revenue.

News and trends

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Regulations and trends



In April, Members of the European Parliament voted in favor of postponing the implementation of key European Union rules related to corporate sustainability reporting and environmental due diligence. The decision comes as negotiations on the final details and scope of the regulations are still ongoing. The proposed delay affects both the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).



In June, the European Commission also announced its intentions to withdraw the proposed Green Claims Directive, introduced in March 2023 and aimed at preventing companies from making misleading environmental claims (greenwashing). There have long been pressure on the directive, arguing that it is too complex and burdensome, especially for small businesses.



This quarter, the International Maritime Organization (IMO) approved net-zero regulations for the global shipping sector. The framework includes a new fuel standard for ships and a global pricing mechanism for emissions and formally enter into force in 2027 where it will become mandatory for ships with over 5000 gross tonnage.

News from DNB AM



DNB AM have published an updated expectations document on Human Capital Management. Through this document we aim to encourage companies to take a more structured, forward-looking approach to how they manage their workforce.



ESMA's guidelines on the use of ESG- or sustainability-related terms in fund names came into force for all DNB AM funds on the 21st of May 2025. In response, we have updated the pre-contractual information for the remaining funds and adjusted our internal systems to comply with the requirements set out in the guidelines. For some of our funds, this includes ensuring that over 80% of investments are in companies that are on a clear and measurable path to transition. DNB AM have developed a methodology for assessing environmental transition. Currently, we have no funds that fall under the social transition category.



Expectation documents

See our website <https://dnbam.com/en/responsible-investments/guidelines-and-exclusions> for a full list and updated versions of our expectations to companies on a wide range of topics.

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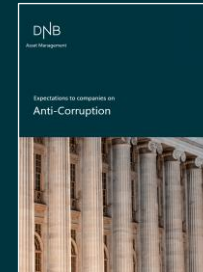
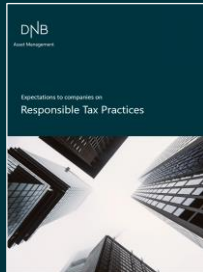
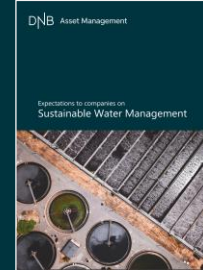
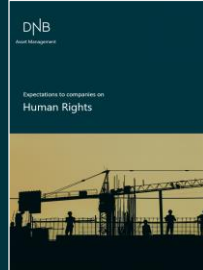
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Other relevant reports from DNB AM

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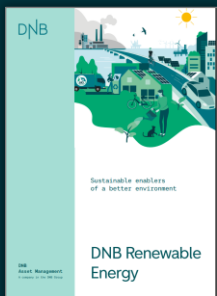
Report for Responsible Investments 2024



DNB AM Quarterly Reports for Responsible Investments



Principle Adverse Impact (PAI) Statement



DNB RE Report on Potential Avoided Emissions 2023



DNB Group Annual Report 2024



Norwegian Transparency Act Disclosure 2024



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