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# Sustainability report 2023

Pareto Securities Group





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- 3. ENVIRONMENTAL RESPONSIBILITY
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- 5. CORPORATE RESPONSIBILITY (GOVERNANCE)
- 6. REPORTING AND DATA

# Dear reader!

2023 was a year of transformation and adaptation for businesses worldwide. The world continued to grapple with the pandemic's aftermath, geopolitical tensions, and volatile financial markets. Against this backdrop, I am proud that Pareto Securities has again shown resilience and delivered another strong year in 2023.

This sustainability report highlights our progress and achievements in the areas of environmental, social, and governance performance over the past year. We have remained committed to our values and continued to invest in our employees and technology to ensure that we remain at the forefront of our industry. Our diversified revenue base, in terms of products, industries, and geography, provides a stable platform for further sustainable growth.

We have continued to enhance our comprehensive internal regulations to ensure adherence to laws and applicable ethical standards. We have increased our efforts to integrate sustainability into our business operations. We have focused on providing our employees continuous training and development during the year, including within ESG.

During 2023, Pareto Securities organised 11 conferences and seminars in 6 cities, attracting more than 5,500 attendees. We had the pleasure of hosting around 450 presenting companies at our events. We will continue to ensure that our conferences are the preferred meeting places to set sustainability, energy transition and other key topics on the agenda.

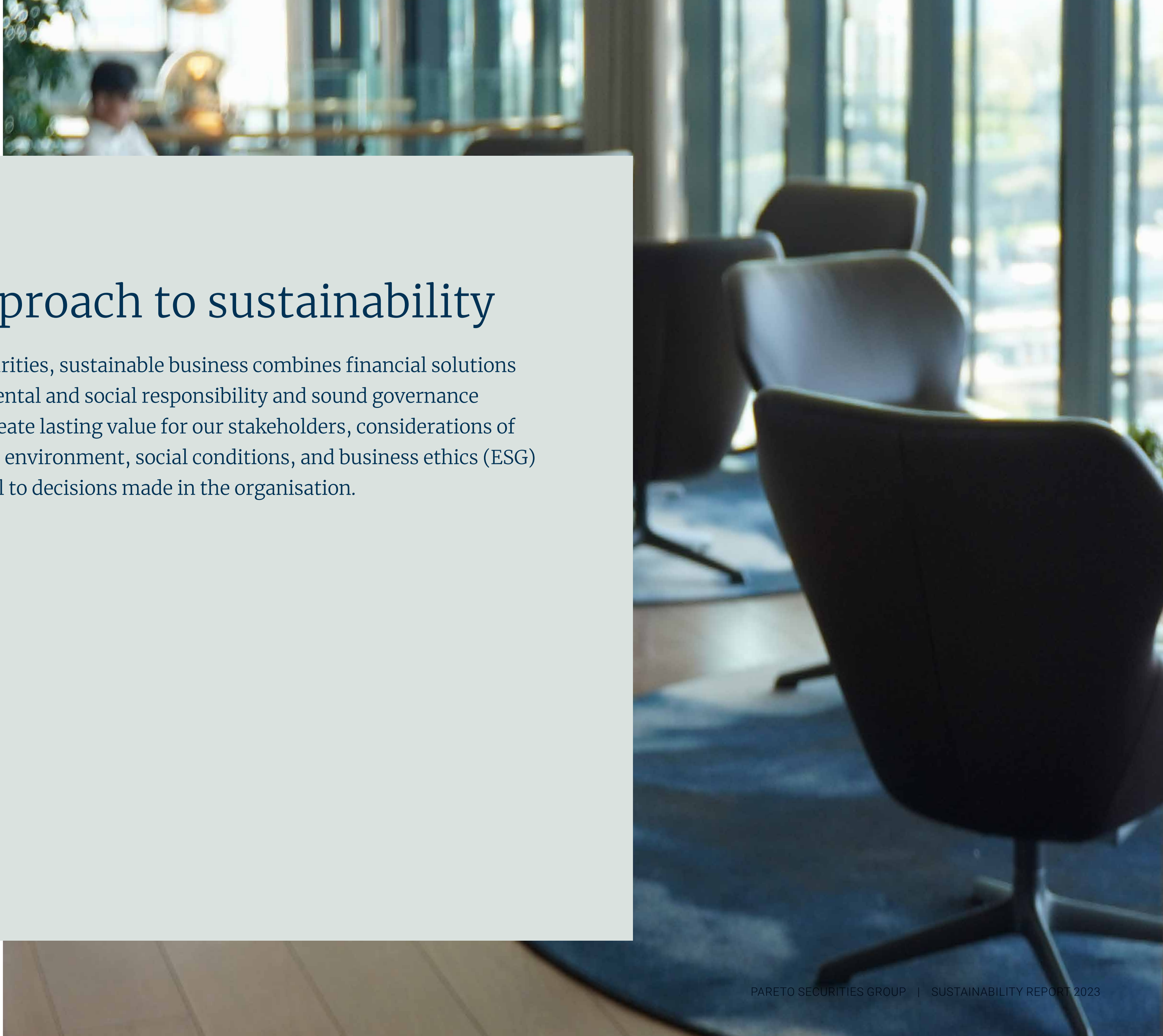
Looking forward, technological advancements such as generative AI will bring both challenges and opportunities, the rate of required investments in renewable energy will rise, and urgent action will be required to address climate change. We will do our best to support our clients in comprehending the implications of these overarching trends.

As a full-service investment bank with global placing power, we endeavour to be a trusted partner for our clients and have quality in everything we do.



*Christian Jomaas*  
Chief Executive Officer





OUR APPROACH TO SUSTAINABILITY

- About Pareto Securities
- Sustainability within our organisation
- Our contribution to the energy transition
  - Long experience with renewables, infrastructure, and cleantech
  - Building a future-forward workforce
  - Key trends in the renewable energy and cleantech sector
  - Creating platforms for knowledge sharing and sustainable opportunities
  - A compilation of deals within the renewable space
- Supplier and business partner expectations and due diligence
- Client due diligence
- Our contribution to the SDGs

# Our approach to sustainability

For Pareto Securities, sustainable business combines financial solutions with environmental and social responsibility and sound governance practices. To create lasting value for our stakeholders, considerations of the climate and environment, social conditions, and business ethics (ESG) will be essential to decisions made in the organisation.

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#### Supplier and business partner expectations and due diligence

#### Client due diligence

#### Our contribution to the SDGs

# Local presence – global reach

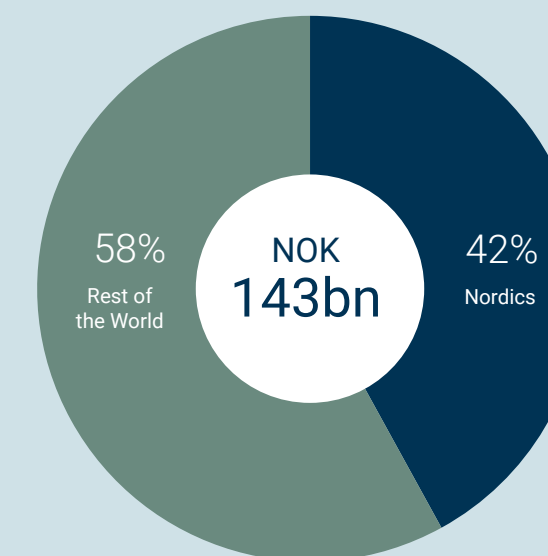
Pareto Securities is an independent full-service investment bank with a leading position in the Nordic capital markets, a strong international presence, and global placing power. We aim to be the preferred Nordic supplier of financial services, providing sound financing solutions and attractive investment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

Pareto Securities was established in 1986 as an independent partnership focusing on Nordic industries and enterprises. We are founded on deep industry knowledge and a global investor network built over three decades. From our Nordic base, we have built our global presence step-by-step, fuelled by transformational acquisitions of Öhman Fondkommission (Sweden/ Finland), Nordic Partners (the US), Ocean Equities (the UK) and Equinet Bank (Germany).

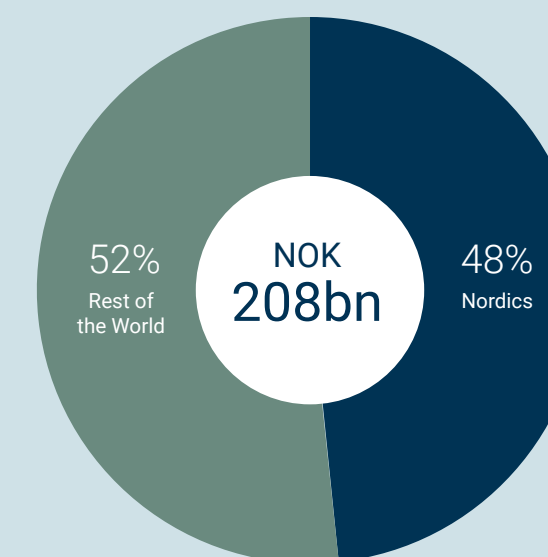
Our independence lets us focus on one thing: always providing our clients with the best financing solutions in the market. We conduct 200+ capital market transactions annually, giving us a unique basis for advising our clients on what is possible to achieve and what is not. Our comprehensive services encompass investment banking, primary and secondary brokerage services for equities and fixed-income instruments, project finance and rigorous research.

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.

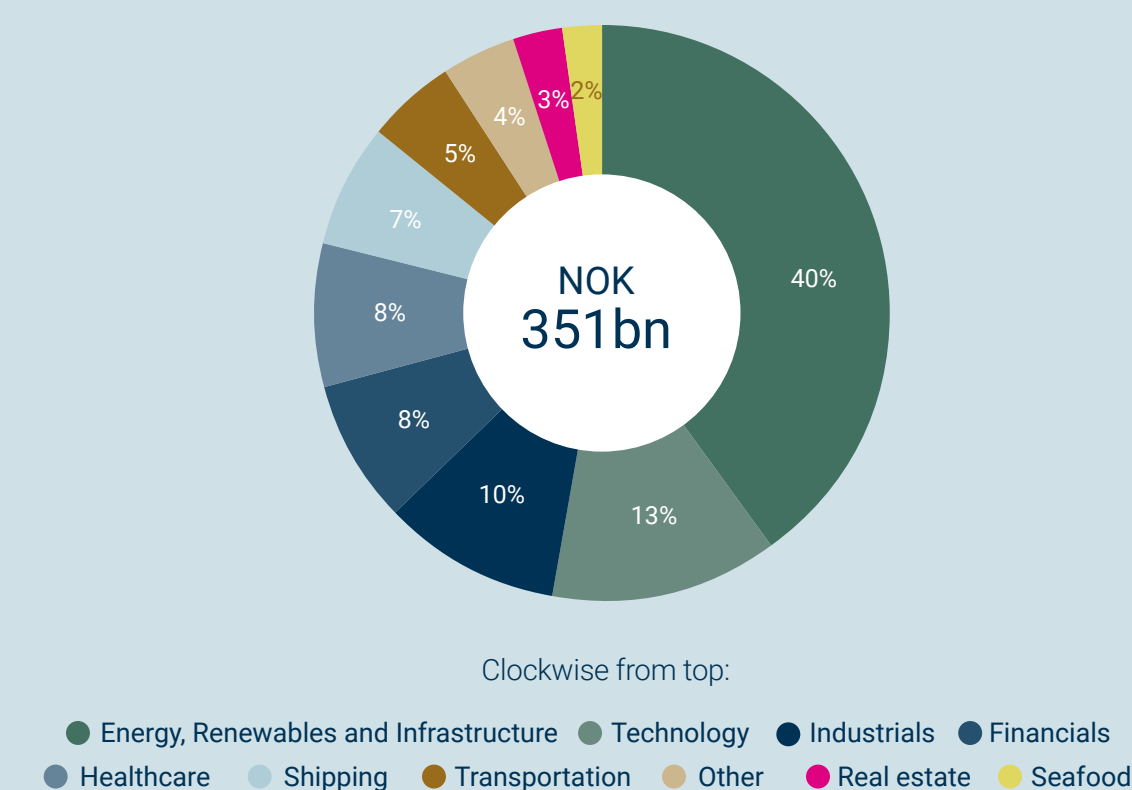
ECM FUNDS RAISED 2021-2023



DCM FUNDS RAISED 2021-2023



SECTOR SPLIT ECM AND DCM TRANSACTIONS 2021-2023





## OUR APPROACH TO SUSTAINABILITY

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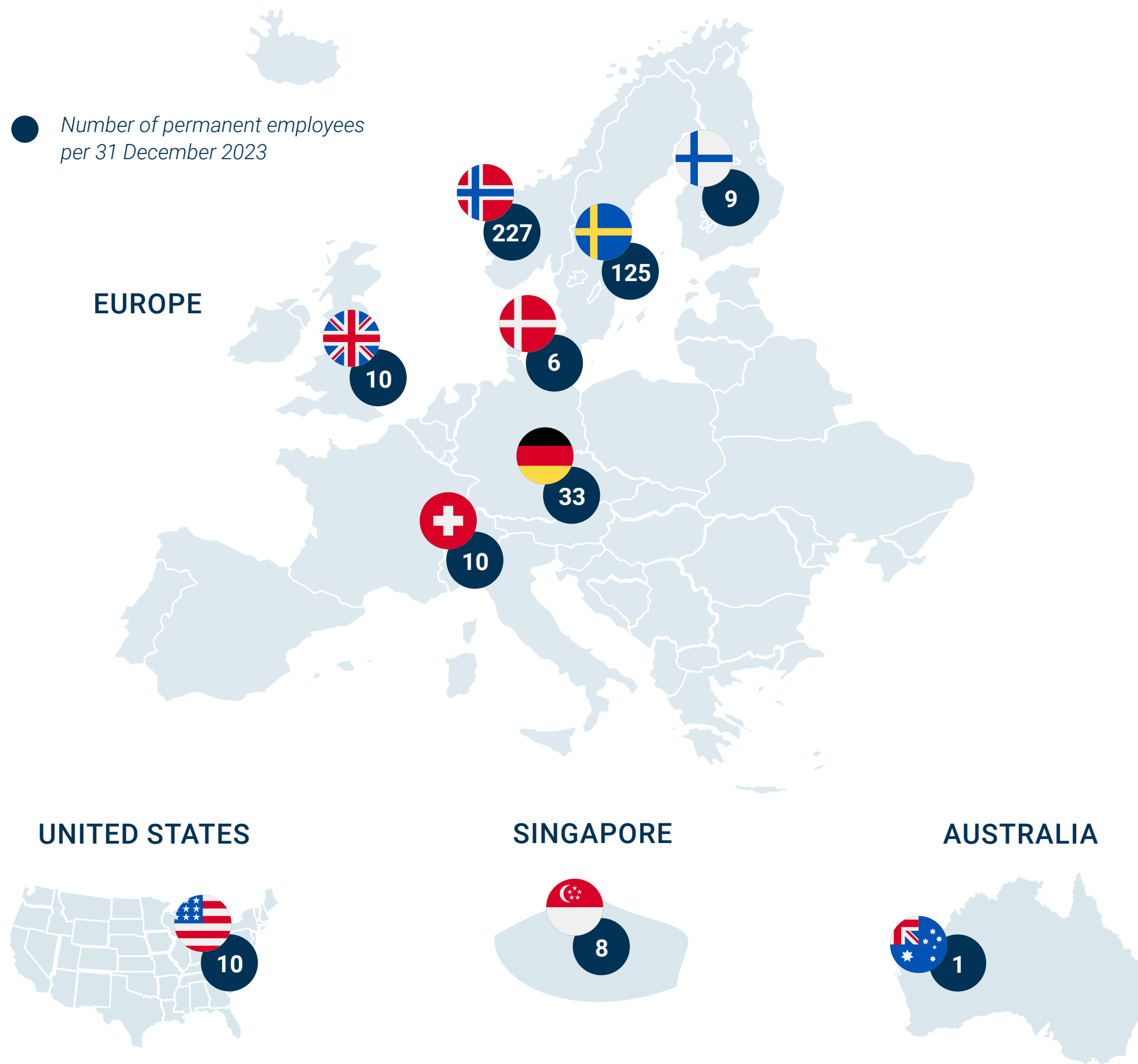
Our contribution to the energy transition

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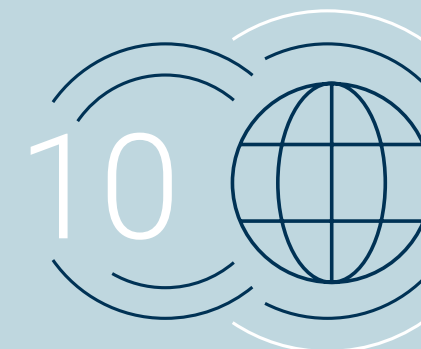
Pareto Securities is headquartered in Oslo, Norway, with 439 high-calibre employees in 12 offices in Norway, Sweden, Denmark, Finland, the United Kingdom, Germany, Switzerland, the USA, Singapore, and Australia.

