



LEA 02	Disclosure: Mandatory	Reason for interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice for clients/ the need to understand on</p> <p><input checked="" type="checkbox"/> To engage internal ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	
Collaborative engagements	<p><b>Type of engagement</b></p> <p>Collaborative engagements</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice for clients/ the need to understand on</p> <p><input checked="" type="checkbox"/> To engage internal ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Service provider engagements	<p><b>Type of engagement</b></p> <p>Service provider engagements</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate practice for clients/ the need to understand on</p> <p><input checked="" type="checkbox"/> To engage internal ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>	

# RI TRANSPARENCY REPORT

## 2020

## Pareto Asset Management AS

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Usage restrictions

Public Transparency Reports are the intellectual property of PRI. Under no circumstances, can this report or any of its contents be sold to third parties.

OO 01.1		Select the services and funds you offer		
<b>Select the services and funds you offer</b>	<b>% of asset under management (AUM) in ranges</b>			
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%			
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%			
Other	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	<table border="1"> <tr> <td>Please specify</td> </tr> <tr> <td>Discretionary management of securities for individual investors.</td> </tr> </table>	Please specify	Discretionary management of securities for individual investors.
Please specify				
Discretionary management of securities for individual investors.				
Total 100%				

Further options (may be selected in addition to the above)	
<input checked="" type="checkbox"/> Hedge funds	
<input type="checkbox"/> Fund of hedge funds	

OO 01.2		Additional information. [Optional]
		Pareto Asset Management AS manages UCITS, alternative investment funds and discretionary mandates.

OO 02.1		Select the location of your organisation's headquarters.
		Norway

OO 02.2		Indicate the number of countries in which you have offices (including your headquarters).
		<input type="radio"/> 1 <input checked="" type="radio"/> 2-5 <input type="radio"/> 6-10 <input type="radio"/> >10

OO 02.3		Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
		56

OO 02.4		Additional information. [Optional]
		Pareto Asset Management AS is headquartered in Oslo, Norway. Pareto Asset Management AS also has a branch in Stockholm, Sweden, and a branch office in Frankfurt, Germany.

OO 03.1		Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
		<input checked="" type="radio"/> Yes

OO 03.2		List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.				
		<table border="1"> <thead> <tr> <th>Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)</th> <th>RI implementation reported here on a consolidated basis</th> </tr> </thead> <tbody> <tr> <td>Enter Fonder AB</td> <td> <input type="radio"/> Yes  <input checked="" type="radio"/> No                 </td> </tr> </tbody> </table>	Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis	Enter Fonder AB	<input type="radio"/> Yes <input checked="" type="radio"/> No
Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis					
Enter Fonder AB	<input type="radio"/> Yes <input checked="" type="radio"/> No					

No

**OO 03.3** Additional information. [Optional]

On 1 January 2019, we acquired the Swedish company Enter Fonder AB. We do not report on a consolidated basis.

**OO 04** Mandatory Gateway/Peering General

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Total AUM  
45,300,000,000 SEK  
4733436608 USD

**OO 04.3** Indicate the total AUM of subsidiaries you have excluded from your report (as named in OO 03.2 under "No"). Provide this figure based on the end of your reporting year

Total excluded subsidiaries AUM  
11,700,000,000 SEK  
1222543230 USD

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 05** Mandatory to Report, Voluntary to Disclose Gateway General

**OO 05.1** Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	44	0
Fixed income	44	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	12	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06** Mandatory Descriptive General

**OO 06.1** Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
<input type="radio"/> Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets. <input checked="" type="radio"/> No, we do not use fiduciary managers.	

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
Private			

OO 09	Mandatory	Peering	General
-------	-----------	---------	---------

OO 09.1	Indicate the breakdown of your organisation's AUM by market.
99	Developed Markets
1	Emerging Markets
0	Frontier Markets
0	Other Markets

OO 09.2	Additional information. [Optional]
Apart from one investment in South Korea, all our holdings are - by mandate and strategy - in developed markets (and South Korea may be classified as a DM). This is primarily for reasons of corporate governance.	

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
Listed equity – engagement	
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.	
Listed equity – voting	
<input checked="" type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf	
Fixed income Corporate (financial) – engagement	
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.	
Fixed income Corporate (non-financial) – engagement	
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.	

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
Listed equity	
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.	
Fixed income - corporate (financial)	
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.	
Fixed income - corporate (non-financial)	
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.	
Hedge funds	
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.	

