

# Sustainability report 2021

Pareto Securities Group





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Pareto Securities is an independent full-service investment bank with a leading position in the Nordic capital markets, a strong international presence and global placing power. We aim to be the preferred Nordic supplier of financial services, providing sound financing solutions and attractive investment opportunities for companies and investors.

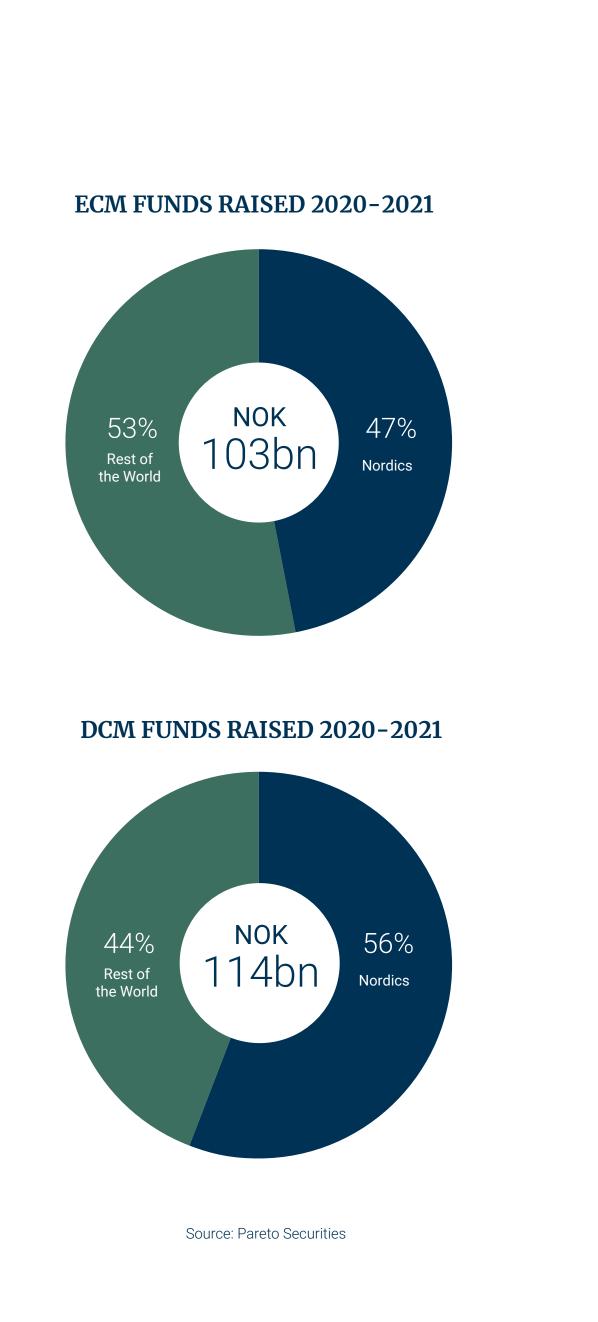
Pareto Securities was established in 1986 as an independent partnership with focus on Nordic industries and enterprises and is founded on deep industry knowledge and a global investor network built over more than three decades. Our independence enables us to focus on one thing: providing our clients with the best financing solutions in the market at all times. We conduct approximately 300 capital market transactions a year, which means that we always have a deal in the market. This gives us a unique basis for advising our clients on what is possible to achieve, and what is not.

We continuously strive to build and maintain trust among our clients and investors by providing innovative, creative and different financing solutions and investment opportunities. We have an honest, hands-on, can-do and never-give-up approach. We believe in hard work, focus and long-term commitment.

This report covers the parent company Pareto Securities AS and its subsidiaries, i.e. the Group. All numbers presented in the report as at 31 December 2021.

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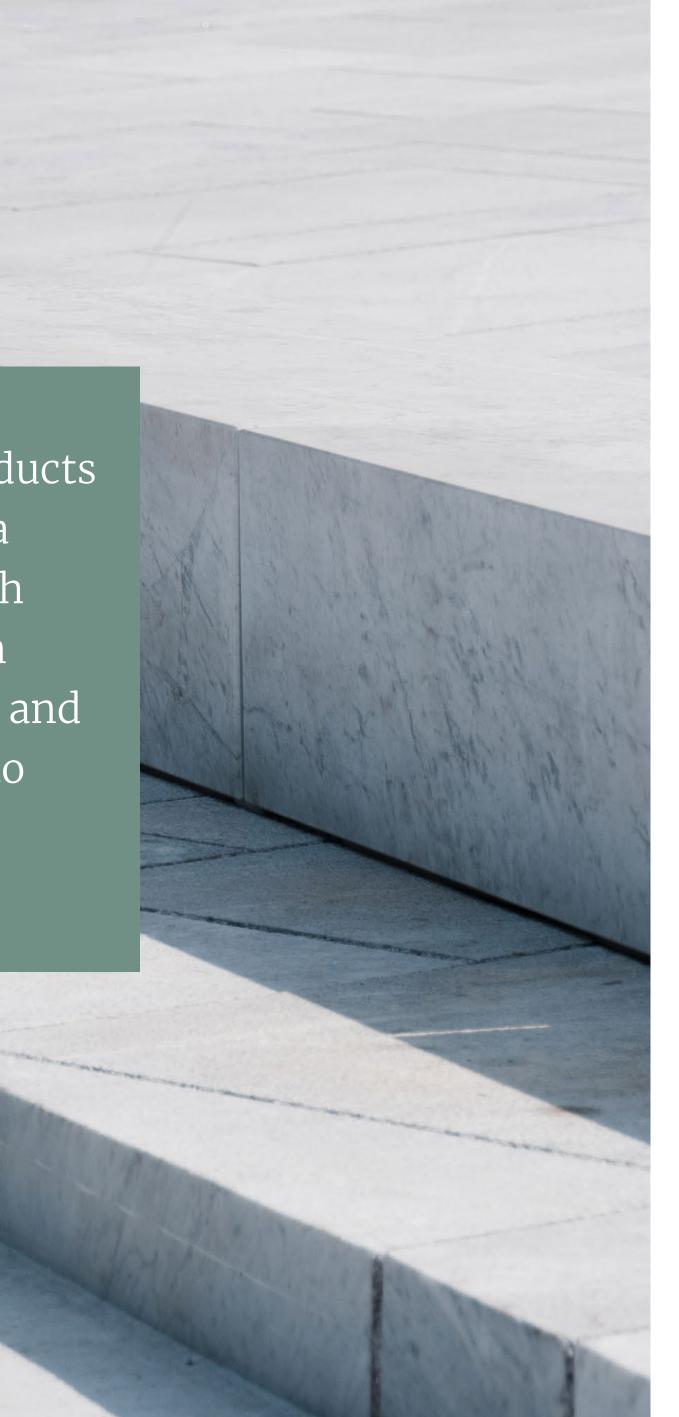
## Local Presence – Global Reach

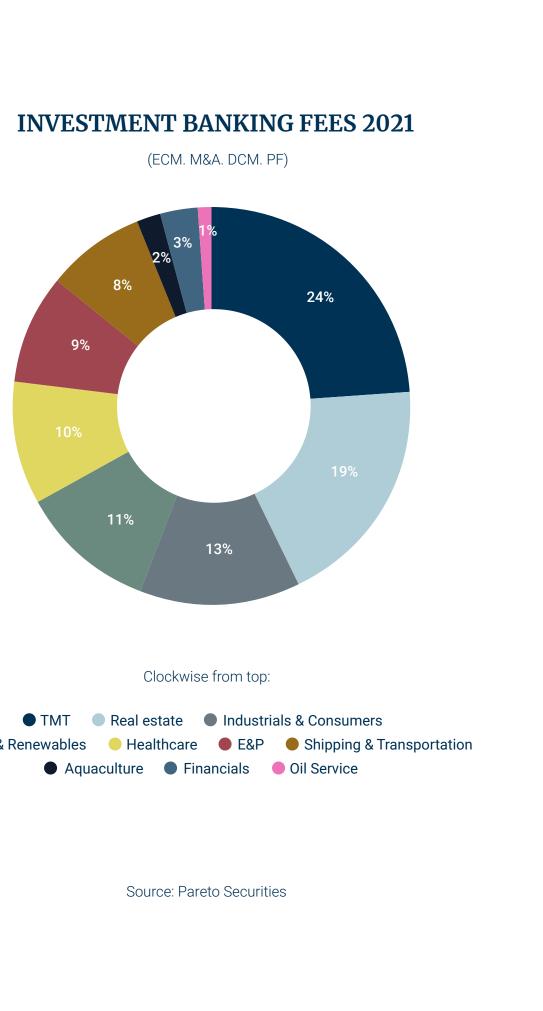


**INVESTOR REACH** 

## **Pareto** Securities

Increased diversification in terms of both products and sectors, as well as geographics, provides a stable platform for further, sustainable growth in Pareto Securities. We have especially grown presence within energy transition, healthcare and technology, and we expect this development to continue.



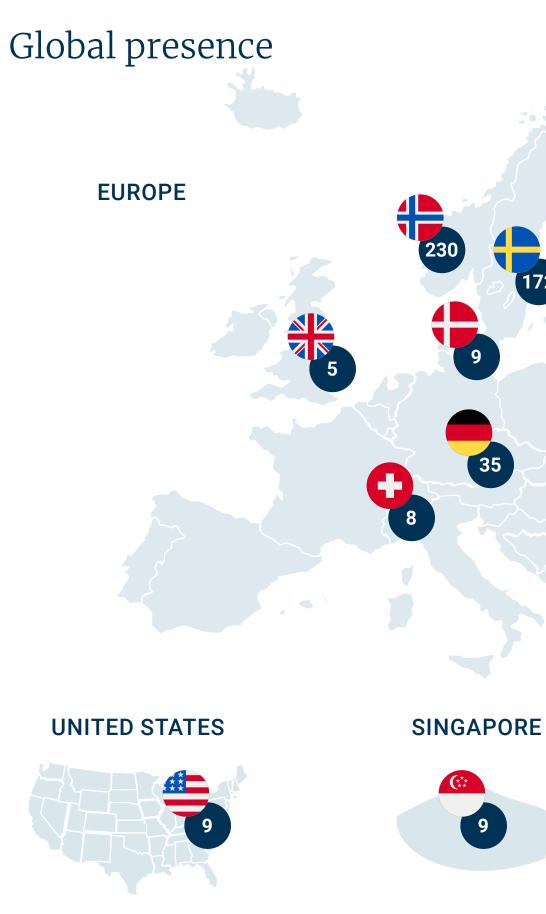


Power & Renewables





7. REPORTING AND DATA



### Established relationships with corporates and investors globally Pareto Securities is headquartered in Oslo, Norway, with 487 high-caliber employees located in 13 offices in Norway, Sweden, Denmark, Finland, United Kingdom, Germany, Switzerland, USA, Singapore and Australia.

 $\star$  41 of 172 employees is from our fully owned retail investor broker Aktieinvest FK AB

#### ESTABLISHED IN



#### **HIGH-CALIBER EMPLOYEES**



#### **PRESENCE IN SEVERAL COUNTRIES**



#### **OFFICES AROUND THE WORLD**



Source: Pareto Securities

Number of permanent employees per 31 December 2021





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## Dear reader!

revenues in the history of the Group.

Our ability to make significant progress on many fronts, including sustainability, is a tribute to the commitment of our employees, the strength of our culture and the resilience of our strategy.

Our revenue base has become more diversified, in terms of both products and industries, as well as geographics. Diversification provides a stable platform for further, sustainable growth. Pareto Securities has especially grown presence within energy transition, healthcare and technology, and we expect this development to continue into 2022. We are well positioned to support our clients in a world that is changing rapidly, both politically and economically. At the same time, we must steadily change and improve the way we work to perform in line with our core values: trust and quality.

Pareto Securities has proven in the Covid-19 pandemic that we are stable and crisis-proof. Due to our robust business continuity program, our global operations remained fully effective despite the unprecedented shift to our employees working remotely. For us, taking responsibility also means learning from the experiences of the pandemic. For example, this applies to the way we work together with more flexible and digital working models.

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## 2021 was an unusual and extraordinary year for Pareto Securities. We remained in the midst of a global pandemic that has caused serious humanitarian and economic issues. We also recorded the highest







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We are accelerating our sustainability actions by working with focus areas which we can contribute to and influence the most. These areas are primarily business ethics and anti-corruption, combating climate change, and diversity and equality. As an independent full-service investment bank with a global placing power, we are committed to supporting the energy transition. Our flagship conference, Pareto Securities' Annual Energy Conference, had more than 160 presenting companies and some 3,000 participating investors and industry professionals in 2021. Energy transition and new business opportunities were key themes, and companies taking a leading role in this development participated.

The engagement of our employees is critical in achieving our goals. An important initiative in 2021 was the launch of our first Annual Sustainability Week. During the week, our employees could learn more about the initiatives we are taking, how we measure our progress and how we plan to strengthen our commitment within ESG.

All of this is happening at a time when our clients are undergoing a profound transformation: the transition to a sustainable, climate-friendly and increasingly digital economy. We are convinced that, precisely at times like these, the competence of Pareto Securities is particularly needed and that we can be part of the solution for our clients. We will continue to expand our expertise and commitment in environmental, social and governance across all business areas.

Christian Jomaas Chief Executive Officer









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## Sustainable business

For Pareto Securities, sustainable business is about combining financial solutions with environmental and social responsibility as well as sound governance practices.

We aim to be an organization that takes responsibility for contributing to social goals through climate action, social impact and strong governance, as well as reducing the environmental impact of our internal operations.

Sustainability is an integrated part of our business strategy and one of the Group's fundamental principles. ESG related risks and opportunities are discussed by both the board and the executive management on a regular basis. The board receives annual reports on the Group's development and impact within ESG.