This report covers the parent company Pareto Securities AS and its subsidiaries, i.e. the Group. All numbers are presented as of 31 December 2023.

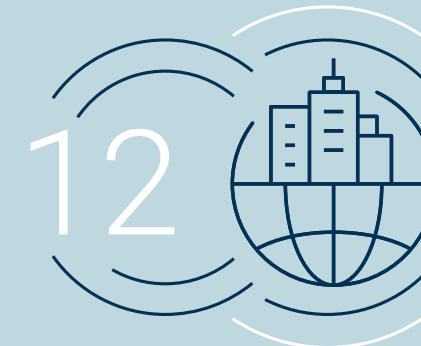
### ESTABLISHED IN



### PRESENCE IN SEVERAL COUNTRIES



### OFFICES AROUND THE WORLD





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# Sustainability within our organisation

Sustainability is one of Pareto Securities’ fundamental principles. As a full-service investment bank with a strong position in various industries, we are facing the opportunity and responsibility to incorporate sustainability in the activities we take part in.

## Environmental

We acknowledge that we have a shared social responsibility to address climate change. We aim to contribute to achieving the goals outlined in the Paris Agreement by integrating sustainability into our business operations. We are an office-based organisation, and our Corporate GHG Footprint is limited. That said, we continuously strive to reduce our negative climate impact. We track and calculate for our Corporate GHG Footprint. We purchase and retire an equivalent volume of independently verified carbon credits on the voluntary carbon market for all calculated and reported Scope 1, Scope 2, and Scope 3 emissions that we cannot yet eliminate from our calculated GHG Footprint. More information about our environmental responsibility is provided on pages 23-31.

## Social

We are committed to upholding human rights and aim to integrate human rights due diligence in our procedures. Our operations are in highly developed countries and, as such, have a limited risk of causing an adverse impact on society. Our social responsibility also focuses on sharing our knowledge and contributing to increased business competencies by arranging learning and experience-sharing platforms and creating a workplace that ensures our employees’ well-being. The inherent gender imbalance in the financial industry is a concern and a challenge for a firm like ours. Therefore, Pareto Securities has focused on promoting equality for women internally and externally. More information about our social responsibility is provided on pages 32-52.

## Governance

We consider good corporate governance a precondition for value creation and credibility. Pareto Securities operates under a strictly regulated regime and is subject to supervision by the respective financial supervisory authorities. We have established comprehensive internal regulations to ensure adherence to relevant laws and applicable ethical standards, including governance policies and procedures, as well as procedures to evaluate ESG risks in our processes. More information about our corporate responsibility is provided on pages 53-63.



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Sustainability principles and policy framework

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 decisions and daily work and clarify how sustainability work is integrated with the activities, management, and control.

Our sustainability framework also comprises the Group's Ethical Principles, Human Rights Policy, Anti-corruption Policy, Diversity and Inclusion Policy, and other relevant policies and standards. The policy framework is available on our website.

Upcoming Double Materiality Assessment

In 2024, we will conduct a double materiality assessment to assess how Pareto Securities impact various sustainability factors (impact materiality) and how sustainability risks and opportunities impact Pareto Securities (financial materiality). The double materiality assessment is a central part of the development within sustainability reporting, and the new EU Corporate Sustainability Reporting Directive (CRSD) will be based on double materiality. This approach will bring us valuable insight, help us prioritise topics to focus on and enable us to identify which disclosure requirements are listed in the European Sustainability Reporting Standards (ESRS).







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### Our contribution to the SDGs

# Our contribution to the energy transition

## Long experience within renewables, infrastructure and cleantech

Pareto Securities has been a market leader in renewable energy for the last 20 years. As an investment bank with worldwide investor reach, strong placing power, and solid experience within power and renewables, we play an important part in the energy transition by channeling capital through sustainable financing and supporting sustainable technological developments. Since 2006, Pareto Securities has completed more than USD 141bn of energy transactions, of which USD 23b have been renewable and cleantech companies through various capital markets and M&A transactions.

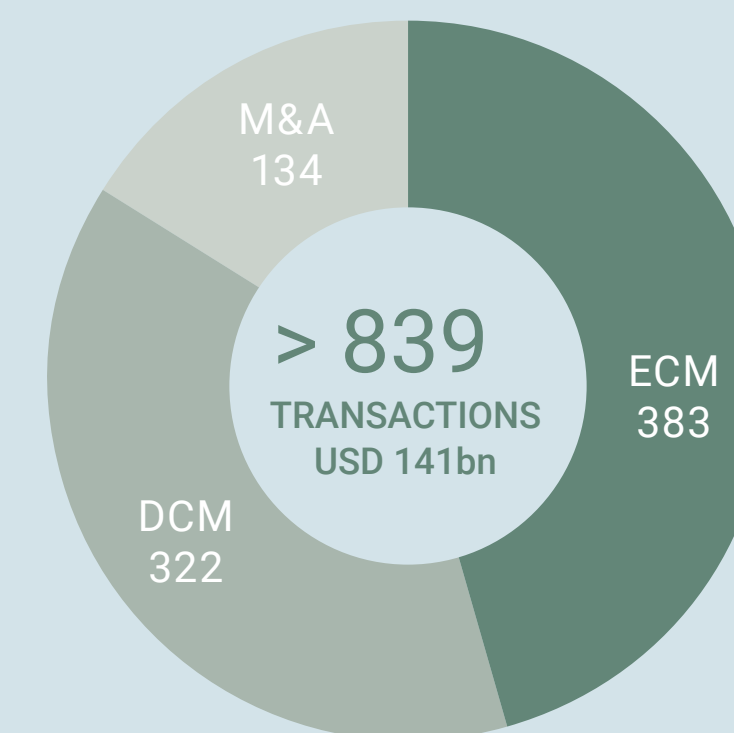
## Building a future-forward workforce

Decades of experience with capital raising for the energy sector have positioned Pareto Securities to become a frontrunner in developing competence within renewables and energy transition. Pareto Securities' employees, within investment banking, brokerage, and research, have increasingly built competence regarding the energy transition, materialised in the high deal activity in the renewable energy and cleantech space in recent years.

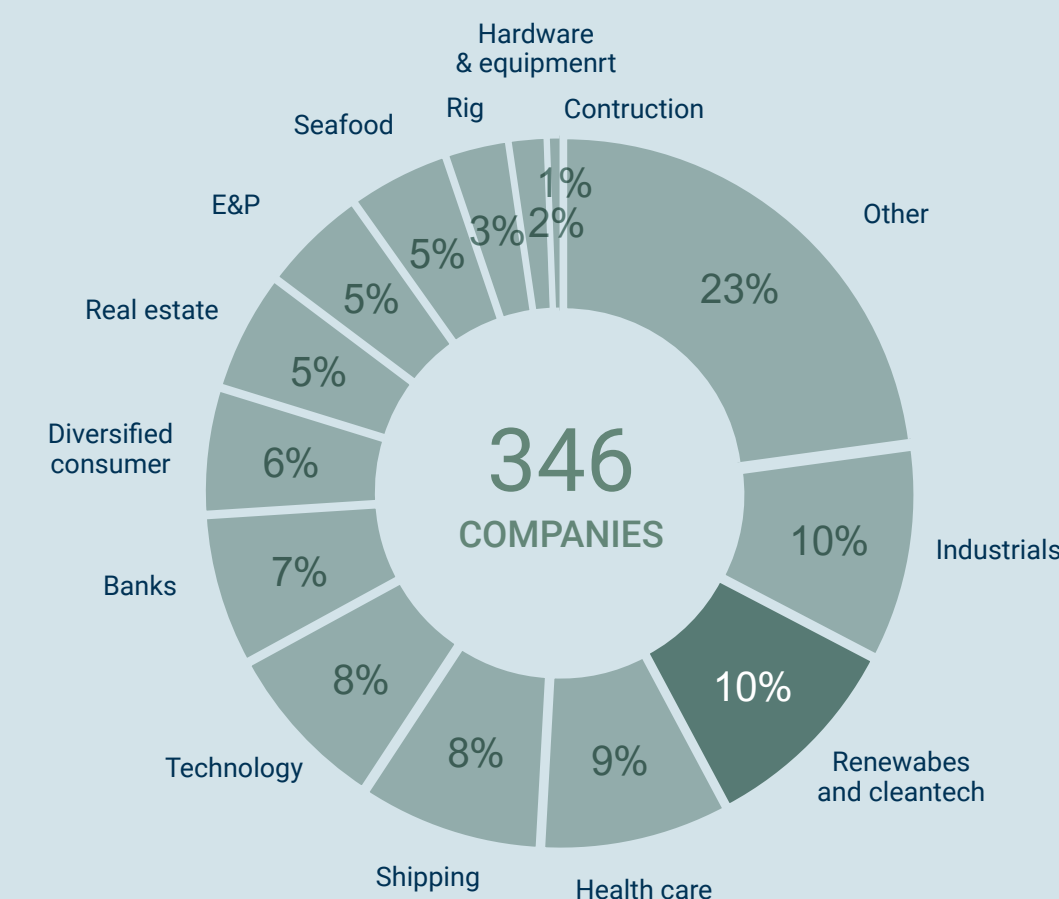
The growing competence within energy transition is also visible through Pareto Securities' amplified research coverage of the renewable sectors, including Wind, Hydro, Solar, Power sales, Grid Infrastructure, Hydrogen, Batteries, Recycling and other Cleantech. We have coverage of 40 listed companies within these sectors in the Nordics and Germany.

Pareto Securities' Research team includes more than 40 professionals in Oslo, Sweden, and Frankfurt, who endeavour to be updated on the markets, growth forecasts, share price developments, valuations, and regulations within the respective sectors. As such, the Research team represents a communication link between key stakeholders in the capital markets, from investors to companies.

## ENERGY TRANSACTIONS SINCE 2006



## COMPANY COVERAGE BY SECTOR







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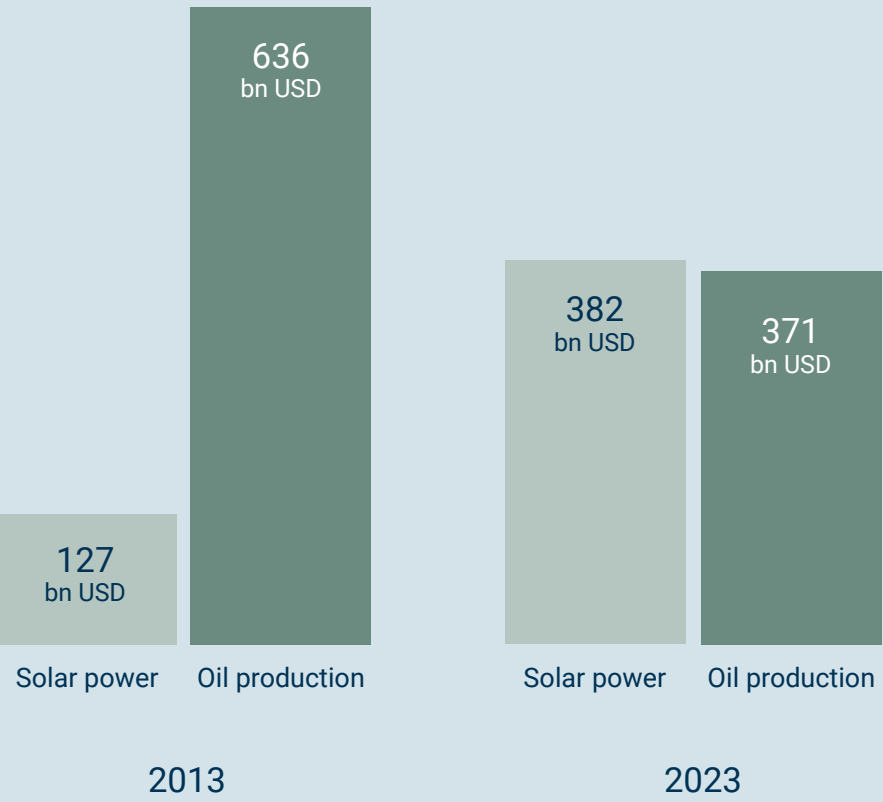
Key trends in the renewable energy and cleantech sector

Interest in investing into renewable energy remains strong. An energy crisis has been averted, with power prices coming down towards historical levels and volatility being reduced. Meanwhile, the cost of capital may have peaked, with a noticeable easing in long-term interest rates since the end of 2023. While general inflation remains high, the prices for solar panels and batteries have dropped significantly. This trend supports a lower LCOE (Levelized Cost of Energy), and continued enthusiasm around the renewable energy markets.