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
Direct - Other asset classes with dedicated modules	
<input type="checkbox"/>	Hedge Funds and/or Fund of Hedge Funds
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO 12.2 Additional information. [Optional]  
PAM addresses ESG across all asset classes it manages.

OO LE 01 Mandatory to Report, Voluntary to Disclose Gateway General

OO LE 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

0	Passive
0	Active - quantitative (quant)
100	Active - fundamental and active - other

OO LE 01.2 Additional information. [Optional]  
Common to all our investment strategies is our emphasis on understanding the companies we invest in, whether in equities or corporate bonds. Returns in our funds are driven by stock and bond selection, and a thorough analysis of these companies is a key element to our investment philosophy. Our approach is fundamental and long-term.

OO FI 01 Mandatory to Report, Voluntary to Disclose Gateway General

OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Corporate (financial)	0	Passive
	0	Active - quantitative (quant)
	100	Active - fundamental and active - other
Corporate (non-financial)	0	Passive
	0	Active - quantitative (quant)
	100	Active - fundamental and active - other

OO FI 01.2	Additional information. [Optional]
------------	------------------------------------

Common to all our investment strategies is our emphasis on understanding the companies we invest in, whether it is in equities or corporate bonds.

Returns in our funds are driven by stock and bond selection, and a thorough analysis of these companies is a key element to our investment philosophy. Our approach is fundamental and long-term.

When we buy bonds, we rely on a thorough analysis of the issuer's financial situation, the value of any collateral and the various clauses in the loan agreement. This way we form a view of the risks as weighed against the risk premium the underlying bond is assumed to provide. This risk premium is the main source of return for funds with corporate bonds. We are not concerned with tactical dispositions or bets on the yield curve.

As one of the larger and more experienced investors in the Nordic high-yield bond market, we are able to negotiate favourable terms on bonds we invest in through the primary market. These processes also help the issuers to set more appropriate and market-based bond structures.

OO FI 03	Mandatory	Descriptive	General
----------	-----------	-------------	---------

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
------------	---

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

OO HF 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General
----------	--	-------------	---------

Private

OO Checks		Checks
-----------	--	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

SG 01.2 Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our stated investment philosophy rests on several principles:

- \* active management
- \* company focus
- \* a fundamental approach
- \* a long-term perspective
- \* concentrated portfolios
- \* we seek to invest in companies that have good quality operations and management, and a focus on ethics in both thought and action.

The latter point is facilitated by having concentrated portfolios with long holding periods; we get to know very well the companies we invest in.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Pareto Asset Management AS (PAM) works systematically with ethical considerations in the management of funds and discretionary mandates. PAM shall not make investments which constitute an unacceptable risk of investments contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

In September 2014, PAM decided to formalise our commitment to social responsible investments by committing to the UN PRI (United Nations Principles for Responsible Investment). The principles were signed in November 2014 and PAM presented its first PRI report in March.

In 2016, PAM decided to further formalise its commitment by becoming a member of Norsif. Due to our strong presence in Sweden through a branch in Stockholm, it was logical for us to also join the Swedish sister organisation Swesif. In April 2018, our chief investment officer became a member of the Norsif board.

Due to our fundamental investment philosophy and a limited number of investments, it is our ambition to provide solid and transparent documentation of our portfolio management being in compliance with our guidelines for responsible investments.

**General considerations**

Our guidelines for responsible investments are founded on the guidelines used by the Norwegian Government Pension Fund, the United Nations Principles for Responsible Investments (PRI), as well as recognised principles and standards.

The current guidelines also state that precautionary measures shall be taken when investing in bio-technology, weapons, alcohol and gambling, meaning that ethical issues should be subjected to careful considerations before an investment can be made. This may also apply to other ethical issues.

In more general terms, environmental, social and governance issues, as well as technological changes, may affect how PAM views bans or additional precautionary measures when investing in other sectors than those explicitly being addressed by our current guidelines.



**Negative screening**

Our sustainability considerations roughly imply a process with two basic steps. First, we screen all investments on specific criteria. Second, companies subject to red flags in screening are put under scrutiny.

In our screening we have made a distinction between unethical/unsustainable products or production processes and companies with unethical/unsustainable conduct or behaviour.

In the first case, the question is whether the actual properties of the product or manufacturing process are negative. The company may exercise proper social responsibility, but the behaviour is still irrelevant if the product or manufacturing process warrants exclusion due to ethical considerations. In the second case it is the companies' conduct, and not necessarily the products, that are negative.

The company also keeps a record of high risk companies.