Our Sustainability Policy establishes standards and principles to ensure that the Group operates in a sustainable manner and meets fundamental human rights, labour, environmental and anti-corruption responsibilities as set out in the UN Global Compact. The Sustainability Policy is intended to support the employees in their decisions and daily work, as well as clarifying how sustainability work is integrated with the activities, management and control. The Sustainability Policy is supplemented by the Group's Ethical Principles, Anti-corruption Policy, Diversity and Inclusion Policy and other relevant policies and standards. The policy framework is available on our website.





Our core values are trust and quality. We expect honesty, openness and integrity, both within Pareto Securities and in our interactions with all stakeholders.

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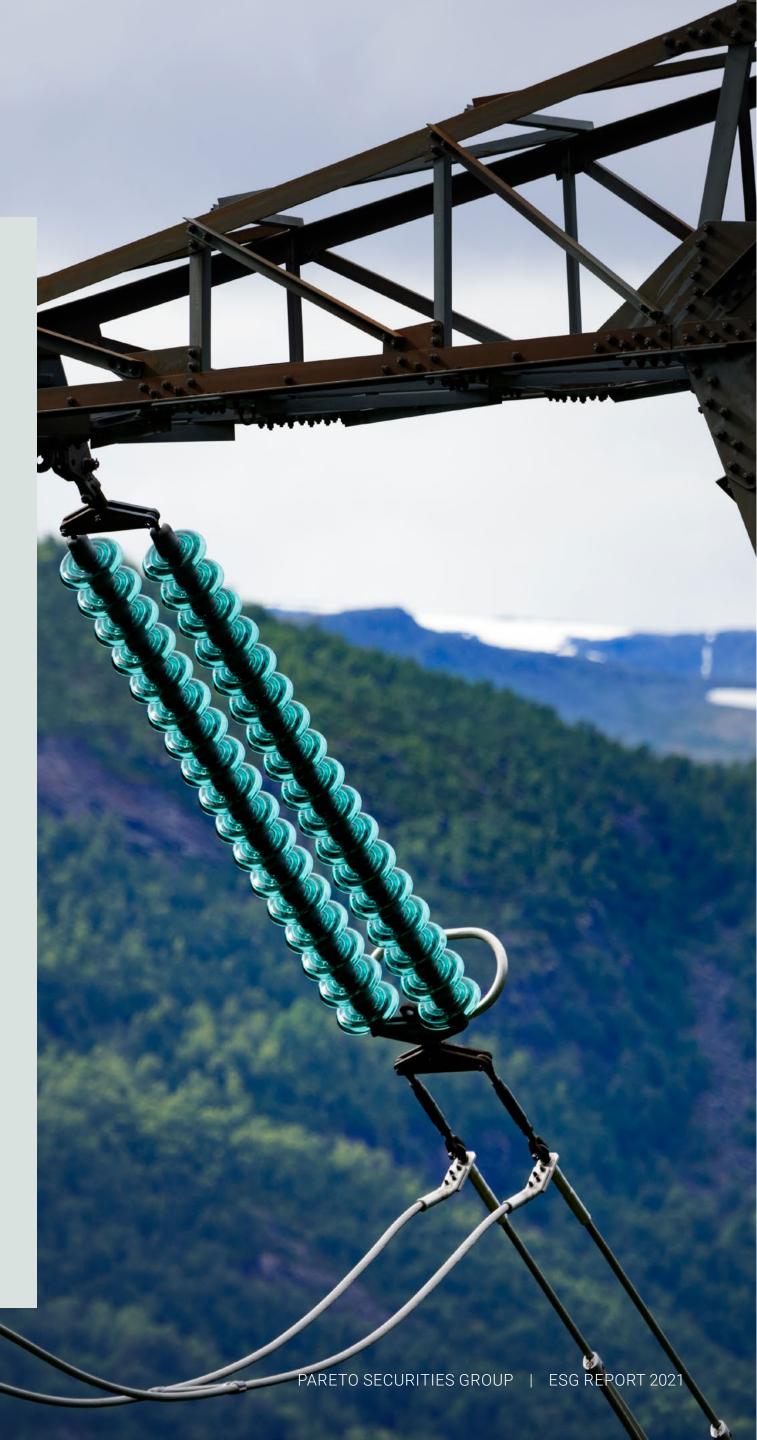
# Environmental responsibility

As an independent full-service investment bank with a global placing power, we recognize our share of responsibilities in combating climate change by supporting the transition to a low-carbon and climate-resilient global economy. For us, this means integrating sustainability into our business strategy by focusing on the areas which we can have an impact.

Our principles and our approach to climate protection are set out in our Sustainability Policy, which describes how we intend to address climate related risks and reduce our own environmental footprint in order to underpin long term value creation.

We take a proactive approach to environmental and climate challenges, constantly striving to be a resource-saving and environmentally efficient organization by setting requirements for our own organization, suppliers and partners.









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### We have set the following four environmental targets:

- Promote companies that can scale up renewable and other climate-friendly solutions
- Educate and inspire Pareto Securities employees to act on climate change
- Compensate greenhouse gas emissions from our global operations
- Address Pareto Securities' internal policies and procedures to align with its climate ambitions

The Groups' exposure to climate risk (physical, transitional and liability risk) was preliminary assessed in 2021 as an integral part of the overall strategic and risk processes. The focus in 2022 will be to continue integrating sustainability in our business operations and increase the competence of our employees within sustainability and climate risk.

> We recognise that good governance as well as fulfilling our responsibility for the environment and to society as a whole is essential for our success.











#### **ENVIRONMENTAL RESPONSIBILITY**

 $\rightarrow$  A driving force in the energy transition Engaging our employees Our internal carbon footprint Our offices **Business travels** Climate impact in our supply chain Offsetting our footprint

## A driving force in the energy transition

Global momentum behind the fight against climate change has never been stronger. We have seen a significant increase in investments targeting opportunities created by the low-carbon energy transition.

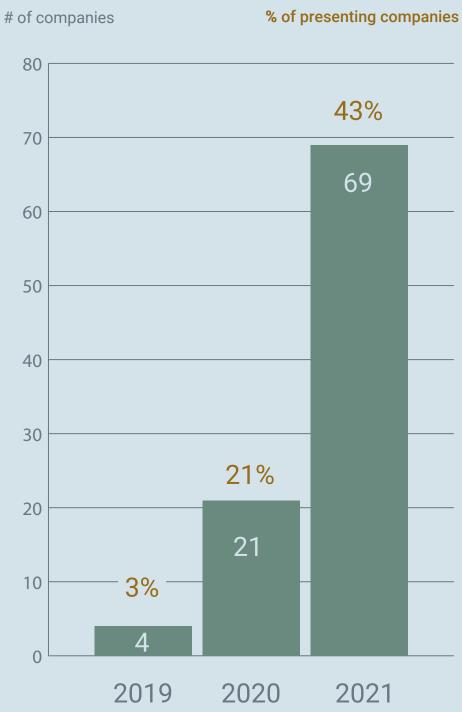
With our long and solid experience within the power and renewables, infrastructure, energy and technology sectors, Pareto Securities is well positioned to accelerate our clients' transition into a greener future. As a leading Nordic Investment bank with global reach, we aim to engage with our clients and support them in their sustainable transition. This is both on the investor and corporate advisory sides of our business.

Our conferences are valuable knowledge sharing platforms, featuring both presentations from growth companies to mature companies and high-level panel discussions on relevant topics. Bringing voices and capabilities together to discuss long-term solutions to environmental challenges has never been more critical. Through our conferences investors and companies can explore the opportunities and challenges for achieving a sustainable energy transition and the decarbonization pathways required to transform the energy sector on a global scale.

Our flagship conference, Pareto Securities' Annual Energy Conference, is the largest of its kind in Europe with more than 160 presenting companies and some 3,000 participating investors and industry professionals. It represents the full breadth of the energy industry – from the traditional oil and gas producers to renewable energy developers and producers, with joint market cap at last year's conference exceeding USD 350bn. The complete value chain is represented. Energy transition and new business opportunities are key themes, and companies taking a leading role in this development are participating. The number of participating companies within renewables and cleantech has increased manyfold in the recent years.

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#### **COMPANIES TARGETING ENERGY TRANSITION OPPORTUNITIES**



The diagram shows the growing number of presenting companies at our annual Energy conference that are targeting energy transition opportunities.

Source: Pareto Securities



## (Pareto Securities



Pareto Securities' 28th Annual Energy Conference included more than 160 presenting companies and some 3,000 participating investors and industry professionals.





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### Rapid increase in green– and sustainable linked bonds

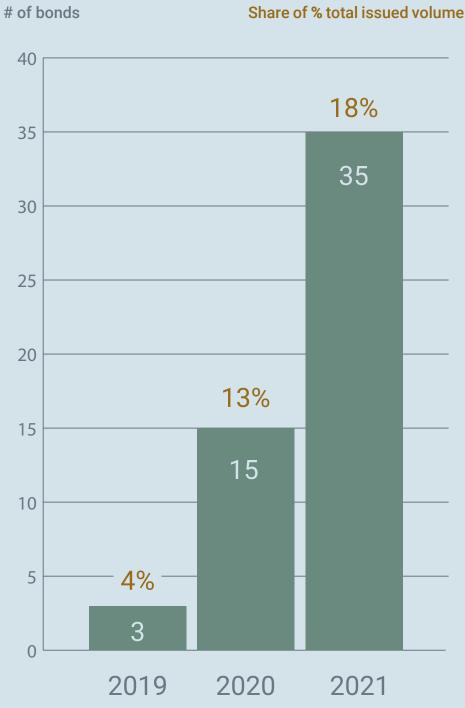
Our wide range of financial services include investment banking, project finance, brokerage and research. In this capacity we have an opportunity to actively identify and work with companies that can scale up renewable energy initiatives and clean technology, as well as companies running their business at the forefront on social and governance criteria. We share this knowledge with our clients to better understand how climate change, climate policy and other ESG-related factors impact investments in various sectors over time.

A clear example of how the capital market matches companies' funding requirements and investors' investment preferences, is the rapid increase in the issuance of Green and Sustainable bonds in the Nordic High Yield market. Pareto Securities pioneered this market in the early 2000s and is still the clear market leader. With our market position, we are well positioned to continue fostering the interaction between the investor community and companies engaged in the energy transition.

We believe the Nordic region have the necessary knowledge, support, and entrepreneurship to be frontrunners in the energy transition from oil and gas to renewable energy sources and are proud to promote these companies to our broad investor base. The Nordics has proven to be ideal for financing energy transition and being the Nordic gateway for investors is at the core of Pareto Securities' operations.



#### **NUMBER OF GREEN- AND** SUSTAINABLE LINKED BONDS IN THE NORDIC HY MARKED



The diagram shows the growing number of green- and sustainable linked bonds in the Nordic HY marked.

Source: Pareto Securities



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## Engaging our employees – Annual Sustainability Week

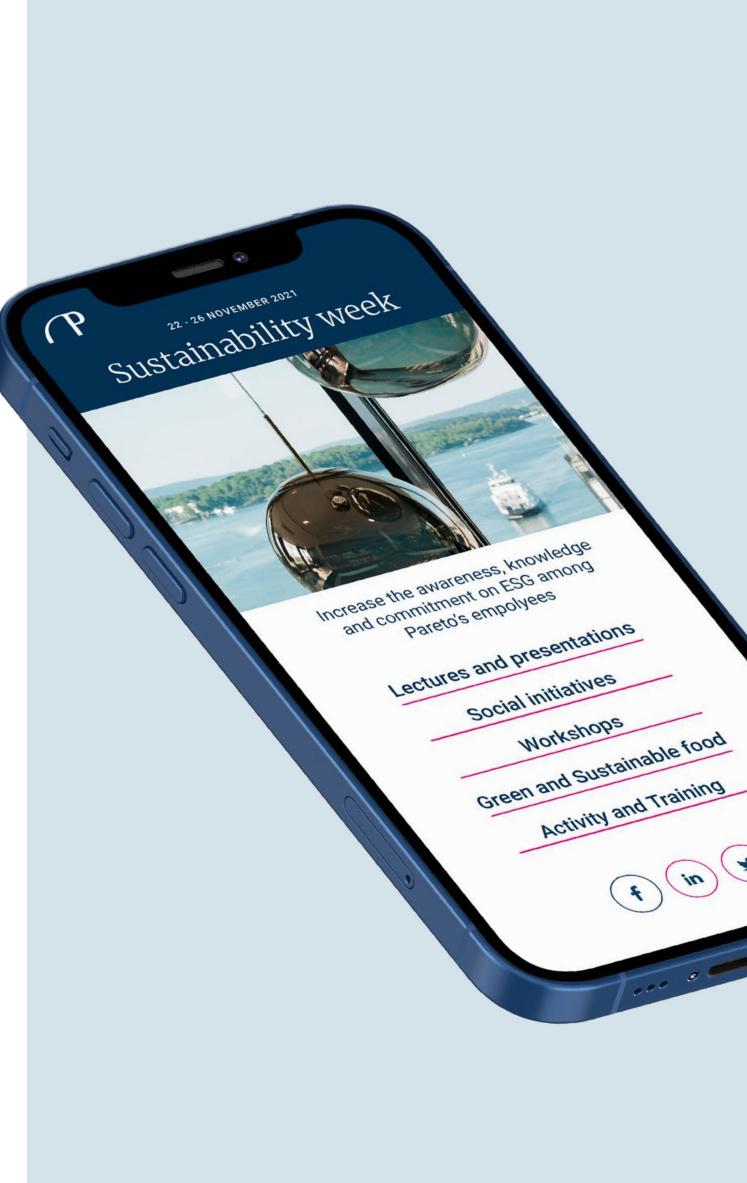
We strive to minimize our environmental footprint and to empower people to make environmentally friendly choices in their daily lives. Our Sustainability Policy includes initiatives to promote greater environmental responsibility, use of environmentally friendly technologies and application of the precautionary approach.

