

GENDER EQUALITY AND ANTI-DISCRIMINATION STATEMENT 2023

APPROACH

This statement reflects the activities of Pareto Securities AS ("Pareto Securities")¹. Pareto Securities is obligated to report on equality and anti-discrimination measures and associated staff data in compliance with Norwegian law, specifically the Act on Gender Equality and the Prohibition of Discrimination (the Gender Equality and Discrimination Act, *Nw: Lov om likestilling og forbud mot diskriminering*).

OUR COMMITMENT

Pareto Securities is committed to the principles of non-discrimination and equal opportunity. Our ambition is to cultivate an inclusive, secure, and healthy work environment characterised by a zero-tolerance stance against discrimination and a transparent culture for accountability. Our guidelines are gender-neutral, ensuring equal opportunities for all genders.

Workforce diversity and inclusion are key components in maintaining our strategic goals. To effectively attract, retain, and develop talented individuals, we recognise the need to draw talent from a broad spectrum. Embracing diverse perspectives enhances performance, enriches decision-making, and increases our competitive edge.

We aim to attract and retain top talent. In the finance industry, there is a persistent challenge in recruiting females for front-office positions, and Pareto Securities is no exception. Nevertheless, we are strongly committed to addressing the gender disparity within our organisation and strive to enhance the gender balance in Pareto Securities. We look forward to continuing to put pressure on what we consider to be a long-term commitment.

SUMMARY OF ACTIVITIES

In 2023, we continued our focus on diversity and gender equality within our activities.

In line with our strategic goal of gender diversity, the Board of Directors in Pareto Securities AS have a gender balance of 40% female and 60% male. We believe that a more balanced representation of males and females on the board of directors is good for our business and in line with the expectations of our stakeholders. We also believe that this will help to improve gender balance throughout our organisation.

Our commitment to equality and diversity remains steadfast in our recruitment processes. We ensure that females and men are actively involved at every stage, from job screening, interviews, and our mentor program. Additionally, we have specifically targeted female finance groups within our advertising efforts, aiming to attract more female applicants. We anticipate that these initiatives will improve the representation of females within the organisation over time.

We continue to support initiatives that attract and retain female talent in the finance industry. Pareto Securities was a Premium Partner at Women's Finance Day at the Norwegian School of

¹ Pareto Securities AS with subsidiaries, also referred to as the "Group".

Economics, and we also contributed to Women in Finance at the Norwegian University of Technology and Science. We have had the pleasure of participating in workshops and social events with Women in Finance at BI Norwegian Business School, Embla Invest at the Norwegian University of Technology and Science and Female network from Linköping University. These workshops have focused on knowledge sharing, motivating for a career within finance, and interview training.

Throughout the year, we have organised social events exclusive to female employees. Additionally, we have facilitated home office use to promote a better balance between professional and family life.

At Pareto Securities, we prioritise the well-being and prosperity of our employees. We are committed to fostering a healthy and safe work environment, both physically and mentally, and promoting continuous professional and personal growth. We recognise the importance of work-life balance and encourage our employees to prioritise their health, stay physically active, and utilise our health insurance for professional assistance when necessary. Ensuring the health and well-being of our employees is paramount for a thriving workplace culture.

Our comprehensive health insurance program covers all employees. Absence due to illness has been monitored and is consistently low at 0.9% (2023).

Activities offered to our employees throughout the year include Crossfit, running, yoga, cross-country skiing, alpine skiing, football training, and paddle tennis. For the second time, Pareto Securities had a female team participate in Holmenkollstafetten in Oslo in 2023, and we had a record number of teams participating, hopefully expected to increase further in 2024.

We are actively involved in several external events and support athletes and teams. In 2023, we partnered with Vålerenga Fotball, building on our shared aim to contribute positively to the community, promote equal opportunities, and ensure ethical business operations. The collaboration enables us to support their focus on providing young female players with opportunities to play football at the highest level, regardless of their background. In addition, our employees can experience football as an area for joy, inspiration, and social community through this partnership.