**The investment process**

Each management team is responsible for the thorough assessment of ESG criteria before an investment is made. Likewise, they have a responsibility for ongoing monitoring so that they maintain preparedness for any ESG issues that are not necessarily visible or actualised when the investment is made. In the event of doubt, the case will be presented to the ethics committee.

Our approach to responsible investments covers all asset classes, and there are no exceptions to our policy.

No

SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
----------	--	-------------	---------

Private

SG 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
---------	--

Policy setting out your overall approach

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Sector specific RI guidelines

Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

Engagement policy

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_2_2019_en.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_2_2019_en.pdf</a>
<input type="checkbox"/> Attachment (will be made public)

(Proxy) voting policy

URL/Attachment
----------------

- URL  
[https://paretoam.com/globalassets/rapporter-og-dokumenter/ri\\_2\\_2019\\_en.pdf](https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_2_2019_en.pdf)
- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_2_2019_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_2_2019_en.pdf</a>
<input type="checkbox"/> Attachment

- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment

- Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/en/about-us/our-investment-philosophy/">https://paretoam.com/en/about-us/our-investment-philosophy/</a>
<input type="checkbox"/> Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment

- ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/information/guidelines-for-responsible-investments.pdf</a>
<input type="checkbox"/> Attachment

- Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_2_2019_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_2_2019_en.pdf</a>
<input type="checkbox"/> Attachment

- Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/sri_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/sri_en.pdf</a>
<input type="checkbox"/> Attachment

- Climate change
- We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

**The prospectus of our Norwegian domiciled UCITS states the following.**

Pareto Asset Management works systematically on ethical considerations in the management of the fund. Pareto Asset Management shall not invest in companies which constitute an unacceptable risk of the fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

Pareto Asset Management's responsible investment guidelines are based on the guidelines of Statens pensjonsfond (the Norwegian Government Pension Fund).

**The prospectus of our Pareto SICAV states the following.**

Pareto Asset Management works systematically on ethical considerations in the management of the Sub-Fund. Pareto Asset Management shall not invest

in companies which constitute an unacceptable risk of the Sub-Fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

SG 03	Mandatory	Core Assessed	General
SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.		
<input checked="" type="radio"/> Yes			
SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.		
<p>A conflict of interest may sometimes arise in connection with a responsible investment matter.</p> <p>Part of the ethics committee's work is to monitor the compliance of our guidelines for responsible investments. This is done through the preparation of a biannual report, highlighting any issues discovered among the companies in which we are invested on behalf of funds and clients.</p> <p>Sometimes the companies put under scrutiny or exclusion by the ethics committee may also be clients of Pareto Asset Management. Based on this a conflict of interest may arise. If so, this will be brought to the attention of our chief compliance officer.</p> <p>As a matter of policy, we maintain a conflict of interest matrix detailing possible conflicts of interest.</p>			
<input type="radio"/> No			
SG 03.3	Additional information. [Optional]		
We have not had any such conflicts of interest in the reporting period.			

SG 04	Voluntary	Descriptive	General
Private			

SG 05	Mandatory	Gateway/Core Assessed	General
SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.		
<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc basis <input type="radio"/> It is not set/reviewed			
SG 05.2	Additional information. [Optional]		
On a biannual basis the ethics committee sets and reviews the objectives for the responsible investment activities, evaluating the corresponding goal attainment. More generally, social and technological changes may lead Pareto Asset Management to put under scrutiny investment in other industries than those currently explicitly addressed in the guidelines.			

SG 06	Voluntary	Descriptive	General
Private			

SG 07	Mandatory	Core Assessed	General							
SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.									
<table border="1"> <thead> <tr> <th>Roles</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Board members or trustees               <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Internal Roles (triggers other options)               <table border="1"> <thead> <tr> <th>Select from the below internal roles</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify                      Chief Compliance Officer                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Portfolio managers               </td> </tr> </tbody> </table> </td> </tr> </tbody> </table>				Roles	<input checked="" type="checkbox"/> Board members or trustees <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	<input checked="" type="checkbox"/> Internal Roles (triggers other options) <table border="1"> <thead> <tr> <th>Select from the below internal roles</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify                      Chief Compliance Officer                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Portfolio managers               </td> </tr> </tbody> </table>	Select from the below internal roles	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	<input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify Chief Compliance Officer <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	<input checked="" type="checkbox"/> Portfolio managers
Roles										
<input checked="" type="checkbox"/> Board members or trustees <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>										
<input checked="" type="checkbox"/> Internal Roles (triggers other options) <table border="1"> <thead> <tr> <th>Select from the below internal roles</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify                      Chief Compliance Officer                   <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul> </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Portfolio managers               </td> </tr> </tbody> </table>	Select from the below internal roles	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	<input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify Chief Compliance Officer <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>	<input checked="" type="checkbox"/> Portfolio managers						
Select from the below internal roles										
<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input checked="" type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>										
<input checked="" type="checkbox"/> Other Chief-level staff or head of department, specify Chief Compliance Officer <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Oversight/accountability for responsible investment</li> <li><input type="checkbox"/> Implementation of responsible investment</li> <li><input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment</li> </ul>										
<input checked="" type="checkbox"/> Portfolio managers										