The engagement of our employees is critical in achieving our goals. By taking visible measures internally at Pareto Securities, we aim to inspire all our employees to reduce their personal carbon footprint and pass on their knowledge to clients, family and friends, creating a chain of change for a sustainable future.

In 2021, we launched our first Sustainability Week for Pareto employees, where we put ESG on the agenda. Our employees were invited to learn more about the initiatives we are taking, how we measure our progress, how we plan to strengthen our commitment within ESG, and presentations on relevant ESG-topics from several external and internal speakers. To continue our efforts to encourage our employees to eat healthy and sustainably, we removed all red meat and incorporated a complete vegetarian menu during the Sustainability Week at our headquarters in Oslo, Norway.

Based on the feedback and engagement following the Sustainability Week, we will continue to build awareness, increase knowledge and strengthen the commitment on sustainability within the organization.

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## Pareto Securities

We aim to inspire all our employees to reduce their personal carbon footprint and pass on their knowledge to clients, family and friends, creating a chain of change for a sustainable future.

























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Offsetting our footprint

# Our internal carbon footprint

We are an office-based organization, and our environmental footprint is therefore limited. That said, we are constantly making changes to reduce our negative climate impact.

We focus our efforts on energy management by monitoring and minimizing energy consumption and greenhouse gas emissions derived from our offices and business travels. Our commitment is that the greenhouse gas emissions from our global operations shall be fully compensated. We will achieve this goal by tracking and calculating our greenhouse gas emissions throughout our operations, reducing them and purchasing quotas equaling to our greenhouse gas emissions.

The Group's energy and climate accounts are registered based on the international Corporate Accounting and Reporting Standard. This standard was developed by the Greenhouse Gas Protocol Initiative – the GHG Protocol. The climate accounts reveal tons CO<sub>2</sub>e that are direct and indirect emissions related to the Group. These are greenhouse gas emissions that come from consumption due to energy use, waste management and travel. The climate accounts enable us to identify which sources impact the external environment and how we can implement concrete measures to minimize them.

#### **ENVIRONMENTAL FOOTPRINT IN 2021**





IN 2020 1,168 tCO<sub>2</sub>e

IN 2019 4,403 tCO<sub>2</sub>e

#### **EMISSIONS FROM TRANSPORT**



IN 2020 878 tCO<sub>2</sub>e

IN 2019 4,045 tCO,e

The significantly reduced business travels in 2020-2021 is due to the Covid-19 pandemic and related travel restrictions

#### **EMISSIONS FROM ENERGY**



IN 2020 274 tCO<sub>2</sub>e

IN 2019 336 tCO<sub>2</sub>e

Includes electricity, district heating, stationary combustion and homeworking emissions

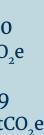
#### **EMISSIONS FROM WASTE**



IN 2020 16 tCO<sub>2</sub>e

IN 2019 22 tCO<sub>2</sub>e

Source: Pareto Securities







#### **ENVIRONMENTAL RESPONSIBILITY**

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## Our offices

and in proximity to public transport.

We map and calculate the energy efficiency of the buildings we rent, with indoor climate management, lighting, insulation and waste management, and assess what measures we can take in the short and long term to improve our environmental footprint. Our offices in Oslo and Stockholm, where approximately 80% of our employees are located, both hold high environmental standard.

Our headquarters in Oslo hold the highest environmental standard and is rated with a preliminary BREEAM<sup>1</sup> Nor Excellence certification. Landlord, Pecunia AS, was the first real estate manager in Norway to have CO<sub>2</sub>-neutral business through UN-certified offsetting and is committed to always be in the forefront of environmental responsibility. Our offices in Stockholm hold a BREEAM Very Good certification.

We also work systematically to reduce, reuse and recycle our waste. Our offices in Oslo and Stockholm feature recycling stations in specific areas. Most Pareto Securities operations are conducted with paperless systems. In recent years, the amount of paper used has been reduced substantially by using electronic signing and archiving of documents.

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## Our offices play an important role in addressing our carbon footprint. We rent modern, energy-efficient buildings with recycling facilities



80% of the employees work in offices with BREEAM Excellent/ BREEAM Very Good certification.

# BREEAM





<sup>&</sup>lt;sup>1</sup>BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognizes and reflects the vale in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. breeam.com



#### ENVIRONMENTAL RESPONSIBILITY

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## Business travels

Because we are a global investment bank with colleagues spread across different countries and have a business model based on bringing people together, business travel is unavoidable and our greatest direct climate impact.

In recent years, we have invested significantly in IT infrastructure and training to facilitate efficient collaboration solutions. We are also monitoring our business travels. Our Travel Policy encourages our employees to limit air travel and instead use environmentally sound alternatives such as virtual meetings.

Unsurprisingly, the Covid-19 pandemic and related travel restrictions suddenly reduced business travel emissions. In 2020 and 2021, compared to our 2019 baseline year, emissions from business travel were down approximately 96% in absolute terms. Due to our focus on efficient IT infrastructure and online collaboration tools, we were able to transition our workforce almost overnight to remote working, while continuing to deliver client service and keeping teams connected.

The pandemic has given us a unique opportunity to reassess our business travel norms and client delivery approach. We aim to learn from this experience to sustain lower business travel emissions. We expect business travel activities to increase in 2022 and onwards from the significantly low levels in 2020-2021. However, we will continue the elements of work that can remain virtual going forward and travel when it is key to client value creation and our employee value position.

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# Climate impact in our supply chain

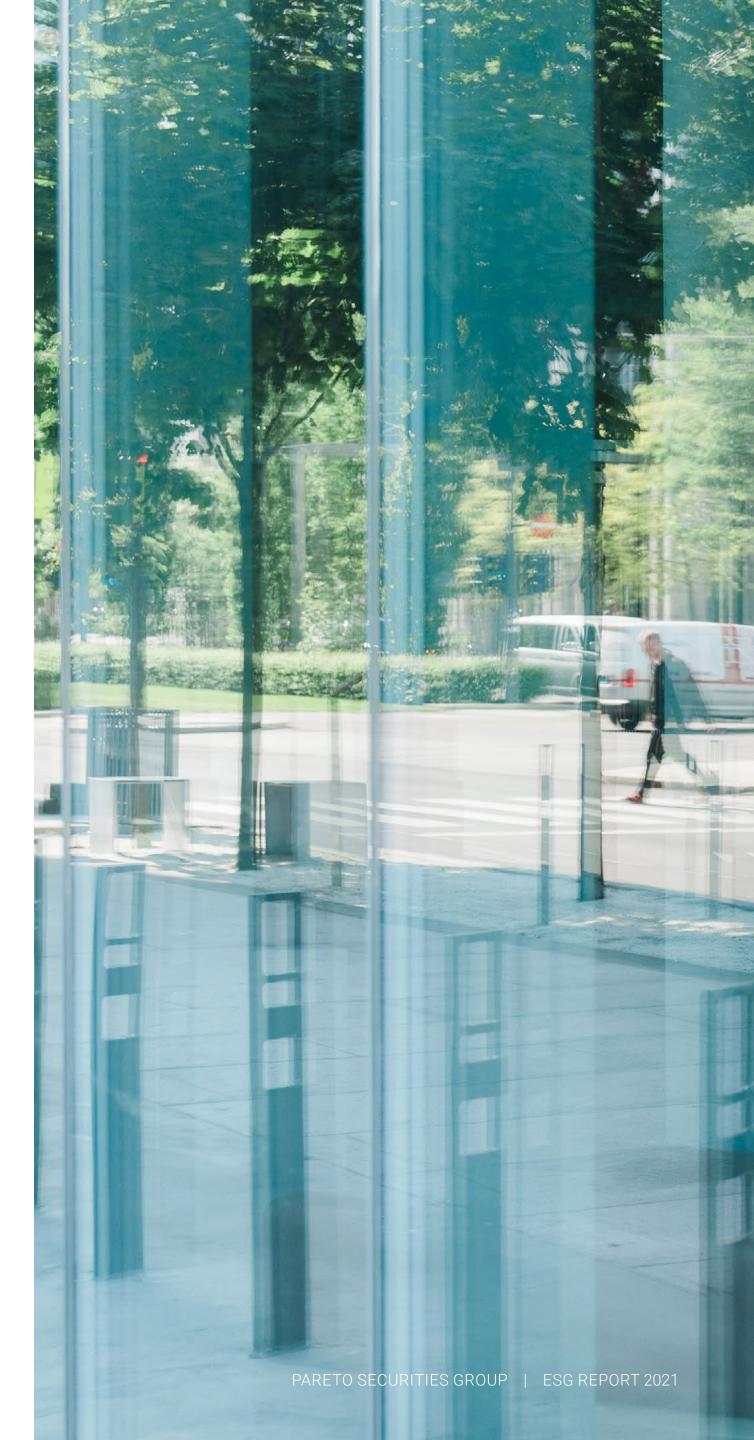
To successfully reduce our climate impact, we also engage in dialogue with stakeholders and suppliers on climate change and take a variety of viewpoints into account when further developing our approach to this challenge.

Sustainable purchasing involves suppliers' awareness of their supply chain and the work they do to reduce their negative impact on the environment, social conditions and conduct throughout their supply chain. Pareto Securities' largest purchasing categories are IT systems, property operation and external consultants.

We expect our suppliers to adhere to similar standards as ourselves in respect of climate, natural environmental and social responsibilities. It is reflected in our Sustainability Policy that we should place emphasis on good sustainability standards when choosing suppliers. Accordingly, key suppliers should be able to document that they adhere to the same high standard as we do or have an ongoing documented process to adhere to the same standards.

Our efforts to include climate issues and other sustainability issues in our sourcing process will continue in 2022.

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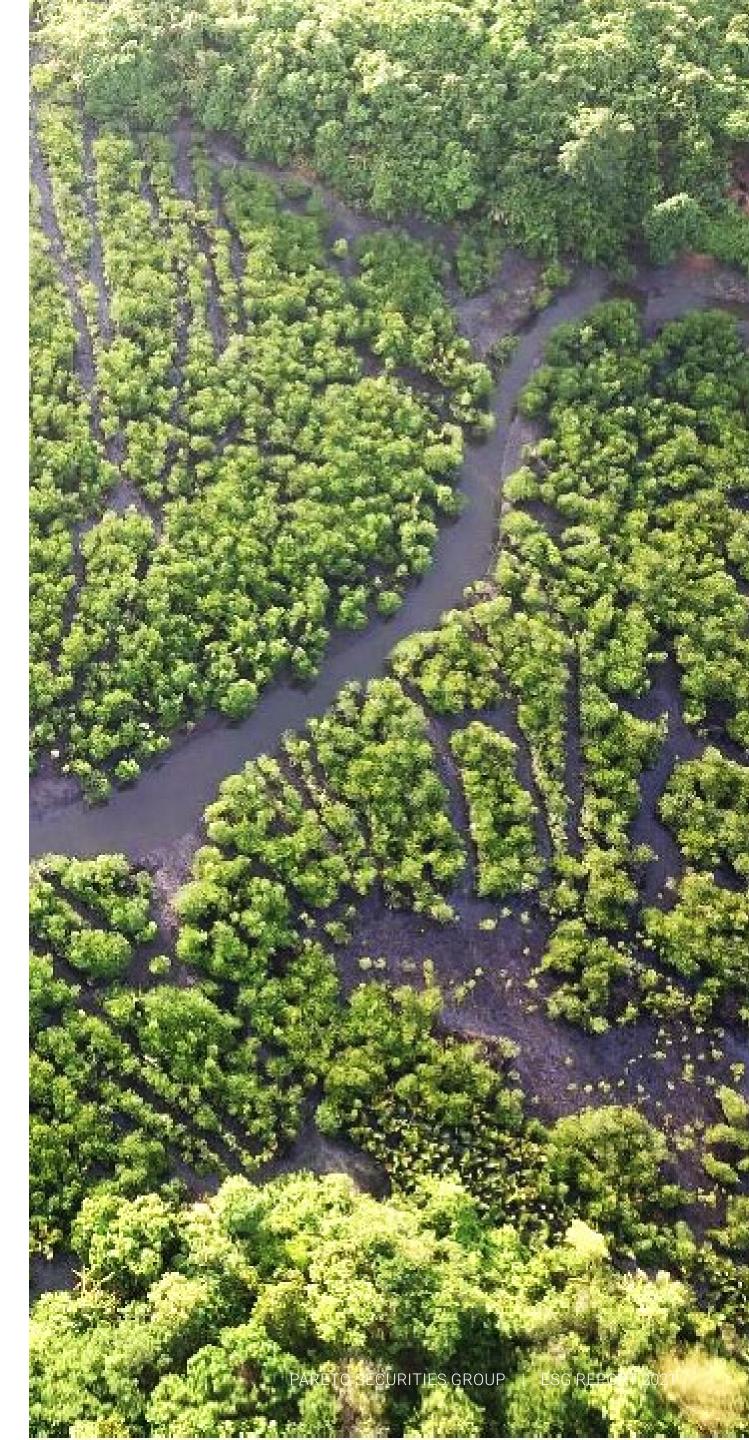
# Offsetting our carbon footprint

While continuing to focus our efforts on reducing our carbon footprint, we also want to minimize the climate impact of our unabated emissions. Accordingly, we purchase and retire an equivalent volume of independently verified carbon credits on the voluntary carbon market for all of the Scope 1, Scope 2, and Scope 3 emissions that we cannot yet eliminate from our footprint.

