

REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 27 November 2019 on sustainability related disclosures in the financial services sector
Regulatory Technical Standards, ANNEX I, Template principal adverse sustainability impacts statement

Table 1
Principal adverse sustainability impacts statement

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| <p>Financial market participant Holberg Fondsforvaltning AS (LEI: 2549008JKPHX8EZXTT28)</p> |
| <p>Summary Holberg Fondsforvaltning AS (Holberg) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of funds managed by Holberg.</p> <p>This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.</p> <p>Holberg is an active fund manager and the funds' objective is to create the highest possible long-term risk adjusted return compared to each fund's investment universe. The portfolio managers seek to invest in companies with a focus on long-term value creation based on a sustainable business model and seek to avoid companies that exploit scarce natural resources or labour. Holberg applies three overarching methods to manage and limit sustainability risks and principal adverse impacts on sustainability factors. These are:</p> <ol style="list-style-type: none"> 1. Holberg's proprietary ESG model, Tellus 2. Exclusion lists and monitoring 3. Active ownership <p>Data has been obtained from Sustainalytics. The year 2022 was the first reported period. This is therefore the first report with a historical comparison of the reported period with the previous reported period. The portfolio coverage for each indicator in 2023 is shown under the heading "Coverage 2023". Holberg will seek to reduce the principal adverse impacts on sustainability factors over time as more reliable data becomes available.</p> |
| <p>Description of the principal adverse impacts on sustainability factors</p> |

Date of approval of the policies by the governing body of Holberg: 13.12.2022

Sustainability is integrated in the fund management. Each portfolio manager is responsible for the implementation of the policies within their own strategy.

Holberg is an active fund manager and the funds' objective is to create the highest possible long-term risk adjusted return compared to each fund's investment universe. The portfolio managers seek to invest in companies with a focus on long-term value creation based on a sustainable business model and seek to avoid companies that exploit scarce natural resources or labour. Holberg applies three overarching methods to manage and limit sustainability risks and principal adverse impacts on sustainability factors. These are:

1. Holberg's proprietary ESG model, Tellus
2. Exclusion lists and monitoring
3. Active ownership

Holberg has developed the Tellus model, which is our proprietary analysis tool for ESG and sustainability and contains common quality requirements for the portfolio companies. This integration gives us a broader understanding of the companies and potential risks. A sustainability related event may affect one single company directly or may have a wider impact on an industry, geographic area, or country, which can affect bigger parts of the portfolio. Integrating sustainability risks into the portfolio construction contributes to create the desired risk adjusted return. Tellus is our fact-based method for systematizing sustainability risks and analyses, and it is an efficient tool to monitor each investment over time.

Holberg also apply a set of exclusions to the portfolio, which is based on the Government Pension Fund Global's guidelines. In addition to this, we have chosen to exclude gambling and pornography from our investment universe. We want our portfolio companies to operate in line with international norms, including UN Global Compact. Holberg's equity funds are screened by Sustainalytics' online database «Global Standard Screening» every third month.

Holberg practice active ownership to encourage the companies to improve. As an active fund manager with concentrated portfolios, we have an investment philosophy that is founded on close follow-up of the companies we are invested in. We have dialogues with the company management and vote on general meetings to contribute to transparency for the shareholders. Holberg's voting guidelines and an overview of what we have voted for or against on general meetings is available on Holberg's webpage.

The methodologies described are dependent on data availability and quality, partly directly from the portfolio companies, but also third-party data.

Data sources used in this report: Sustainalytics

| Indicators applicable to investments in investee companies | | | | | | | |
|--|------------------|-----------------------|-------------|---------------|-------------|--|---|
| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Coverage 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | | |
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 60 962,63 | 97 055,92 | 32,35% | Sum of portfolio companies' Carbon Emissions - Scope 1 (tCO ₂ e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period. Holberg participates in CDP's Non-Disclosure Campaign and lead the climate engagement for relevant portfolio companies. While we recognize that transition plans and emissions disclosures may be released through company reports, a scored, standardized and well-established framework enables companies to track their progress, |
| | | Scope 2 GHG emissions | 13 655,67 | 18 906,30 | 32,35% | Sum of portfolio companies' Carbon Emissions - Scope 2 (tCO ₂ e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | |

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|--|-------------------------------------|------------|------------|--------|---|--|
| | Scope 3 GHG emissions | 447 928,55 | 391 362,41 | 32,35% | Sum of portfolio companies' Scope 3 - Total Emission Estimated (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash. | compare themselves against their peers, and meet their shareholders'/lenders' expectations on transparency. Action planned for this indicator is to encourage portfolio companies to set Science Based Targets. |
| | Total GHG emissions | 522 546,85 | 507 101,35 | 32,35% | The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). | No target is set for the next reference period. |
| 2. Carbon footprint | Carbon footprint | 553,49 | 549,57 | 32,35% | The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). | The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period. No target is set for the next reference period. |
| 3. GHG intensity of investee companies | GHG intensity of investee companies | 893,75 | 812,82 | 40,47% | The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue). | The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period. No target is set for the next reference period. |

