



2022

# CORPORATE SOCIAL RESPONSIBILITY REPORT

Alfred Berg Kapitalforvaltning

# HELGE SILJEHOLM ARNESEN, CEO OF ALFRED BERG KAPITALFORVALTNING



*Sustainability has many aspects. The main focus today is the impact from human activities on the environment as this is the most urgent aspect we need to address. That is to reduce drastically GHG emissions and other negative impacts that effect the nature and life on earth. A lot of the regulatory changes with regards to sustainability and extra-financial elements in finance is about exactly that. The social aspects are not to be forgotten and we see an increased focus on the supply chain. This is demanding transparency from our investee companies that operate on the international scene and purchase raw materials, goods and services from other parts of the world. The Norwegian Transparency Act (Åpenhetsloven) is securing an increased transparency on Human Rights and work conditions in the supply chain.*

*As an asset manager, our most important impact on the environment and the social condition for humans is through the activities we invest in by making decisions on behalf of clients, the asset owners. We therefore both have some responsibility for this impact, we through selection and our clients through ownership and financing. We should also not forget about the impact of climate change and other external factors can have on us and our investee companies. Integrating ESG risks in our investment decisions from a double materiality perspective is therefore paramount.*

*Succeeding in the corporate sustainability area as a company will have many positive effects. On the environmental side, by identifying our impact, we can from that point better understand how we can reduce it to make it as small as possible. On the social side, that is both internally in the company and externally for other stakeholders, mapping the status quo with relevant KPIs in the different areas can help better identify what we need to improve to ensure our employees and our other stakeholders, like clients and regulators, are satisfied with our way of operating and our relationship.*

*Our Governance is also important for our stakeholders, as they wish to see that our company is governed in a way that we can expect to do well now and in the future. We have therefore included relevant governance information in this report.*

*All in all, working to mitigate our sustainability risks as a company will increase the strength of our specific business model in the long run, in a world we all can live well in; therefore, this is an obvious choice for us at Alfred Berg.*

*On the investment side, important EU regulation has come into force, the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). We expect implementation of the SFDR RTS (Level 2) also in Norway soon. We work to keep track of these changes, to ensure we are aligned with the new, and will be for the coming requirements. We have worked on extending our database with relevant ESG data and this work will continue for some time as not all required ESG data is available today. We have also strengthened our framework for Sustainable Finance by integrating and adapting the BNP Paribas Asset Management framework to Alfred Berg Kapitalforvaltning.*

A handwritten signature in black ink, appearing to read 'Helge Siljeholm Arnesen'. The signature is fluid and cursive, written in a professional style.

Helge Siljeholm Arnesen - CEO Alfred Berg Kapitalforvaltning

# Introduction

All human activity has an impact on the world, both in terms of environmental and social impact. Some activities have a bigger impact than others.

Alfred Berg Kapitalforvaltning is operating in the financial services sector with focus on asset management and financial advice. These activities have very low direct impact on the environmental (E) and social (S) factors, but this does not mean that it is zero. The main impacts are indirect, through the portfolio investments.

There are different stages for a company in the work to lower GHG emissions. The first and maybe most important is to reduce consumption of goods and services leading to lower GHG emissions and other pollution. The second is to ensure that electricity is coming from a renewable source, this can be done by buying Guarantees of Origins in Europe. These two action points should optimally lead to a non-compressible GHG emission level and the third stage is to carbon compensate this through a certified carbon compensation project.

# STAKEHOLDERS

Alfred Berg Kapitalforvaltning's direct stakeholders are:

- Clients
- Employees
- Owners
- Regulators
- Suppliers

This means that how we are behaving, both as a company but also as individual employees of the company, can make these stakeholders change their attitude and behaviour versus our company. What they think about us and how we conduct our business is therefore important for us to ensure a sustainable business model as we are dependent on our stakeholders.

## MATERIALITY

We have not conducted stakeholder interviews for this report, but instead based our materiality factor selection on SASB (Sustainable Accounting Standards Board) for asset management. We have also included information regularly requested by our stakeholders, these are mainly represented by clients having requirements on their suppliers, in this case us.

### **Material factors for Alfred Berg Kapitalforvaltning:**

#### **From SASB:**

- Selling practices and product labelling
- Employee diversity and inclusion
- Incorporation of ESG in investment management and advisory
- Business ethics
- Systemic risk management

#### **From stakeholders:**

- Environmental impact
  - Direct from own activity and in portfolio investments
- Social impact
  - Direct from own activity and in portfolio investments
- Governance structure

## STRUCTURE OF THIS CSR REPORT

In the following, we will discuss these material factors combining the two sources of materiality selection and without following the exact scheme here above, to make it more readable. We will discuss Environmental factors, Social factors and Governance factors. Please note that we have made a separate chapter on the Environmental and Social factors for the portfolio investments.

Alfred Berg Kapitalforvaltning, as a subsidiary of BNP Paribas Asset Management has own local policies but must also respect BNP Paribas Asset Management policies. Alfred Berg policies can be found here: <https://www.alfredberg.no/regler-og-retningslinjer/>

The standards for doing sustainability reporting are evolving, both from a regulatory perspective, and from a counterpart perspective. Different stakeholders have different use of a sustainability report. This sustainability report for Alfred Berg Kapitalforvaltning is done with the best intentions, should you notice anything you think is wrong or that need further explanation please contact us. See also disclaimer at the end of the document.



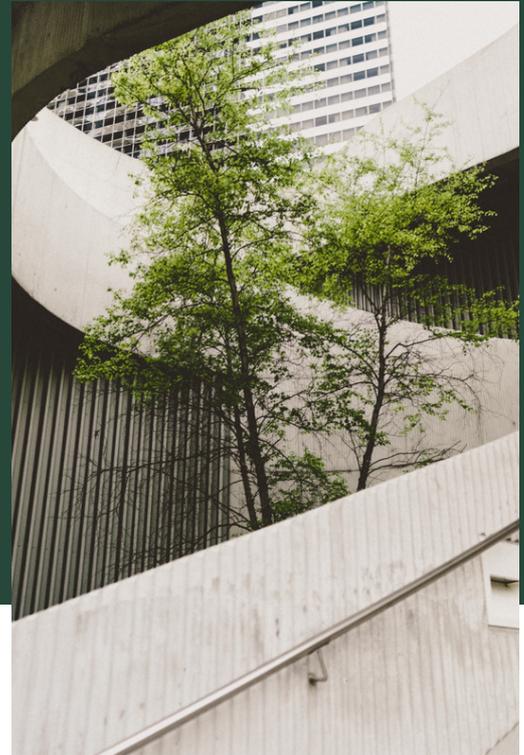
# **ENVIRONMENTAL (E) – EXPOSURE AND MITIGATION**

As a company, we have offices that require equipment, lighting, heating/cooling, etc. We also travel by plane, train, and cars. But most importantly as an asset manager we invest on behalf of our clients in companies that in their turn have impacts on the environment. The latter will be discussed in a separate paragraph on portfolio exposure (see Portfolio exposure - Environmental (E) and Social (S)).

Even if we are based in countries producing mainly renewable electricity, we need to buy Guarantees of Origin or ensure that the electricity provider through our renewable electricity contract does, to be able to claim we use renewable electricity.