We direct our voluntary carbon-offset purchases toward carbon dioxide removal (CDR) projects, with the added objective of helping to scale projects that the world will need to achieve the ambitions of the Paris Accord. From 2019, we have chosen a CDR project that actually contributes to removing additional  $CO_2$  from the atmosphere by restoring mangrove forests: The Thor Heyerdahl Climate Park. This project contributes to several SDGs.









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## Planting of degraded mangrove forests has numerous positive impacts on the climate, the environment, and on local sosio-economic conditions:

- Planting new mangrove forest binds CO<sub>2</sub> from the atmosphere through photosynthesis and thereby contributes to mitigating climate change. One new mangrove tree can bind approximately 1 tCO<sub>2</sub> over a twenty-year period.
- Mangroves mitigate up to 5 times more  $CO_2e$  than other trees in the rainforest.
- Of all trees on the planet, the mangrove is the only one which can grow in saltwater.
- Mangrove forests protect coastal areas, including animals, people and properties from extreme weather conditions such as cyclones.
- The network of roots also filters polluted water in protection of seagrass and coral reefs. • Mangrove forest increase seafood production by up to 50% and are a crucial habitat to
- foster biodiversity for endangered animals and plant species.
- Planting mangrove forests create local jobs both directly through breeding and planting, but also indirectly by strengthening the livelihood of local communities.









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# Corporate responsibility

Our success relies on the confidence our stakeholders have in us. We are committed to conducting our business in a responsible, ethical and lawful manner. Our main role is to contribute to a well-functioning financial market and efficient allocation of capital by providing a number of regulated services and activities based on fully harmonized EU rules (MIFID II). The Group and the financial markets in which the Group operates are subject to extensive supervision by the respective financial supervisory authorities. We will continue to contribute to upholding market integrity by refining good practice standards.







#### CORPORATE RESPONSIBILITY

→ Ethics and Anti-corruption

Combating money laundering and terrorist financing

Compliance

Whistleblowing

Risk management and capital adequacy

Data security and personal data protection

## Ethics and anti-corruption

Our Ethical Principles are built on Pareto Securities' values. They are intended to, among other things, fighting corruption, extortion, bribery, money laundering, fraud, terrorist financing, and the financing of other criminal activities.

Together with our policies, procedures and applicable laws and regulations, the Ethical Principles provide the framework for what we consider responsible business conduct and describe the way we aspire to work. All employees shall sign the Ethical Principles. We focus on the board, management and employees receiving good training in our ethical framework and has established training programs that includes ethics. Annual refreshers on ethics are also provided via the authorization scheme for financial advisors. Our Ethical Principles are available on our website.

Pareto Securities is firmly opposed to corruption in all forms, including bribery and trading in influence. Corruption undermines legitimate business activities, distorts competition and exposes individuals to risks. We do not allow anyone involved in our business to offer, give, ask for, accept or receive any form of bribe, including facilitation payments.

Our employees undergo regular anti-corruption training and we conduct monitoring to uncover suspicious transactions. No corruption incidents were reported or suspected in 2021. Our zero tolerance for corruption is reflected in our Anti-corruption Policy, available on our website.



#### ZERO TOLERANCE FOR CORRUPTION



ZERO CORRUPTION INCIDENTS REPORTED OR SUSPECTED IN 2021



Source: Pareto Securities



#### CORPORATE RESPONSIBILITY

#### **Ethics and Anti-corruption**

 Combating money laundering and terrorist financing

Compliance

Whistleblowing

Risk management and capital adequacy

Data security and personal data protection

# Combating money laundering and terrorist financing

Pareto Securities is subject to applicable anti-money laundering and terrorism financing legislation in the respective jurisdictions, and is committed to combating economic crime, including money laundering, terrorist financing, fraud, work-related crime and corruption.

We prepare an annual assessment of the risk of money laundering and terrorist financing linked to our operations, along with associated risk mitigation measures. The risk assessment forms the basis for our implementation and compliance with anti-money laundering regulations and application of a risk-based approach and includes risk factors identified and a description of mitigating actions.

We have established an extensive framework of guidelines intended to prevent the Group of being exploited for money laundering, tax evasion or terrorist financing. The framework is there to ensure that the Group complies with the statutory requirements in various processes through established routines, client measures, sanctions regulations, and procedures for internal control. The AML department is responsible for establishing client relationships and ongoing follow-up of these, including reviewing and examining risk factors and the implementation of mitigation measures.

We provide regular training for our employees relevant for their duties in order to know their responsibilities under the money laundering framework and be able to identify indicators on money laundering and terrorist financing. In 2021, the Compliance department conducted several workshops with the AML Officers, client establishment teams and settlement personnel.





The financial services industry has a particular social responsibility to prevent economic crime. We are responsible for ensuring that our business operations are not exploited for financial crime through the misuse of the services and products being offered.





#### CORPORATE RESPONSIBILITY

**Ethics and Anti-corruption** 

Combating money laundering and terrorist financing

#### Compliance $\rightarrow$

Whistleblowing

Risk management and capital adequacy

Data security and personal data protection

## Compliance

stakeholders.

Our compliance framework forms the basis for all our decisions and is key to the integrity of our business. The Compliance department manages and provides guidance to the organization on compliance, regulatory and reputational risks and ensures adherence to laws, rules and regulations as well as our Internal Regulations and Procedures.

The quality of deal selection and execution work is ensured through teamwork under experienced Deal Captains and established capital raising project procedures, including a thorough assessment of potential new investment banking assignments in the internal "Deal Committee". The Deal Committee has a strict approach to deal selection including evaluation of both the sector in which the potential client operates and evaluation of more company specific matters. Our clients' focus on relevant ESG-factors are analysed by the Deal Committee, and the board has emphasized that it expects that the Deal Committee makes thorough evaluations of investment banking clients where these factors shall be part of the evaluation.

All business activities are subject to in-depth management scrutiny on a day-to-day basis. Further, the structure and activities shall at all times be organized in such a way that the risk of conflicts of interest between Pareto Securities and our clients, as well as between the clients of Pareto Securities, is minimized and in accordance with our Conflict of Interest Policy, available on our website.



## We have a strong compliance culture and believe this is crucial for how we conduct our daily business and maintain the trust of our







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# Whistleblowing

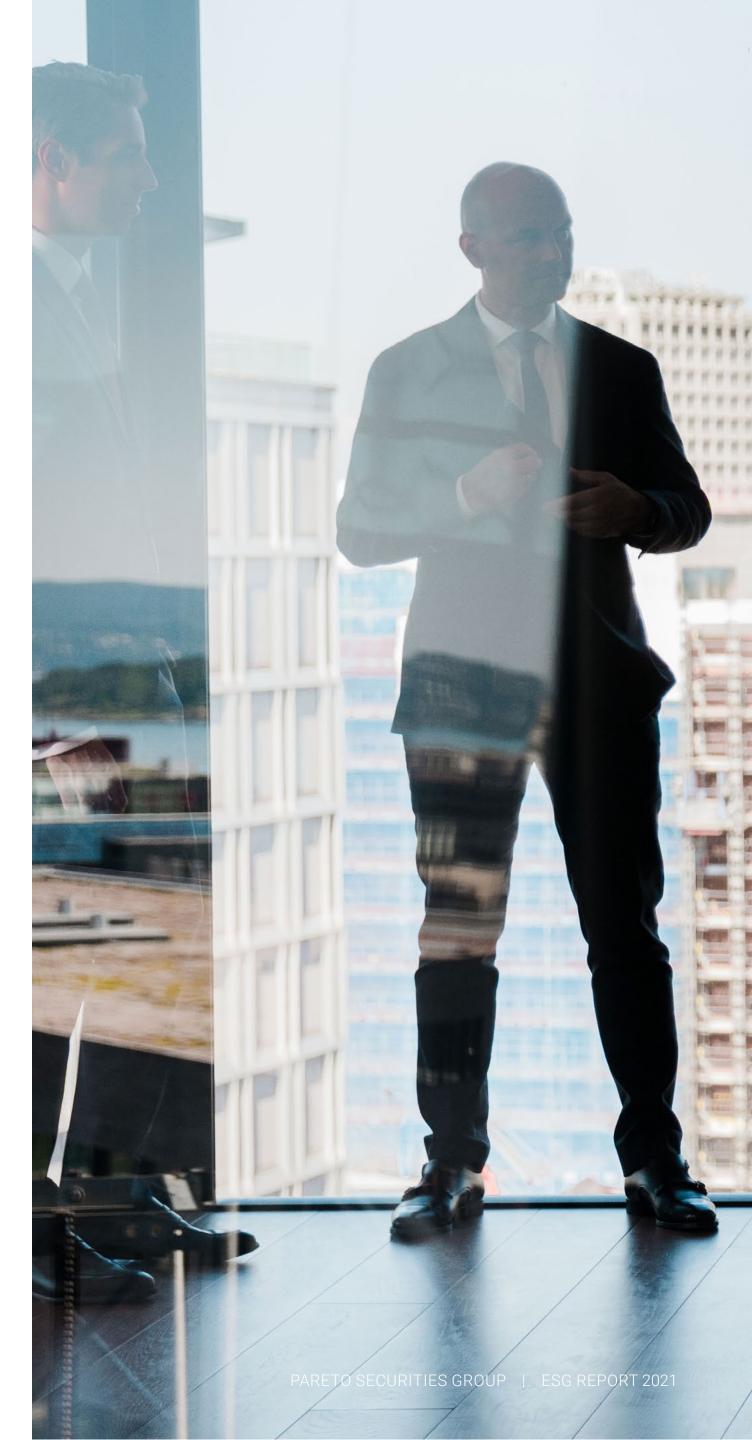
Pareto Securities has whistleblowing routines for anonymous, written and verbal reports.

We have established a whistleblowing function that is intended to encourage employees to confidentially and anonymously report, 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 whistleblowing function is handled by an independent law firm with a duty of confidentiality in order to lower the threshold for an employee.

If employees experience situations or matters that may be in violence of rules and regulations, our Internal Regulations and Procedures or our policies and standards, Pareto Securities also encourages them to raise their concern with their immediate superior or team manager.







#### CORPORATE RESPONSIBILITY

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Combating money laundering and terrorist financing

Compliance

Whistleblowing

 Risk management and capital adequacy

Data security and personal data protection

## Risk management and capital adequacy

A key element in Pareto Securities' operations is the ability to manage risks. While conducting our business, the Group is exposed to a broad variety of risks, including market, credit, liquidity, operational and currency risks that all may be material.

The purpose of risk management is to identify, measure, prevent, control, and when applicable, to limit risks that arise in all business operations. Pareto Securites relies on a sound risk culture throughout the organisation. Risk culture is the set of objectives and practices, shared across the organisation, that drive and govern risk management. This includes our purpose, values and behaviours in maintaining a sound risk culture within the organisation characterized by a high level of risk awareness, ongoing dialogue regarding the risk the Group is or may be exposed to and robust methods for systematic risk management.

For Pareto Securities' regulated entities, the decision-making authority regarding the risk instructions and risk limitations that apply to the business lies with the boards of the entities. The boards have a pronounced low risk appetite, which is reflected in the risk profile. The overall risk strategy is to take conscious and controlled financial risks that support our operation.







#### CORPORATE RESPONSIBILITY

Ethics and Anti-corruption

Combating money laundering and terrorist financing

Compliance

Whistleblowing

 Risk management and capital adequacy

Data security and personal data protection

The boards' tools for ensuring that risk-taking, risk management and risk control are in line with decisive control documents are the three functions Risk Management, Compliance and Internal Audit where the Internal Audit function is outsourced to third parties and reports directly to the boards. Pareto Securities' unregulated entities are followed up by Compliance (in the regulated entity) and through the self-assesment internal control that is carried out annually for the Group.

The Group's risk is managed in accordance with applicable laws and regulations, as well as risk management and internal directives. Internal procedures have been established.

Pareto Securities maintains a business continuity plan to ensure that our business operations continue in the event of a major disruptive crisis. The continuity plan is regularly tested, including supporting processes associated with incident response and information technology disaster recovery. We are comitted to deliver quality service to clients and partners amid challenging circumstances. Appropriate measures are taken to prioritise the functions that are most critical. All our processes have been fully operational during the Covid-19 pandemic.

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## Appropriate measures are taken to prioritise the functions that are most critical. All our processes have been fully operational during the Covid–19 pandemic.



#### CORPORATE RESPONSIBILITY

Ethics and Anti-corruption

Combating money laundering and terrorist financing

Compliance

Whistleblowing

Risk management and capital adequacy

→ Data security and personal data protection

# Data security and personal data protection

A quality management system has been established with the Group's governing documents for information security and privacy. Risk management processes have been established to constantly identify and monitor risks.

The processes cover both information security and privacy risks. Managing cyber security is of high importance in order to ensure the protection of our employees, clients, stakeholders and assets against cyber threats. Both proactive and reactive risk mitigating measures are taken to prevent, detect, investigate and manage security incidents. These include established contingency plans and regularly conducting emergency response exercises.

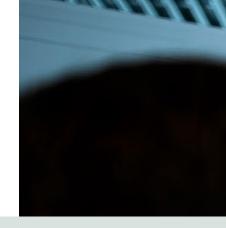
Pareto Securities has implemented a number of technical safety barriers and puts employees through regulator information security and privacy training in order to avoid unwanted incidents, including mandatory web-based training courses in information security and privacy. These are tangible, concrete measures that are designed to prevent human and technical errors. Should unwanted incidents and discrepancies related to information security and privacy nevertheless occur, these are registered, followed up and reported.

We actively work to ensure correct and secure personal data processing. We follow security measures to protect against loss, misuse and alteration of information under our control. These measures include regular audits of security systems, enhancements to ensure our website and users are safe, and training programs as well as testing to help guard against phishing and other malicious attacks. Our Global Privacy Policy provides details of our approach to data privacy and is available on our website.