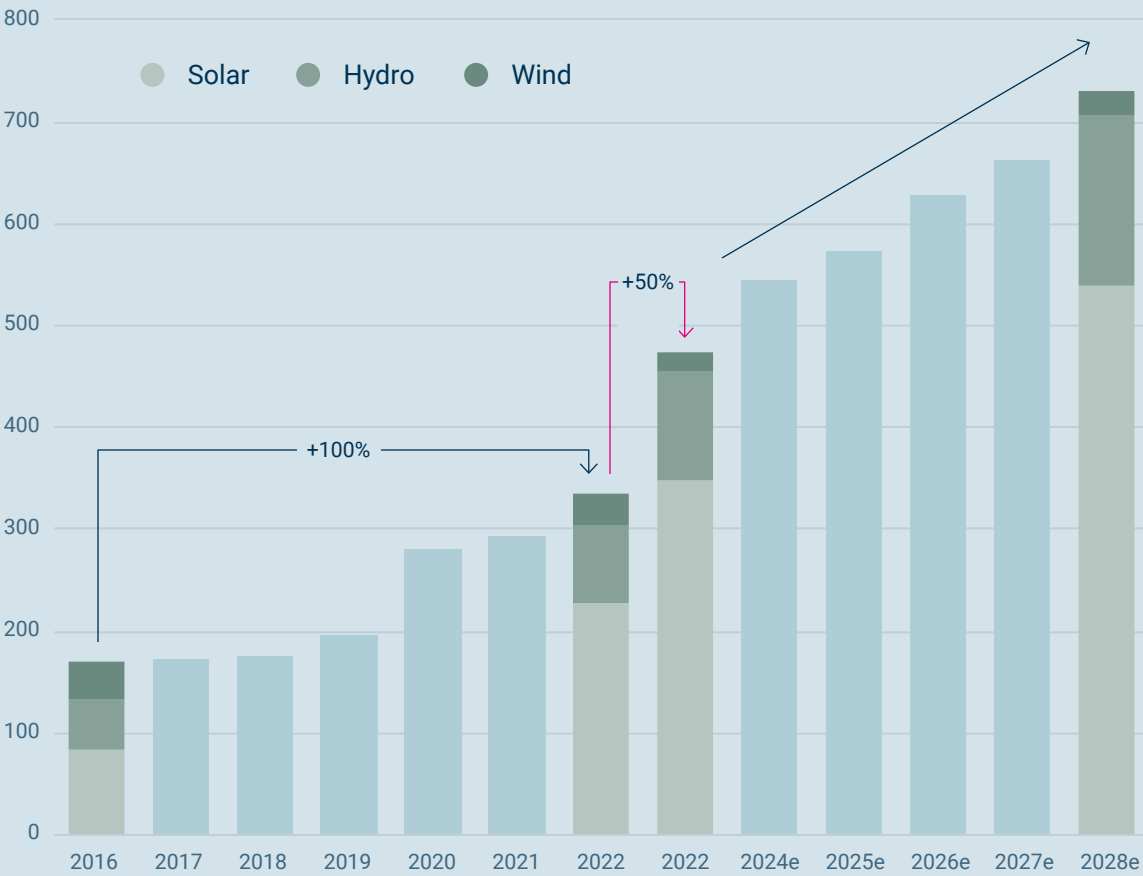
The need for a broad range of solutions to tackle climate challenges persists. The energy transition is continuing to advance at a record pace, driven by higher-than-ever investments in renewable energy. Annual renewable capacity additions increased by 50% in 2023 alone, largely driven by solar power where investments for the first time have surpassed those in oil production. According to the International Energy Agency (IEA), for every dollar spent on fossil fuels, roughly 1.7 USD is now spent on clean energy, up from a 1:1 ratio five years ago.

The Nordics have been at the forefront of power and renewable energy innovation for centuries and continue to be ideal for financing the energy transition, both for public and private deals. We look forward to promoting these companies to our broad investor base. Being the Nordic gateway for investors remains at the core of Pareto Securities' operations.

INVESTMENTS  
OIL PRODUCTION vs SOLAR POWER  
BILLION USD, 2013 vs 2023



GLOBAL ANNUAL CAPACITY ADDITIONS  
FOR SOLAR, WIND AND HYDRO  
GIGAWATT CAPACITY ADDED, 2021-2028E







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Creating platforms for knowledge sharing and sustainable opportunities

Our conferences are valuable knowledge-sharing platforms, featuring 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 and social 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 decarbonisation pathways required to transform the energy sector globally.

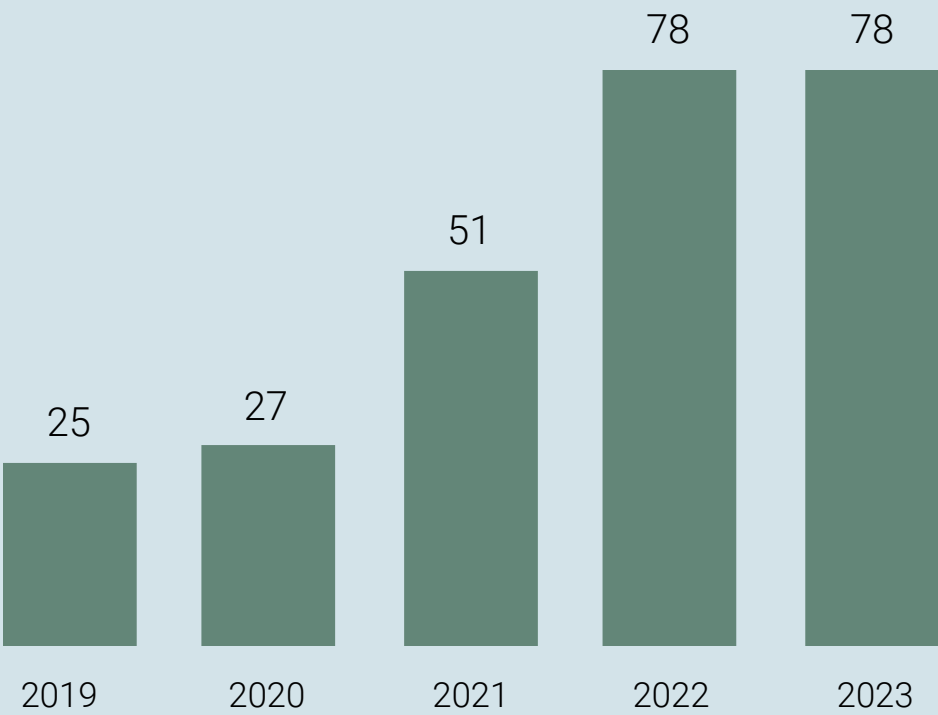
At our annual Energy conference, organised for 30 consecutive years, we observe an increasing number of companies presenting and a rapid increase of companies targeting energy transition opportunities. This is the largest conference of its kind in Europe and an important meeting place for knowledge-sharing within the industry.

Our annual Power & Renewable conference, organised for 25 consecutive years, has grown substantially in the last few years in terms of participants and the number of companies presenting. We register a shift from mainly privately held Norwegian companies to an increasing number of listed companies from the Nordics and Europe.

The increase in companies is also reflected in the increased number of investors attending the conference.

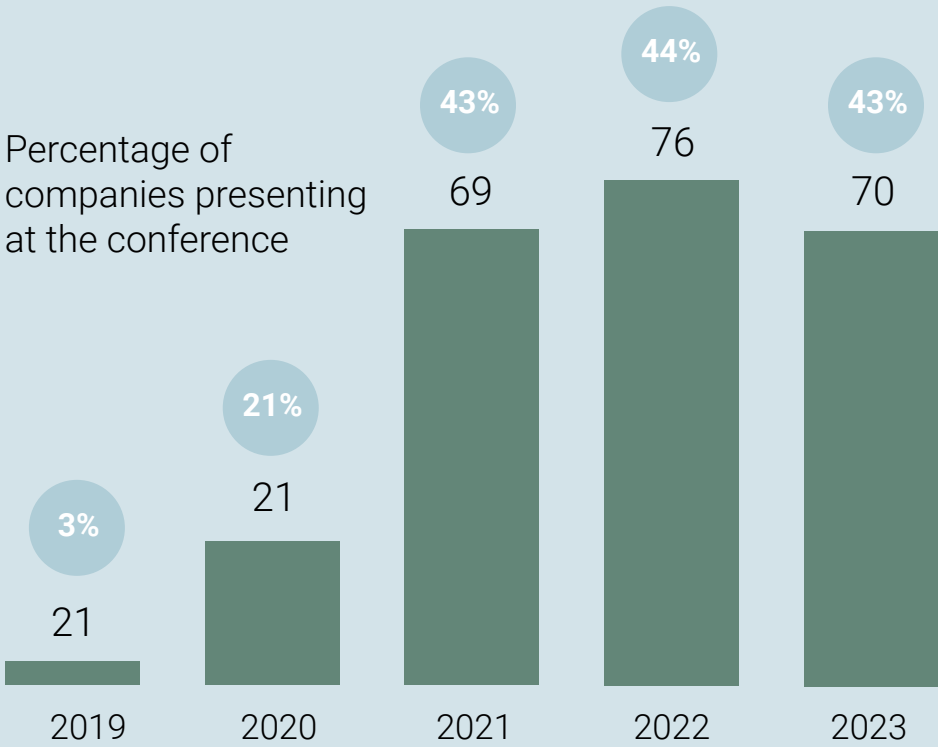
In addition to company presentations at our conferences, we highlight our capabilities within the energy transition through our analysts dedicated to sectors within offshore wind, batteries, electricity, carbon capture, recycling, and hydrogen.

COMPANIES ATTENDING OUR  
POWER & RENEWABLE CONFERENCE



COMPANIES TARGETING ENERGY  
TRANSITION OPPORTUNITIES

Pareto Securities' annual Energy conference







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A compilation of deals within the renewable space

Pareto Securities is in a pole position for contributing to the energy transition, illustrated by a summary of recent deals across the full spectrum of renewables.



Wind Power



Batteries, Hydrogen & EV Charging



Hydro Power



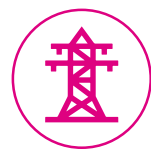
WTE & Recycling



Solar Power



Digital Infrastructure



Power Sales / Grid



Transport / other infrastructure





A COMPILATION OF DEALS WITHIN THE RENEWABLE SPACE

Pareto Securities is in a pole position for contributing to the energy transition, illustrated by a summary of recent deals across the full spectrum of renewables.

In-depth know-how and experience within:



Wind Power

  Private Placement of shares  NOK 1.2bn  Sole Financial Advisor	  Joint establishment of Nordic Renewables company with HitecVision  N/A  Sole financial advisor to TrønderEnergi	  Private Placement of shares x5  NOK 800 / NOK 500m / NOK 200m / NOK 1,075m / NOK 600  Joint Bookrunner
  Private Placement of shares  NOK 1,018m  Joint Managers and Joint Bookrunners	  Private Placement of shares and Listing on Euronext Growth  NOK 4,565m  Join Global Coordinator and Joint Bookrunner	  Merger with Aker Horizons  NOK ~2,043m  Sole Financial Advisor
  Private placement of convertible loan  SEK ~82.5m  Sole global coordinator and bookrunner	  Rights issue  SEK 120m  Joint Global Coordinator Joint Bookrunner	  Sale of shares in Odal Vindkraftverk to Cloudberry   US PP  Sole Financial Advisor to KLP and Akershus Energi Sole Manager




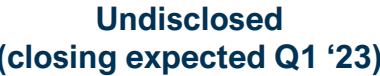







Hydro Power

  Sale of 12 small-scale hydropower plants to Småkraft AS  Undisclosed  Sole Financial Advisor	  Merger of Hafslund E-Co and Eidsiva Energi  NOK 90b  Financial Advisor to Hafslund E-Co	  Sale of Fortum's 10% stake in Hafslund Produksjon Holding to Svartisen Holding  EUR 160m  Financial Advisor
  Acquisition of 33.2% of the shares in Kvæningen Kraftverk AS  NOK 332m  Sole Financial Advisor	  Sale of BKK's 35.1% stake to Norfund  NOK 1.3bn (100% EV)  Financial Advisor	  Acquisition of Hafslund ASA and subsequent sale of assets by City of Oslo  NOK 47.8bn  Sole Financial Advisor
  Sale of shares in Haugaland Kraft AS  Sole Financial Advisor	  Sale of 12 small-scale hydropower plants to Småkraft AS  Undisclosed  Sole Financial Advisor	  Acquisition of Småkraft, Norsk Grønnkraft and shares in Tinfos  Financial Advisor for Aquila



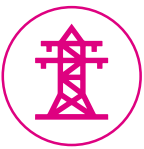
Solar Power

  Private Placement of Shares and collaboration with Hafslund  NOK 200m  Sole Global Coordinator and Sole Bookrunner	  Private Placement of shares and Listing on Euronext Growth  NOK 4,565m  Joint Global Coordinator and Joint Bookrunner	  Private Placement of Shares  NOK 1,000m  Joint Bookrunner
  Senior Secured (Green) Bond  EUR 150m  Sole manager	  Private Placement of shares  NOK 600m  Joint Bookrunner	  Investment by Macquarie Asset Management  50% of outstanding shares  Financial Advisor
  Senior Secured Project Bond Issue  AUD 90m  Sole Arranger	  Sale of a 7% stake in REC by Hafslund  NOK 238m  Sole Bookrunner	  5 year senior secured bond  EUR 80m  Joint Lead Manager










MORE INDUSTRIES 

A COMPILATION OF DEALS WITHIN THE RENEWABLE SPACE

In-depth know-how and experience within:



Power Sales / Grid

 <p>Private Placement of shares NOK 12.5m <b>Sole Financial Advisor</b></p>	 <p>Private Placement of shares SEK 1,450m <b>Sole Lead Manager</b></p>	 <p>Private Placement of shares NOK 155m <b>Sole Lead Manager</b></p>
 <p>Acquisition of Innlandskraft NOK 1.4bn <b>Sole Advisor</b></p>	 <p>Equity PP NOK 1bn <b>Joint Bookrunner</b></p>	 <p>Sale of TrønderEnergi's power retail division to Fjordkraft Undisclosed <b>Financial Advisor</b></p>
 <p>Fortum acquires 100% of Hafslund Markets NOK 4.5bn <b>Financial Advisor to Oslo municipality</b></p>	 <p>Merger between EB Energimontasje and Nettpartner <b>Financial Advisor</b></p>	 <p>Financial Advisory</p>



Batteries, Hydrogen & EV Charging

 <p>2x Equity raises in Wattif EV AS NOK 40m + EUR 50m <b>Sole Advisor</b></p>	 <p>Private Investment in Public Equity ("PIPE") USD 600m <b>Capital Markets Advisor and Placement Agent</b></p>	 <p>IPO on Euronext Growth NOK 3,450m <b>Joint Bookrunner</b></p>
 <p>IPO on Merkur Market NOK 520m <b>Sole Bookrunner</b></p>	 <p>Merger with Aker Horizons NOK ~3,776m <b>Sole Financial Advisor</b></p>	 <p>Convertible loan EUR 30m <b>Joint Global Coordinator and Bookrunner</b></p>
 <p>IPO on NasdaqFirst North, Private placement of shares and right issues SEK 278m + SEK 271m + SEK 300m <b>Sole bookrunner Joint Bookrunner</b></p>	 <p>Private Placement of shares SEK 60m <b>Sole Bookrunner</b></p>	 <p>Block Sales of Shares SEK 465m <b>Co-Lead Manager</b></p>