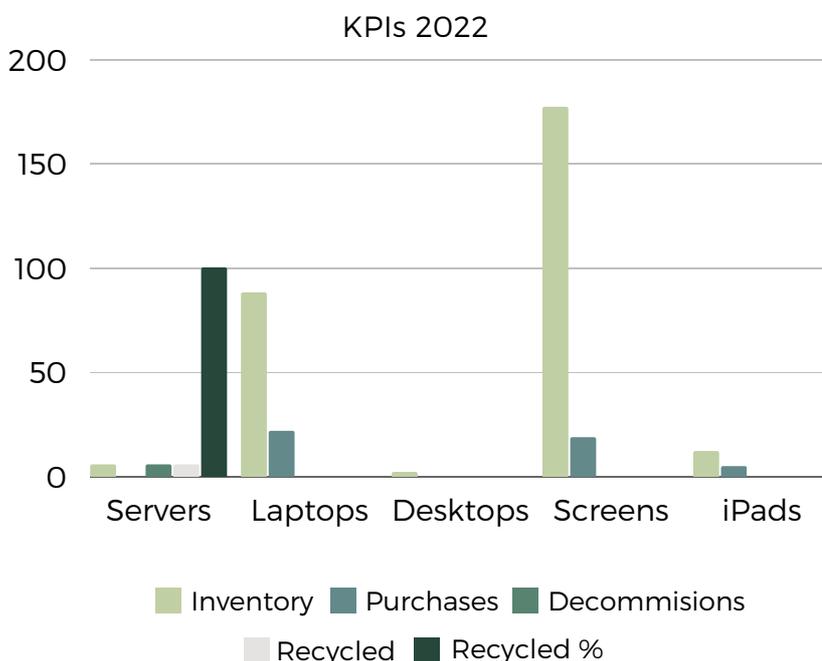
# IT AND ELECTRONIC EQUIPMENT

We use IT equipment and electronic equipment that is using resources coming from different parts of the world and that may come from for instance mining with negative environmental impacts. We consider that there is not much we can do with this ourselves today as there are few alternatives to choose among and that our activity is dependent on using IT and electronic equipment. What we can do though is to ensure that it is properly recycled and stimulate the circular economy.



## Our policy:

All IT hardware and electronic equipment that we do not need anymore, is sent to Inrego (<https://www.inrego.com>), which is a secure way of recycling used electronics. In return, we get some compensation for still usable electronics, and for the rest, we pay to recycle.



During 2022, total equipment inventory increased while the number of servers was reduced. The reason for the drop in inhouse servers is a transfer to an Azure (Microsoft) cloud solution. The servers are lodged in the BNP Paribas AM data warehouse and are all virtual, therefore the hardware remains in place and is used by other BNP Paribas AM companies when no longer used by Alfred Berg.

## OFFICE ELECTRICITY USE AND HEATING/COOLING

In the office we use electricity, and the office temperature is regulated in winter and summer. The heating and cooling in the Oslo office is provided by the landlord, Norwegian Property, (NPRO) and they provide district heating and cooling from sea water exchange pumps that can reduce energy consumption and CO2 emissions with up to 75%:

<https://ne.no/wp-content/uploads/2017/12/5829b91aaa6587-16825025.pdf>

All electricity consumed and purchased by Alfred Berg in the Oslo and Stockholm office is on a renewable tariff since 2020. This means that guarantees of origin are covering the consumption. We are also in discussions with the landlord to make them buy guarantees of origin for the electricity consumption, this has taken longer than expected.

KPIs for 2022:

	Used kWh	No specific contract	Renewable with specific contract	Renewable part	tCO2 emissions
<b>Lighting, IT etc.</b>	37 621		37 621	100 %	0,0
<b>Heating/Cooling– Electricity (Landlord*)</b>	43 370	43 370		0 %	17,6
<b>Heating/Cooling– District heating (Landlord*)</b>	64 383	64 383		0 %	0,6
<b>Energy - Scope 2</b>					18,2

*\*This data comes from the landlord and represents Alfred Berg's share of the total energy use in the building. The share is based on the proportion of the area Alfred Berg rents in the building. If no specific contract for 100% renewable or Guarantees of Origin purchased, we use 2021 NVE product declaration for residual electricity: 405g/kWh (Market based - European residual mix). CO2 emissions are calculated by CEMAsys.*

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## DATA STORAGE

Data storage requires energy, mainly to operate and cool down servers. All data storage is either with Microsoft or with BNP Paribas AM. The main bulk of the data is stored with Microsoft.

### Microsoft:

“Microsoft has been carbon neutral across the world since 2012 and commits to being carbon negative by 2030”. See their CSR report here: [https://www.microsoft.com/en-us/corporate-responsibility/sustainability?activetab=pivot\\_1;primaryr3](https://www.microsoft.com/en-us/corporate-responsibility/sustainability?activetab=pivot_1;primaryr3)

### BNP Paribas:

BNP Paribas AM is calculating all the CO2 emissions from their main installations in the world and all internal datacentres are covered. In general, the BNP Paribas AM approach is to first of all consume less electricity, second to buy renewable electricity through Guarantees of Origin in EU and equivalents in other regions of the world and third by compensating the remaining carbon emissions through a selection of qualifying programs.

## OFFICE REFURBISHMENT

Sometimes we refurbish our office, this can be done when moving into a new office or when we need to change the office structure. This includes new building materials and old are disposed of. Furniture, etc. can also change when refurbishing or moving offices.

No significant changes were done in 2022. In 2019 and 2020, when the Stockholm office and the Oslo office moved, between 80% and 100% of the furniture was reused.



# WASTE

As a result of our office activity, we generate waste of different types. Some can be recycled, some cannot. We do our utmost to correctly sort our waste to ensure that as much waste as possible end up in the correct recycling process.

KPIs\* 2022:

Type waste	Process	Consumption	tCO2 emissions
Wastewater	Treatment	553 m <sup>3</sup>	0,2
Glass waste	Recycled	1 283 kg	0
Paper waste	Recycled	977 kg	0
EE waste	Recycled	86 kg	0
Food Waste		981 kg	0
Iron/metal		0 kg	0
Other residual waste	Sorted waste	0 kg	0
Residual waste	Unsorted waste	3 533 kg	1,8
<b>Waste - Scope 3</b>			2

*\*This data comes from the landlord and represents Alfred Berg's share of the total waste in the building. The share is based on the proportion of the area Alfred Berg rents in the building. CO2 emissions are calculated by CEMAsys.*

## BUSINESS TRAVEL

We use transport to meet clients, suppliers, for internal BNP Paribas AM meetings, etc. Our employees also travel to work, which we do not track.

### Our policy:

Our Travel policy is to buy carbon compensation for all air travel. We prefer train and other public transport before air travel, when it is a realistic alternative. The assessment of “realistic” will depend on time constraints and costs among other elements.

KPIs for 2022:

	Type	Units	GHG compensated at purchase	tCO2 emissions
<b>Taxi</b>	Km	4 470		0,9
<b>Train</b>	Trips	225		0,0
<b>Car</b>	Km	10 296		0,8
<b>Ferry</b>	Trips	0		0,0
<b>Air travel - Europe</b>	Trips	224	172	4,7
<b>Hotel</b>	Nights	211		0,9
<b>Travel - Scope 3</b>				7,3

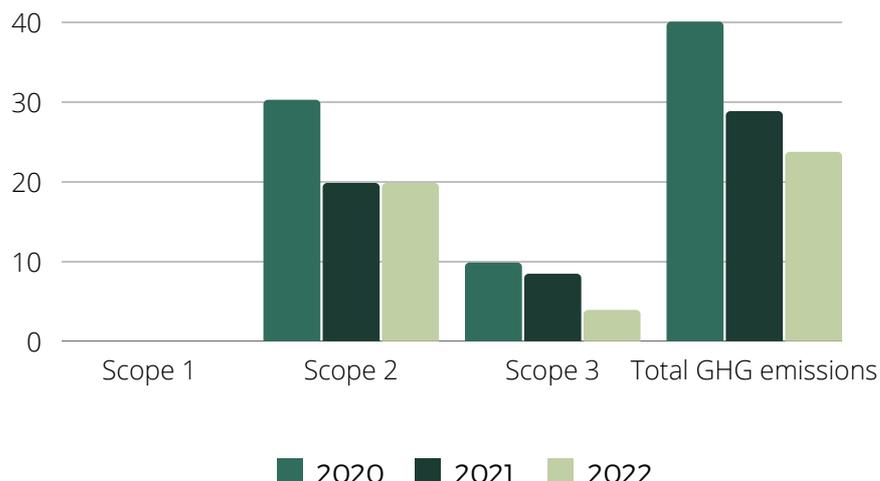
\*CO2 emissions are calculated by CEMAsys.