Pareto Securities has established a Working Environment Committee consisting of both females and males, and the Committee has met regularly throughout 2023.

In 2023, all employees received a new employee handbook tailored with updated information related to health & safety at the workplace. Several of our offices have offered Cardiopulmonary resuscitation (CPR) courses throughout the year. This training equips our employees with skills and knowledge to respond in emergency situations.

STATE OF GENDER EQUALITY ²

PERMANENT EMPLOYMENT

At the end of 2023, Pareto Securities had 439 permanent employees, of which 341 were male and 98 females. The primary reason for the headcount variation between 2023 and 2022 is the divestment of Aktieinvest FK AB, a subsidiary of Pareto Securities AB since 2019. Male employees are more predominantly represented in front positions than in non-front positions within the organisation. We are continuously striving to enhance gender balance, including both front and non-front positions. We have very few part-time employees (Nw: *deltidsansatte*). These are mainly students working in our reception and in our AML team, thus voluntarily part-time employment.

Fulltime employees (No/%)	2022	2023
Total	480	429
Females	122/25%	93/ 22%
Males	358/75%	336/ 78%
Part-time employees (No/%)	2022	2023
Total	33	25 ³
Females	20 /61%	10/40%
Males	13 /39%	15/60%
Involuntary part-time employees (No)	2022	2023
Total	0	0
Females	0	0
Males	0	0

TEMPORARY EMPLOYMENT

We have a limited number of temporary employees (Nw: *midlertidig ansatte*). The use of temporary contracts is usually associated with internships allowing students to combine temporary work at Pareto Securities with ongoing studies to obtain practical industry work experience with working periods from 8 to 12 weeks. Such Internship Programs are common in the finance industry.

Temporary employees (No/%)	2022	2023
Total	36	41
Females	6/17%	7/17%
Males	30/83%	34/83%

² All numbers are presented as of 31 December 2023.

³ We differentiate between part-time employees with a reduced FTE percentage and part-time employees who are students working with AML or in the reception. Only part-time employees with a reduced FTE percentage have been included in the total number of permanent employees (439).

NEW EMPLOYEES

New employees (No/%)	2022	2023
Total	56	54
Females	14/25%	12/22%
Males	42/75%	42/78%

EMPLOYEE TURNOVER

Since our establishment in 1986, we have had the privilege of working with numerous talented colleagues on our journey. In 2023, we had the opportunity to gather ~200 previous and current colleagues for a networking event and a business update from our CEO, Christian Jomaas. It is important for us to stay connected and follow the continued success of our alumni as we often continue to work together, only in different settings. In 2023, we welcomed 53 new permanent full-time employees in the Group. Further, 16 employees were transferred across departments and offices, exploring new opportunities within the Group.

Employment turnover rate (%)	2022	2023
Total	13%	11%
Females	3%	3%
Males	10%	8%

PARENTAL LEAVE

Both males and females are offered and encouraged to take parental leave to promote equality and contribute to a better life-work balance. We additionally provide our employees with paid parental leave that exceeds the mandated regulatory requirements.

Parental leave (No/% of employees)	2022	2023
Total	30/na	27/6%
Females	9/na	8/8%
Males	21/na	19/6%
Parental leave (total no weeks/average no weeks)	2022	2023
Total	323/na	336 / 12,4
Females	211/na	208 / 26
Males	112/na	128 / 6,7

CATEGORISATION OF POSITIONS AND REMUNERATION

We place emphasis on ensuring that remuneration decisions are executed with fairness and impartiality. Our remuneration policies are founded on several factors, including contributions to operating revenues, client focus, a balanced approach to risk, loyalty, fostering competence development in oneself and fellow employees, long-term commitment, and a strong commitment to teamwork. The compensation structure for front staff is predominantly determined by their capacity to generate business. Consequently, it frequently correlates with seniority and experience within both the finance industry and the firm.