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

**SG 07.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The company maintains a list of high risk investments on issuer level, based on input from our clients, public information as well as our own assessment. Furthermore the chief compliance officer screens all holdings on issuer level regularly, against objective screening criteria - the Norwegian Government Pension Fund's exclusion list, sectors and geography.

The first internal role checked is our CIO, who is also the head of our ethics committee.

The investment analyst that we checked above is the same person that we have listed as dedicated RI staff, so be sure not to double count (we checked both due to integration of RI/ESG into the investment process). She was hired as an investment analyst and has spent a considerable amount of time on responsible investment tasks, not least fulfilling the Nordic Swan Ecolabel requirements.

**SG 07.3** Indicate the number of dedicated responsible investment staff your organisation has.

2

<b>SG 07 CC</b>	<b>Mandatory to Report, Voluntary to Disclose</b>	<b>Descriptive</b>	<b>General</b>
-----------------	---	--------------------	----------------

Private

<b>SG 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
--------------	------------------	----------------------------	----------------

Private

<b>SG 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	----------------------	----------------

**SG 09.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Principles for Responsible Investment

<b>Your organisation's role in the initiative during the reporting period (see definitions)</b>
Basic

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

We are still in the process of evaluating how to utilise the growing set of resources and opportunities available through PRI. In addition, PRI reporting has been used to shine a light on our internal ESG/SRI strategy and processes. In coming reporting periods, however, we will evaluate how we can contribute further as part of the initiative. Have tried to compile information on how other asset managers have been utilising this

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable

- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Norsif

<b>Your organisation's role in the initiative during the reporting year (see definitions)</b>
Advanced
<b>Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]</b>
<p>After signing the PRI in November 2014, we decided to formalise our SRI/ESG engagement further in 2016, and became a member at the beginning of 2017.</p> <p>In April 2018, our CIO joined the board of Norsif. In addition to participating in regular board meetings, he is the board's liaison to the Norsif committee that arranges seminars, presentations and workshops, and takes part in such planning.</p>

- Other collaborative organisation/initiative, specify

Swesif

<b>Your organisation's role in the initiative during the reporting year (see definitions)</b>
Basic
<b>Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]</b>
<p>After signing the PRI in November 2014, we decided to formalise our SR/ESGI engagement further in 2016, and became a member at the beginning of 2017.</p>

- Other collaborative organisation/initiative, specify

Svanen / Nordic Ecolabelling

<b>Your organisation's role in the initiative during the reporting year (see definitions)</b>
Basic
<b>Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]</b>
<p>In 2018, Pareto Global Corporate Bond received a Nordic Swan Ecolabel. In order to qualify, both our investment processes and the holdings in the fund need to be vetted and approved by Miljömarkning AB, a Swedish institution which works on behalf of the government. There are 25 obligatory requirements covering factors like exclusion, inclusion and transparency across all ESG issues. Pareto Global Corporate Bond was the first bond in its class to receive such labeling in both Sweden and Norway. The application and the related due diligence entailed a good and thorough review of our portfolio management.</p>

- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

Description
Guest lecture to finance master students on the possible consequences on investment return of ESG factors.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Wrote and published in-house research papers on responsible investment

Description
Produced a report on the duration of the return effects of ESG shocks.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description
Published a summary of the above report in the major business daily.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
As stated above, board membership of Norsif.