WTE & Recycling

 <p>Equity private placement EUR 31m <b>Sole Advisor</b></p>	 <p>Sale of shares in Fortum Oslo Varme to Hafslund Eco EV: NOK 20bn <b>Strategic and financial advisor to the City of Oslo</b></p>	 <p>Sale of shares in Kvitebjørn Varme to Patrizia Infrastructure <b>Sole financial advisor to Kvitebjørn Energi</b></p>
 <p>IPO on Euronext Growth NOK 476m <b>Sole Global Coordinator and Bookrunner</b></p>	 <p>IPO on Euronext Growth NOK 575m <b>Joint Bookrunner</b></p>	 <p>Private Placement of shares NOK 777m Oct 2020 NOK 400m Jan 2022 <b>Joint Bookrunner</b></p>
 <p>Private Placement of shares NOK 368m <b>Joint Bookrunner</b></p>	 <p>Private Placement of shares and IPO on Euronext Growth NOK 287m <b>Joint Global Coordinator Joint Bookrunner</b></p>	 <p>Loan facility issue for financing of the Carbon Capture and Storage facility at Klemetsrud NOK 2.3bn <b>Sole Financial Advisor</b></p>

MORE INDUSTRIES 



A COMPILATION OF DEALS WITHIN THE RENEWABLE SPACE

In-depth know-how and experience within:














Digital Infrastructure

  Share issue and sale of shares  <b>Financial Advisor to Lefdal Mine Datacenter</b>	  3 year senior secured bond + tap issue  NOK 835m  <b>Sole Manager</b>	  Sale of company to Lyse Energi AS  Undisclosed  <b>Sole Financial Advisor</b>
  Capital raising  NOK 1.5bn  <b>Joint Financial Advisor</b>	  Sale of Ice Group Scandinavia Holdings AS to Lyse AS  NOK ~5.56bn  <b>Joint Financial Advisor to Ice Group ASA</b>	  Sale of company to Kysttele Holding  Undisclosed  <b>Financial Advisor</b>
	  Sale of Etix Everywhere Borealis  N/A  <b>Sole Financial Advisor Joint Bookrunner</b>	  Multitranche debt facility  EUR 60m  <b>Financial Advisor to Lefdal Mine Datacenter</b>



Transport / other infrastructure

  Sale of Pioneer Public Property to Whitehelm Capital  NOK 2,725m  <b>Financial Advisor</b>	  Refinance post acquisition  NOK 1,800m senior secured bond  <b>Sole Arranger</b>	  Acquisition of DESS Aquaculture Shipping  EUR 230m  <b>Sole Financial Advisor</b>	  Equity Private Placement  NOK 250m  <b>Sole Manager and Sole Bookrunner</b>
  Advisor to Antin IP in the acquisition of a majority stake in Sølvtrans  Undisclosed  <b>Financial Advisor</b>	  Sale of Boreal  N/A  <b>Sole Financial Advisor</b>	  Nordic Infrastructure Bond Issue  NOK 6,500m  <b>Sole Financial Advisor and Bookrunner</b>	  Fairness opinion in connection with the sale of 72.1% of the shares  <b>Financial Advisor</b>
  Advisor to the owners in the sale of Napier to CapMan Infrastructure  Undisclosed  <b>Financial Advisor</b>	  Acquisition of 3.7% in Nyhamna from Exxon  Undisclosed  <b>Financial Advisor</b>	  Financial advisory  Undisclosed  <b>Sole Financial Advisor</b>	





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Our contribution to the energy transition

- Long experience with renewables, infrastructure, and cleantech
- Building a future-forward workforce
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→ **Supplier and business partner expectations and due diligence**

Client due diligence

Our contribution to the SDGs



# Supplier and business partner expectations and due diligence

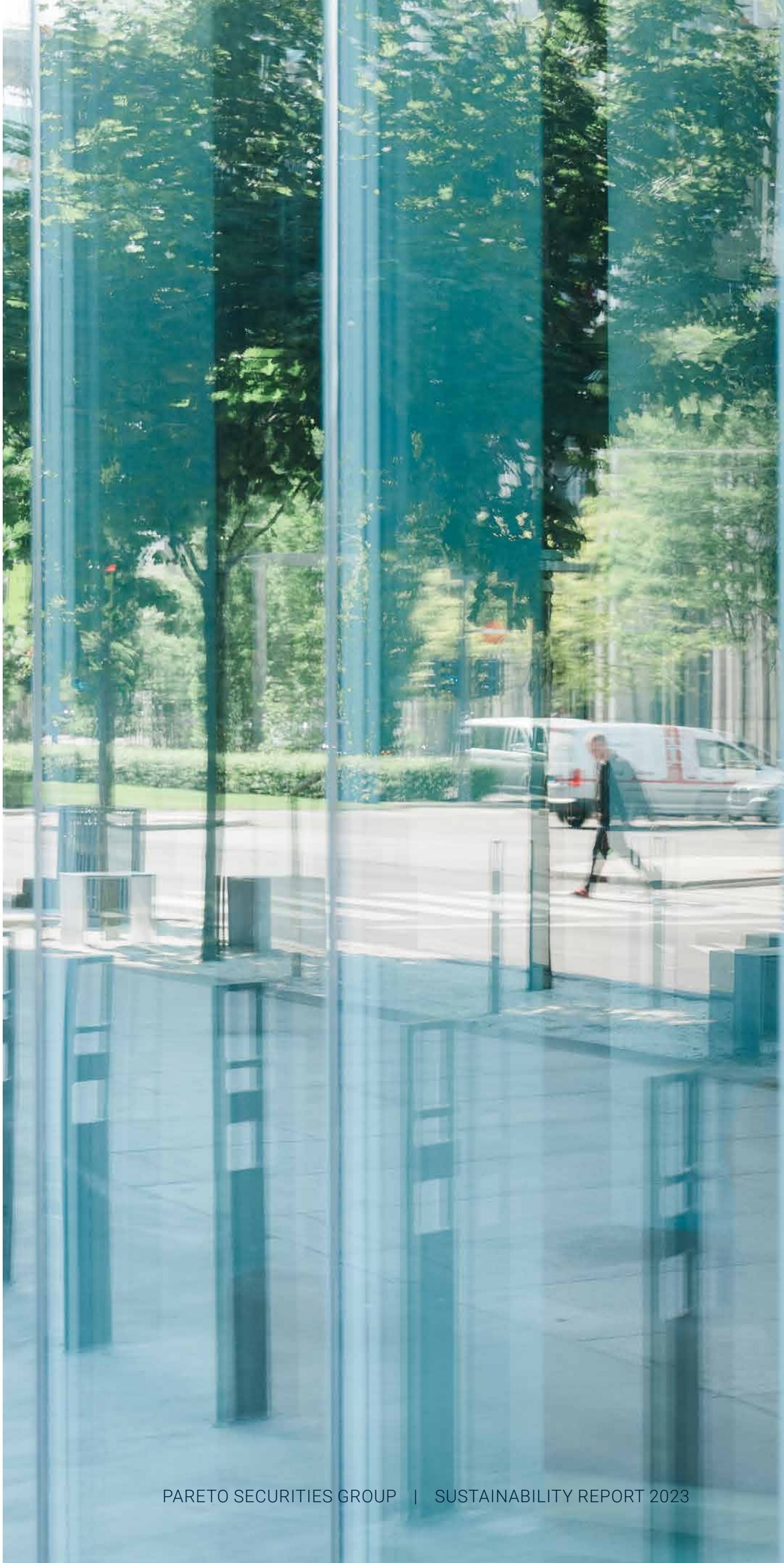
Pareto Securities is committed to being a responsible purchaser and business partner. We seek to work with reputable counterparties, and we expect suppliers and business partners to comply with applicable laws and respect internationally recognised human rights when working for or with us.

Promoting sustainable purchasing is an important element of responsible and sustainable business. Therefore, Pareto Securities is actively working to avoid negative impacts on the environment, people, and economy due to our purchases. Our Sustainability Policy reflects that we should emphasise good sustainability standards when choosing suppliers and that suppliers must be able to document that they adhere to the same high standards as we do or have an ongoing documented process to adhere to the same standards.

Pareto Securities' largest purchasing categories are IT systems, property operations and external consultants. Our suppliers and business partners are well-reputed companies primarily located in Europe and the United States. As part of our annual due diligence on suppliers, we have identified and assessed the main risk areas concerning the environment, social conditions, and ethical business conduct.

All suppliers and business partners, including sustainability risks, are assessed prior to procurement. In 2023, we initiated the process of formalising our requirements to suppliers and business partners in a Code of Conduct for suppliers and business partners ("CoC") that we will conclude at the beginning of 2024.

Further information on or focus on our suppliers and business partners from a human rights perspective is provided on page 35.







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# Client due diligence

Pareto Securities has established client due diligence procedures for all new and existing clients. The client due diligence procedures apply to investor- and investment banking clients.

We screen all clients against sanction and PEP lists, and all investor clients are subject to ongoing due diligence measures on a risk-based approach.

As part of the ESG changes to MiFID II/EU Securities law, we have included sustainability preferences in the suitability test. We now consider our clients' sustainability preferences when providing investment advice. The sustainability preferences are based on a set of ESG criteria and relate to whether and to what extent clients want their investment advice directed towards investments that may contribute to a positive, sustainable development of the environment and society or focus on minimising the negative impact on the environment and society ("Principle Adverse Impacts").

All new Investment Banking assignments are subject to approval by our Global Deal Committee with a strict deal selection process, where factors such as industries, sectors, sustainability-related objectives, transaction structure, management, and owners are evaluated.





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# Our Contribution to the UN Sustainable Development Goals

We recognise our responsibility as part of the financial industry to contribute to sustainable development and the transition towards a more sustainable society.

We are committed to playing our part and accelerating our actions to contribute to realising the SDGs. Pareto Securities prioritises the following SDGs:

4 QUALITY EDUCATION

5 GENDER EQUALITY

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS





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Environmental responsibility | Contribution to the UN SDG

 In progress  Continuous  Completed

TOPIC	GOAL	PROGRESS	UPDATE 2023	SDG
Assess climate risks	Identify, measure, prevent, and limit risk		• Annual assessment of the Group's exposure to climate risk	7, 12, 13
Environmental efforts	Track CO <sub>2</sub> emissions from our business operations		• Current total emissions: 1 150 tCO <sub>2</sub> e	7, 12, 13
	Continuous dialogue with the landlords regarding energy use of the offices we rent		• Current emissions from energy: 165 tCO <sub>2</sub> e	7, 12, 13
	Continuous dialogue with the landlords regarding waste from the offices we rent		• Current emissions from waste: 18 tCO <sub>2</sub> e • Removed personal waste bins to increase waste sorting	7, 12, 13
	Sustainable handling of discarded IT products		• Close collaboration with Foxway to ensure sustainable and efficient handling of discarded IT products used by 75% of our employees	7, 12, 13
	Limit air travel		• Current emissions from transport: 967 tCO <sub>2</sub> e • Flights have been significantly reduced compared to our 2019 base year • Invested in new and modernised video conferencing equipment	7, 12, 13
	Emphasis good sustainable standards when choosing suppliers and business partners		• Headquarters Oslo: Certificate for BREEAM Excellent (landlord has ECO Lighthouse certificate) • Offices Stockholm: Certificate for BREEAM Very Good • Dialogue on ESG issues with our largest suppliers • Enhanced risk assessment on suppliers and business partners • We have initiated a process of formalising our requirements to suppliers and business partners in a Code of Conduct for suppliers and business partners	7, 12, 13
	Integrate sustainability in client due diligence		• We have included sustainability preferences in the suitability test as part of new ESG requirements that follows from changes to MIFID II/EU Securities law, and consider sustainability preferences when providing investment advice	7, 12, 13
	Integrate sustainability in product governance		• We have implemented ESG considerations in the product governance/target market section for capital raising processes due to new ESG requirements that follows from changes to MiFID II/EU Securities law • All new Investment Banking assignments are subject to approval by our Global Deal Committee with a strict deal selection process, where factors such as industries, sectors, sustainability related objectives, transaction structure, management, and owners are evaluated.	7, 12, 13
Mitigating remaining environmental footprint	Ensure good sustainability knowledge among our employees		• We have developed an app-based ESG training program addressing - the implementation of relevant ESG legislation in the Group - ESG-related terminology - the integration of clients' sustainability preferences for clients approved for investment advice - relevant sustainability and greenwashing risks	7, 12, 13
	Fully compensate the greenhouse gas emissions throughout our operations		• Purchased and retired an equivalent volume of independently 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. • Chose a Gold Standard VERs project that contributes to saving 1050 tCO <sub>2</sub> emissions from being released into the atmosphere	3, 4, 8, 13, 14, 15

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Social responsibility | Contribution to the UN SDG

 In progress

 Continuous

 Completed

TOPIC	GOAL	PROGRESS	UPDATE 2023	SDG
Human rights – Integrating social issues into our business	Support and respect the protection of internationally proclaimed human rights an decent working conditions		<ul style="list-style-type: none"><li>• Human Rights Policy</li><li>• Instruction in relation to the Norwegian Transparency Act</li><li>• Conducted the annual risk assessment on whether our activities has any actual or potential adverse impacts on fundamental human rights and decent working conditions</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 incidents reported or suspected</li></ul>	4, 5, 8
Engaging our employees	Engage our employees to take greater sustainability responsibility		<ul style="list-style-type: none"><li>• Continuous focus and information on<ul style="list-style-type: none"><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></ul></li><li>• We highly appreciate and support initiatives from our employees</li></ul>	7, 12, 13
Sharing our knowledge and experience	Share knowledge and experience through platforms such as conferences and events connecting people		<ul style="list-style-type: none"><li>• Organised and hosted 11 conferences across 5 different cities with more than 5,500 participants</li><li>• Hosted 453 roadshows</li><li>• Partner at the event "Bærekraft på børs", in which our CEO was one of the event speakers</li><li>• Participant in the IPOready Norway programme</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 41 highly qualified interns in our Internship Programme</li></ul>	4, 9
Sponsorships	Support selected non-profit organisations		<ul style="list-style-type: none"><li>• Supported four organisations financially<ul style="list-style-type: none"><li>- Save the Children, Superselma, Barncancerfonden, Willefonden</li></ul></li></ul>	10
Discrimination	Zero tolerance for discrimination and harassment		<ul style="list-style-type: none"><li>• Continued our work against discrimination in employment through our internal procedures and regulations</li><li>• Maintain a gender and background-neutral approach in our recruitment process</li><li>• Our offices in Oslo, Stockholm and New York meet the requirements for universal design</li></ul>	5, 10
Diversity and equality	A diverse and inclusive working environment in which everyone is recognised for their unique contribution and performance		<ul style="list-style-type: none"><li>• Continued focus on gender and background neutrality in our recruitment procesess</li><li>• Rolled out mentor programme in the Group to promote an inclusive culture, increase engagement and ensure a smooth start for the new employees and interns</li><li>• Premium Partner at Womens' Finance Day at the Norwegian School of Economics</li><li>• Contributor at Women in Finance at the Norwegian University of Techonolgy and Science</li><li>• Contributor at Women in Finance at Stockholm School of Economics</li><li>• Participated 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 with Female network from Linköping University with focus on knowledge sharing, motivation for a career within finance and interview training</li><li>• Reported on gender equality and anti-discrimination measures and associated staff data in compliance with Norwegian law</li></ul>	5, 10