## Total GHG emissions and carbon compensation

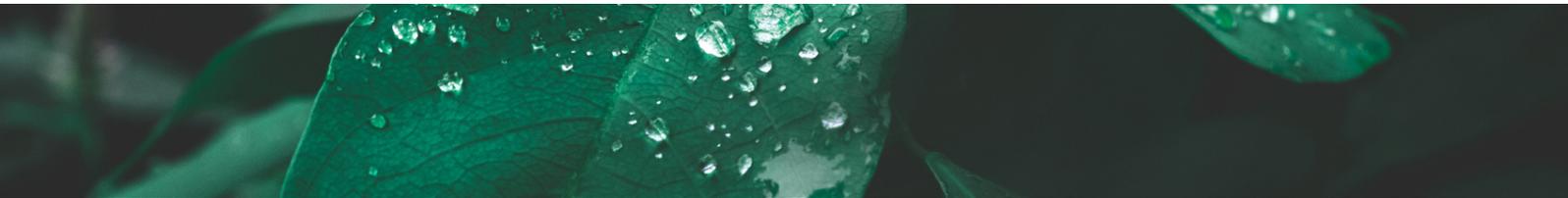
KPIs - Scope accounting:

	Gross - tCO2	Carbon compensated	Initiative - Comment
<b>Scope 1</b>	0		Insignificant direct emissions from the activity
<b>Scope 2</b>	19,8	100 %	Guarantees of Origin for renewable energy + Carbon compensated through CEMAsys
<b>Scope 3 (ex. portfolio investments*)</b>	3,9	100 %	Carbon compensated through CEMAsys
<b>Total</b>	23,7	100 %	Carbon compensated through CEMAsys

\*see separate chapter on portfolio exposure for CO2 data. CO2 emissions are calculated by CEMAsys.



In 2022, the landlord used a much higher proportion of district heating/cooling in the energy mix. This resulted in lower Scope 2 GHG emissions. Additionally, we see a post coronavirus-pandemic increase in scope 3 as a result of less restrictions on travel abroad.



## THE CARBON COMPENSATION

Alfred Berg has carbon compensated the remaining CO2 emissions. We have chosen to support the CER (Certified Emission Reduction, see below) verified project 7469: 50.6 MW wind energy project in Gujarat, India.

The purpose of the project activity is to generate power using renewable energy source (wind energy) and sell the power generated to the Indian grid. The project activity generates electricity using wind energy. The generated electricity is exported to the Indian grid system which is under the purview of the INDIAN electricity grid of India. The project activity replaces anthropogenic emissions of greenhouse gases estimated to be approximately 101,733 tCO2e per year, thereon displacing 108,597 MWh/year amount of electricity from the generation-mix of power plants connected to the INDIAN GRID, which is mainly dominated by thermal/ fossil fuel-based power plant.

Renewable energy from wind has positive impacts globally and locally and supports UN Sustainability Goals 7, 8, and 13. (Source: CEMAsys).

Details of the project can be found here: [cdm.unfccc.int/Projects/DB/SGS-UKL1349793965.06/](https://cdm.unfccc.int/Projects/DB/SGS-UKL1349793965.06/)

See also: Portfolio exposure - Environmental (E) and Social (S)



# **SOCIAL (S)**

## **– EXPOSURE AND MITIGATION**

As a company, we depend on all our stakeholders. We have relationships with stakeholders both inside and outside the company. It is important to understand the impact we, as a company, but also as employees, have on our different stakeholders.

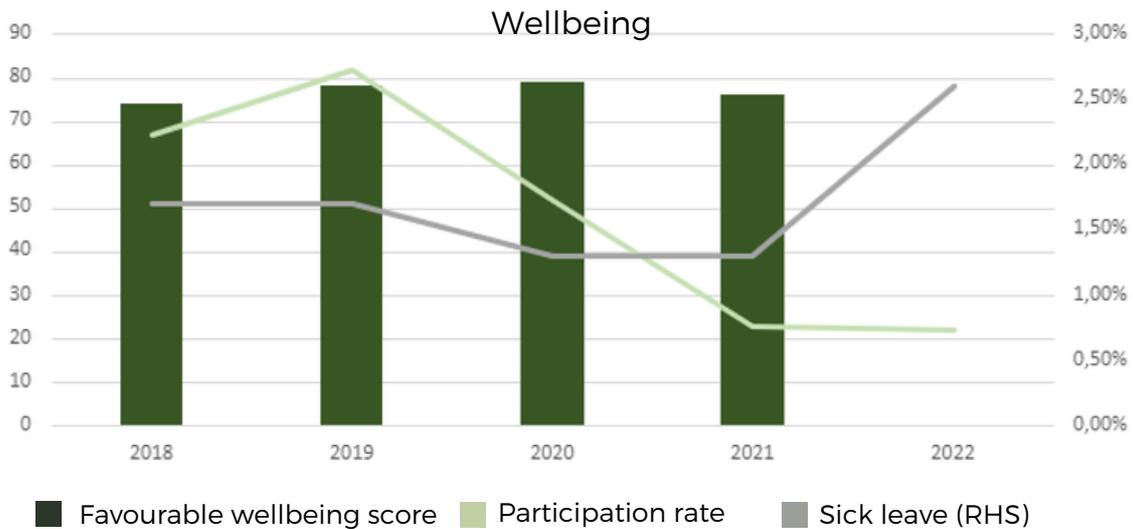
### **Employee engagement, Health, and Safety**

Wellbeing is very important for Alfred Berg, as we are a people business with highly qualified personnel that can be long and costly to replace. We do a yearly employee survey for all permanent employees as part of the BNP Paribas group. The 2022 results of the survey are not available at the time of publication of this report.

## KPIs - History

	Numbers of employees	Survey participation rate	Total favorable score of well-being	Sick leave	Accidents
<b>2022</b>	64	22 %	Result not published	2,6 %	0
<b>2021</b>	63	23 %	76 %	1,3 %	0
<b>2020</b>	48	52 %	79 %	1,3 %	0
<b>2019</b>	45	82 %	78 %	1,7 %	0
<b>2018</b>	36	67 %	74 %	1,7 %	0

New in 2023 is that we have started using Winningtemp AB for continuous employee feedback. We have noticed that employee surveys in large global organisations do not always work well, especially if not adjusted to local requirements. We also wish to reinforce the focus on how the employees are faring at work in Alfred Berg. We see already in the beginning of 2023 that the feedback is more relevant and measurable.



Alfred Berg also subsidises employee health by covering expenses for physical activities up to 3 000 Norwegian kroner per year in Norway and equivalent in Sweden. In Norway there is a compulsory annual health check of employees. It is not usual practice in Sweden to perform general health checks.

### KPI for 2022:

Number of employees taking advantage of the physical activity subsidy:	29
Employees turning up to the annual health check in Norway	96 %

## EMPLOYEE DIVERSITY AND INCLUSION

We believe that a diverse group of employees can take better decisions as different ways of thinking can lead to better practices and better problem solving. Gender, background, culture, etc. is irrelevant for us and shall not be a hinder for professional development and potentially accessing to senior and management roles. We have a policy that at least 50 % of all new hires below 30 years old must be women. As of end of 2022, 50 % of the permanent staff below 30 years old are female. If we include temporary staff in the same age group, 56 % are female.

BNP Paribas Diversity Policy: <https://group.bnpparibas/en/news/diversity-inclusion-heart-bnp-paribas-corporate-culture>

KPIs for 2022

	Male %	Female %	Non Nordic %	Non European %
<b>Board of Directors</b>	50	50	50	0
<b>Executive Management (Alfred Berg ExcecutiveCo)</b>	100	0	0	0
<b>Non Executive Management (Alfred Berg ManCo)</b>	81	19	13	0
<b>All employees</b>	73	27	8	2

Diversity - Male %



## TALENT ATTRACTION AND RETENTION

Alfred Berg is an activity depending on skilled employees. Therefore, the company strive to attract and retain personnel with the required skills.