Frequency of contribution
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

- Other, specify

No

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
-------	-----------	---------------------	-----------

Private

SG 12	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 12.1	Indicate whether your organisation uses investment consultants.
---------	---

Yes, we use investment consultants

SG 12.4	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.
<input type="checkbox"/> Custodial services <input type="checkbox"/> Investment policy development <input type="checkbox"/> Strategic asset allocation <input checked="" type="checkbox"/> Investment research	
Describe how responsible investment is incorporated	
According to MiFID II, we now buy external investment research in order to separate it from the transactions business. An increasing share of this research is focused on responsible investments.	
<input checked="" type="checkbox"/> Other, specify (1)	
Describe how responsible investment is incorporated	
We had a fruitful collaboration with Svanen throughout the labeling process the preceding year. In a sense, they provided advice that regular investment consultants would or could have provided. We have built on this know-how going forward.	
<input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above	
<input type="checkbox"/> No, we do not use investment consultants.	

SG 13	Mandatory	Descriptive	PRI 1
-------	-----------	-------------	-------

SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
<input type="checkbox"/> Yes, in order to assess future ESG factors <input type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities <input checked="" type="checkbox"/> No, our organisation does not currently carry out scenario analysis and/or modelling	

SG 13.3	Additional information. [OPTIONAL]
We would not call it scenario analysis, at least not in the strict sense of the word, but of course future ESG trends are taken into consideration when evaluating present/possible investments.	

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
-------	--	---------------------	-------

Private

SG 14 CC	Voluntary		General
----------	-----------	--	---------

Private

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
-------	--	-------------	-------

Private

SG 16	Mandatory	Descriptive	General
-------	-----------	-------------	---------

SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		
Asset Class	Describe what processes are in place and the outputs or outcomes achieved		
Hedge funds - DDQ	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">Select whether you have responded to the PRI Hedge Fund DDQ</td> </tr> <tr> <td> <input type="radio"/> Yes  <input checked="" type="radio"/> No           </td> </tr> </table>	Select whether you have responded to the PRI Hedge Fund DDQ	<input type="radio"/> Yes <input checked="" type="radio"/> No
Select whether you have responded to the PRI Hedge Fund DDQ			
<input type="radio"/> Yes <input checked="" type="radio"/> No			
Hedge funds	As for ESG incorporation, we have the same philosophy and apply the same strategy across all asset classes.		

SG 18	Voluntary	Descriptive	General
-------	-----------	-------------	---------

Private

SG 19	Mandatory	Core Assessed	PRI 2, 6
-------	-----------	---------------	----------

SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
Listed equity - Incorporation	
Do you disclose?	
<input type="radio"/> We do not proactively disclose it to the public and/or clients/beneficiaries	

- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Biannually	
<a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_en.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_en.pdf</a> <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_no.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_no.pdf</a>	

### Listed equity - Engagement

Do you disclose?
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public
The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information	
Biannually	
<a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_en.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_en.pdf</a> <a href="https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_no.pdf">https://paretoam.com/globalassets/rapporteur-og-dokumenter/ri_no.pdf</a>	

### Listed equity – (Proxy) Voting

Do you disclose?
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public
The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

<b>Disclosure to public and URL</b>
-------------------------------------



<b>Disclosure to public and URL</b>	
<input checked="" type="checkbox"/>	Disclose all voting decisions
<input type="checkbox"/>	Disclose some voting decisions
<input type="checkbox"/>	Only disclose abstentions and votes against management
Biannually	
<a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf</a> <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf</a>	

**Fixed income**

<b>Do you disclose?</b>	
<input type="checkbox"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="checkbox"/>	We disclose to clients/beneficiaries only.
<input checked="" type="checkbox"/>	We disclose to the public
<b>The information disclosed to clients/beneficiaries is the same</b>	
<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

<b>Disclosure to public and URL</b>	
<b>Disclosure to public and URL</b>	
<input checked="" type="checkbox"/>	Broad approach to RI incorporation
<input type="checkbox"/>	Detailed explanation of RI incorporation strategy used
Biannually	
<a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf</a> <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf</a>	

**Hedge Funds**

<b>Do you disclose?</b>	
<input type="checkbox"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="checkbox"/>	We disclose to clients/beneficiaries only.
<input checked="" type="checkbox"/>	We disclose to the public
<b>The information disclosed to clients/beneficiaries is the same</b>	
<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

<b>Disclosure to public and URL</b>	
<b>Disclosure to public and URL</b>	
<input type="checkbox"/>	Broad approach to RI incorporation for all strategies
<input checked="" type="checkbox"/>	Detailed explanation of RI incorporation for each strategy used
Biannually	
<a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_en.pdf</a> <a href="https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf">https://paretoam.com/globalassets/rapporter-og-dokumenter/ri_no.pdf</a>	

**SG 19.2 Additional information [Optional]**

Beginning in 2018, we now post our biannual SRI report on our website. The SRI report covers all our investment management, with detailed discussions of dilemmas involved in the investment in specific securities/companies.