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TOPIC	GOAL	PROGRESS	UPDATE 2023	SDG
Career development	Cultivate a culture of trust and quality among our employees through responsibility, indepence and empowerment at an early stage		<ul style="list-style-type: none"><li>• Annual Pareto Global Excellence Academy – hosted our 6th annual academy with 35 sessions and with participants from Norway, Sweden, Finland, the UK, Germany, Switzerland, and Singapore.</li><li>• Rolled out a mentor programme in the Group to promote an inclusive culture, increase engagement and ensure a smooth start for the new employees and interns</li><li>• Graduate recruitment and on-campus presentations to attract young talent</li></ul>	4,9
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		<ul style="list-style-type: none"><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, and data security</li><li>• Department specific training</li><li>• Seminars by external professionals in various topics througout the year for different departments</li></ul>	4, 9, 16
Safety and Health	A workplace in which the employees can prosper and feel safe and healthy		<ul style="list-style-type: none"><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 through the Pareto Active Initiative</li><li>• Working Environment Committee have met regularly</li><li>• Introced a new employee handbook tailored with updated information related to health and safety at the workplace</li></ul>	5, 10

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 In progress

 Continuous

 Completed

TOPIC	GOAL	PROGRESS	UPDATE 2023	SDG
Ethics	Conduct our business in a responsible, ethical and lawful manner		<ul style="list-style-type: none"><li>• Ethical Principles, Human Rights Policy and Diversity and Inclusion Policy</li><li>• Continued focus on compliance with the Groups' internal regulation and procedures</li><li>• Ethics is included in training programme for new employees</li><li>• ESG report 2022 completed</li></ul>	16
Anti-corruption	Work against all forms of corruption in all it forms, including extortion and bribery		<ul style="list-style-type: none"><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 groups' internal regulation and procedures</li><li>• No corruption incidents reported or suspected</li></ul>	16
Combating money laundering and terrorist financing	Prevent that our business is exploited for financial crimes through the misuse of our services and products		<ul style="list-style-type: none"><li>• Prepared annual assessment of risk, along with associated risk mitigation measures</li><li>• Enhanced the framework of guidelines intended to prevent the group from being used for money laundering, tax evasion or terrorist financing</li><li>• Continuous training for employees</li><li>• Concluded several workshops by the Compliance department with the AML Officers, client establishment teams and settlement personel</li><li>• Separat AML training for our boards</li></ul>	16
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.		<ul style="list-style-type: none"><li>• Continuous guidance to the organisation on compliance, regulatory and reputational risks and to ensure adhere to laws, rules and regulations, and our Internal Regulations and Procedures</li><li>• Operationalisation and implementation of new legislation in the organisation</li><li>• Participated in the Norwegian Securities Dealers Association's efforts to develop and implement sustainability in standard documents used for primary transactions in the Norwegian market</li><li>• Anti-Money Laundering projects</li><li>• Inquires and industry surveys from regulators</li><li>• Monitoring regulatory development from EU and is preparing for the implementation of the enhanced report requirements</li><li>• Training and education for employees</li><li>• Deal Committee has processed +300 deal requests through the year</li></ul>	16
Conflicts of interest	Ensure that clients' interests take precedence over our own interests		<ul style="list-style-type: none"><li>• Work actively to identify potential conflicts of interest, and how to handle such identified conflicts of interest</li><li>• Hold workshops with different Department Heads to identify potential new conflicts of interest and to ensure that identified conflicts are mitigated and handled in a proper way</li><li>• Publish Pareto Securities' Conflict of Interest Policy annually on our website</li><li>• Updated our Conflicts of interest policy, i.a. with sustainability considerations</li></ul>	16
Whistleblowing	Encourage employees to anonymously report any activity or business practice that they suspect or consider to be unethical, illegal or involves discrimination or harassment		<ul style="list-style-type: none"><li>• Whistleblowing function available for all employees</li><li>• No incidents reported or suspected</li></ul>	10, 16
Risk management and capital	Maintain a healthy risk culture within the organisation and robust methods for systematic risk management		<ul style="list-style-type: none"><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><li>• Sustainability risk has become an integral part of the annual self-assessment of operational risk and control</li></ul>	16
Data security and personal data protection	Protect the privacy of our employees, clients, potentials clients, suppliers, business partners and ensure data security		<ul style="list-style-type: none"><li>• Annual risk assessment of our ICT setup</li><li>• Annual risk assessment regarding the handling of personal data</li><li>• Full review of our cyber security setup and identified changes are implemented</li><li>• Reviewed our GDPR digital training module and completed training for all employees</li><li>• Continuous training in personal data protection, including GDPR modul "Information Security Awareness" for new employees</li></ul>	16





ENVIRONMENTAL RESPONSIBILITY

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Exposure to climate-related risks

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# Environmental Responsibility

As an independent full-service investment bank with a global placing power, we recognise 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 we can impact.

## Integrating environmental issues into our business

Our principles and our approach to climate protection are set out in our Sustainability Policy, which describes how we intend to address climate risks and reduce our Corporate GHG Footprint to underpin long-term value creation.

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

## 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
- Purchase and retire independently verified carbon credits on the voluntary carbon market for our calculated and reported Corporate GHG emissions
- Address Pareto Securities' internal policies and procedures to align with its climate ambitions



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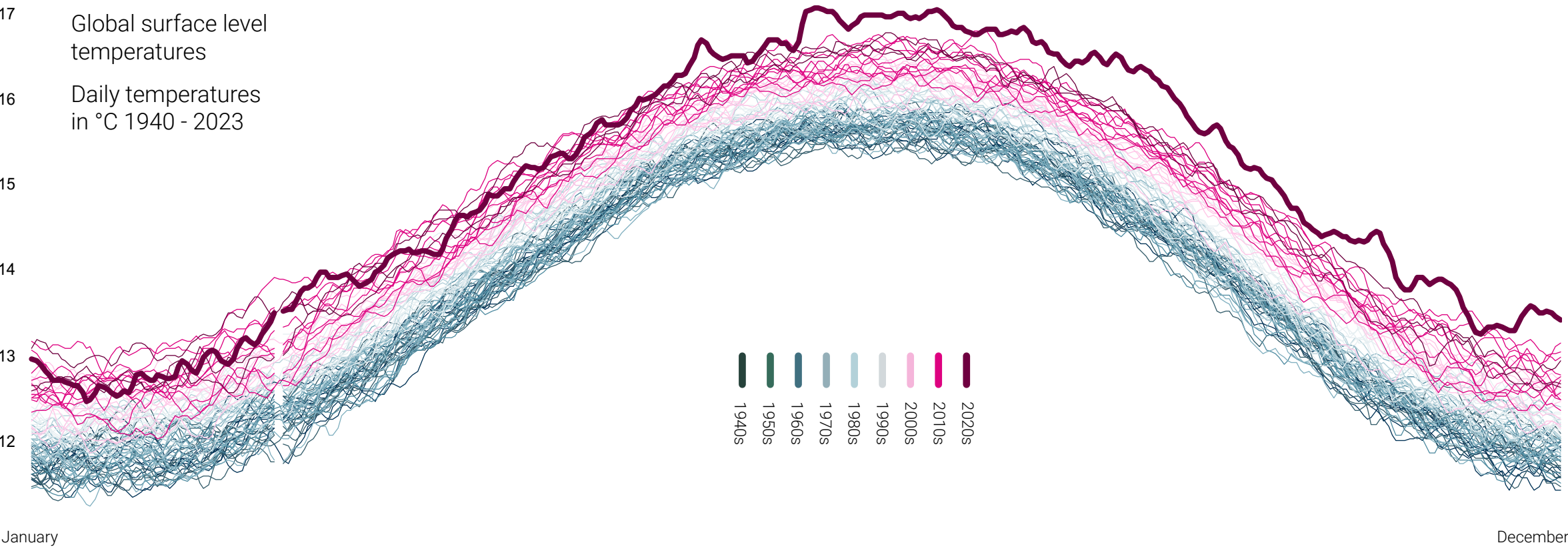


# The impacts of climate change

Climate change affects every aspect of our lives, from food security to international relations. The impacts of climate change are unprecedented in scale. Addressing climate change requires urgent action, global cooperation, and a collective commitment to safeguard our planet for future generations.

A swift and broad transition to renewable energy will be essential to achieve the emission reduction goals laid down by the Paris Agreement. This will require enormous changes, with new technology, value chains, and significant investments.

## 2023 WAS BY FAR THE WARMEST YEAR EVER RECORDED – PROBABLY WARMEST IN +100,000 YEARS



Each month from June to December was warmer than the corresponding month any previous year.





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# Exposure to climate-related risks

Climate change and adaptation represent risks and opportunities that could impact Pareto Securities’ activities. Climate-related risks may have significant adverse effects on Pareto Securities’ financial performance and reputation, negatively impacting all business areas, values, and investments. Climate-related risks can potentially contribute to risk in all risk dimensions.

Pareto Securities’ exposure to climate-related risks is continuously assessed as an integral part of the overall strategic- and risk processes, including the internal capital adequacy assessment process. In 2023, an assessment of sustainability risk became an integral part of the annual self-assessment of operational risk and internal control, raising awareness of sustainability risk within the organisation.

The risks of climate change can be divided into two categories: physical and transition risks; where physical risks typically may affect credit risk, market risk and operational risk, while transition risks typically may affect credit risk, market risk, liquidity risk and liability risk (due to inability to meet legal obligations). Physical risks result from climatic events like wildfires, drought, storms, and floods. Pareto Securities has most of its operations in the Nordic region, an area not significantly affected by the physical impacts of climate change.

Transition risks result from policy action taken to the shift to a low-emission society, i.e., the transition from a reliance on fossil fuels to a low-carbon economy.

This shift will affect some industries harder than others and impact companies in high-emission sectors, resulting in potential losses to the financial system. This could result in increased risks for financial players with significant exposure to counterparties whom the transition will impact. For Pareto Securities, the overall assessment is that transition risks are low as our clients operate in a wide variety of sectors, and many of them are drivers of the shift towards a low-emission future. The assessment of transition risks includes the possibility that internal and external stakeholders have a negative view of our handling of climate-related questions.

In the short to medium term, we consider the transitional risk a more material risk to Pareto Securities than physical risks due to our type of business and sector diversity.

Pareto Securities monitors the development of ESG-related regulations to identify potential operational risks related to upcoming regulations. To assess the transition risk, it is also important to comprehend how the changes in regulations, technology, and market dynamics may impact different industries.

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## Our climate impact

Pareto Securities is a service provider that operates primarily from offices, so our environmental footprint is limited. Our business travels and offices have the most significant impact on the climate. We are continuously implementing changes to reduce our negative climate impact.

We concentrate our efforts on energy management by monitoring and minimising energy consumption and greenhouse gas emissions from our offices and business travels. Our commitment is to compensate for our Corporate GHG emissions. We achieve this goal by tracking and calculating our Corporate GHG emissions, reducing them, and purchasing an equivalent volume of independently verified carbon credits on the voluntary market for all calculated and reported Scope 1, 2 and 3 emissions that we cannot yet eliminate from our calculated Corporate GHG Footprint.

The Group's energy and climate accounts are registered based on the international Corporate Accounting and Reporting Standard. The Greenhouse Gas Protocol Initiative developed this standard – the GHG Protocol. The climate accounts reveal tons of CO<sub>2</sub>e that are direct and indirect emissions related to the Group. These are greenhouse gas emissions 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 minimise them.

We started calculating our carbon accounting according to the GHG Protocol in 2019, and therefore, we use 2019 as our base year to compare our emissions in tCO<sub>2</sub>e this year. More information about our efforts to reduce our Corporate GHG footprint is presented on pages 7-15, 19, and 23-31.

### TOTAL CORPORATE GHG EMISSIONS IN 2023

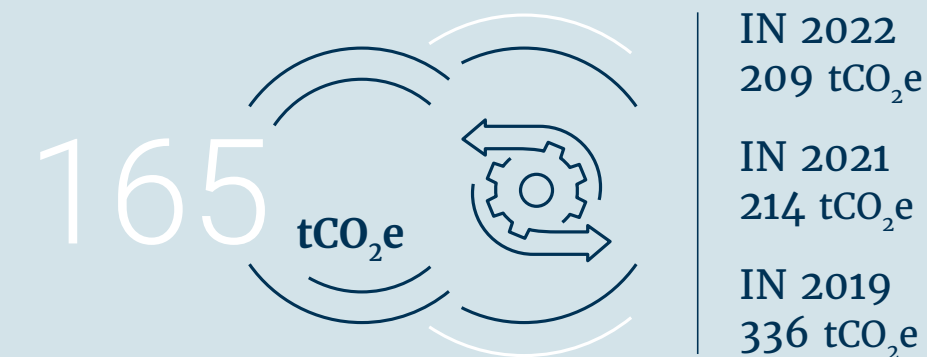


IN 2022  
815 tCO<sub>2</sub>e  
IN 2021  
363 tCO<sub>2</sub>e  
IN 2019  
2 341 tCO<sub>2</sub>e

### EMISSIONS FROM TRANSPORT



### EMISSIONS FROM ENERGY



Includes electricity, district heating, stationary combustion and homeworking emissions

### EMISSIONS FROM WASTE







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# Our offices

Our offices play an important role in mitigating our environmental footprint. We lease modern, energy-efficient buildings with recycling facilities and proximity to public transport.

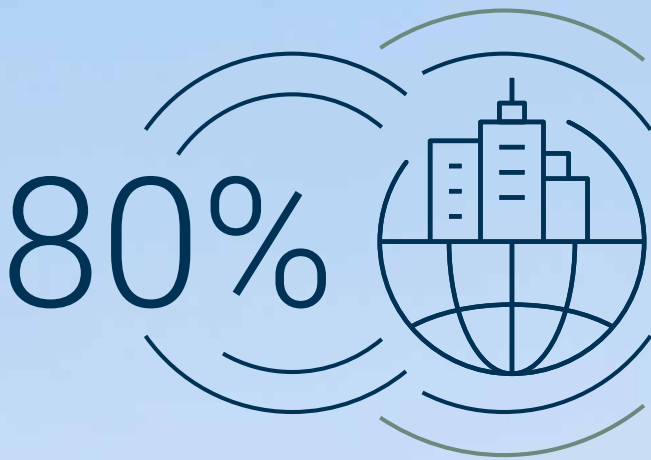
We evaluate the energy efficiency of the buildings we rent, including indoor climate management, lighting, insulation, and waste management, and assess the measures we can take in the short and long term to improve our Corporate GHG Footprint.

Our offices in Oslo and Stockholm, where approximately 80% of our employees are located, hold high environmental standards.