## TRAINING AND EDUCATION

7 employees had external training in 2022 that represent 73% of spend on education in the year:

- 2 were continuing the AFA program at NHH, a 2-year program.
- 2 took a course in Sustainable Financial Analysis, a 6-months program
- 3 took a Dale Carnegie course in Communication and Leadership, a 3-months program

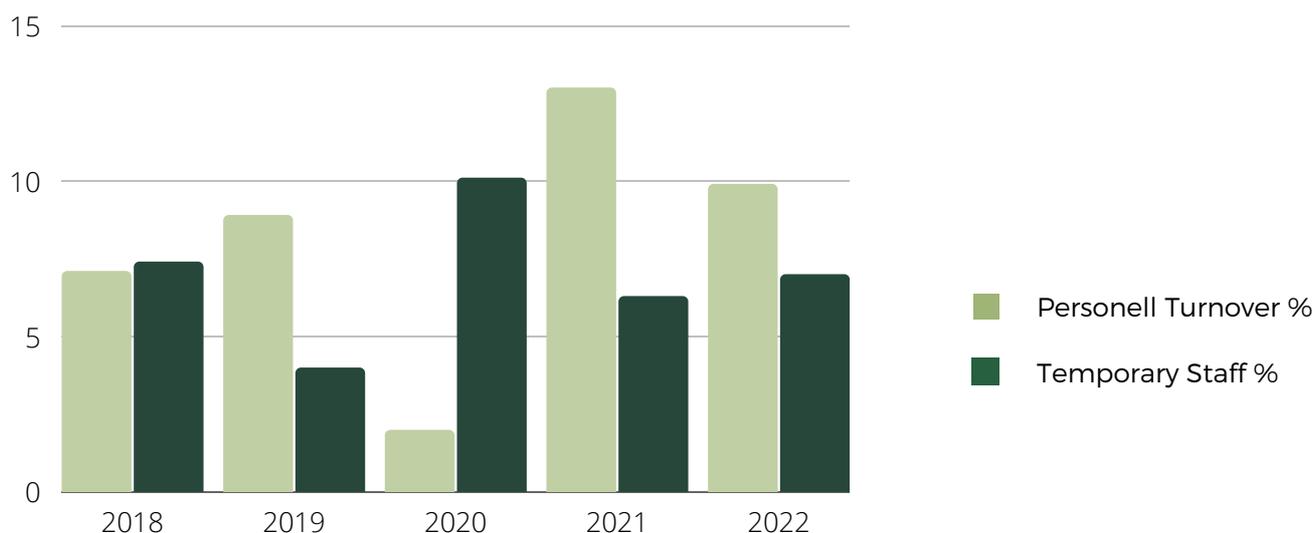
Additionally, 46 employees were certified for savings and investment through Spama. This constitutes another 14 % of the costs for training and education.

# EQUITY PROGRAM

In 2022, the equity capital of Alfred Berg was opened for investment to all permanent staff, that together now own 25% of the company through Drypnr A/S. This will ensure that the employees are engaged and committed as owners.

KPIs:

	2018	2019	2020	2021	2022
<b>Personnel turnover %</b>	7,1 %	8,9 %	2,0 %	13 %	9,9 %
<b>Temporary staff %</b>	7,4 %	4,0 %	10,1 %	6,3 %	7,0 %



The personnel turnover increased heavily between 2020 and 2021, before experiencing a slight decrease in 2022. There is no particular reason for these sudden changes as we see it, however, it may in part be caused by post pandemic external factors.

The increase for temporary staff in 2020 was due to a hiring freeze of permanent employees from BNP Paribas Asset Management and it was the only way to solve the required capacity from a growing Alfred Berg business. We continue to rely on temporary staff to meet our capacity needs.



## **TRANSPARENT INFORMATION AND FAIR ADVICE FOR CLIENTS**

We do our best by following the regulatory requirements for documentation and regulation for advisory activity to ensure that our clients get transparent information and fair advice. Our product information and regulatory required information are available on our websites and documents can also be obtained by contacting us.

Specific regulations relevant for us: Mifid, SFDR, UCITS, AIF, GDPR.

### **Policies:**

Code of conduct including protection of interest of clients and anti-money laundering.

### **Programs:**

As part of BNP Paribas, all employees must complete and succeed several eLearning modules, which is an internal educational program to ensure all employees understand our company policies. There are tests after each training that must be passed.

KPIs - Percentage of completed training in relevant policies:

	Code of conduct signature	Code of conduct training
2022	100 %	100 %

All employees have completed “Conduct Journey”, a new code of conduct training, by October 2022, in the eLearning system. This kind of eLearning has been practiced for many years, but until now there has been no focus on showing and tracking historic KPIs on this.

Alfred Berg has no employees with a record of investment-related investigations, private civil litigations, or regulatory proceedings and has had no cases or losses related to legal proceedings because of marketing practices. There were no consumer-initiated complaints in 2022.

## BUSINESS ETHICS

Business Ethics is about protecting our stakeholders and ourselves as a company against any abuse. Good business ethics only exists when well understood by the employees and practised daily in the company, therefore we think training and repeating policies is important.

### Policies:

- Code of conduct – BNP Paribas ([084BAFF5-1C7C-47EB-9AB4-EC5958125381](https://www.bnpparibas-am.com/084BAFF5-1C7C-47EB-9AB4-EC5958125381) ([bnpparibas-am.com](https://www.bnpparibas-am.com)))
- Protection of interest of clients – BNP Paribas ([Procedure\\_Template\\_2017 EN](https://www.bnpparibas-am.com/Procedure_Template_2017_EN) ([bnpparibas-am.com](https://www.bnpparibas-am.com)))
- Conflict of interest – BNP Paribas (<https://docfinder.bnpparibas-am.com/api/files/6A7C1B3A-C510-4C0F-AFE3-4407C7E10314> )
- All Alfred Berg policies can be found here: <https://www.alfredberg.no/regler-og-retningslinjer/>

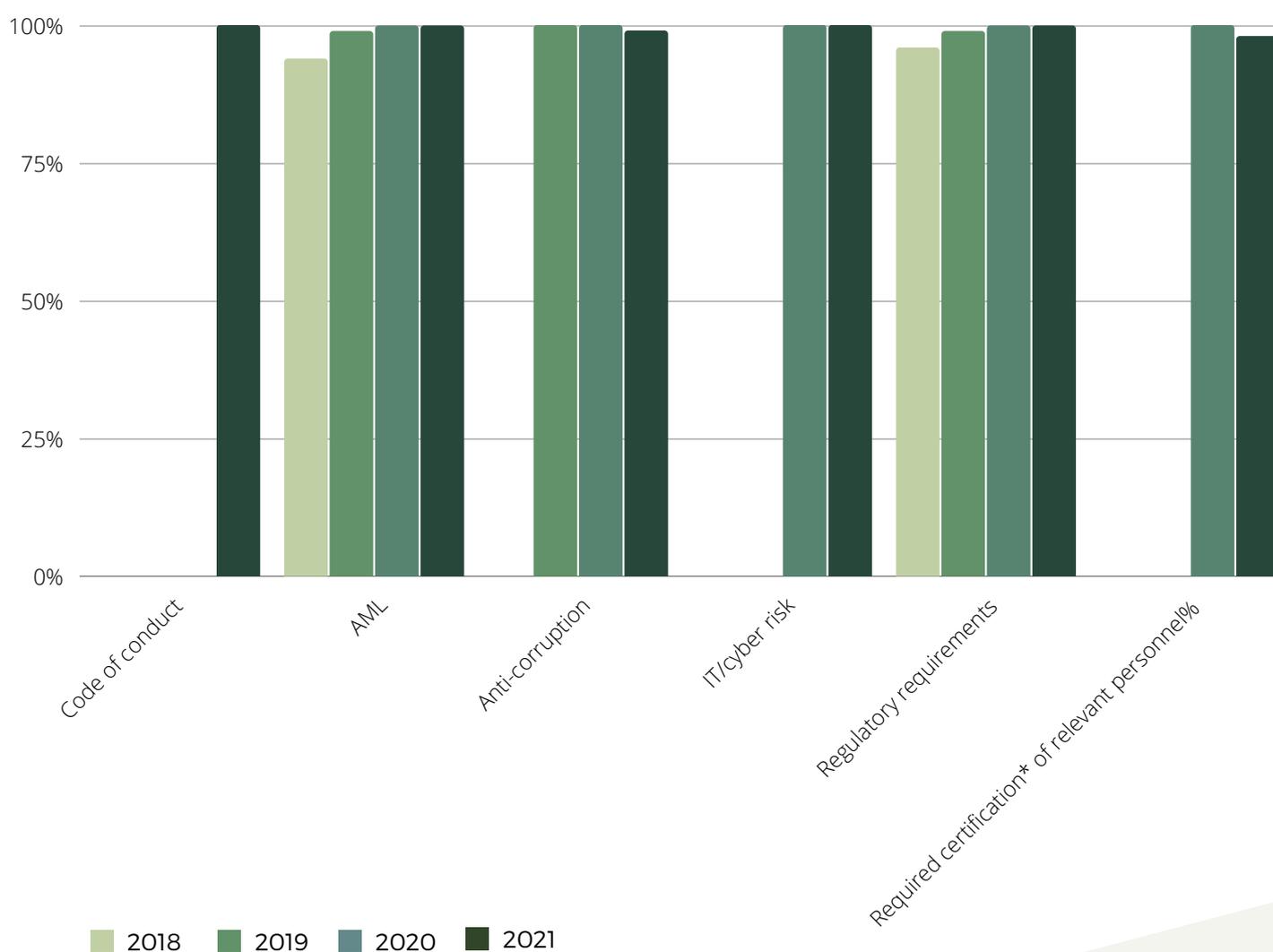
### Programs:

As part of BNP Paribas, all relevant Alfred Berg employees get compulsory training in anti-money laundering (AML), anti-corruption, IT/cyber risk, regulatory requirements, etc. through eLearning modules.

KPIs - Percentage of completed training in relevant policies:

	AML	Anti-corruption	IT/Cyber risk	Regulatory requirements	Required certification* of relevant personnel
<b>2022</b>	100 %	100 %	99 %	100 %	100 %
<b>2021</b>	100 %	99 %	100 %	100 %	98 %
<b>2020</b>	100 %	100 %	100 %	100 %	100 %
<b>2019</b>	99 %	100 %	N/A	99 %	N/A
<b>2018</b>	94 %	N/A	N/A	96 %	N/A

Personnel training in policies



\*All employees in Sweden have Swedsec licenses. All relevant persons in Norway, apart from one, are Bärchen - Mifid certified. During 2022, the Bärchen certification has been replaced with Spama as the required certification, and all permanent staff are required to complete this training - 100% completion rate in 2022.

In 2022, Alfred Berg had no legal proceedings due to fraud, insider trading, antitrust or anti-competitive behaviour, market manipulation, malpractice, etc.

## WHISTLEBLOWER CHANNEL

Whistle blower policies and procedures are internal with BNP Paribas and Alfred Berg. All external stakeholders that wish to whistle blow to Alfred Berg, can also use this channel:

[whistleblowing@alfredberg.com](mailto:whistleblowing@alfredberg.com)

Alfred Berg did not have any whistle blower incidents in 2022.

## CLIENT SURVEYS - EXTERNAL

Alfred Berg was ranked again as number 1 both by institutional investors and by distributors, consultants, and fund selectors in the Prospera surveys for 2022, the fourth year in a row. 2020 was the first time in the Nordic region that the same manager was ranked number 1 by both customer groups. The surveys are conducted annually by Kantar Sifo among Norwegian asset managers.

The ranking in the surveys is based on feedback from 72 institutional investors with a minimum of NOK 300 million placed with external managers and 33 distributors, investment consultants and fund selectors.

External Asset Management 2022 Norway:  
<https://www.kantarsifo.se/sites/default/files/2195ea07590e.pdf>

Fund distributors & Selectors 2022 Norway:  
<https://www.kantarsifo.se/sites/default/files/24aa975acf74.pdf>

## **SYSTEMIC RISK MANAGEMENT**

As an investor representing large amounts under management, we must consider the systemic risk of our investment on behalf of our clients.

Alfred Berg manages portfolios that invest mainly in listed equities and listed bonds where liquidity is not an important concern. Liquidity is best in listed large cap equities and listed investment grade bonds. The lowest liquidity is in small cap/micro cap equity and small issue/company size high yield bonds. These lower liquidity asset classes represent a very small part of Alfred Berg's total assets under management. The contribution to systemic risk from Alfred Berg's portfolios is therefore very low.

The approach for incorporation of liquidity risk management programs into portfolio strategy and redemption risk management is implemented in internal guidelines and procedures.

# THE NORWEGIAN TRANSPARENCY ACT – FUNDAMENTAL HUMAN RIGHTS AND DECENT WORKING CONDITION

The fundamental human rights and decent working conditions is important for Alfred Berg Kapitalforvaltning, both in the company's own business, in the supply chain and in our business partners. The respect the fundamental human rights and decent working conditions is incorporated in the overall code of conduct and detailed in other relevant policies and procedures.

Alfred Berg Kapitalforvaltning conduct due diligence assessments in the whole supply chain involved in the company's provision of services to find out whether there are any actual, or risks of, adverse impacts on human rights or decent working conditions and to prevent and mitigate any such adverse impacts. Third parties involved in the running of the company's operation are also subject to due diligence assessments.

## **Fundamental human rights and decent working conditions in our own business operation**

Alfred Berg Kapitalforvaltning also focus on human rights and decent working conditions in our own business operation and is continuously working to improve the conditions for the employees. With our own activities in Norway and Sweden, we have a good overview of human rights and decent working conditions in our own business. Overall, Alfred Berg Kapitalforvaltning safeguards these important values and human rights by ensuring that the company, in cooperation with employee representatives, have collective agreements, guidelines and regulations. The purpose of this is to systematically manage the performance and development of employees to increase attraction, performance, engagement, and retention, and to ensure that all employees are treated in a fair, transparent, and consistent way. We carry out performance management job appraisal processes for all employees in annual cycles, with formal discussions as well as more frequent follow-ups. Managers are also expected to provide frequent feedback, coaching, and support to employees.

We consider the risk of violations of human rights and decent working conditions in the company to be low, but one area that we have particular focus on is on gender equality and diversity.

Alfred Berg Kapitalforvaltning strives to achieve diversity in terms of gender, ethnicity, and sexual orientation and this is an essential element in recruitment processes and in employees' professional development. The company requires that at least half of all new hires under the age of 30 to be women. As of the end of 2022, 50 % of permanent employees under the age of 30 are women. By including hired and temporary employees, the proportion of women under the age of 30 is 56 %.

The company would like to see an increase in the rate of female managers. 19% of the participants in the management group are women, compared to 9 % in 2021. A total of 27 % of the company's employees are women, and three current members of the Board of Directors are women.

The company practices equal pay for equal work. In the autumn of 2021, a salary survey was carried out where diversity, gender balance and ethnicity were particularly important parameters. The analysis resulted in 11 salary increases to raise employees on the basis of the aforementioned criteria. The company carries out annual analyses and checks of remuneration in collaboration with BNP Paribas to prevent discrimination.

Our employees score high on job satisfaction, the absence due to illness is low, we ensure work-life balance, and the turnover in the company is low. Competence- and development opportunities are facilitated for, and the working environment is characterized as transparent with good and open dialogue with employee representatives and safety representatives.

The results from our analyses, risk assessments and the employee surveys show that no significant risk for material violation of human rights or requirements for decent working conditions in our own business operation.

### **Fundamental human rights and decent working conditions in investments**

Respect of fundamental human rights and decent working conditions is important also in the investment process the company is responsible for on behalf of customers. We use external suppliers with expertise in identifying businesses breaking the international acknowledged standards on which the Transparency Act is founded. For enterprises that fail to live up to these standards, and which cannot put forth a convincing plan for improvement, exclusion is the last resort. Ethical guidelines: <https://docfinder.bnpparibas-am.com/api/files/084BAFF5-1C7C-47EB-9AB4-EC5958125381>. Safeguarding social responsibility is integrated in our investment management activity. Guidelines for responsible investments: <https://www.alfredberg.no/sustainability-documents/>.

### **Fundamental human rights and decent working conditions in procurement and with business partners**

The company's most important categories of procurement are development and operating of IT solutions, consultancy services, and goods and services in relation to office space and office supplies. Alfred Berg Kapitalforvaltning has developed detailed due diligence processes for onboarding and frequently review of suppliers. Alfred Berg has also similar processes for relationships with Brokers and Intermediaries. An Intermediary is a business partner that introduces new clients to Alfred Berg or facilitates Alfred Bergs commercial development, or that distributes Alfred Bergs products or services The due diligence is stated in the specific policies and procedures.