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| 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 9,39% | 6,54% | 44,40% | The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Holberg follows the Council on Ethics' recommendations on exclusion of companies from the Norwegian Government Pension Fund Global, including exclusions decided for mining companies and power producers which themselves or through entities they control derive 30 per cent or more of their income from thermal coal or base 30 per cent or more of their operations on thermal coal.</p> <p>No target is set for the next reference period.</p> |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | Consumption: 61,85 % Production: 14,14 % | 68,09% | 19,72% | The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated. | <p>The data availability and coverage are poor for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>No target is set for the next reference period.</p> |

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| | 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | A: N/A B: 0,39 C: 0,60 D: 0,14 E: N/A F: 0,09 G: 13,85 H: 12,42 L: 0,33 | A: N/A B: 0,65 C: 0,48 D: 0,00 E: N/A F: 0,14 G: 0,03 H: 9,93 L: 0,39 | 20,17% | The portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within each of the NACE Codes. A: Agriculture, forestry and fishing B: Mining and quarrying C: Manufacturing D: Electricity, gas, steam and air conditioning supply E: Water supply; sewerage, waste management and remediation activities F: Construction G: Wholesale and retail trade; repair of motor vehicles and motorcycles H: Transportation and storage L: Real estate activities | The data availability and coverage are poor for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period. Holberg participates in CDP's Non-Disclosure Campaign and lead the climate, forest and/or water engagement for relevant portfolio companies. While we recognize that transition plans, emissions disclosures, deforestation and water-related disclosures may be released through company reports, a scored, standardized and well-established framework enables companies to track their progress, compare themselves against their peers, and meet their shareholders'/lenders' expectations on transparency. Target for the next refernce period is to engage more companies to report on selected topics through CDP's Non-Disclosure Campaign. |
| Biodiversity | 7. Activities negatively affecting bio- diversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | 1,49% | 2,52% | 44,40% | The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment. | The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period. Holberg participates in CDP's Non-Disclosure Campaign and lead the forest engagement for relevant portfolio companies. While we recognize that biodiversity-related information may be released through company reports, a scored, standardized and well-established framework enables companies to track their progress, compare themselves against their peers, and meet their shareholders'/lenders' expectations on transparency. Target for the next refernce period is to engage more companies to report on biodiversity through CDP's Non-Disclosure Campaign. |

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| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0,01 | 0,67 | 0,10% | The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). | <p>The data availability and coverage are poor for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Holberg participates in CDP's Non-Disclosure Campaign and lead the water engagement for relevant portfolio companies. While we recognize that water-related disclosures may be released through company reports, a scored, standardized and well-established framework enables companies to track their progress, compare themselves against their peers, and meet their shareholders'/lenders' expectations on transparency.</p> <p>Target for the next reference period is to engage more companies to report on water security through CDP's Non-Disclosure Campaign.</p> |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 0,72 | 0,70 | 32,35% | The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash). | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>No target is set for the next reference period.</p> |

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

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|-----------------------------|---|--|--------|--------|--------|---|---|
| Social and employee matters | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 1,36% | 1,57% | 44,40% | The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>We want our portfolio companies to operate in line with international norms, including UN Global Compact. Holberg's equity funds are screened by Sustainalytics' online database «Global Standard Screening» every third month. Holberg aims to ensure continued compliance with our standards. Companies in "breach" with Sustainalytics' database "Global Standard Screening" will be reviewed and further actions to mitigate the risks will be considered going forward.</p> <p>Holberg aims to not invest in companies that contribute to serious and systematic breaches of international norms. Target for the next reference period is to continue this practice.</p> |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 54,43% | 50,38% | 43,27% | The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Many companies still do not disclose grievance mechanisms. As explained in the previous PAI, Holberg aims to not invest in companies that contribute to serious and systematic breaches of international norms.</p> <p>No target is set for the next reference period.</p> |

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| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 26,04% | 22,80% | 2,31% | The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. | <p>The data availability and coverage are poor for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Holberg aims to not invest in companies that contribute to serious and systematic breaches of international norms, including UN Global Compact. As stated by UN Global Compact, businesses should uphold the elimination of discrimination in respect of employment and occupation. Holberg's equity funds are screened by Sustainalytics' online database «Global Standard Screening» every third month. Holberg aims to ensure compliance with these standards.</p> <p>No target is set for the next reference period.</p> |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 39,17% | 35,18% | 47,31% | The portfolio holdings' weighted average of the ratio of female to male board members. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Our default voting policy has different thresholds for board diversity in different markets, but we seek to move towards an average ratio of 40 % going forward.</p> <p>Target for the next reference period is to vote against the nomination committee and/or re-election of board members if the board lacks at least one board member of an underrepresented gender identity.</p> |

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| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0,00% | 0,00% | 44,40% | The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period as well as seeking continued non-involvement in the manufacture or selling of controversial weapons.</p> <p>Holberg follows the Council on Ethics' recommendations on exclusion of companies from the Norwegian Government Pension Fund Global, including exclusions decided for controversial weapons.</p> <p>Target for next reference period is to have no investments in companies involved in the manufacture or selling of controversial weapons.</p> |
|--|--|--|-------|-------|--------|--|---|