<b>SG Checks</b>		<b>Checks</b>
------------------	--	---------------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01	Mandatory	Gateway	PRI 1
--------	-----------	---------	-------

**LEI 01.1** Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

- Screening alone (i.e., not combined with any other strategies)
- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5%	100%
---	------

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

**LEI 01.3** If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

PAM uses a combination of negative screening (being a starting point) as well as ESG incorporation when investments are made and ongoing monitoring.

LEI 02	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 03	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 04	Mandatory	Descriptive	PRI 1
--------	-----------	-------------	-------

**LEI 04.1** Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
  - Product
  - Activity
  - Sector
  - Country/geographic region
  - Environmental and social practices and performance
  - Corporate governance

Description
-------------

**Product/activity/sector**

- Companies that produce weapons that through normal use violate fundamental humanitarian principles.
- Companies that produce tobacco.
- Companies that sell weapons or military material to states as specified by the scheme for government bond exceptions mentioned in the mandate for the Norwegian Government Pension Fund.
- Mining companies and power producers that themselves or through consolidated entities they control will have 30 per cent or more of their revenues from thermal coal, or basing 30 per cent or more of their business on thermal coal.
- Companies engaged in producing pornography.

**Environmental and social practices**

- Serious or systematic violations of human rights such as murder, torture, deprivation of liberty, forced labour, the worst forms of child labour.
- Serious violations of individual rights in war or conflict situations.
- Severe environmental damage.
- Acts or omissions on an aggregated company level, to an unacceptable degree, leading to emission of greenhouse gases.
- Gross corruption.
- Other especially severe breaches of common norms and rules.

**Countries/geographic regions**

In the (exceptional) event we consider investing in companies listed outside the OECD, a more thorough analysis needs to be made.

**Corporate Governance**

Companies with sub-standard corporate governance.

**Other**

We also have a product-based precautionary principle towards certain sectors.

- Positive/best-in-class screening
  - Product
  - Activity
  - Sector

- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
Negative transition risk (opportunities arising from the transition to a less carbon-dependent world) is factored into stock selection, e.g. when investing in a solar parks company.

- Norms-based screening
  - UN Global Compact Principles
  - The UN Guiding Principles on Business and Human Rights
  - International Labour Organization Conventions
  - United Nations Convention Against Corruption
  - OECD Guidelines for Multinational Enterprises
  - Other, specify

Description
Our internal guidelines are based on these principles and guidelines and more.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
----------	--

The screening criteria are based on the Norwegian Government Pension Fund and recognised international standards and principles, as well as emerging environmental and social trends etc. The criteria are reviewed biannually, and communicated to clients in our biannual SRI report.

LEI 05	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 05.1	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.
----------	--

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.
----------	---

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.4	Indicate how frequently you review internal research that builds your ESG screens.
----------	--

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 05.5	Additional information. [Optional]
----------	------------------------------------

Our equity funds have low turnover, meaning that we tend to know these companies very well - and spend more time analyzing new candidates for investment. As for new candidates, thus, the share is very high. For the portfolio in total, maintaining ESG knowledge and insights takes less time - though we do examine their products and practises on an ongoing basis (cf. also next page).

LEI 06	Voluntary	Additional Assessed	PRI 1
--------	-----------	---------------------	-------

Private

LEI 08	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.
----------	--

ESG issues	Proportion impacted by analysis

Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

**LEI 08.2** Additional information. [Optional]

According to both external research and our own experience, G factors are more likely to influence financial performance than both E and S. While we would not allow this observation to influence our prioritisation of these tasks, researching governance was part of the investment process long before anyone thought of stamping it part of our ESG policies. As for E, we see that its commercial relevance is growing, e.g. in relation to transition risk.

**LEI 09** Mandatory Core Assessed PRI 1

**LEI 09.1** Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

**LEI 09.2** Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.4** Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5** Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

**LEI 09.6** Additional information. [Optional]

For some mandates, like the Nordic Ecolabel-approved Pareto Global Corporate Bond or the recently launched Pareto Nordic Cross Credit, we go more into detail. For these mandates we could have checked the "Systematic records ..." box.

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
--------	--	---------------	-------

Private

LEI Checks			Checks
------------	--	--	--------

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

<https://paretoam.com/globalassets/rapporter-og-dokumenter/guidelines-for-responsible-investments.pdf>

LEA 01.3 Indicate what your active engagement policy covers:

#### General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

#### Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)

Our policies cover all funds/mandates. It covers a wide range of topics, but does not list them item by item; rather, by principle.