Alfred Berg Kapitalforvaltning requires a permanent vigilance which is detailed in the policies and procedures. The processes apply not only to new relationships, but also to existing relationships, at a frequency review defined by the risk-level of the company after the onboarding, or in case of events that may trigger a recertification and as such, re-assess the risk level.

Based on BNPP AM Group standard, Alfred Berg has guidelines for due diligence when onboarding and recertification of the broker counterparty, supply chain or business partners. When onboarding or periodic review Alfred Berg need to check the following points:

- Is the entity (and connected supply chain) respecting the fundamental human rights and decent working conditions accordance with the OECD Guidelines for Multinational Enterprises?
- performing adverse information searches on the entity and assesses their materiality: is it any hit (red flag) or negative result?

Adverse information means all information of any kind and from any source that may have an adverse impact on the company's risk level, the level of due diligence and the reputational risk. Adverse information gathered from Dow Jones tools and other sources (including contact with the company) may disclose a significant risk factor when related to adverse impacts on human rights or decent working conditions. Searching for and analysing adverse information is therefore an important step in the qualitative risk assessment of the company. The countries and sectors of activity must be screened against the CSR lists of sensitive countries and sectors. If the company countries of activity are rated High Risk or Very High Risk and its sector of activity is considered sensitive as per these lists, the intermediary must be assessed by means of a sectoral questionnaire to be filled.

In case of negative findings Alfred Berg need to consider the result in the scoring risk assessment tool and make decision in the relevant committee. The decision and documentation need to be stored.

Alfred Berg Kapitalforvaltning has 196 active suppliers and 164 business partners. These suppliers are based in the following countries: Austria, Belgium, Denmark, Finland, France, Great Britain, Ireland, Luxembourg, Netherlands, Norway, Sweden and United States. 100% of all new suppliers, 31 in number, have been subject to screening in 2022. We had 0 hits in 2022. During consultations in high and very high-risk countries, financial security due diligence is mandatory for transactions equal to or greater than EUR 200 000 including tax. We have had no such consultations in 2022. Of the 164 business partners, 8 were marked PEP and additional searches for adverse information have been performed. None of the business partners were marked with sanctions.

Alfred Berg Kapitalforvaltning has not identified any issues regarding material violation of human rights or requirements for decent working conditions in either the onboarding processes or the review processes of both our suppliers and our partners. Correspondingly, no issues regarding material violation of human rights or requirements for decent working conditions have been detected in our own operation or activity.

## Contact

Anyone who makes a written request for access to a business has the right to information about how the business handles actual and potential negative consequences based on the due diligence assessment they have carried out. In order to avoid large financial and administrative burdens for the businesses, some cases have been established in which the business can refuse the claim. The claim does not provide a sufficient basis for identifying what the claim applies to or that the claim is manifestly unreasonable. The duty to provide information about actual negative consequences for basic human rights of which the business is aware applies regardless of the exceptions mentioned above. The duty to provide information does not include information that is classified under the Security Act or protected under the Intellectual Property Act. Requests for information should be sent to **kundesenter.no@alfredberg.com**. Please mark your inquiry as "Åpenhetsloven /Transparency Act" in the subject field.

*See also: Portfolio exposure - Environmental (E) and Social (S)*



# PORTFOLIO EXPOSURE - ENVIRONMENTAL (E) AND SOCIAL (S)

## Reducing negative impact on nature and human beings

We screen out several sectors and activities from our investment universe that we find controversial and/or do not wish to invest in on behalf of our clients. We also screen out companies that breach with UN Global Compact and other international norms.

Most of the exclusions are based on social factors and the target is to reduce negative impact on human beings. More about this here (in Norwegian):

<https://www.alfredberg.no/our-approach>

All our Sustainability and Responsible Investment policies and documents can be found here: <https://www.alfredberg.no/sustainability-documents/>

## Overview relative to Sustainable Finance Disclosure Regulation (SFDR) per end 2022:

<b>Total AUM (bnNOK)</b>	117
<b>Screening out of norm breaches and activity/product</b>	95 %
<b>ESG risk integration (regulated by SFDR art 6)</b>	95 %
<b>Promotion of environmental and/or social characteristics (regulated by SFDR art 8)</b>	95 %
<b>Promotion of environmental and/or social characteristics with Sustainable Investment pocket (regulated by SFDR Art 8)</b>	0 %
<b>Sustainable investment (regulated by SFDR art 9)</b>	0 %

This only includes Alfred Berg funds (including delegated fund of funds) and does not include mandates.

## ESG RISK INTEGRATION - ESG SCORES AND DATA COVERAGE

Through our investment decisions on behalf of our clients we respect the fiduciary duty and integrate ESG risks in the investment decision processes. This means that we have an understanding of the material Environmental, Social and Governance risks of holdings in the portfolios. We base this understanding on ESG research that is mainly provided by BNP Paribas AM. In some segments where coverage from BNPP AM is low, sustainAX provides the ESG research and ESG scores.

For each fund, we track the average weighted ESG score, and the percentage of the fund's market value being covered by ESG scores. 0 is the lowest ESG score (highest ESG risk) and 100 is the best ESG score (lowest ESG risk). 50 represent the average sector ESG score for the relevant region. Details of the BNP Paribas AM ESG scoring can be found here: <https://www.bnpparibas-am.com/en/esg-scoring-framework/>. It is important to keep in mind that the ESG factors are only a part of all the factors that are taken into consideration in an investment decision process.





## **TRAINING FOR PORTFOLIO MANAGERS**

The portfolio managers are regularly trained in the ESG risk and opportunity integration. In 2022, two teach-in sessions with an external consultant, sustainAX, were held, one in February and one in October. In these sessions, the portfolio managers worked on the theoretical framework of ESG research, on company examples and the ESG research reports on these companies. The target with these training sessions is to ensure the portfolio managers are looking for the real ESG risks hiding behind the ESG scores. BNPP AM is one of the leading asset managers within sustainable asset management, and have extensive internal trainings on ESG. Alfred Berg employees will participate in these internal teach-in programs.

On the portfolio manager team, there are several “ESG Champions”, and these persons are responsible of bringing the knowledge from the BNP Paribas Asset Management Sustainability Center into Alfred Berg to ensure that Alfred Berg is on the same level as BNP Paribas Asset Management in this field.



## **GREEN HOUSE GAS (GHG) EMISSION “RESPONSIBILITY” METHODOLOGY AND DATA COVERAGE**

### **Green House Gas footprint**

For our equity portfolios, we estimate that a given fund is financing companies that all have GHG emissions and that as an equity owner the fund should take “responsibility” for the GHG emissions they “own”. This is calculated as the portfolio companies’ GHG emissions (Scope 1+2) divided by their EV (Enterprise Value) and multiplied by the market value of the fund’s equity holding.

For our fixed income portfolios, it is theoretically less straight forward as a bond investor does not own parts in the company. But we are as investors still “responsible” for a part of the GHG emissions of the companies we finance. This is calculated as the portfolio companies’ GHG emissions (Scope 1+2) divided by their EV (Enterprise Value) and multiplied by the market value of the fund’s bond holding.

In the table below, the GHG footprint is calculated as the weighted average based on the covered companies and when we calculate this on a fund level, we apply the same average footprint on the non-data covered holdings. This may be an overstatement or an understatement of GHG footprint. With more carbon emission data being communicated by more companies, these numbers will become more accurate. We do not report for funds with lower than 60% coverage for GHG data.

The main remaining source of financing for the company when reasoning this way is bank financing. We expect the banks to be transparent on their financing of the GHG emissions by reporting this for their credit portfolio.

### **Green House Gas Intensity**

The Taskforce on Climate-related Financial Disclosure (TCFD) approach defines a portfolio’s exposure to carbon-intensive companies to be expressed in tons CO<sub>2</sub> equivalents relative to sales. Due to lacking data availability with the right quality, we do not publish this data in the following list, but they are included in the graph below for funds with over 50% GHG data coverage.