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# Social responsibility

Pareto Securities supports workplaces free from discrimination, harassment and child labour. For us, social responsibility is about taking sustainability issues such as human rights, labour rights, employment, gender equality and education into consideration in our business operations. We endeavour to run our business in accordance with the Ten Principles of the UN Global Compact, unglobalcompact.com, which requires businesses to be proactive in protecting human rights, labour rights and the environment, and in promoting anti-corruption.







#### SOCIAL RESPONSIBILITY

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 Pareto Active

# Integrating social issues into our business

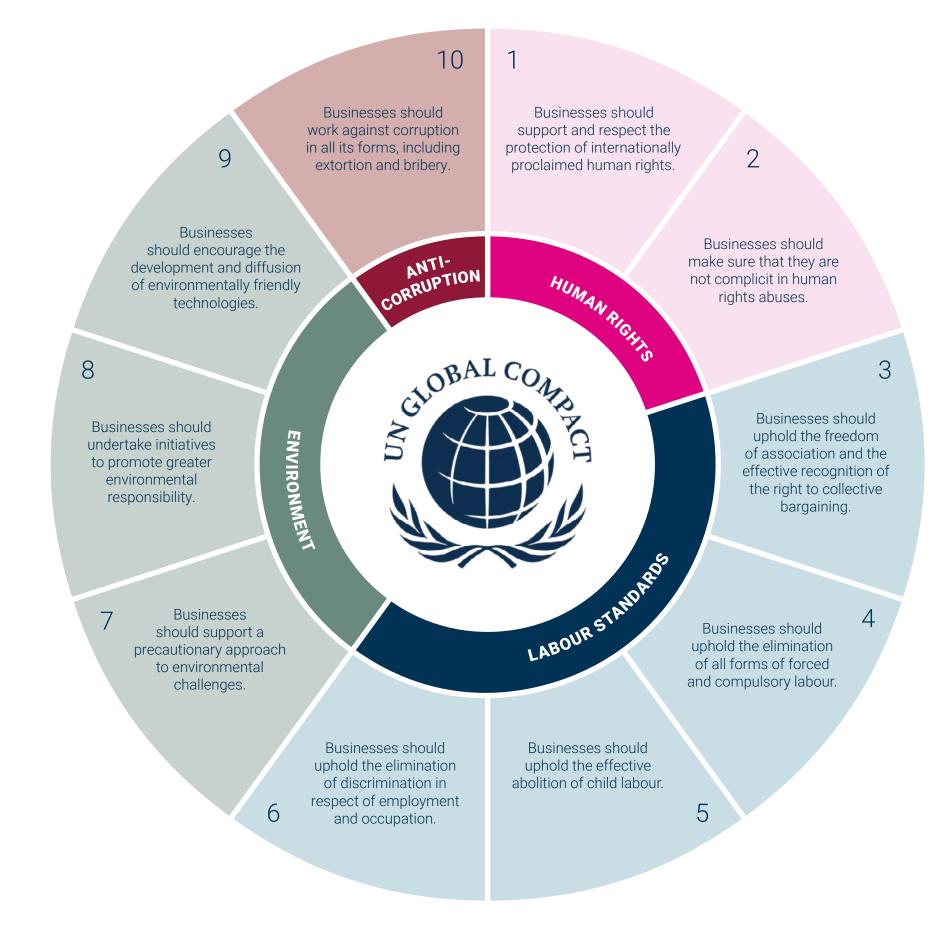
Our Sustainability Policy establishes standards and principles to ensure that fundamental responsibilities in the areas of human rights and decent working conditions as set out in the UN Global Compact are met.

We seek to work with reputable counterparties, both in relation to clients and suppliers, and expects suppliers and business partners to comply with applicable laws and respect internationally recognized human rights when working for or together with us.

Our Ethical principles are intended to, among other things, combating corruption, extortion, bribery, money laundering, fraud, terrorist financing, and the financing of other criminal activities.

Our Anti-corruption Policy reflects that we are firmly opposed to corruption in all forms, including bribery and trading in influence, and that we do not allow anyone involved in our business to offer, give, ask for, accept or receive any form of bribe, including facilitation payments.





Source: United Nations Global Compact



#### SOCIAL RESPONSIBILITY

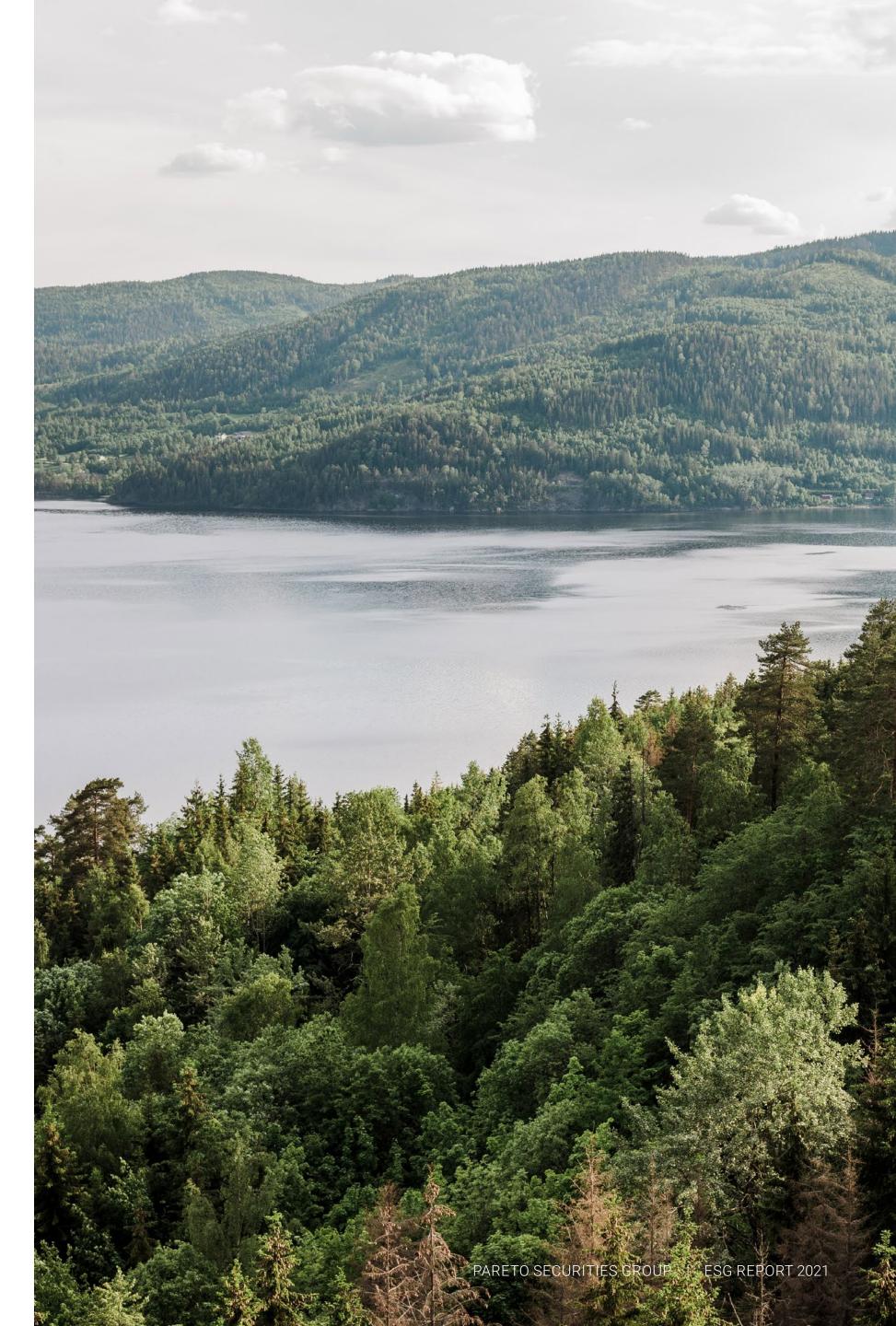
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	Sharing knowledge and experience	
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	Workplace	
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	Career development	
	Training & Education	
	Pareto Global Excellence Academy	
	Safety and Health	
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We have established an extensive framework of guidelines intended to prevent the Group of being used for money laundering, tax evasion or terrorist financing. Our Diversity and Inclusion Policy reflects that we have zero tolerance for discrimination or harassment.

We have established a framework to ensure that the Group complies with statutory requirements in various processes through routines, client measures, electronic monitoring, sanctions regulations, whistleblowing function, and procedures for internal control.

Given the nature and location of the Group's business operations, the risk of engaging with organizations subject to being in breach of human or labour rights is considered to be limited. Regardless, we will continue to focus on how we can seek to minimize occurrences of human rights infringement in our business operations and those managed by third parties.





## Pareto Securities

## Sharing knowledge and experience

Our knowledge and experience are our most important assets and one of our most important sustainable contribution to business and society.







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# Sharing knowledge and experience Conferences

We share our knowledge with our clients, business partners, investors and other stakeholders, and contribute to increased competence in businesses by arranging platforms for knowledge and experience sharing, particularly through our conferences.

Paying close attention to sustainability issues in different industries, many of our conferences feature presentations and panel discussions from companies which will play an important part in the green shift.

#### Conferences 2021

Pareto Securities' 28th annual Energy Conference	
Pareto Securities' 23rd annual Power & Renewable En	
Pareto Securities' 16th annual North Atlantic Seafood	
Pareto Securities Norwegian Savings Bank Conference	
Pareto Securities 2nd Nordic TechSaaS Conference	
Pareto Securities' 12th annual Healthcare Conference	
Pareto Securities' 10th annual Nordic Corporate Bond	
Pareto Securities Gaming Seminar	
Pareto Securities Renewable Energy & Cleantech Conf	
Pareto Securities Nordic Bonds Pareto Securities 1st TechITService Conference	
Pareto Securities' Battery, Metals & Mining Conference	



	Host country
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Forum	Norway
ce	Norway
	Norway/Sweden
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#### **CONFERENCES**



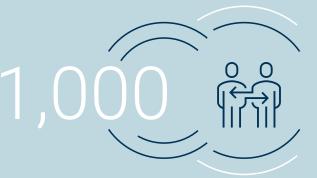
#### NUMBER OF PARTICIPANTS



#### **PRESENTING COMPANIES**



**1:1 MEETINGS** 



Source: Pareto Securities



#### SOCIAL RESPONSIBILITY

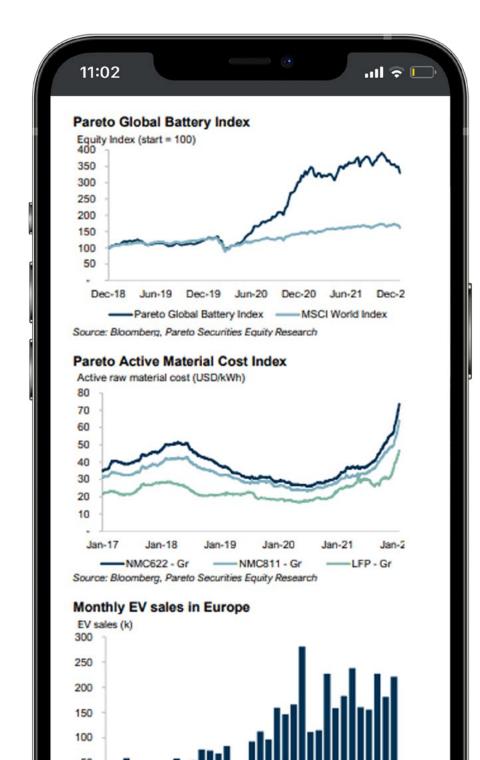
Integrating social issuess

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### Sharing knowledge and experience Giving our clients valuable insight

Being an investment bank with a leading position in the Nordic capital markets and a strong international presence, we are able to combine our own sector knowledge with the knowledge of senior management in relevant companies. We do interviews, panel discussions and general company- and sector presentations and distributes our content through our client portal, social media and other relevant channels. This gives our clients valuable insight in various sectors and companies.





K News:

### BATTERY MONTHLY

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### Sharing knowledge and experience Partner in events and committees

In 2021, Pareto Securities was a partner at the event "Bærekraft på Børs", hosted by the Governance Group. Each year, the Governance Group evaluate and rank the quality and transparency of the ESG reporting of the 100 largest companies listed on the Oslo Stock Exchange. The findings and analysis are published in the report "ESG 100 – The Oslo Stock Exchange" which forms the basis for the event. Our CEO, Christian Jomaas, was one of the event speakers.

In addition, we contributed with our knowledge and experience by providing speakers to various events hosted by AksjeNorge, which we also support financially. AksjeNorge is an independent and non-commercial foundation in the Norwegian equity market which aims to increase the knowledge about equities and the securities markets.

In 2022, Pareto Securities will engage as a partner in the Euronext programme IPOready in Norway. IPOready is a pre-IPO programme covering the IPO process, the legal perspective, IPO valuation, equity story, financial communication, corporate governance and post-listing requirements. The program is run in partnership with Thommessen, PwC and Crux Advisers, and builds on the success of such programmes in the other Euronext markets over the last seven years. The objective of the programme is to equip companies with an in-depth understanding of all sources of finance available to them and determine which is most suited to their needs.

Our Compliance department contributes to the development of law and best practice in the financial industry through the seat we hold in the legal committee of the Norwegian Securities Dealers' Association. Our CEO is a Board member in the Norwegian Securities Dealers' Association.

