



Sustainability | Leadership | Innovation



In partnership with
Deloitte.

DNB ASA: Setting standards on responsible investing and financing

Finalist: Investing and financing award

What

DNB is Norway's largest financial institution, and its activities include investing, lending and providing financial infrastructure. In 2017, DNB launched a new strategy focused on building sustainability into every part of its business.

This strategy led DNB to produce an updated materiality analysis in 2018. The goal was to understand which areas were material for the group in creating long-term value for its stakeholders. Understanding these material areas has helped DNB to direct its efforts to where it can create the most value and generate the greatest benefits for society.

A responsible investment standard applies to all of DNB's investing activities. The standard was designed to ensure that the group does not contribute to serious social or environmental harms, including breaches of human rights and high greenhouse gas emissions. Part of this is excluding certain companies from DNB's portfolios.

By setting responsible investment standards and taking on an active stewardship role, DNB can drive change across its large lending and investing portfolio. The group works to influence companies to take positive steps to address their impact on society and the environment.

'The judges were impressed by DNB's thorough and diligent approach to embedding ESG into their systems and processes.'

Finance for the Future Awards judges

Why

DNB believes that operating sustainably will help companies to succeed in a changing world. Companies that will be competitive in the future are those that understand how they create value and take responsibility for making the world a better place. By focusing on value creation in its new sustainability-focused strategy, DNB aimed to take a strategic approach to managing its ESG risks and taking advantage of opportunities.

For DNB, responsible and sustainable investment requires financial institutions to safeguard the environment, improve social conditions and put in place sound governance. This drove the group to create standards, frameworks and processes for embedding sustainability into its activities. To make sure that it followed best practice, DNB based its responsible investment work on internationally recognised principles such as the UN Global Compact.

Through its high standards and holistic approach to sustainability, DNB aims to create value for all of its stakeholders and contribute to a more sustainable world.



‘How we create value is what constitutes the core of our sustainability strategy. As an employer, investor, lender, facilitator and provider of financial infrastructure, we will create value to the benefit of society and lay the foundation for further growth.’

Hilde Nordo,
Sustainability Manager, DNB Bank ASA

How

DNB has integrated sustainability throughout its investing and financing activities:

- > A strong governance structure is in place. The corporate responsibility division is responsible at group level for assessing whether the group's investment activities are responsible. The head of this division also chairs a responsible investment committee, which monitors DNB's investment activities against the group's responsible investment guidelines.
- > The group uses scenario analysis to understand climate-related risks and opportunities at both corporate and portfolio level. An ESG assessment is performed to assess risk for each new corporate customer, using a risk assessment tool. This tool includes questions based on five main themes, including environment, climate change and human rights.
- > In its investing and lending activities, DNB's goal is to influence companies to operate more sustainably. The group aims to create change through creating dialogue and exercising voting rights rather than focusing solely on excluding companies from DNB portfolios.
- > Some companies do work that conflicts with DNB's approach to responsible investment, though, and they are excluded from portfolios. The group's Standard for Responsible Investments lays out a number of exclusion criteria, and is updated regularly. A list of excluded companies is publicly available on DNB's website.
- > External consulting firms help DNB with its sustainability initiatives, working closely with the sustainability and investment management teams. The consultants support DNB with monitoring potential investees, preparing sustainability analyses and engaging with companies.
- > Employees are trained in responsible lending, including DNB's credit manual and the group standard for corporate responsibility in credit activities. The course is mandatory for all employees who work with corporate customer credit.
- > DNB prepares integrated annual reports. Its 2018 report shows how the group creates value for stakeholders in the short and long term. A sustainability factbook, included in the report, presents the results of the group's materiality analysis. Here, DNB presents key figures for all the topics it identified as material to value creation, including responsible investing and lending.

www.dnb.no/en



DISCLAIMER

This case study presents **DNB ASA** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.



The Finance for the Future Awards recognise the role of finance in driving sustainable economies.

[Click here](#) to see more inspiring case studies or go to www.financeforthefuture.org/previous-winners

To register interest for the next awards go to www.financeforthefuture.org/entering