In the following, Alfred Berg reports using euro (€) as base. When comparing to other local providers in Norway and Sweden for instance, the GHG footprint and GHG intensity numbers of Alfred Berg should be adjusted to the same currency. A good approximation is to divide the Alfred Berg numbers by 10,50 when comparing to funds reporting in Norwegian Krone and 11,15 for funds reporting in Swedish Krona.

## KPIs - Alfred Berg Kapitalforvaltning funds - ESG scores, GHG footprint with data coverage, AUM and fund GHG emissions\* – per end 2022\*\*:

Alfred Berg funds	ESG score	ESG score coverage	GHG footprint* (tCO <sub>2</sub> /EV€)	GHG data* coverage	€ AUM	Fund GHG emissions* (tCO <sub>2</sub> )
Alfred Berg Aktiv	56,94	98 %	246,54	96 %	295 302 923	72 805
Alfred Berg Eur IG Corp Bond	58,00	93 %	87,79	86 %	16 684 722	1 465
Alfred Berg Gambak	55,97	97 %	261,81	94 %	830 619 891	217 469
Alfred Berg Global	57,84	96 %	115,06	98 %	14 238 861	1 638
Alfred Berg Global Corporate ESG Enhanced Index	64,47	100 %	34,46	97 %	131 131 162	4 519
Alfred Berg Humanfond	58,23	99 %	228,54	97 %	15 875 838	3 628
Alfred Berg Income	54,20	98 %	112,97	54 %	425 794 669	48 101
Alfred Berg Indeks	59,39	97 %	162,77	96 %	311 107 979	50 638
Alfred Berg Kombi	54,70	98 %	125,43	51 %	36 630 829	4 595
Alfred Berg Kort Stat	68,58	100 %	0,00	0 %	61 015 179	
Alfred Berg Likviditet	60,32	93 %	0,07	42 %	100 365 902	
Alfred Berg Likviditet Pluss	56,83	99 %	59,49	58 %	1 129 567 163	67 201
Alfred Berg Likviditet Pluss ACC	57,62	99 %	103,13	58 %	1 732 423	179
Alfred Berg Nordic Gambak	56,18	98 %	181,57	98 %	78 987 127	14 342
Alfred Berg Nordic High Yield	48,39	95 %	209,36	20 %	328 237 790	
Alfred Berg Nordic High Yield ACC	48,26	96 %	281,07	23 %	38 650 486	
Alfred Berg Nordic High Yield ESG	47,60	98 %	233,65	22 %	14 064 411	
Alfred Berg Nordic Index	58,16	100 %	55,54	99 %	165 632 510	9 199
Alfred Berg Nordic Investment grade	56,41	99 %	50,93	66 %	1 603 575 332	81 675
Alfred Berg Nordic Investment grade ACC	57,26	99 %	77,09	66 %	552 498	42 593
Alfred Berg Nordic Investment grade FO	55,71	99 %	43,12	67 %	224 390 554	9 675
Alfred Berg Nordic Investment grade Long Duration	56,07	98 %	54,41	67 %	161 539 080	8 790
Alfred Berg Nordic Investment grade Long Dur ACC	57,48	98 %	80,72	67 %	55 530 413	4 482
Alfred Berg Nordic Investment grade Mid Duration	56,82	99 %	43,90	67 %	1 109 971 378	48 725
Alfred Berg Nordic Investment grade Mid Dur ACC	57,35	99 %	65,11	67 %	154 657 528	10 069
Alfred Berg Nordic Small Cap ESG	54,27	99 %	90,05	95 %	16 364 799	1 474
Alfred Berg Nordisk Ansvarlig Kapital	57,19	98 %	0,19	67 %	94 741 076	18
Alfred Berg Nordisk Likviditet Pluss	55,50	96 %	83,92	71 %	482 657 176	40 507
Alfred Berg Nordisk Likviditet Pluss ACC	57,96	96 %	118,37	71 %	99 230 256	11 746
Alfred Berg Norge	57,53	99 %	221,45	97 %	396 762 960	87 864