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

1 BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognizes and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. [www.breem.com](http://www.breem.com)

2 The Eco-Lighthouse Foundation is the first national certification scheme in Europe to be recognised by the European Commission. The recognition verifies that the scheme holds the standard and quality on a par with international eco-labelling schemes (EMAS and ISO 14001).



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

BREEAM®





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# Business travels

As a global investment bank with colleagues located across different countries, our business model is based on bringing people together. Business travel is unavoidable and constitutes our most significant direct climate impact.

We have invested significantly in top-quality video conferencing solutions and other digital tools to facilitate efficient collaboration solutions in recent years. We are also monitoring our business travels. Our Travel Policy advocates that our employees limit air travel and use environmentally friendly alternatives such as virtual meetings.

In 2023, compared to our 2019 base year, emissions from business travel were down approximately 80% in absolute terms. Business travel activities have increased in 2022-2023 compared to the significantly low Covid-19 pandemic-related levels in 2020-2021, but there is less travelling than before the Covid-19 pandemic. This is mainly due to digital meeting platforms creating changes in the working patterns and investments in technical equipment for a better experience.

We will continue to utilise virtual meeting solutions in our daily operations and make sustainable travel choices where it is essential for clients' value creation and Pareto Securities' business development.







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# Waste limitation and recycling

In 2023, we continued our efforts to reduce, reuse, and recycle our waste. Our offices in Oslo and Stockholm, where 80% of our employees are located, 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 electronic signing and document archiving. Disposable cutlery, cardboard plates, and cups have been replaced with reusable, bare equipment after refurbishing our offices in Oslo.

Our kitchen in the Oslo head office collaborates with Sodexo, a top-rated company in the Restaurants & Leisure Facilities on the S&P Global Dow Jones Sustainability World Index. We aim to contribute to a more resilient, inclusive, and green economic development by reducing food waste, supporting charitable organisations with surplus food, and increasing the use of plant-based food from local suppliers.







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- Offsetting our Corporate GHG Footprint

# Handling of discarded IT products

Since 2020 we have worked closely with Foxway to ensure sustainable and efficient handling of discarded IT products that 80% of our employees use.

Units without resale value are sorted and delivered to approved partners such as Norsirk and Stena Recycling. Foxway follows the following principles for the safe and secure handling of our discarded products:

- All handling of data takes place within a secure zone.
- Procedures are ISO Certified according to ISO 9001, OHSAS 18001 and 14001
- Full access via Foxway Partner Portal (AMS)
- Traceability down to serial number level
- Granulation according to DIN 66399 H5 and DIN 66399 H7
- NSM Approved Delete Software - Blancco
- Certificate of Destruction (COD) Issued on all submitted units containing storage media.







ENVIRONMENTAL RESPONSIBILITY

Integrating environmental issues

The impacts of climate change

Exposure to climate-related risks

→ Our climate impact

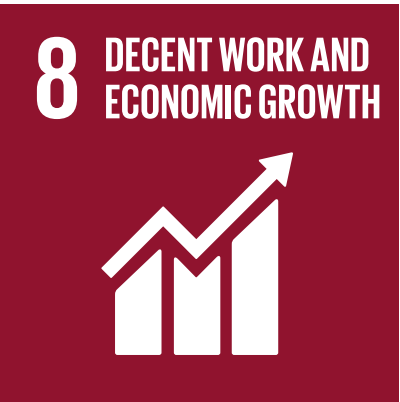
- Our offices
- Business travel
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- Handling of discarded IT products
- Offsetting our Corporate GHG Footprint

# Offsetting our Corporate GHG Footprint

While continuing to focus our efforts on reducing our calculated and reported Corporate GHG emissions, we also want to mitigate for emissions occurring outside our value chain.

Accordingly, we purchase and retire an equivalent volume of independently verified carbon credits on the voluntary carbon market for all calculated and reported Scope 1, Scope 2, and Scope 3 emissions that we cannot yet eliminate from our calculated Corporate GHG Footprint.

We direct our voluntary carbon-offset purchases toward beyond value chain mitigation projects, with the added objective of helping to scale projects that the world will need to achieve the ambitions of the Paris Accord. In 2023, we chose a Gold Standard VERs project in India with certified impacts on SFDs no. 7, 8, and 13. The main purpose of this project activity is to generate clean form of electricity through solar energy source.







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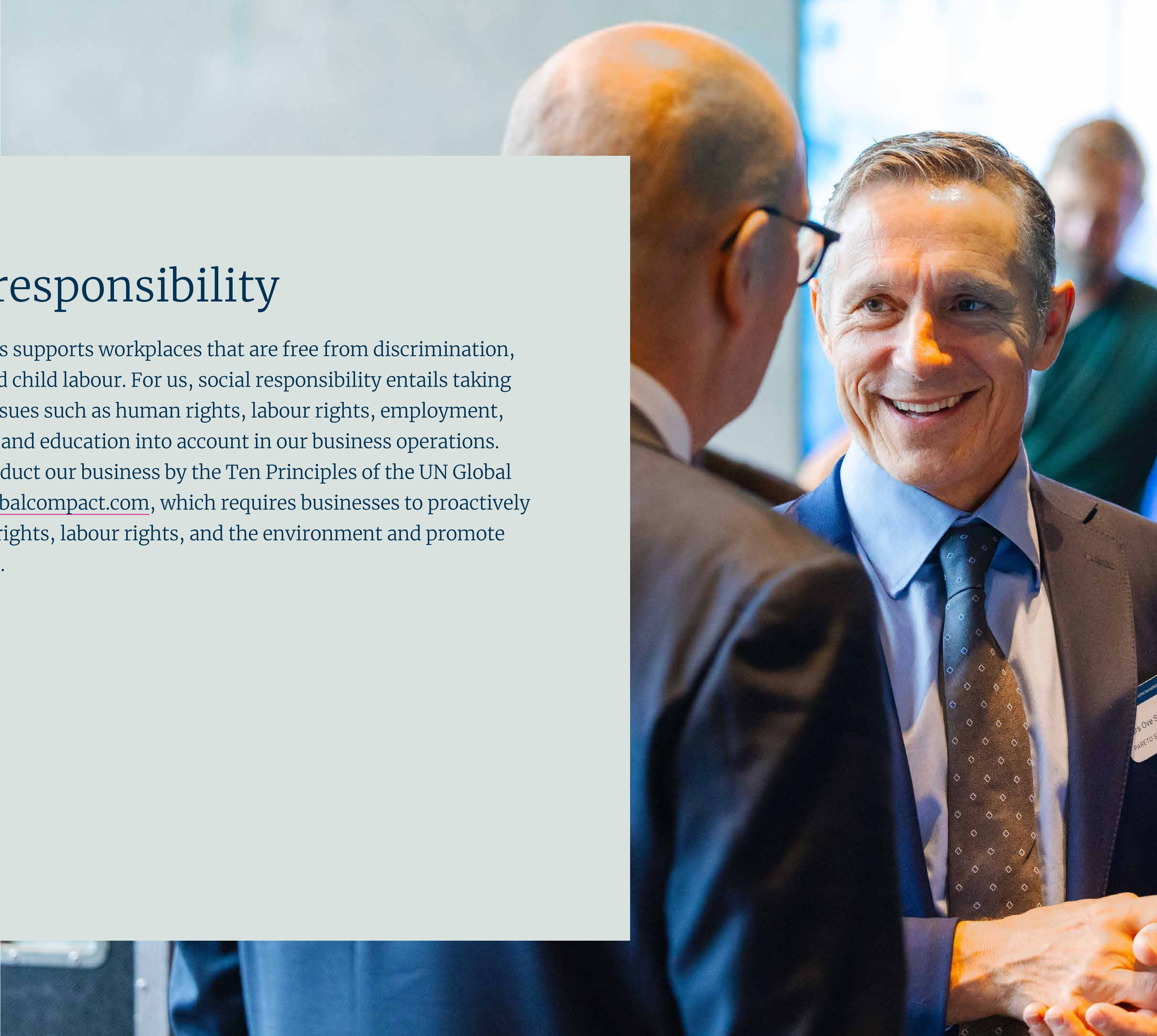
Sharing our knowledge and experience

- Our conferences and seminars
- Partners in events and committees

Contributions to charity

# Social responsibility

Pareto Securities supports workplaces that are free from discrimination, harassment, and child labour. For us, social responsibility entails taking sustainability issues such as human rights, labour rights, employment, gender equality and education into account in our business operations. We strive to conduct our business by the Ten Principles of the UN Global Compact, [unglobalcompact.com](http://unglobalcompact.com), which requires businesses to proactively protect human rights, labour rights, and the environment and promote anti-corruption.







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# Integrating social issues

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

We strive to work with reputable counterparties in relation to clients and suppliers. We expect suppliers and business partners to comply with applicable laws and respect internationally recognised human rights when working for or with us. We have adopted a **Human Rights Policy** to describe our approach to managing human rights risk within our business operations, clarifying our expectations on the importance of conducting business consistent with the principles described in the policy and improving our awareness of our continuous efforts to reduce the risks of human rights violations. More information is provided on page 35.

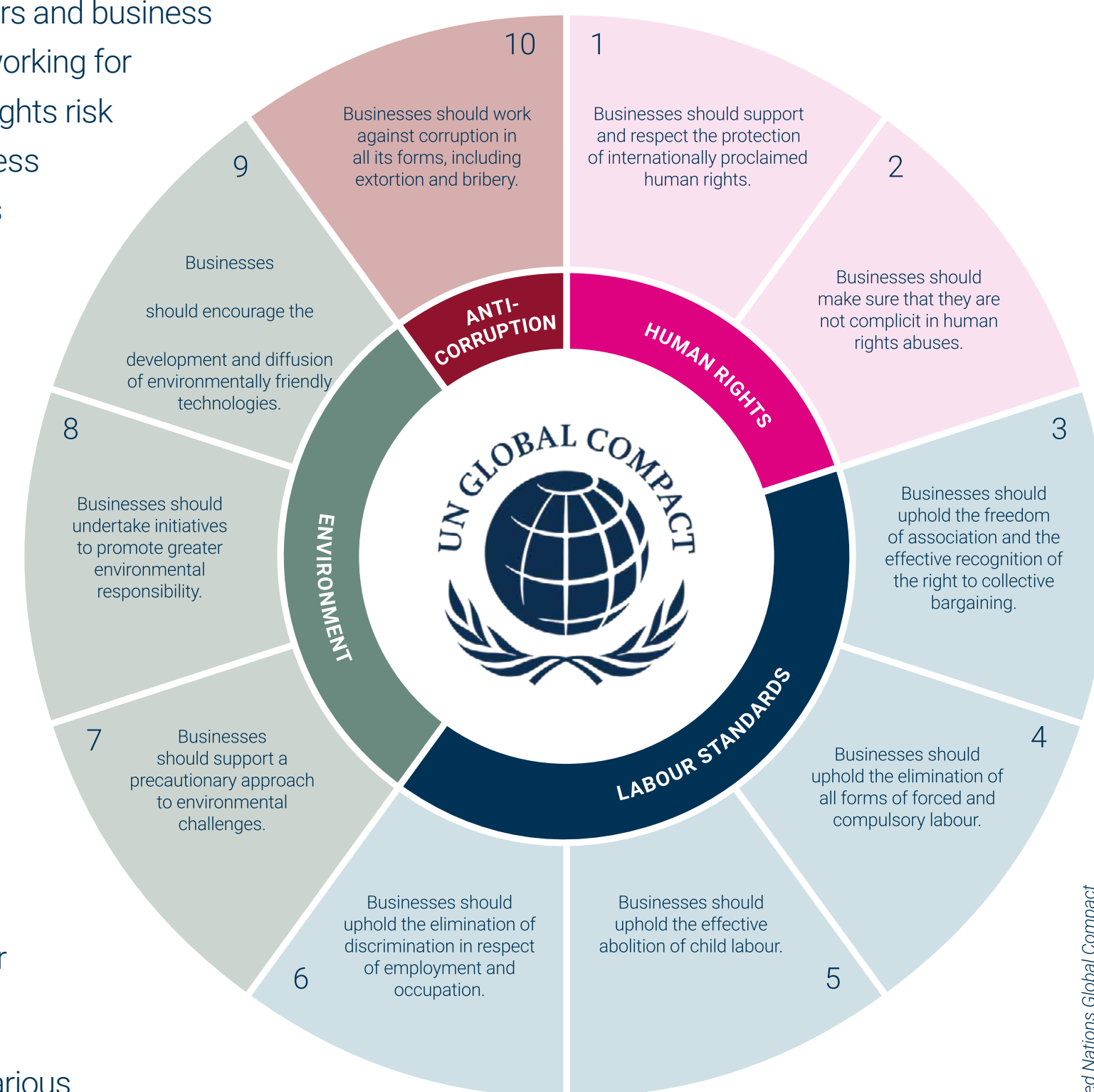
Our **Ethical principles** are intended to combat corruption, extortion, bribery, money laundering, fraud, terrorist financing, and the financing of other criminal activities. The ethical principles are integrated into our comprehensive internal regulations and processes. More information is provided page 56.

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. More information is provided on page 56.

Our **Diversity and Inclusion Policy** reflects that we have zero tolerance for discrimination or harassment. We publicly account for our gender equality, anti-discrimination measures, and associated employee data. More information is provided on page 40-41.

We have also adopted a **Social Media & Networking Policy**. The policy's objective is to encourage our employees to make responsible decisions about their use of social media and to provide guidelines for appropriate and mindful use.

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.



Source: United Nations Global Compact





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# Engaging our employees

Our sustainability framework comprises initiatives to promote greater environmental and social responsibility. The engagement of our employees is critical to achieving our goals.

By taking visible measures internally at Pareto Securities, we aim to inspire all our employees to take greater responsibility and create a chain of change for a sustainable future.

During 2023, we provided our employees with relevant information on our work within ESG, including the initiatives we are taking, how we measure our progress, and how we plan to strengthen our commitment within ESG. We also included ESG in our training programs by creating an app-based ESG training program addressing, amongst other things, the implementation of relevant ESG legislation in the Group, ESG-related terminology, the integration of clients' sustainability preferences for clients approved to receive investment advice, and relevant sustainability- and greenwashing risks.

We will continue building awareness, increasing knowledge, and strengthening the organisation's sustainability commitment.



Jo Thomas Addesa, our Head of Kitchen in Oslo, led a great initiative in 2023. He initiated a project to help people in difficult situations with meals before Christmas. He and his team provided the non-profit organisation Fattighuset with a total of 934 meals during the month of December.





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# Human rights

Respect for fundamental human rights and decent working conditions throughout the value chain is a cornerstone of the social dimension of ESG.

In 2023, we have continued to focus considerably on the social dimension of ESG. This is particularly due to the introduction of the Norwegian Transparency Act and the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDD).