Indicators applicable to investments in sovereigns and supranationals

| Adverse sustainability indicator | | Metric | Impact 2023 | Impact 2022 | Coverage 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|--|--|-------------|-------------|---------------|--|--|
| Environmental | 15. GHG intensity | GHG intensity of investee countries | N/A | N/A | N/A | Not relevant as Holberg has no investments in sovereigns and supranationals. | N/A |
| Social | 16. Investee countries subject to so-cial violations | Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | N/A | N/A | N/A | Not relevant as Holberg has no investments in sovereigns and supranationals. | N/A |

Indicators applicable to investments in real estate assets

| Adverse sustainability indicator | | Metric | Impact 2023 | Impact 2022 | Coverage 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|----------------------------------|---|--|-------------|-------------|---------------|---|--|
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | N/A | N/A | N/A | Not relevant as Holberg has no investments in real estate assets. | N/A |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | N/A | N/A | N/A | Not relevant as Holberg has no investments in real estate assets. | N/A |

Other indicators for principal adverse impacts on sustainability factors

Holberg has chosen to report on the principal adverse impacts on sustainability factor 2.4 as this helps to measure the holdings' conformity and adaptation to the Paris Agreement. Holberg has chosen to report on the principal adverse impacts on sustainability factor 3.6 and 3.9 as these indicators are relevant to the Norwegian Transparency Act.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The principal adverse impacts on sustainability factors are identified through the third-party data provider, Sustainalytics. Holberg's assumed biggest challenge is data availability for the Norwegian and other Nordic issuers in our fixed income products. Holberg will seek to increase coverage for the next reference period, either by collecting data directly from investee companies, and/or by carrying out additional research, subscribe to additional third-party data providers and/or making reasonable assumptions.

Subject to data availability, the selection of voluntary principal adverse impact indicators follows the methodology/guiding principle of selecting the indicators which are deemed most relevant to consider based on our investment management philosophy and exposures as well as the Norwegian Transparency Act.

Engagement policies

Holberg practice active ownership to encourage the portfolio companies to improve. As an active fund manager with concentrated portfolios, we have an investment philosophy that is founded on close follow-up of the companies we are invested in. We have dialogs with the company management and vote on general meetings to contribute to transparency for the shareholders. Holberg's voting guidelines and an overview of what we have voted for or against on general meetings is available on our webpage.

References to international standards

Holberg applies a set of exclusions to the fund portfolios, which is based on the Government Pension Fund Global's guidelines. We also want our portfolio companies to operate in line with international norms, including UN Global Compact. Holberg's equity funds are screened by Sustainalytics' online database «Global Standard Screening» monthly. Any deviations are flagged to the portfolio manager and Compliance and Risk. The principal adverse impacts on sustainability factors indicators that measure the holding's compliance with the above-mentioned international standards are primarily the following:

1.10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

1.11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

Historical comparison

The earliest historical comparison will be provided in June 2024.

Table 2

Additional climate and other environment-related indicators

| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric | Impact 2023 | Impact 2022 | Coverage 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
|---|--|--------|-------------|-------------|---------------|-------------|--|
| Indicators applicable to investments in investee companies | | | | | | | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | | | | | | |

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|-----------|---|---|--------|--------|--------|---|---|
| Emissions | 4. Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | 42,30% | 51,48% | 44,32% | The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Holberg participates in CDP's Non-Disclosure Campaign and lead the climate engagement for relevant portfolio companies. While we recognize that transition plans and emissions disclosures may be released through company reports, a scored, standardized and well-established framework enables companies to track their progress, compare themselves against their peers, and meet their shareholders'/lenders' expectations on transparency.</p> <p>Action planned for this indicator is to encourage portfolio companies to set Science Based Targets aligned with the Paris Agreement.</p> <p>No target is set for the next reference period.</p> |
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Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | | | | |
|--|--|--------|-------------|-------------|---------------|-------------|--|
| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric | Impact 2023 | Impact 2022 | Coverage 2023 | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Indicators applicable to investments in investee companies | | | | | | | |

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|-----------------------------|--|---|-------|--------|--------|--|--|
| Social and employee matters | 6. Insufficient whistleblower protection | Share of investments in entities without policies on the protection of whistleblowers | 5,23% | 6,80% | 43,94% | The percentage of the portfolio's market value exposed to issuers without a whistleblower protection policy. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Action planned is to map which portfolio companies lack policies on the protection of whistleblowers.</p> <p>Target for the next refernce period is to encourage portfolio companies without policies on the protection of whistleblowers to create one.</p> |
| Human Rights | 9. Lack of a human rights policy | Share of investments in entities without a human rights policy | 6,81% | 13,03% | 44,35% | The percentage of the portfolio's market value exposed to issuers without a formal human rights policy. | <p>The data availability and coverage are low for this indicator. Hence, Holberg seeks to improve and increase coverage for the next reference period.</p> <p>Action planned is to map which portfolio companies lack a human rights policy.</p> <p>Target for the next refernce period is to encourage portfolio companies without a human rights policy to create one.</p> |