(Proxy) voting approach

#### Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other; (specify)

Other

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

No

LEA 01.6 Additional information [optional]

Pareto Asset Management conducts regular meetings with the management, board members, shareholders etc. of portfolio companies, this dialogue is the most common instrument we use in our work as an active owner. As an active owner we address environmental, social and governance factors in our engagement with our portfolio companies. This kind of engagement activity is usually limited to our holdings in the Norwegian market, in which we hold substantial ownership interests. In addition, though, we do raise a number of ESG issues with investor relations contacts at global companies - or higher ranked executives if possible.

As a central player in the Norwegian market, we often have senior management from our portfolio companies at our internal investment staff meetings. The primary purpose of the meeting is presenting the company, but these meetings provide an excellent opportunity for engagement and dialogue in the event any issues are present or on the rise.

**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

**LEA 02.4** Additional information. [Optional]

We have no general policy of engaging via collaborative engagements and we take it that Norsif/Swesif membership is not what's intended here. However, we do from time to time, as we have done recently, team up with other investors in order to bring about change or better disclosure on certain topics, the last such case involving a conflict of interest due to related party transactions. Some six cases of collaborative efforts have involved corporate governance.

We would like to add that due to our concentrated portfolios and the long-term nature of our holdings, we know the companies we invest in very well, communicating regularly with senior management, whether on a formal or an informal basis. This is not always logged, but it is a central part of our portfolio management, as we argue that knowing our portfolio companies well is a means of reducing risk beyond simple diversification. Dialogue is more common in our management of domestic securities, but we do encourage all portfolio managers to engage in dialogue with their respective portfolio companies.

**LEA 03** **Mandatory** **Core Assessed** **PRI 2**

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	Individual / Internal staff engagements
	<input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements

	Collaborative engagements
Collaborative engagements	<input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers
<input type="radio"/> No	

LEA 04	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
Individual / Internal staff engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.
Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input checked="" type="checkbox"/> Other; specify <p style="margin-left: 20px;">Regular discussions with the CIO about individual companies. Objectives may be hard to define precisely, not to say quantify.</p>



Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input checked="" type="checkbox"/> Other; specify <p style="margin-left: 40px;">On a case-by-case basis. Given a smaller number of cases than with internal engagements, we can tick off a majority of cases.</p>
---------------------------	--

**LEA 05.3** Additional information. [Optional]

Being an active asset manager, we expect the close contact and wide extent of informal communication with our limited number of companies to provide good insight into all relevant matters. Then again, given that this is very much informal communication, it is hard to itemize.

**LEA 06** Mandatory Additional Assessed PRI 2,4

**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

- Yes
- No

**LEA 06.3** Additional information. [Optional]

Please note, though, that we are not likely to settle for an unsuccessful outcome. The general idea is if you don't succeed, try again ... We don't, however, have a formal strategy in this regard.

**LEA 07** Voluntary Additional Assessed PRI 1,2

**LEA 07.1** Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.2** Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

**LEA 07.3** Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

**LEA 07.4** Additional information. [Optional]

All our engagements are made by, or in collaboration with, our portfolio management teams, the other internal party to these engagements being the ethics committee. However, insights from e.g. customer interaction are passed on to the portfolio managers/CIO/ethics committee and outcomes communicated internally for better general awareness and more specific knowledge of portfolio holdings or exclusions.

As for LEA 07.2, then, it is not so much a case of "involving decision-makers" as of having investment decision-makers develop and execute the engagement program themselves. Ours is not a very big organization.

**LEA 08** Mandatory Gateway PRI 2

**LEA 08.1** Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input checked="" type="radio"/> We do not track

**LEA 08.2** Additional information. [Optional]  
 We only track engagements of a certain significance or lending themselves to being quantified.

**LEA 09** Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

Private

**LEA 10** Voluntary Additional Assessed PRI 2

Private

**LEA 11** Voluntary Descriptive PRI 2

Private

**LEA 12** Mandatory Descriptive PRI 2

**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

We use our own research or voting team and make voting decisions without the use of service providers.

**Based on**

- Our own voting policy
- Our clients' requests or policies
- Other (explain)

- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

**LEA 12.2** Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Voting requires authorisation/poa from the CIO. In the case of possibly controversial issues, voting would at least be cleared by the CIO and possibly by the CEO or the board.