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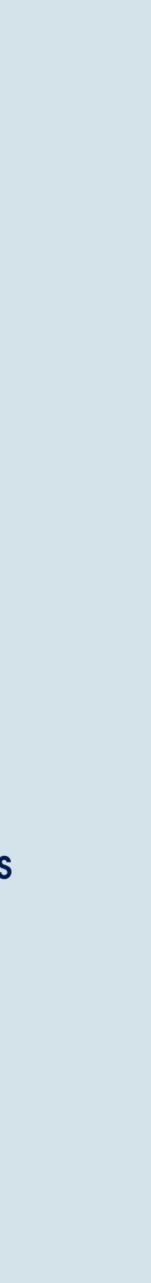




## Aksje<sub>I</sub>Norge

#### VERDIPAPIRFORETAKENES FORBUND





### Pareto Securities

■ 2021 4 maj

Pareto Securities' 28th

Conference

Energy Confere

### "Quality is in the air"

God morgon från Paretodesken

### Pareto podden

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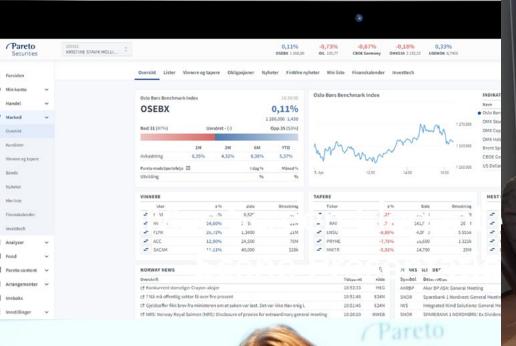
We share our knowledge through our channels to give our clients valuable insight in their decision making.

STREAM 3

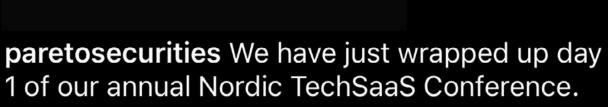
Pareto Securities' 28th Annual Energy Conference

Pareto Securities Conference Energy Conference Pareto Securities 28th Energy Conference









Here are some snapshots from the first day of the conference at our Oslo office

10. november 2021 · Se oversettelse





#### SOCIAL RESPONSIBILITY

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### Sharing knowledge and experience Internship Programme

Our Internship Programme provides young professionals with valuable work experience and insight in the finance industry. In 2021, 34 young interns gained experience in our Internship Program.

Through our Internship Programme, interns will have the opportunity to apply acquired knowledge to real work experience by getting unique insights into the day-to-day work of our Research-, Investment Banking- or Sales departments. They will be an integrated part of a sector team and actively engage in the ongoing processes, working alongside our senior colleagues. We believe that giving our interns challenges and responsibility from day one is the best way to learn.

In addition to learning specialized skills within different areas, transferable skills such as communication, teamwork, and IT proficiency are obtained. Furthermore, our program gives students a platform to establish important networking connections with professionals within their working areas. In short, our programme prepares young professionals to enter the workforce upon graduation.





It is interesting to gain insight into how the industry works, as well as getting to know various companies and learning about what it will take to achieve political goals. The opportunity to seize knowledge while working with highly skilled colleagues has been very valuable to me.

**Background** Oda Djupvik worked as a summer intern both in our Equity Research Energy services team and winter intern in our Investment Banking Power and Renewable team.

**Education** Master of Science at BI Norwegian Business School in Oslo





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### Sponsorships



Hand in Hand Hand in Hand is a non-profit organization working with entrepreneurship as an effective, long-term, and sustainable method to fight poverty.

> The Salvation Army offers a wide variety of services worldwide, including emergency response, social work, food distribution center and hospitals.



### In 2021, Pareto Securities supported four non-profit organisations financially. These sponsorships included:



Superselma Superselma is a Norwegian support organization for cancer-stricken patients and relatives, that also works to increase the competence of health professionals across Norway.



#### Frelsesarmeen



### Hjärtlungfonden

The Heart-Lung Foundation collects and distributes money to scientifically selected cardiopulmonary research.



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## Workplace

### Pareto Securities relies on highly skilled employees with bright ideas to succeed. We believe that our employees represent our most important asset.

Acting responsibly and offering an attractive working environment is crucial for attracting and retaining the right people. This includes promoting a diverse and inclusive working environment in which everyone is recognised for their unique contribution, talent and performance. We aim to preserve and build an aspirational and intellectual workplace free from discrimination and a clear culture of consequences.

At year-end, the Group had 487 employees (permanent employees) at our 13 offices in Norway, Sweden, Denmark, Finland, United Kingdom, Germany, Switzerland, USA, Singapore and Australia. 43% of our employees work at our headquarter in Oslo and 36% at our second largest office in Stockholm.

#### NATIONALITIES

#### **OFFICES AROUND THE WORLD**









#### LANGUAGES SPOKEN



We want our employees to challenge the ordinary and find great ideas. To achieve this, we depend on a workforce with a diverse mindset that contributes with different experiences, backgrounds and perspectives. Workforce diversity and inclusion are therefore key components in maintaining our strategic goals.

Source: Pareto Securities





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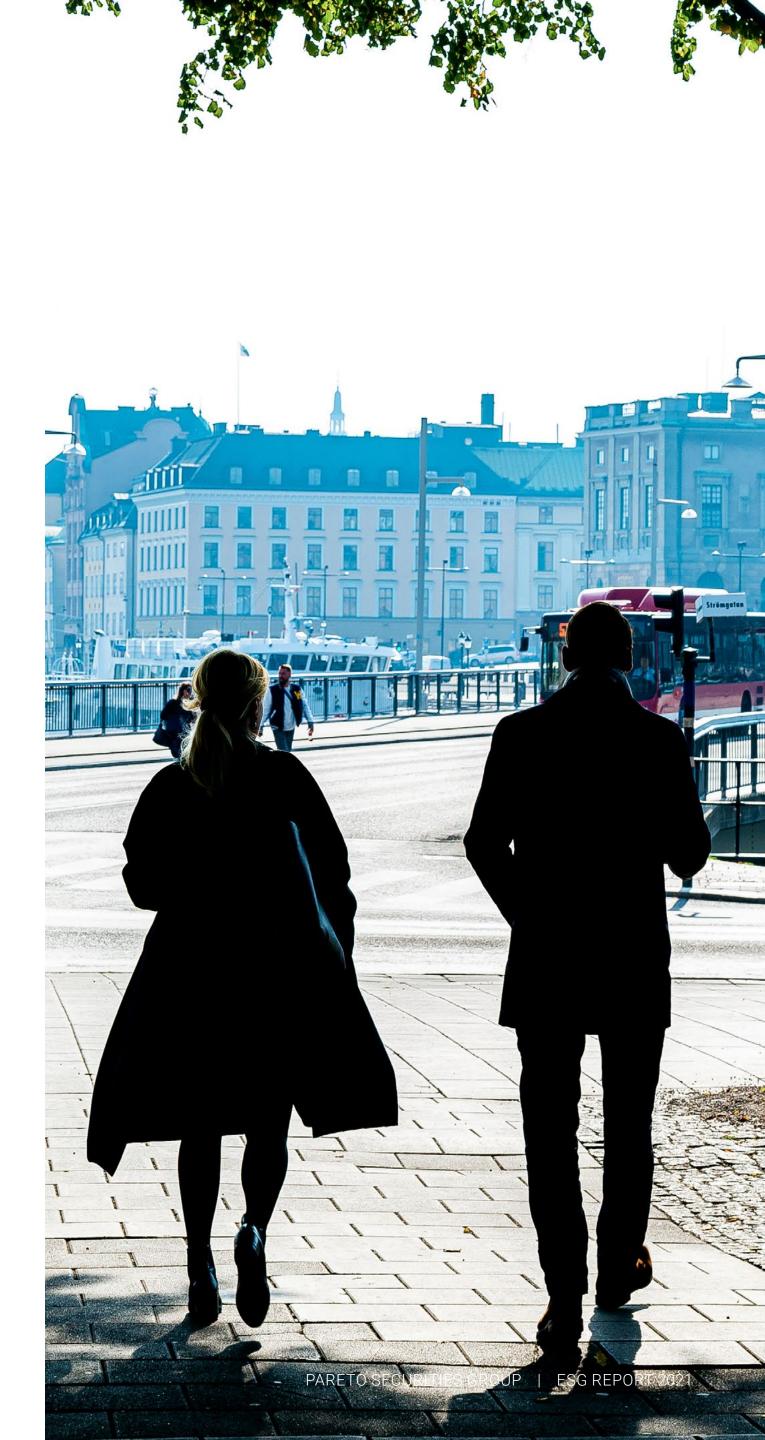
### Anti-Discrimination & Gender Equality

We are strongly committed to the principles of non-discrimination and equality in opportunity, regardless of gender, age, nationalities, and other factors. Our work against discrimination and gender inequality is reflected in our strategies, tools and guidelines.

In accordance with our Ethical Principles and Diversity & Inclusion Policy, we work continuously to ensure that all personnel processes are free of any biases, both in design and practice. We promote diversity and equal treatment in recruitment, promotions, competency development and in our work environment. We have zero tolerance for discrimination and harassment.

We have gender-neutral guidelines and offer equal opportunities to women and men. Our remuneration policies shall ensure that remuneration decisions are made on fair and unbiased basis. Remuneration is based on several factors, where performance excellence, client focus, a risk-balanced attitude, contribution to competence development in oneself and other employees, long-term commitment and teamwork are core. The remuneration policies are approved and overseen by the boards of the Pareto Securities entities and gets direct input from control departments, such as Compliance and Risk Management. Both men and women are offered parental leave.







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In our recruitment processes we maintain an approach that is "gender – and background neutral". We chose candidates whom we consider have the best potential, regardless of gender, ethnic origin, religious beliefs, sexual orientation, or any other such criteria not relevant to their position. Considerations of equality and non-discrimination are otherwise included in the personnel policies.

We have established a whistleblowing function that is intended to encourage employees to confidentially and anonymously report, any activity or business practice that they suspect or consider involve discrimination or harassment. Our external whistle-blowing function is handled by an independent law firm with a duty of confidentiality in order to lower the threshold for an employee compared with having to contact a superior.

The vast majority of our work force are full-time employees on permanent contract. Use of temporary contracts is usually associated with interns and student assistance, combing temporary work at Pareto Securities with ongoing studies to obtain broader work experience. We have not identified any cases of involuntary use of temporary work during our gender equality and diversity inquiries.

Our offices in Oslo, Stockholm and New York 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, and collaborate with Sodexo, a top-rated company in the Restaurants & Leisure Facilities on the S&P Global Dow Jones Sustainability World Index. Our aim is to contribute to a more resilient, inclusive, and green economic development by reducing our food waste, supporting charitable organizations with surplus food, and using more plant-based food from local suppliers.

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As an investment bank, we recognize that a diverse and broad representation of individuals will allow us to be a better partner to our clients. This is particularly true in the finance industry, which historically has been male-dominated and lagging behind when it comes to gender distribution. While we have experienced a stable growth in the number of female employees in Pareto Securities in recent years, we will continue to work towards further gender balance. At the end of 2021, our total workforce comprised 366 men and 121 women. The gender gap within front-functions is larger than the gender gap within non-front functions.

In 2021, we have continued our focus on diversity and gender equality within our work environment. We aim to improve current gender equality and diversity by increasing focus on these factors in our recruitment processes. This measure will grow diversity and improve the ratio of females within the organization while also shaping talented people into future leaders and dealmakers. We support initiatives to increase the interest in the financial industry among female talent and to improve the ratio of females within the Group. In 2021, Pareto Securities was a partner at Womens' Finance Day at the Norwegian School of Economics and a contributor at Women in Finance at the Norwegian University of Technology and Science.

Other measures to promote gender equality includes monitoring and assessing actual gender state in the Group, exclusive social events for female employees, and facilitation of the use of home office, so that it will be easier to combine work and family. We acknowledge that we have potential for improvements in this area, and that we are only at the beginning of an important journey towards a diverse and gender balanced workplace. We look forward to continuing to put pressure on what we consider to be a long-term commitment.

Pareto Securities is obligated to report on gender 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 (Nw: Lov om likestilling og forbud mot diskriminering). In line with this obligation, the 2021 statement on gender equality and anti-discrimination is published on paretosec.com.

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#### **GENDER BALANCE IN THE GROUP**





Source: Pareto Securities





#### SOCIAL RESPONSIBILITY

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### Career development

Young professionals in Pareto Securities will from day one work closely with senior colleagues and get unique exposure to the senior management of our clients.

We believe in giving considerable responsibility at an early stage to our young professionals. Combined with Pareto Securities' market leading deal flow, they will find themselves in a working environment that is a unique platform for fast learning and career development.

Our flat organisational structure elevates our employees' level of responsibility, removes excess layers of management, and improves the coordination and speed of communication within the Group. We believe that our flat structure increase the level of independence and empowerment of our employees, which enable us to grasp the opportunities in a fast-shifting competitive market.

We facilitate for internal transfer within the Group, and employees may also be given the opportunity to work abroad in one of our 13 offices spread around the world.

We welcomed 73 new colleagues in the Group in 2021.





At Pareto you become a valid deal team member from the very start, giving you unique deal exposure and a steep learning curve. You can take ownership of your tasks, which encourages you to work hard and develop both your professional and personal skills.

**Background** Nils Benske worked as an intern in our Investment Banking department in both Frankfurt and Stockholm before starting fulltime in Stockholm on our IB Debt Capital Markets team.

**Education** Master of Science in Economics and Business Administration with a major in Finance from the Norwegian School of Economics.



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## Training and education

Our employees represent our most important asset. Relevant and continuous training is key to helping our employees develop and enhance appropriate skills, abilities and knowledge, thus enabling them to remain qualified for their jobs and work in compliance with rules and internal regulations.