## The Transparency Act

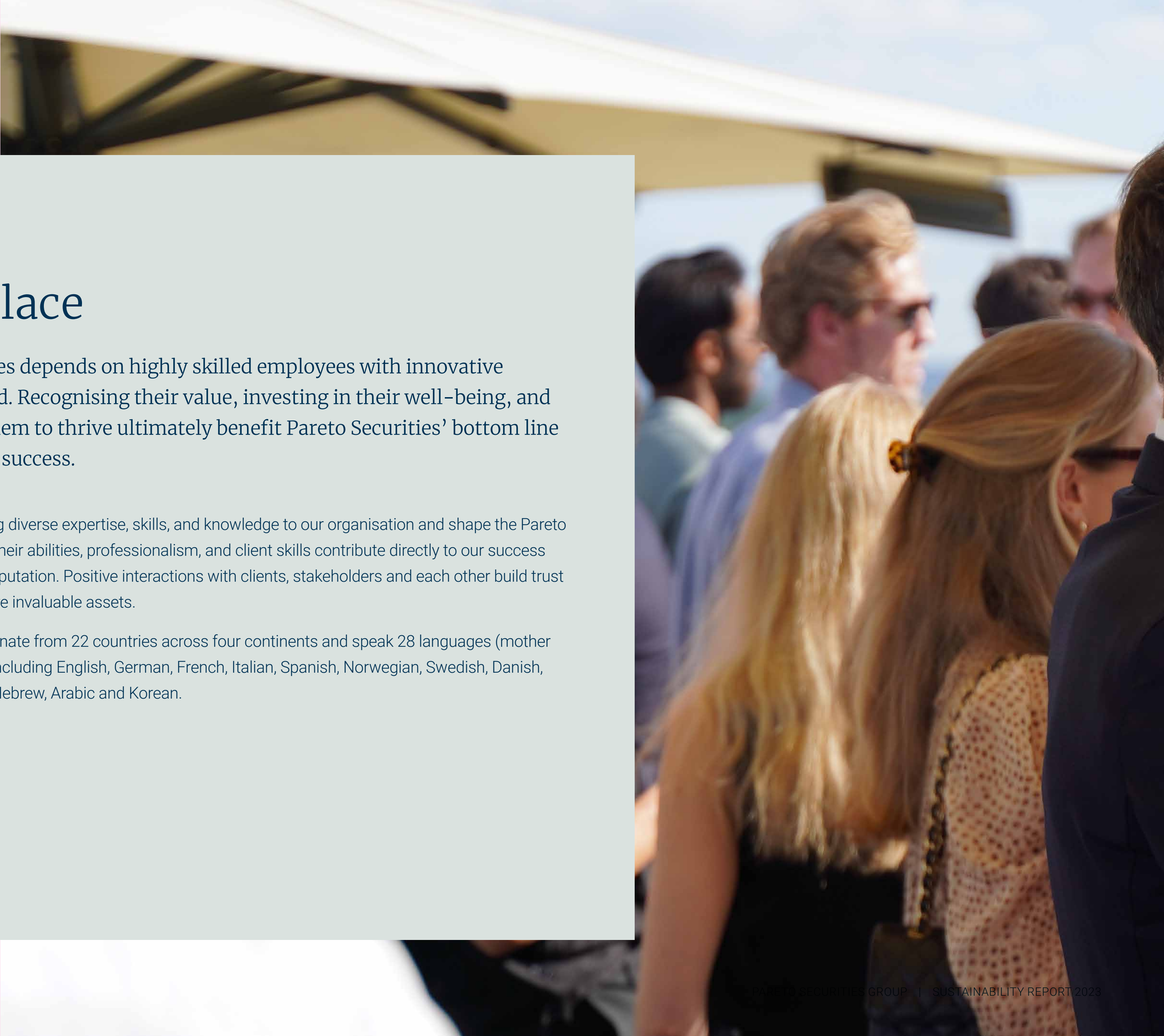
The objective of the Transparency Act is to promote companies’ respect for fundamental human rights and decent working conditions in connection with the production of goods and services and to ensure that the general public has access to information regarding how companies address adverse impacts on fundamental human rights and decent working conditions. The principles underlying the Transparency Act are anchored in our framework for sustainability, which obligates Pareto Securities not to cause or contribute to violations of human rights, decent working conditions, employee rights, and international law.

The Group has established guidelines that describe how we address our obligations under the Transparency Act, including the requirement to conduct due diligence assessments, publicly account for due diligence assessments and provide information about the due diligence upon request.

We also conduct risk-based due diligence assessments related to fundamental human rights and decent working conditions. In the due diligence process, we examine two primary risk factors: i) the company’s product, service, or sector and ii) the company’s primary location of operation. Given the nature and location of the Group’s business operations, the risk of engaging with organisations that are in breach of human rights is considered limited. In 2023, we identified no direct links to actual negative impacts related to activities, products or services via business relationships.

All suppliers and business partners, including sustainability risks, are assessed prior to procurement. In 2023, we initiated the process of formalising our requirements to suppliers and business partners in a Code of Conduct for suppliers and business partners (“CoC”) that we will conclude at the beginning of 2024.

Going forward, we will continue to focus on how to minimise occurrences of human rights infringement in our business operations and those managed by third parties. The public due diligence account, published on [paretosec.com](https://paretosec.com), provides additional information on due diligence in relation to Pareto Securities’ various roles and functions, identified risk areas, and plans for future work.



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# Workplace

Pareto Securities depends on highly skilled employees with innovative ideas to succeed. Recognising their value, investing in their well-being, and empowering them to thrive ultimately benefit Pareto Securities’ bottom line and long-term success.

Our employees bring diverse expertise, skills, and knowledge to our organisation and shape the Pareto Securities culture. Their abilities, professionalism, and client skills contribute directly to our success and influence our reputation. Positive interactions with clients, stakeholders and each other build trust and loyalty, which are invaluable assets.

Our employees originate from 22 countries across four continents and speak 28 languages (mother tongue or similar), including English, German, French, Italian, Spanish, Norwegian, Swedish, Danish, Finnish, Mandarin, Hebrew, Arabic and Korean.





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# Health and safety

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.

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.

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.

In 2023, all countries received their new employee handbook tailored with updated information related to Health & Safety at the workplace. Several offices within the Group have offered Cardiopulmonary resuscitation (CPR) courses throughout the year. This training equips our employees with the skills and knowledge to respond in emergency situations, potentially saving lives.

Our comprehensive health insurance program covers all employees.





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# Anti-discrimination

Creating a positive and responsible work environment is essential for attracting and retaining talented employees. Our goal is to establish and sustain a professional and intellectual workplace that is free from all forms of discrimination and encourages accountability.

We are committed to non-discrimination and equal opportunities, regardless of gender, age, nationality, and other factors. Our efforts against discrimination and gender inequality are reflected in our strategies, principles, and guidelines.

By 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, promotion, competency development, and work environment. We have zero tolerance for discrimination and harassment. Personnel policies include considerations of equality and non-discrimination.

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

In our recruitment processes, we maintain a gender and background-neutral approach. We select candidates based on their expertise, skills, and potential, regardless of gender, ethnic origin, religious beliefs, sexual orientation, or any other such factors not relevant to their position. The Group does not classify its employees based on such criteria, nor does it consider these criteria relevant to a career in the Group.

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

Our offices in Oslo, Stockholm and New York meet the requirements for universal design, which means that our offices are inclusive and welcoming for all, regardless of disabilities. Our kitchen in the Oslo head office labels food with allergens and offers gluten-free alternatives.



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# Our employees

At year's end, Pareto Securities had 439 employees (permanent workers) at our 12 offices in Norway, Sweden, Denmark, Finland, the United Kingdom, Germany, Switzerland, the USA, Singapore, and Australia.

## Types of employees

Most of our employees are full-time employees on permanent contracts. The use of temporary contracts is usually associated with internships that allow students to combine temporary work at Pareto Securities with ongoing studies to obtain practical industry work experience. We have not identified any cases of involuntary use of temporary work during our gender equality and diversity inquiries.

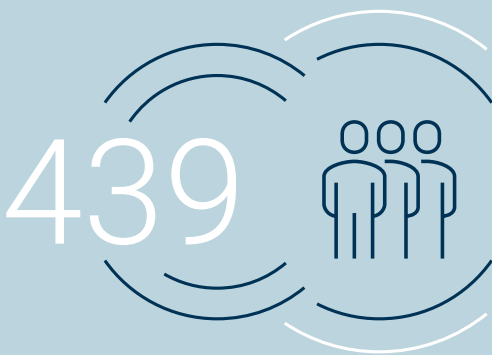
## New and former employees

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 54 new permanent full-time employees in the Group. Further, 16 employees were transferred across departments and offices, exploring new opportunities within the Group.

## Parental leave

Pareto Securities encourages and promotes work-life balance and facilitates parental leave for all employees. We additionally provide our employees with paid parental leave that exceeds the mandated regulatory requirements. The average number of parental leave in 2023 was 26 weeks for females and 7 weeks for males.

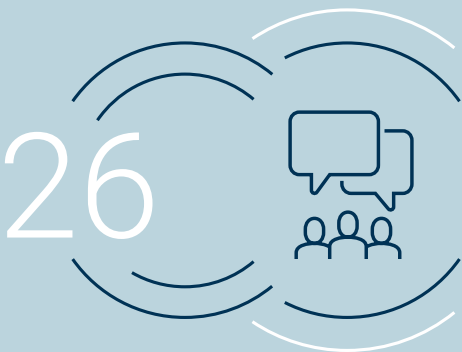
### NUMBER OF EMPLOYEES



### COUNTRIES OF ORIGIN



### LANGUAGES SPOKEN



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# Diversity and inclusion

Diverse teams bring fresh perspectives and foster creativity. When people from different backgrounds collaborate, they generate new ideas and innovative solutions. Therefore, workforce diversity and inclusion are key components in achieving our strategic goals.

We aim to attract top talent and cultivate an inclusive work environment. In the financial industry, there is a persistent challenge in recruiting and retaining women 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.

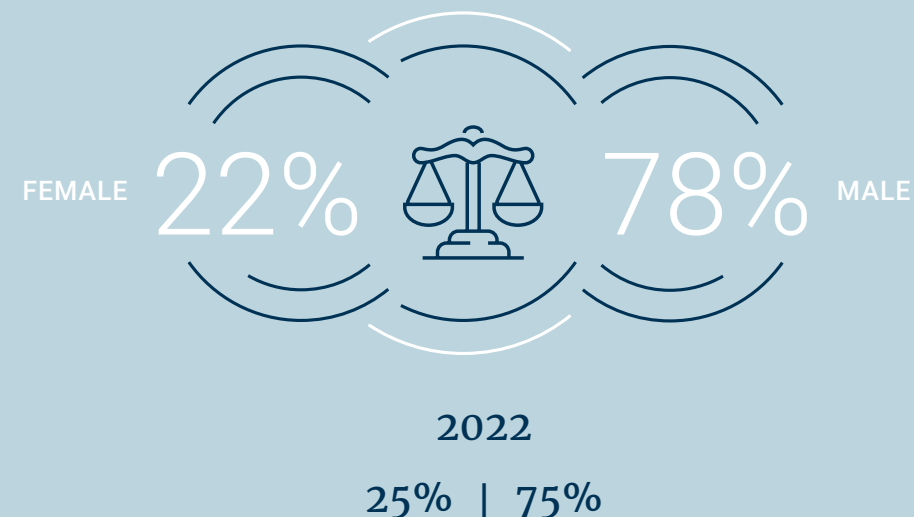
As of year-end 2023, 98 female employees and 341 male employees worked in Pareto Securities. The latter has a greater representation within the front-office positions than mid- and back-office positions. The Board of Directors at Pareto Securities maintains a gender balance of 40% female and 60% male.

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

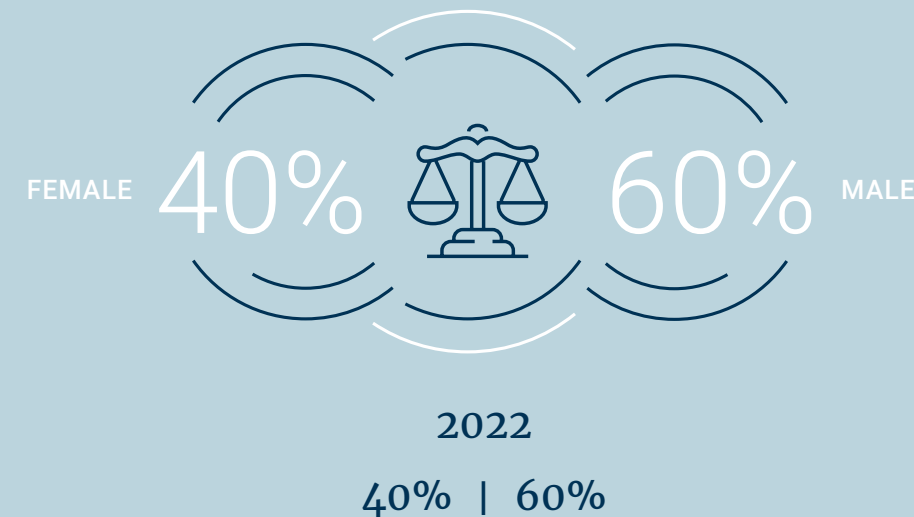
In 2023, we received over 4,000 applications, with ~21% submitted by female candidates. This trend is also reflected in our hiring practices, where women constituted ~22% of the total new employees in 2023. Our ongoing commitment is to enhance female representation among applicants and employees in 2024.

## GENDER BALANCE:

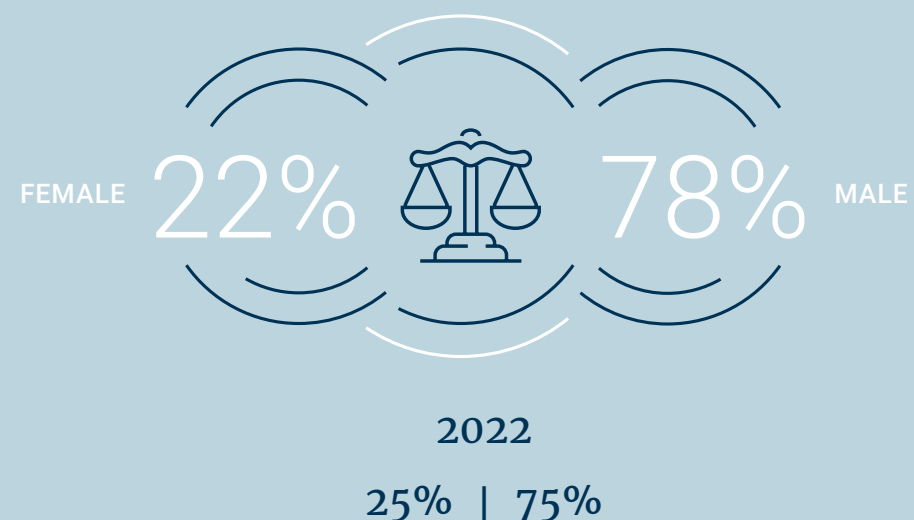
### EMPLOYEES 2023



### BOARD OF DIRECTORS 2023



### NEW EMPLOYEES 2023





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We have continued to support initiatives to increase interest in the financial industry among female talent and attract more female graduates and professionals to join the Group. Pareto Securities was a Premium Partner at Women's Finance Day at the Norwegian School of Economics, and we also contributed to Women in Finance at the Norwegian University of Technology and Science and Stockholm School of Economics. We 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, motivation 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.