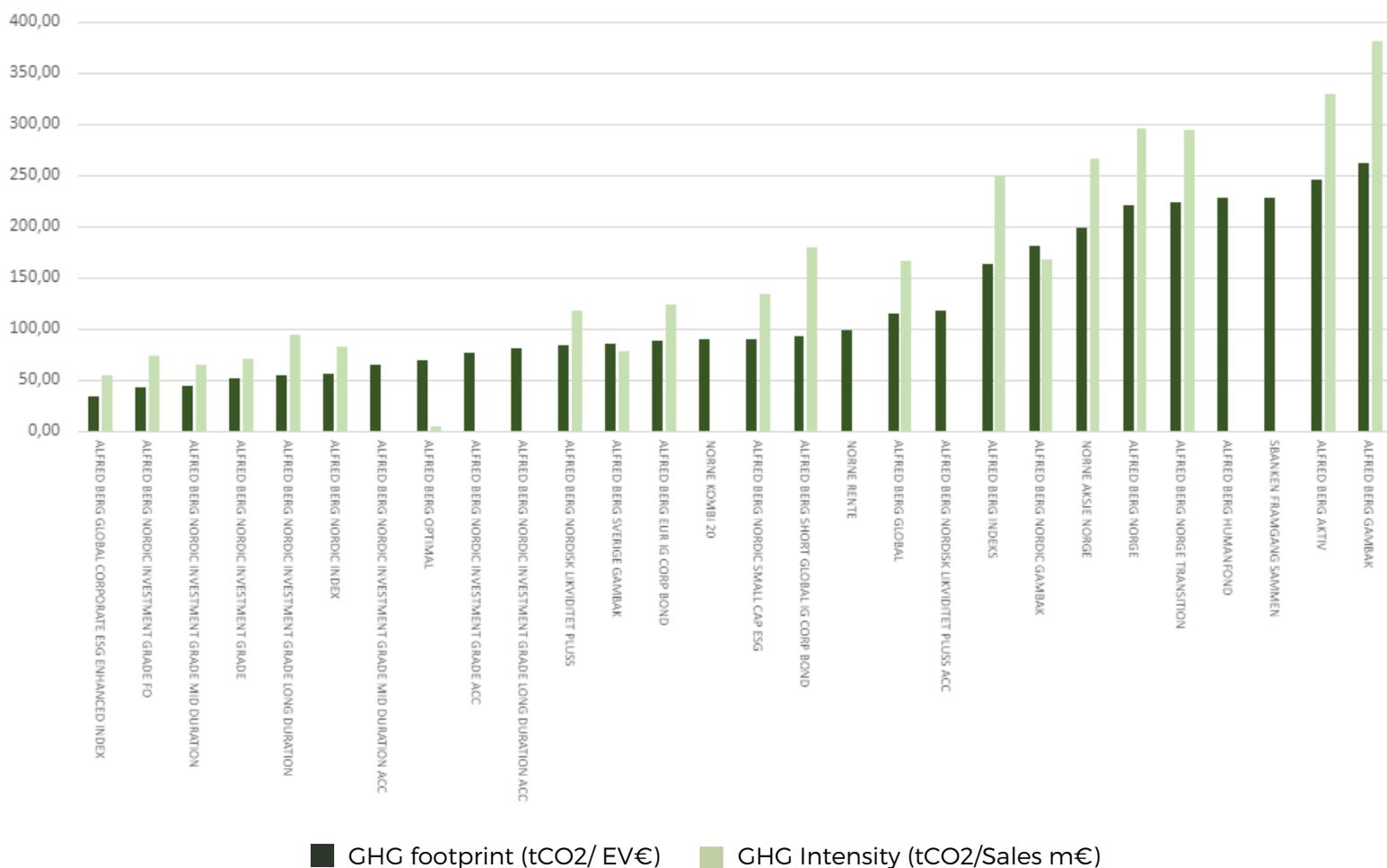


<b>Alfred Berg funds</b>	<b>ESG score</b>	<b>ESG score coverage</b>	<b>GHG footprint* (tCO2/EV€)</b>	<b>GHG data* coverage</b>	<b>€ AUM</b>	<b>Fund GHG emissions (tCO2)</b>
Alfred Berg Norge Transition	57,64	100 %	223,63	98 %	290 523 266	64 969
Alfred Berg Obligasjon	58,93	98 %	50,65	53 %	821 495 464	41 610
Alfred Berg Obligasjon ACC	60,38	98 %	50,65	53 %	821 495 464	198
Alfred Berg OMF Kort	57,59	100 %	0,02	73 %	28 843 339	1
Alfred Berg Optimal	55,47	86 %	69,66	70 %	6 871 356	479
Alfred Berg Short Global IG Corp Bond	58,28	96 %	92,67	87 %	125 937 686	11 671
Alfred Berg Sverige Gambak	58,03	100 %	85,03	98 %	478 984	41
Builder 100					8 58 996	
Builder 20	52,72	72 %			96 985	
Builder 50	46,48	61 %			154 866	
Builder 80					331 958	
Norne Aksje					69 269 665	
Norne Aksje Norge	55,86	100 %	199,32	100 %	2 362 248	471
Norne Kombi 20	53,15	90 %	89,32	66 %	9 481 877	847
Norne Kombi 50	50,47	74 %	90,50	59 %	13 069 675	1 183
Norne Kombi 80	38,14	64 %	81,09	58 %	5 608 870	455
Norne Rente	58,60	91 %	98,89	63 %	101 248 391	10 012
SBanken Fremgang Sammen	58,23	99 %	228,541	97 %	9 003 138	2 058
SPV 100					84 526	
SPV 20	53,32	72 %			88 890	
SPV 50	46,29	60 %			88 238	
SPV 80	36,05	49 %			87 619	
SPV Rente+	51,77	80 %	189,04	52 %	89 656	17

\*Due to lack of data and varying data quality, we only take Scope 1 and Scope 2 into account here. For funds with less than 50% coverage of GHG data we do not publish the numbers as they are not meaningful. We expect to see GHG data availability to increase going forward.

\*\*For Alfred Berg Teknologi, the data is not available for end 2022, but can be found for more recent periods in the fund factsheet on the Alfred Berg website.

## GHG footprint\* (tCO<sub>2</sub>/EVm€) and GHG intensity\* (tCO<sub>2</sub>/Sales m€) of the Alfred Berg portfolios with minimum 50% GHG data coverage:



\*Due to lack of data and varying data quality, we only take Scope 1 and Scope 2 into account here. The data is not calculated for all fund of funds or feeder funds for the moment.

## Total GHG footprint of all the Alfred Berg portfolios with minimum 60% GHG data coverage:

	GHG footprint (tCO <sub>2</sub> /EVm€)	AUM (m€)	% of total AUM	GHG emission "responsibility" (tCO <sub>2</sub> )
<b>Total 2022</b>	99,51	9 822	94 %	977 389
<b>Total 2021</b>	170,26	5 908	65 %	1 006 013

\*Due to lack of data and varying data quality, we only take Scope 1 and Scope 2 into account here.

## The GHG responsibility or carbon footprint of Alfred Berg's clients:

Investors in Alfred Berg funds can calculate their own GHG financing "responsibility" this way:  
Investor carbon footprint = Fund GHG footprint x Investor's invested amount in m€.

Example with 2 000 000 € invested in Alfred Berg Nordic Investment Grade:  
50,93 x 2 = 101,86 tonnes GHG (or tCO<sub>2</sub>)

For the description of:

- approach to incorporation of environmental, social, and governance (ESG) factors and risks in investment processes and strategies
- proxy voting and investee engagement policies and procedures see more here (in Norwegian): <https://www.alfredberg.no/our-approach>

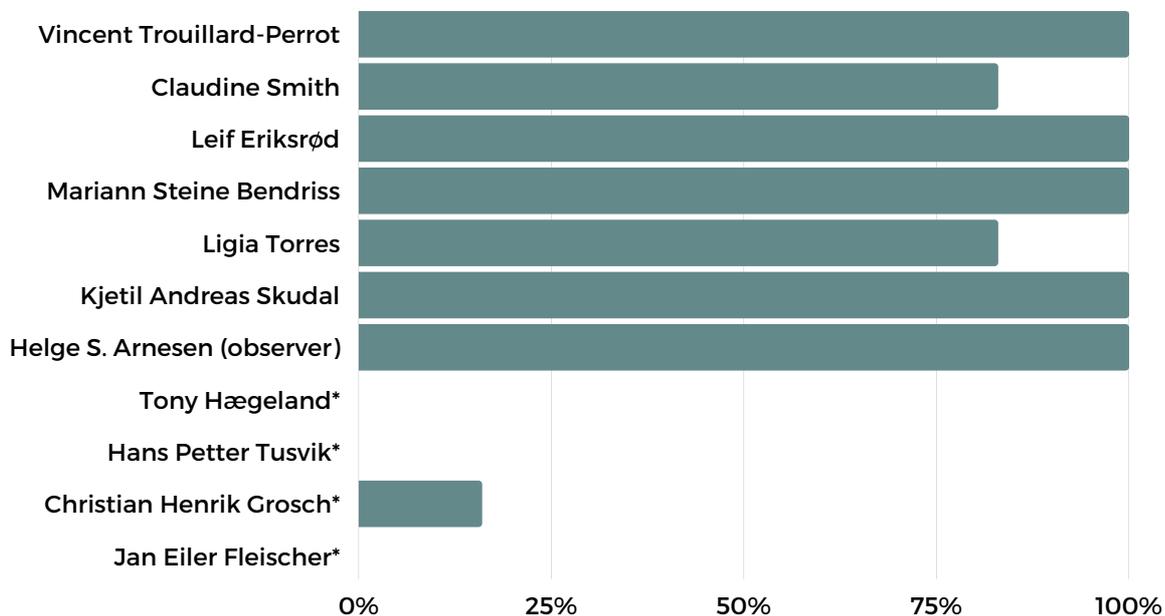
# GOVERNANCE (G)

Alfred Berg is a private company owned 75% by BNP Paribas and 25% by Drypnir AS.  
There is only one share class and all shares have the same voting right.

## The Board of Directors (BOD) per end 2022:

	Gender	Role	Compensation in 2022	Independent	Dependent of:
Vincent Trouillard-Perrot	Male	Chair	0	No	Owner representative
Claudine Smith	Female	Director	0	No	Owner representative
Ligia Torres	Female	Director	100 000 NOK	No	Ex senior manager in BNPP AM
Mariann Steine Bendriss	Female	Director	100 000 NOK	No	Client representative
Kjetil Andreas Skudal	Male	Director	100 000 NOK	No	Client representative
Leif Eriksrød	Male	Director	0	No	Part of executive management
Tony Hægeland	Male	Alternate director	0	No	Former Client representative
Hans Petter Tusvik	Male	Alternate director	0	No	Employee
Christian Henrik Grosch	Male	Alternate director	0	No	Part of executive management
Jan Eiler Fleischer	Male	Alternate director	0	Yes	

In 2022 the BOD held 6 meetings and the attendance was as follows:



\*Alternate Director

The information on the individual BOD members can be found here:  
<https://www.alfredberg.no/styret/>

## BOD committees

The BOD has installed a remuneration committee. Members are Vincent Trouillard-Perrot (chair) and Claudine Smith. There are no separate audit or nomination committees, the BOD in its entirety takes the role of these committees.

## CEO and BOD shareholding:

	Date
Helge S. Arnesen	3,9 %
Leif Eriksrød	3,4 %



## CEO Remuneration:

**Helge S. Arnesen:**

Fixed Salary	ST bonus	LT bonus (deferred)	Other	Total
2 537 219	397 500	1 071 081	18 430	4 024 230

## CEO Bonus system:

The CEO is part of the same remuneration system as all employees of Alfred Berg. The remuneration policy can be found here (in Norwegian): <https://docfinder.bnpparibas-am.com/api/files/EC1061E1-545D-4CEF-ABB0-1D7E0351775>

## DISCLAIMER

This sustainability report for Alfred Berg Kapitalforvaltning has been done with the best intentions to give a fair image of how Alfred Berg Kapitalforvaltning is dealing with sustainability. The report is for information purposes only, not a solicitation or offer to buy or sell any financial product and does not constitute any kind of advice. Alfred Berg Kapitalforvaltning makes no representation as to the accuracy or completeness of the information in the report. Alfred Berg Kapitalforvaltning will not be responsible for any loss or damage, direct or indirect, incurred by the use of the information in the report.