Our employees based in EU/EEA are subject to the MiFID II knowledge and competence requirements and are provided regular training, both by relevant industry organizations and internally. Our employees outside EU/EEA are also subject to various licensing requirements and are subject to training programs. As part of our commitment to competence building, we also use e-learning systems and programs as part of our training concepts for our employees.

All new employees receive department specific training, as well as general training within core topics. Pareto Global Excellence Academy is our annual one-week global introduction programme for new employees, cf. below. Employees also receive training on a continuous basis, either through internal training sessions held by the Compliance department or by inviting external professionals. The Compliance department keeps record of annual training of our employees.

In 2021, our training programs included i.a. training in compliance, anti-money laundering, data security, the new EU Taxonomy and Euronext Oslo Stock Exchange's expectations to listings on Euronext Growth. In addition, several external professionals have been invited to present relevant topics for our employees throughout 2021.

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Successful integration of sustainability in our business entails investments in competence and capabilities both on management level and among our employees. In 2021, our Annual Sustainability Week included daily presentations of relevant ESG-topics from external speakers, including ESG trends and metrics, EU Green Deal and the role of finance in the green transition, ESG challenges to investment services, and science-based targets. We will continue our focus on relevant ESG-topics in our training programmes going forward.





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## Pareto Global Excellence Academy

We are committed to build a Group-wide culture of quality and shared resources. Through our one-week global introduction programme, Pareto Global Excellence Academy, new employees are given a thorough introduction to our business and how to work to create value for our clients.

The purpose of Pareto Global Excellence Academy is to give new employees an introduction to our culture, values, working methods, tools and templates, colleagues, and organizational structure. The fast development of new employees' knowledge, skills, confidence and experience is fundamental to our success.

During the various sessions over the week, we seek to transfer skills and experiences from senior colleagues and exchange ideas. The aim is to bring our new employees up to speed as quickly as possible and understanding "the Pareto way".



Pareto Securities **Global Excellence Academy** 







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### Safety and Health

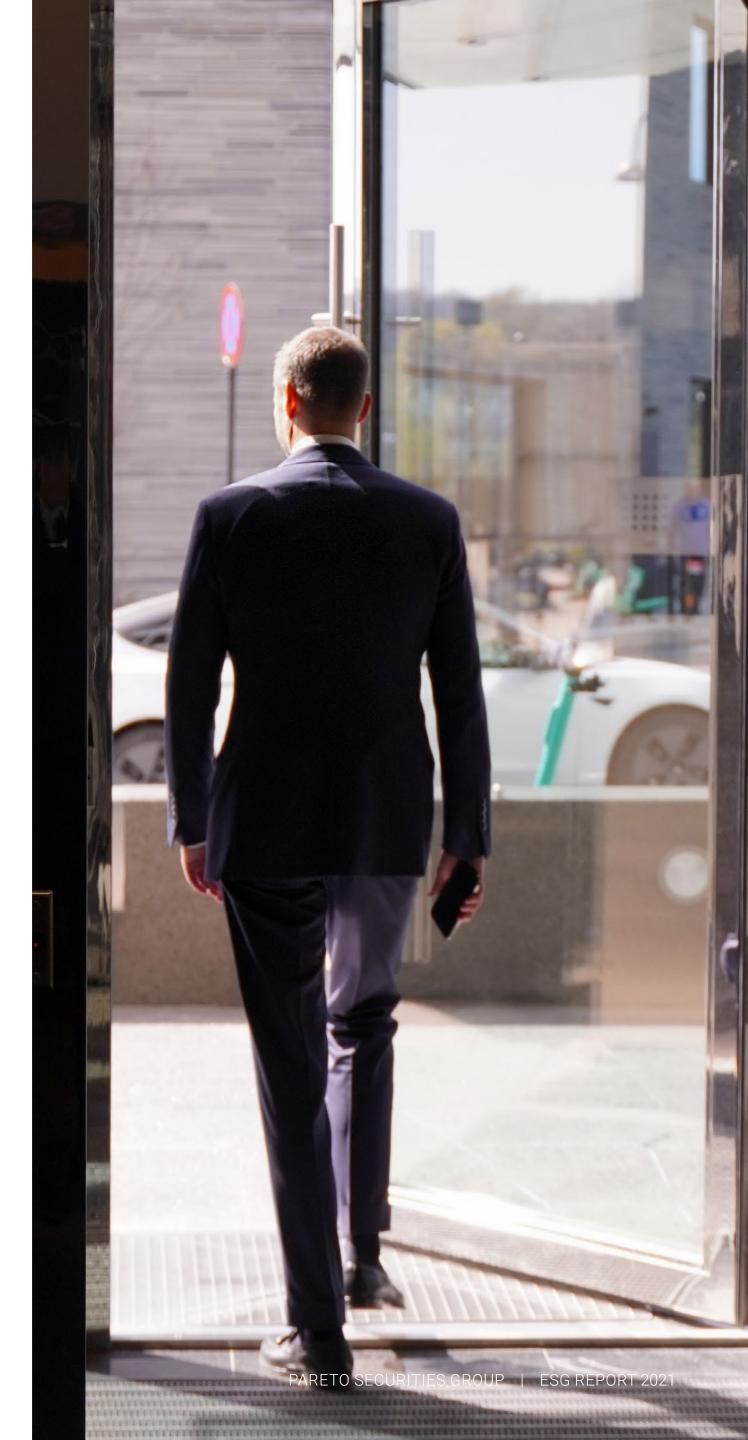
We believe in the right to prosper and feel safe at work. We shall ensure good working health and a sound working environment, safeguard our employees' physical and mental health and promote professional and personal development.

We are committed to facilitate work-life balance for our employees and encourage them to take care of their health, be physically active and seek professional help through our health insurance if needed. All employees are covered by our health insurance programme and are offered health checks every second year. We are aware that a high demanding work environment such as ours may constitute an inherent risk in relation to stress and mental health challenges. We will continue to focus on how our organization can think strategically about investing in workplace mental health going forward.

In 2021, one of our primary concerns was the health and wellbeing of our employees amidst the ongoing Covid-19 pandemic. Pareto Securities complied with all local and national regulations pertaining to the pandemic. Additionally, we provided our employees with the tools and equipment necessary to ensure the best possible experience when working from home. Absence due to illness is monitored and is consistently low.

Pareto Securities has established Working Environment Committees, consisting of both women and men, that meet regularly and have appointed safety representatives according to local regulations.

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We have an honest, hands-on, can-do and never-give-up approach, and we believe in hard work, focus and long-term commitment to achieve our goals. We recognise the connection between performance and being physically active and we are proud to have professional golf players Viktor Hovland and Kristoffer Ventura as global ambassadors sharing the same values.





#### SOCIAL RESPONSIBILITY

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Pareto Active

### Pareto Active

Pareto Active is a programme where our employees are given some additional tools to deliver top performance over time. We started the initiative because we understand the importance of being physically active, as well as keeping a healthy diet, and the positive effects it has on nearly everything in life.

During the year, we have had several sessions with Ole Petter Hjelle, doctor and brain researcher, who has given us insight in how small changes in our activity level, diet and sleep can improve our brain performance at work and make us more resistant to stress.

Following a strong start to the Pareto Active initiative in 2019, we have followed up with an increased number of activities in 2021 to stimulate our employees to be more active. Overall participation levels have been above 75%, and more than 50,000 hours of activity has been logged.

The Group activities offered to our employees include crossfit sessions with Barry's Bootcamp, Crossfit with Anders Myrvold, running sessions with Kasper Fosser, cross country skiing sessions, alpine skiing sessions, yoga, and padel tennis to mention some. During 2021, group sessions have become of the regular workday in Pareto Securities. The most popular activities logged in 2021 were walking, running, cross country skiing, weight training and road cycling.





















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## Reporting and data

This report outlines our activities and achievements across the following three main areas: environmental, governance and social.

#### **Reporting approach**

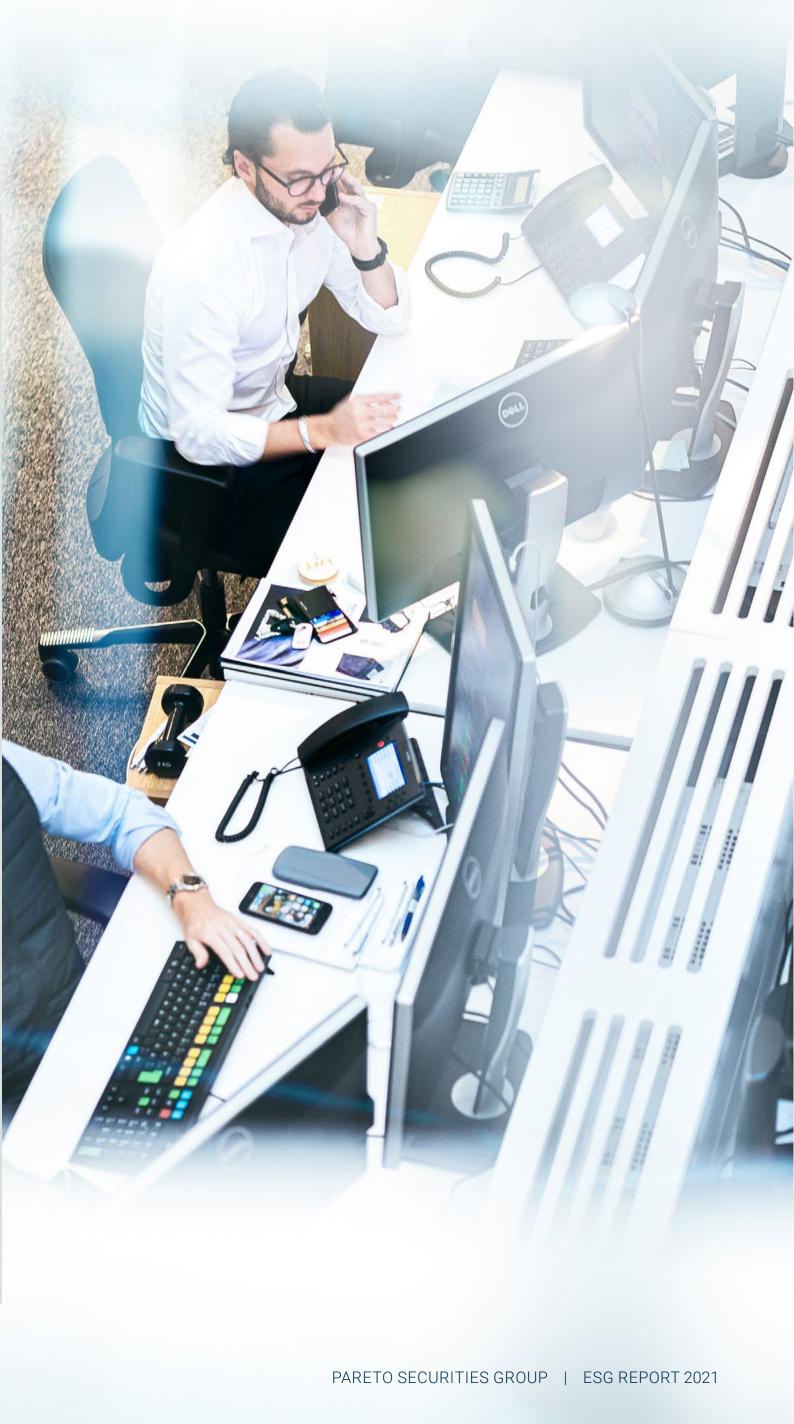
Analysing our own organisation against a wider framework helps us to accelerate our actions towards the UN Sustainable Development Goals. We focus on the areas in which we can contribute and influence the most and aim to continuously improve within these areas for the benefit of our clients, our business and society as a whole in the years to come.

The Group's energy and climate accounts are registered based on the international Corporate Accounting and Reporting Standard. This standard was developed by the Greenhouse Gas Protocol Initiative – the GHG Protocol. The climate accounts reveal tons CO<sub>2</sub>e that are direct and indirect emissions related to the Group. These are greenhouse gas emissions that come from consumption due to energy use, waste management and travel. The climate accounts enable us to identify which sources impact the external environment and how we can implement concrete measures to minimize them.

#### **Reporting cycle**

We will provide an ESG report annually that will be published on our website. We also run internal campaigns to raise awareness and provide information about ongoing projects through other internal communication channels such as our intranet and internal information monitors.