Our endeavour has been to systematically categorise employee positions (Nw: *stillingskategorier*) in a manner that ensures comparability. This approach allows us to assess the extent to which equal pay is provided for work of equal value. As an initial step, we have differentiated positions based on departments and relevant subcategories. This differentiation enables us to analyse relevant factors such as responsibility, performance requirements, necessary competencies, and minimum educational prerequisites. However, a significant challenge arises from the granularity of this organisation, particularly when dealing with numerous categories. Our database, structured in this detailed manner, presents privacy concerns that prevent us from publicly disclosing our results. We have therefore classified employee positions into two distinct categories as outlined below:

Front: Includes Investment Banking, Equity Sales, Fixed Income Sales, Sales Traders, Equity Research, and Credit Research (Headcount⁴, FC⁵ and TC⁶)

Non-Front: Includes Business Support positions (Compliance, Risk, ICT, Settlement, Finance, and HR) and Business Support (Headcount, FC and TC)

Front 2023 (2022)	Age	Tenure	Headcount ⁴	FC ⁵	TC ⁶
Females	36 (37)	6,2 (6,2)	28 (31)	78% (80%)	64% (63%)
Males	38 (38)	7,9 (7,8)	267 (270)	100% (100%)	100% (100%)

Non-front 2023 (2022)	Age	Tenure	Headcount ⁴	FC ⁵	TC ⁶
Females	43 (42)	9,5 (8,9)	70 (91)	91% (82%)	76% (70%)
Males	44 (44)	10,4 (9,1)	74 (88)	100% (100%)	100% (100%)

All employees 2023	Age	Tenure	Headcount ⁴	FC ⁵	TC ⁶
Females	41 (40)	8,6 (8,3)	98 (122)	83% (79%)	52% (50%)
Males	40 (40)	8,4 (8,1)	341 (358)	100% (100%)	100% (100%)

	Front			Non-front			All employees		
	ΔFC	ΔFC	ΔHeadcount	ΔFC	ΔFC	ΔHeadcount	ΔFC	ΔFC	ΔHeadcount
Females	-2 %	1 %	-10 %	9 %	6 %	-23 %	4 %	2 %	-19 %
Males	0 %	0 %	-1 %	0 %	0 %	-16 %	0 %	0 %	-5 %

⁴ Total employees at year-end.

⁵ Fixed compensation consists of fixed salary excl. of insignificant pension contribution.

⁶ Total compensation consists of fixed compensation, variable compensation, excl. of insignificant pension contribution.

Results

The analysis of remuneration disparities reveals an overall positive development in the Group from 2022 to 2023. Within front positions, the individual financial compensation parameter primarily being a function of the employees' ability to generate business and therefore often correlated with seniority and experience from the finance industry and the company, account for the disparity between males and females in these functions. In recent years, Pareto Securities has an increase in female employees, who predominantly occupy junior-level positions. We place emphasis on enhancing the representation of female professionals in front positions. Simultaneously, we are committed to coaching our existing female staff, nurturing them into future dealmakers. This strategic approach aims to reduce the gender disparity and narrow the compensation gap.

Within non-front positions, there is less disparities than in front-positions. The standard compensation variations across roles, professions and experience, account for the disparity between males and females in these functions.

When evaluating compensation for female and male staff members in comparable roles, considering their contributions and performance, we have not identified any differences in compensation.

OUR WORK FOR GENDER EQUALITY AND AGAINST DISCRIMINATION

Principles, procedures, and standards for equality and against discrimination

Our work for equality and against discrimination is rooted in our strategies, tools, and guidelines. The work is anchored in the strategy plan and is on the agenda of Pareto Securities' governing bodies. Both the Board of Directors and the management are aware of the statutory requirements and social expectations of measures to promote gender equality and prevent discrimination in our business.

Our Diversity and Inclusion Policy sets out the following key principles:

- Zero tolerance for discrimination and harassment
- Treat colleagues with fairness and respect, irrespectively of background
- Keep the internal dialogue open and safe
- Do what we can to make colleagues feel valued and belonging to a community

Considerations of equality and non-discrimination are otherwise included in the personnel policies.