**LEA 12.3** Additional information.[Optional]

Voting generally follows a discussion with the CIO or the ethics committee.

**LEA 14** Voluntary Additional Assessed PRI 2

Private

**LEA 15** Mandatory Descriptive PRI 2

**LEA 15.1** Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2** Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request

Other

**LEA 15.3** Additional information. [Optional]

We would be doing a poor job if our vote came as a surprise. In general, we would expect it to be cast after preceding dialogue.

**LEA 16**

Mandatory

Core Assessed

PRI 2

**LEA 16.1** Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

**LEA 16.2** Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

**LEA 16.3** In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 16.4** Additional information. [Optional]

We have no policy of formally flagging our voting intentions ahead of the vote. On the other hand, it is not precluded. Would be judged on a case-by-case basis.

**LEA 17**

Mandatory

Core Assessed

PRI 2

**LEA 17.1** For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information
- We do not track or collect this information

**LEA 17.3** Additional information. [Optional]

We limit our voting to issues of some presumed importance and do not count all issues on the table.

**LEA 18**

Voluntary

Additional Assessed

PRI 2

**LEA 18.1** Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 18.2** Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

**Voting instructions Breakdown as percentage of votes cast** For (supporting) management recommendations

75%  
Against (opposing) management recommendations  
25%  
Abstentions  
0%

- No, we do not track this information

**LEA 18.3** In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

25

**LEA 18.4** Additional information. [Optional]

Votes would never be cast without preceding discussions with the portfolio managers, so there is no need to communicate our votes to them. We don't track these votes in terms of percentages, so the above percentages are rough approximations. In cases where we vote against management recommendations, we may nevertheless cast votes in favor of, say, approving the accounts.

LEA 19	Mandatory	Core Assessed	PRI 2
LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.		
<input type="radio"/> Yes <input checked="" type="radio"/> No			
LEA 19.3	Additional information. [Optional]		
We are not likely to give up after a negative response, but we have no board-approved guidelines for escalation.			
LEA 20	Voluntary	Descriptive	PRI 2
<i>Private</i>			
LEA 21	Voluntary	Descriptive	PRI 2
<i>Private</i>			
LEA Checks			Checks
<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.			

FI 01	Mandatory	Gateway	PRI 1
-------	-----------	---------	-------

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The strategy has evolved over the years. Being a Norwegian company, Pareto Asset Management found that the Norwegian Government Pension Fund was a natural starting point for the incorporation of our RI/ESG strategy, which we have applied for more than 10 years.

The last few years we have had a more active approach to RI/ESG incorporation, where we also look at other sources of information as well as emerging trends and issues. For a fundamentally oriented active manager - also in fixed income - integration is part of the game.

As for the Nordic Ecolabeling, we have committed ourselves to a comprehensive and thorough ESG incorporation process for the fund for which we have gained approval. We are working to get a similar kind of approval for another FI fund.

FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
-------	--	---------------	-------

Private

FI 15	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
-------	--	---------------------	---------

Private

FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
-------	--	---------------------	---------

Private

FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
-------	--	---------------------	---------

Private

FI 18	Voluntary	Descriptive	PRI 1,2
-------	-----------	-------------	---------

Private

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="checkbox"/> Whole PRI Transparency Report was assured last year <input type="checkbox"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="checkbox"/> We did not assure last year's PRI Transparency report <input type="checkbox"/> None of the above, we were in our preparation year and did not report last year.			

CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input checked="" type="checkbox"/> We adhere to an RI certification or labelling scheme			
CM1 03.2	Which scheme?		
<input type="checkbox"/> National SRI label based on the EUROSIF Transparency guidelines <input type="checkbox"/> B-corporation <input type="checkbox"/> UK Stewardship code <input type="checkbox"/> GRESB <input type="checkbox"/> Commodity type label (e.g. BCI) <input type="checkbox"/> Social label <input type="checkbox"/> Climate label <input type="checkbox"/> RIAA <input checked="" type="checkbox"/> Other			
	Specify		
	Svanen - Nordic Ecolabeling.		
	% of total AUM the scheme applies		
<input checked="" type="checkbox"/> < 25% <input type="checkbox"/> 25-50 % <input type="checkbox"/> 50-70 % <input type="checkbox"/> >75 %			
<input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="checkbox"/> Whole PRI Transparency Report will be assured <input type="checkbox"/> Selected data will be assured <input checked="" type="checkbox"/> We do not plan to assure this year's PRI Transparency report			

CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input type="checkbox"/> CEO or other Chief-Level staff			

- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)