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## Pareto Securities Group

PARETO SECURITIES ENTITY	(
Pareto Securities AS	١
Pareto Securities AS, Frankfurt branch	(
Pareto Securities AS, Copenhagen branch	[
Pareto Securities AB	ç
• Aktieinvest FK AB	Ç
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Pareto Securities Ltd	l
Pareto Securities Pte Ltd	Ç
Pareto Securities Inc	l
Pareto Securities Pty Ltd	Ļ
Pareto Securities AG	Ç
Pareto Project AS	١
Pareto Business Management AS	١
Pareto Business Management AB	Ç
• Pareto Business Management A/S	[
Pareto Maritime Services AS	١
Pareto Offshore AS	١



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COUNTRY	SUPERVISORY AUTHORITY	AUTHORIZATION
Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	Investment firm
Germany	Norwegian Financial Supervisory Authority (Finanstilsynet) / BaFin (Federal Financial Supervisory Authority)	Investment firm, Branch
Denmark	Norwegian Financial Supervisory Authority (Finanstilsynet)/ Danish Financial Supervisory Authority (Finanstilsynet)	Investment firm, Branch
Sweden	Swedish Financial Supervisory Authority (Finansinspektionen)	Investment firm
Sweden	Swedish Financial Supervisory Authority (Finansinspektionen)	Investment firm
Finland	Financial Supervisory Authority (Finanssivalvonta)	Investment firm
UK	The Financial Conduct Authority (FCA)	Investment firm
Singapore	The Monetary Authority of Singapore (MAS)	Investment firm
US	Financial Industry Regulatory Authority (FINRA)	Broker Dealer
Australia	Australian Securities and Investment Commission (ASIC)	Investment firm
Switzerland	The Swiss Financial Market Supervisory Authority (FINMA)	Pareto Securities AS is authorized to act as representative for a foreign securities deale Pareto Securities AG
Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	AIFMD
Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	Accounting firm
Sweden	N/A	N/A
Denmark	N/A	N/A
Norway	N/A	N/A
Norway	N/A	N/A

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### Our contribution to the UN Sustainable Development Goals Environmental responsibility

ТОРІС	GOAL	PROGRESS	UPDATE 2021	
Business operations	Integrate sustainability in our business	Ò	<ul> <li>Group Strategy revised</li> <li>Sustainability Policy revised</li> <li>Ethical Principles revised</li> <li>Travel Policy revised</li> <li>Procurement Guidelines revised</li> <li>Preliminary assessment of the Group's exposure to climate risk</li> <li>Improvements in knowledge of our employees through training and seminars</li> <li>ESG-report 2020 completed</li> </ul>	
	Promote sustainable initiatives		<ul> <li>Hosted 13 conferences, including <ul> <li>The 28th Annual Pareto Securities' Energy Conference</li> <li>Pareto Securities' Renewable Energy &amp; Cleantech Conference (Stockholm)</li> <li>Pareto Securities' Power &amp; Renewable Energy Conference</li> </ul> </li> <li>Increased issuance of Green and Sustainable bonds in the Nordic High Yield market</li> </ul>	
	Engage our employees to take greater environmental responsibilty		<ul> <li>Launched our first Annual Sustainability Week with high levels of participaction</li> <li>Topics on the agenda: <ul> <li>the initiatives we are taking</li> <li>how we measure our progress</li> <li>how we plan to strengthen our commitment within ESG</li> <li>relevant ESG-topics from several external and internal speakers</li> </ul> </li> </ul>	7 AFFORDABLE AND CEAN DERICY CEAN DERICY
Reducing environmental footprint	Continuous dialogue with the landlords regarding waste from the offices we rent	Q	• Current emissions from energy: 214 $tCO_2e$	7 AFFORMARIE AND CLEAN ENERGY 12
	Limit air travel	Q	<ul> <li>Current emissions from waste: 16 tCO<sub>2</sub>e</li> <li>Removed personal waste bins to increase waste sorting</li> </ul>	7 AFTORDARIE AND CEAN DERITY CEAN DERITY
	Continuous dialogue with the landlords regarding waste from the offices we rent	Q	<ul> <li>Current emissions from transport: 133 tCO<sub>2</sub>e</li> <li>Flights have been significanly limited the last year mainly due to the pandemic</li> <li>Invested in new and modernized video conferencing equipment</li> </ul>	7 ATTORIMALE AND CLEAN DERICY 12
	Emphasis good sustainable standards when choosing suppliers		<ul> <li>Headquarters Oslo: Preliminary certificate for BREEAM Excellent</li> <li>Offices Stockholm: Certificate for BREEAM Very Good</li> <li>Dialogue on ESG issues with our largest suppliers</li> </ul>	7 AFFORDABLE AND CLEAN DERICY CLEAN DERICY 12
Mitigating remaining environmental footprint	Fully compensate the greenhouse gas emissions throughout our operations	Ì	<ul> <li>Purchased and retired an equivalent volume of independetly verified carbon credits on the voluntary market for all of the Scope 1, Scope 2 and Scope 3 emissions that we cannot yet eliminate from our footprint.</li> <li>Choosed a CDR project that contributes to removing additional CO<sub>2</sub> form the atmosphere by restoring mangrove forest: The Thor Heyerdahl Climate Park</li> </ul>	3 GOOD HEALTH AND WELL-BEING 13 CLIMATE 14

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### Our contribution to the UN Sustainable Development Goals

### Governance

ΤΟΡΙϹ	GOAL	PROGRESS	UPDATE 2021	SDG
Ethics	Conduct our business in a responsible, ethical and lawful manner	Q	<ul> <li>Ethical Principles revised</li> <li>Continued focus on compliance with the Group's internal regulation and procedures</li> <li>Ethics is included in training programme for new employees</li> </ul>	16 PEACE JUSTICE AND STRONG INSTITUTION
Anti-corruption	Work against all forms of corruption in all it forms, including extortion and bribery	Ì	<ul> <li>Anti-corruption Policy revised</li> <li>Anti-corruption included in training programme for new employees</li> <li>Conducted monitoring to uncover suspicious transactions</li> <li>Any incidents may be reported in our anonymous whistle-blower channel.</li> <li>Continued focus on compliance with the Group's internal regulation and procedures</li> <li>No corruption incidents reported or suspected</li> </ul>	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Combating money laundering and terrorist financing	Prevent that our business is exploited for financial crimes through the misuse of our services and products	Ì	<ul> <li>Prepared annual assessment og risk, along with associated risk mitigation measures</li> <li>Enchanged the framework of guidelines intented to prevent the Group from being used for money laundering, tax evasion or terrorist financing</li> <li>Continous training for employees</li> <li>Concluded several workshops by the Compliance department with the AML Officers, client establishment teams and settlement personel</li> <li>Distributed and completed an app-based training module by front personnel with several different modules for different departments based on relevant</li> </ul>	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Compliance	Adherence to laws, rules and regulations, and conduting our business in a responsible and ethical manner, as well as contribute to upholding market integrity by refining good practice standards.	Ì	<ul> <li>Continous guidance to the organization on compliance, regulatory and reputational risks to ensure adherence to laws, rules and regulations, and our Internal Regulations and Procedures</li> <li>Operationalization and implementation of new legislation in the organization</li> <li>Anti-Money Laundering projects</li> <li>Inquires and industry surveys from regulators</li> <li>Training and education, cf. below</li> <li>Deal Committee has processed 439 deal requests through the year</li> </ul>	10 REDUCED REQUIRING EXAMPLE INST INST INST INST INST INST INST INST
Whistleblowing	Encourage employees to confidentially and anonymously report, without fear of retalitation, any activity or business practice that they suspect or consider to be unethical, illegal or involves discrimination or harassment	Ì	<ul> <li>Whistleblowing function available for all employees</li> <li>No incidents reported or suspected</li> </ul>	10 REDUCED INFEQUATIFIES
Risk management and capital adequacy	Maintain a healthy risk culture within the organisation characerized by a high level of awarness, ongoing dialogue regarding the risk the group is exposed to and robust methods for systematic risk management	Ì	<ul> <li>Continuity plan tested and reviewed</li> <li>The self-assessment of internal control and ICAAP, which the board processes and adopts annually, includes identified risks that are of significance, as well as an assessment of the measures to deal with these risks</li> </ul>	16 PEACE JUSTICE AND STRONG INSTITUTIONS
Data security and personal data protection	Protect the privacy of our employees, clients, potentials clients, suppliers, business partners and ensure data security	Ì	<ul> <li>Assessment of Pareto Securities AS' cyber security governance by internal auditor</li> <li>Digital security exercise (DDoS attack/ cryptolocker attack) with IT, Business Support, Risk and Compliance participating</li> <li>Annual risk assessment regarding the handling of personal data</li> <li>Training in personal data protection, including GDPR modul "Information Security Awareness" for new employees</li> </ul>	16 PEACE JUSTICE AND STRONG INSTITUTIONS



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### Our contribution to the UN Sustainable Development Goals Social responsibility

ТОРІС	GOAL	PROGRESS	UPDATE 2021	SDG
Human rights – Integrating social issues into our business	Support and respect the protection of internationnally proclaimed human rights	Ì	<ul> <li>Revised our Ethical Principles, Anti-Corruption Policy and Diversity &amp; Inclusion Policy</li> <li>All employees are required to read and confirm compliance with Pareto Securities' Ethical Principles</li> <li>Any incidents may be reported in our anonymous whistle-blower channel</li> <li>Provided training in ethics and anti-corruption for our employees</li> <li>No human rights incidents reported or suspected</li> </ul>	4 COUNTRY COUNTRY 10 REDUCED 10 REDUCED
Sharing our knowledge and experience	Share knowledge and experience through platforms such as conferences and events connecting people	Č	<ul> <li>13 conferences with more than 12.300 participants</li> <li>Partner at the event "Bærekraft på børs", in which our CEO was one of the event speakers</li> <li>Contributed with financial support and speakers to events hosted by AksjeNorge</li> <li>Provided clients with valuable insight on sectors and companies through our client portal, social media and other relevant channels</li> <li>Contributed to best practice in the financial industry through the seat we hold in the legal committee of the Norwegian Dealers' Assosication</li> <li>Enrolled 34 interns in our Internship Programme</li> </ul>	4 COULITY EDUCATION USE 1 9 Addres
Sponsporships	Support selected non-profit organisations in their work	Ì	<ul> <li>Supported four non-profit organisations financially         <ul> <li>Hand in Hand</li> <li>Hjärtungfonden</li> <li>Frelsesarmeen</li> <li>Superselma</li> </ul> </li> </ul>	10 REDUKTINES
Discrimination	Zero tolerance for discrimination and harassment	Ì	<ul> <li>Revised our Diversity &amp; Inclusion Policy</li> <li>Continued our work agaist discrimination in employment through our internal procedures and regulations</li> <li>No incidents reported or suspected</li> </ul>	5 GENGER EQUALITY
Diversity and equality	A working environment in which everyone is recognised for their unique contribution and performance	Ì	<ul> <li>Continued focus on gender and background neutral in our recruitment processes</li> <li>Partner at Womens' Finance Day at the Norwegian School of Economics</li> <li>Contributer at Women in Finance at the Norwegian University of Techonolgy and Science</li> <li>Statement on gender equality and anti-discrimination measures and associated staff data in compliance with Norwegian law</li> </ul>	
Career development	Cultivate a cultur of trust and quality among our employees through responsbility, indepence and empowerment at an early stage	Ì	<ul> <li>Annual Pareto Global Excellence Academy completed</li> <li>73 new employees in the Group</li> </ul>	4 CUALITY EDUCATION 9 MOUSTIC 1
Training and education	Relevant and continous training for our employees to improve their performance and ensure that they work in compliance with rules and regulations	Ì	<ul> <li>Regular training under MIFID II knowledge and competence requirements</li> <li>E-learning systems and programs on relevant topics</li> <li>Training sessions in compliance, anti-money laundering, data security, the new EU Taxonomy and Euronext Oslo Stock Exchange's expectations to listings on Euronext Growth</li> <li>Department specific training</li> <li>Seminar by external professionals in various topics throughout the year for different departments</li> </ul>	4 CONTRACTOR 9 NOTATION AND INFRASTRUCTURE
Safety and Health	A workplace in which the employees can prosper and feel safe and healthy	Ì	<ul> <li>Employees are coved by our health insurance and are offered health check every second year</li> <li>A number of training initiatives to encourage our employees to be physically active</li> <li>Working Environment Committee have met regularly</li> </ul>	5 GENGER

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ГОРІС	ACCOUNTING METRIC	2021	REFERENCE TO REPORT
Employees	Total	487	5, 42, 48
Diversity	Countries represented	10	42, 58
	Languages spoken fluently	26	42, 58
	Anti-discrimination and gender equality	Ethical Principles, Diversity & Inclusion Policy	43-47, 58
	Employees by gender	Male: 366 / 75% Female: 121 / 25%	43-47, 58
	New employees by gender	Male: 54 / 74% Female: 19 / 26%	47, 58
	Internship Programme by gender	Male: 26 / 76% Female: 8/ 24%	40, 46, 58
Environmental	Environmental responsibility	Sustainability policy	8-22, 56
	Incorporation of ESG factors in business activities	Sustainability policy	8-22, 56
	Total CO <sub>2</sub> emissions	363 tCO <sub>2</sub> e	17, 56
	$CO_2$ emissions from transport	133 tCO <sub>2</sub> e	19, 56
	$CO_2$ emissions from energy	214 tCO <sub>2</sub> e	18, 56
	$CO_2$ emissions from waste	16 tCO <sub>2</sub> e	18, 56
	Offsetting of carbon footprint	363 tCO <sub>2</sub> e	21-22, 56
	Climate impact in supply chain	Sustainability Policy, Guidelines for Procurement and Travel Policy	20, 56
Governance	Ethics and anti-corruption	Ethical Principles, Anti-Corruption Policy, Conflict of Interest Policy	23-24, 57
	Corruption incidents reported or suspected	0	24, 57





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ТОРІС	ACCOUNTING METRIC	2021	REFERENCE TO REPORT
Governance	Fines and sanctions	0	24, 57
	Combating money laundering and terrorist financing	Internal regulations and procedures are established	25-26, 57
	Compliance	Internal regulations and procedures are established	27, 57
	Whistleblowing function	Established, no incidents reported	28, 57
	Risk management and capital adequacy	Internal regulations and procedures are established. Entities subject to capital adequacy regulations complied with all applicable capital adequacy requirements	29-30, 57
	Data security and personal data protection	Internal regulations and procedures are established	31, 57
Social	Integrating social issues into the business activities	Ethical Principles, Sustainability Policy	32-34, 58
	Sharing knowledge and experience	Please refer to report	35-37, 58
	Conferences – number	13	36, 58
	Participants in our conferences - number	12,300	36, 58
	Presenting companies in our conferences – number	585	36, 58
	Partner in events	Please refer to report	38, 58
	Sponsorships	Please refer to report	41, 58
	Career development	Please refer to report	40, 47, 58
	Training and education	Please refer to report	48-50, 58
	Safety and health	Please refer to report	51-53, 58
	Accident incident rate	0	51, 58



# **Pareto** Securities

# The Nordic Gateway



### Get in touch!

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