Pareto Securities have established a whistleblowing function that is intended to encourage employees to report confidentially and anonymously, without fear of retaliation, any activity or business practice that they suspect or consider to be unethical or illegal or involves discrimination or harassment. Our external whistle-blowing function is handled by an independent, experienced law firm with a duty of confidentiality to lower the threshold for an employee compared with having to contact a superior.

Our headquarters in Oslo meets the requirements for universal design, which means that our offices are usable for all, regardless of disabilities. Our kitchen labels food with allergens and offers gluten-free alternatives.

How we work to ensure equality and non-discrimination in practice

Pareto Securities aims to provide a workplace free from discrimination. We have zero tolerance for any form of harassment, victimisation, or similar violations in the workplace. We expect our employees to be responsible for treating others with dignity and respect and to report all incidents of harassment immediately so that they can be quickly and fairly resolved.

Through our investigations and analysis of whether there are risks of discrimination or obstacles to gender equality in Pareto Securities, we have identified both risks and have taken relevant measures.

Identified risks of discrimination and obstacles to gender equality

The risks of discrimination and obstacles to gender equality, as identified, specifically pertain to recruitment, employee development, and the working environment:

- We mainly recruit from financial studies, where the number of female students and students with multicultural backgrounds is still relatively low.
- The underrepresentation of multicultural and female employees in the finance industry can discourage some students. Lack of knowledge about the opportunities in the financial sector among female students and students with multicultural backgrounds may lead to opportunities not appearing to be sufficiently attractive.
- The fact that the top management in several companies in the finance industry consists of ethnic men may lead to a lack of role models for females and minorities.
- We have a strong tradition of cultivating leaders internally. Although the proportion of females is constantly increasing, it takes time before this results in more females in key roles.
- A common misconception about the finance industry is that it requires a lot of travel, which may give the impression that it is not a family-friendly workplace. High workload is a possible risk factor. The same is the balance between work and private life.
- Unconscious bias in recruitment and promotion can also be an obstacle to equality.
- Inadequate internal mapping beyond gender, age, education, and work experience, may entail a risk that discrimination of some aspects of diversity is unaddressed.

Measures to promote gender equality and non-discrimination

- Gender-neutral guidelines and equal opportunities for both females and males.
- The Board of Directors and top management regularly discuss organisational composition, gender balance, and recruitment strategy.
- Top management and respective department heads are responsible for working actively with equality and diversity issues in their daily business as well as within recruitment processes and the composition of working groups.
- Human resources management shall ensure that management and employees are aware of the principles set out in our Diversity and Inclusion Policy and that this awareness is reflected in the daily work.
- The Working Environment Committee meets regularly and consists of two females, one male and one representative from the occupational health service.
- Regular dialogue with the occupational health service, employee representatives, and HMS representatives contributes to the follow-up of the measures.

- Our whistleblowing function includes the possibility for our employees to report any activity or business practice that they suspect or consider involves discrimination or harassment without fear of retaliation.
- Neutral job advertisements, hiring processes and contracts and measures to ensure that processes are equal, fair, unbiased, and inclusive.
- Recruitment process principles based on merits and suitability for the role only.
- Recruitment teams composed of both genders, if possible.
- Collaboration with interest organisations and participation in student events that promotes diversity, including the Norwegian School of Management (NHH), the Norwegian University of Technology (NTNU), BI Norwegian Business School, Stockholm School of Economics, and Linköping University, with the aim to inspire talented and high-calibre young females to pursue a career within the finance industry.
- All employees are offered a health check every second year.
- Employees shall be followed up by their manager, also during parental leave and on sick leave.
- Facilitating the use of home office, so that it will be easier to combine work and family.
- Cooperation at the group level to identify measures to promote equality.
- Awareness raising and countering potential biases on a regular basis.
- Initiatives and events for employees with the intention of increasing well-being, including Pareto Active and exclusive social events for female employees.
- Continuously review our guidelines on equality and discrimination and work to improve the operationalisation of these guidelines in our daily work.
- Monitoring of actual gender state and remuneration.