Pareto Securities is obligated to monitor, assess, and report on gender equality and anti-discrimination measures and associated employee 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 2023 statement on gender equality and anti-discrimination is published on [www.paretosec.com](http://www.paretosec.com).







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# Pareto Active

Employees in Pareto Securities are given support for an active lifestyle through the Pareto Active initiative. The initiative started because we believe that being physically active has a positive effect on our performance at work, as well as in other aspects of life.

Exercise contributes to improved physical health, enhanced mental health, increased energy levels and improved productivity – to mention some benefits. Exercise is, therefore, a logical goal for Pareto Securities.

The Pareto Active initiative was introduced in 2019 with broad support from the entire organisation. As a part of the initiative, we offer weekly activities at our offices.

Activities offered throughout the year include a variety of activities that also may vary during the year. We have made group sessions a regular part of our workday, including CrossFit sessions with Barry's Bootcamp, CrossFit with Anders Myrvold, running sessions with Kasper Fosser, yoga sessions, cross-country skiing, alpine skiing, football training, and padel tennis. In 2023, 40,000 hours of activities were logged by our employees in our internal activity systems.

For the second time, Pareto Securities had a women's team participate in Holmenkollstafetten 2023, and we had a record number of teams participating, hopefully expected to increase further in 2024. The run-up, execution, and after-party of these events boost enthusiasm among our employees.

We are actively involved in several external events and support athletes and teams. In the summer of 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, Pareto employees can experience football as an arena for joy, inspiration, and social community through this partnership.







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# Career development

Pareto Securities is all about the people working here, and we are committed to giving our colleagues the best possible platform to learn and develop. We believe that giving responsibility right from the start, combined with our culture and market-leading deal flow, makes Pareto a great place to grow.

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 increases our employees' independence and empowerment, enabling us to grasp opportunities in a fast-shifting and competitive market.

Our mentor program is designed to give our interns and new employees the best possible welcome and start with Pareto Securities. The mentors provide guidance, facilitate networking, suggest skill improvement resources, and assist mentees in overcoming work-related challenges. The program operates over one year, initially focusing on introducing mentees to colleagues and office dynamics and progressing to professional development support. Ultimately, Pareto Securities' mentor program is a testament to the company's commitment to nurturing talent, fostering a culture of collaboration, and empowering employees to reach their full potential in a supportive and dynamic work environment.

As a global company, we offer our employees international opportunities at 12 offices worldwide. This is an excellent opportunity to embark on new challenges, develop professional skills and expand one's professional network. We also facilitate internal transfers across the departments.







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# Learning and development

Continuous learning and development are vital to helping our employees enhance appropriate skills, capabilities, and knowledge, thus enabling them to remain qualified for their jobs and contribute to the business performance.

Our employees based in the EU/EEA are subject to licencing requirements and the MiFID II knowledge and competence requirements. They are provided regular training, both internally and by relevant industry organisations. Our employees outside the 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 the training concepts for our employees.

All new employees receive department-specific training and general training on core topics. Pareto Global Excellence Academy is our annual one-week global introduction programme for new employees. Employees also receive training continuously, either through internal training sessions held by the Compliance department or by inviting external professionals.

In 2023, our training programs included among others training in compliance, anti-money laundering, data security and ESG. In addition, several external professionals were invited to present relevant topics for our employees throughout the year.

Successful integration of sustainability in our business entails investments in competence and capabilities across all levels of our organisation. Global changes and new regulatory requirements affecting the financial sector require understanding current developments and new skills and adjustments. Following the implementation of EU sustainability regulations, including the MiFID II sustainability amendments, our Compliance department created an app-based ESG training program addressing, amongst other things, the implementation of relevant ESG legislation in the Pareto Securities Group, ESG-related terminology, the integration of clients' sustainability preferences for clients approved to receive investment advice, and relevant sustainability and greenwashing risks.







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# Pareto Global Excellence Academy

Pareto Global Excellence Academy gives new employees an introduction to our business, guidance on creating value for our clients, and the opportunity to establish a network across our global organisation.

In 2023, we hosted our 6<sup>th</sup> annual Pareto Global Excellence Academy, inviting new employees from all our offices. 2023 was a global academy with participants from Norway, Sweden, Finland, the United Kingdom, Germany, Switzerland, and Singapore. During the 35 sessions, we introduce new employees to our culture, mission, values, working methods, tools, colleagues, and organisational structure.

We seek to transfer skills and experiences from senior colleagues and industry experts and exchange ideas. The fast development of new employees' knowledge, skills, confidence, and understanding is fundamental to our success. Our academy is critical in onboarding young talents and developing a sense of "the Pareto way".

Investing in developing and training our new employees is essential in empowering individuals to reach their full potential and stay ahead of the curve. Our academy builds excellence across our organisation and fosters collaboration among our global workforce.



Pareto Securities  
Global Excellence Academy







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# Internship programme

We are committed to investing in future talent. In 2023, 41 highly qualified and motivated students gained experience through our Internship Programme in Norway, Sweden, the United Kingdom, Germany, and Singapore.

With our internship programme, we aim to provide young professionals with valuable work experience and insights into working in a global investment bank.

Through our internship programme, interns 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. Working alongside their mentor and experienced colleagues, the students will be an integrated part of a sector team, actively engaged in the ongoing processes and live transactions.

Our programme is designed to give interns core investment banking skills and improve transferable skills such as communication, teamwork, and grit. Furthermore, the program offers students a platform to establish important networking connections with professionals within their working areas.

In short, our internship programme teaches young professionals the necessary skills and knowledge for a successful career in finance.



“

Pareto Securities offers a unique culture. From day one as an intern, I worked on live projects and experienced the company's flat hierarchy. The CEO always kept his door open for discussions, and regular social gatherings contributed to a great working environment.

**Kristian Wibe** (Investment Banking Intern 2023)

**Background:** Kristian Wibe worked as a winter and summer intern during 2023 in our Investment Banking division in Oslo, Norway

**Education:** Norwegian Armed Forces, BI Norwegian Business School, and Imperial College London





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# Sharing our knowledge and experience

We aim to provide our clients, business partners and stakeholders with valuable insight. We believe that our knowledge, experience and ability to connect industry professionals are some of our most significant and sustainable contributions to the business and society.

As an investment bank with a leading position in the Nordic capital markets and a strong international presence, we can combine our sector knowledge with the knowledge of senior management in relevant companies.

We create and share content such as podcasts, panel discussions, interviews, company and sector presentations and updates through our social media profiles, client portal, and other relevant channels. By providing our clients with the latest mmarket updates and research, we aim to create long-term relationships and contribute with our expertise to sustainable investment decisions.



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- Diversity and inclusion
- Pareto Active
- Career development
- Learning and development
- Pareto Excellence Academy
- Internship programme

→ Sharing our knowledge and experience

- Our conferences and seminars
- Partners in events and committees

Contributions to charity

## Our conferences and seminars

We believe that sharing knowledge is essential for growth and development. We contribute to increased competence in businesses and among investors by arranging platforms for knowledge and experience sharing, mainly through our conferences, roadshows, and exclusive client events.

Our events cater to our main business areas and specific industry sectors, such as traditional and renewable energy, E&P, clean-tech, seafood, real estate, technology, healthcare, mining, and gaming. Through our gatherings, we offer platforms for companies, institutional and private investors, and industry professionals to share their expertise and explore market trends together. We want to add value to all our stakeholders by sharing the latest market updates and our research, as well as connecting companies with potential investors and creating networking opportunities.

In 2023, we arranged 31 exclusive client events, hosted 453 roadshows, and organised 11 physical conferences across five cities. Our conferences had over 450 presenting companies combined, which attracted a total of over 5,500 in-person attendees. We also had a 43% increase in 1-1 investor meetings scheduled alongside our conferences, totalling over 2,150 physical meetings.

2023 was a noteworthy year for two of our flagship conferences as we celebrated the 30th anniversary of our Energy Conference and the 25th consecutive Power & Renewable Energy Conference. We believe Nordic companies have the necessary knowledge, support, and entrepreneurship to be frontrunners in the energy transition from oil and gas to renewable energy sources. Pareto Securities Frankfurt held the inaugural Circular Economy & Recycling summit, complemented by site visits to two recycling facilities. The summit highlighted the economic viability of sustainable practices and their potential to drive positive financial outcomes.

We look forward to continuing to provide opportunities for knowledge and expertise sharing during our events in the years to come and remain dedicated to embedding the ESG agenda into our events.

### CONFERENCES



### NUMBER OF PARTICIPANTS



### PRESENTING COMPANIES



### 1-1 INVESTOR MEETINGS DURING CONFERENCES





SOCIAL RESPONSIBILITY

Integrating social issues

Engaging our employees

Human rights

Workplace

- Health and safety
- Anti-discrimination
- Our employees
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Contributions to charity

Conferences and events 2023

Conferences 2023	Host country	
18th Annual E&P Independents Conference	UK	
25th Annual Power & Renewable Energy Conference	Norway	
18th Annual North Atlantic Seafood Forum *	Norway	
12th Annual Nordic Corporate Bond Conference	Sweden	
7th Annual Gaming Seminar	Sweden	
EG Equity Forum *	Germany	
4th Annual Metals & Mining Conference	Sweden	
14th Annual Healthcare Conference	Sweden	
30th Annual Energy Conference	Norway	
Circular Economy & Recycling Summit	Germany	
4th Annual Nordic TechSaaS Conference	Sweden	

\* Pareto Securities was partner of the event





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# Partner in events and committees

In 2023, Pareto Securities collaborated with Thommessen, PwC and Crux Advisers as partners in the pre-IPO programme, IPOready Norway, launched by Euronext. The programme aims to enhance the skillsets of participating companies to make their business investment ready. It covers various areas such as the IPO process, legal perspectives, IPO valuation and equity story, financial communication, corporate governance, and post-listing requirements.

Pareto Securities has partnered with Position Green for the ESG report “ESG100 – Data for Decision-makers”. The report evaluates and ranks the quality and transparency of the ESG reporting of the 100 largest listed companies in Norway, Sweden, and Denmark. During the launch events of the report in 2023, our CEO, Christian Jomaas, participated as a speaker in Oslo.

Additionally, Pareto Securities participated with speakers from our Equity Research team at events hosted by AksjeNorge, which we also support financially. AksjeNorge is an independent and non-commercial foundation in the Norwegian equity market that aims to increase knowledge about equities and the securities markets.

## Seat on the legal committees

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







Pareto  
Securities

PARETO SECURITIES' 4TH ANNUAL NORDIC TECHSaaS CONFERENCE

Defence  
Tech

Meeting demand in a new growth era

WS SAAB SOFF Pareto  
Securities

Pareto  
Securities

PARETO SECURITIES' 4TH ANNUAL NORDIC TECHSaaS CONFERENCE

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

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→ Contributions to charity

# Contributions to charity

In 2023, Pareto Securities supported four non-profit organisations financially. These sponsorships included:



The Salvation Army offers various services worldwide, including emergency response, social work, food distribution centres, and hospitals.



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



The Wilhelm Foundation's mission is that children and adolescents with undiagnosed diseases should receive a diagnosis as fast as possible wherever they live.



Barncancerfonden is the single largest financier of childhood cancer research in Sweden and provides financial support for developing new treatment methods and continuing education in the field of childhood cancer.





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# Corporate responsibility

Our success relies on the trust and confidence that our stakeholders have in us. For this reason, we remain committed to conducting our business in a responsible, ethical, and lawful manner. We consider good corporate governance a precondition for value creation and credibility.

Our primary role is to contribute to a well-functioning financial market and efficient capital allocation by providing several regulated services and activities based on fully harmonised 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 are committed to contributing to upholding market integrity by refining good practice standards.





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# The Board of Directors

The Board of Directors of Pareto Securities AS bears the ultimate responsibility for managing the Group. They ensure that the Group’s activities are subject to adequate control and prudent risk management. Comprising of five members, the Board consists of individuals with robust business backgrounds, qualified to oversee and guide management on all matters.

*From left: Siri Johanne Krafft, board member; Morten Goller, chairman; Svein Støle, board member; Trine Charlotte Høgås-Ellingsen, board member; Mats Carlsson, board member*







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# Regulatory development

Regulators across the globe are placing greater emphasis on corporations' responsibility to mitigate the effects of climate change. There are increasing expectations regarding ESG factors from various stakeholders, such as supervisory authorities.

The EU action plan on financing sustainable growth aims to reorient capital flows towards an economy perceived as more sustainable, manage financial risks stemming from climate change and environmental issues, and foster transparency and a long-term perspective in the financial market. This includes increased reporting requirements on ESG for a broader range of organisations, corporate sustainability due diligence obligations towards suppliers and business partners, and integration of sustainability risks and preferences of clients in both the conduct- and organisational rules and legislation for the financial sector.

The EU Taxonomy is a system for sustainability classification of economic activities, creating a common EU/EEA definition of what is “sustainable”. The Sustainable Finance Disclosure Regulation (SFDR) aims at improving transparency on sustainable investment products. The Corporate Sustainability Reporting Directive (CSRD) entails increased demand for reporting sustainability performance. CSRD and the supporting European Sustainability Reporting Standards (ESRD) will come into effect stepwise from the financial year 2024.

The MiFID II sustainability amendments impose new obligations on investment firms, including requirements to integrate clients’ sustainability preferences when providing investment advice, integrate sustainability factors, risks, and preferences into organisational requirements, and integrate sustainability factors into the product governance process.

Through the introduction of the Norwegian Transparency Act and the forthcoming EU reporting directives CSRD and CSDD, increased attention has also been paid to the social dimension of ESG.

Pareto Securities monitors regulatory development and is preparing to implement the enhanced reporting requirements mentioned above.





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# Ethics and anti-corruption

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

Together with our policies, procedures, applicable laws and regulations, the Ethical Principles provide the framework for what we consider responsible business conduct and describe how we aspire to work. All employees shall sign the Ethical Principles.

We focus on the board, management and employees receiving relevant training on our ethical framework and have established training programmes, including an introduction to the Ethical Principles. Annual refreshers on ethics are also provided via the authorisation 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 bribe, including facilitation payments. Our employees undergo regular anti-corruption training, and we conduct monitoring to uncover suspicious transactions. Pareto Securities’ zero tolerance for corruption is reflected in our Anti-corruption Policy, which is available on our website.

In 2023, no corruption incidents were reported or suspected.

**ZERO TOLERANCE  
FOR CORRUPTION**



**ZERO CORRUPTION  
INCIDENTS REPORTED  
OR SUSPECTED IN 2022**







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# 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 work consistently to fight financial crime, prevent fraud, and protect Pareto Securities from being exploited for illegal activities.

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

We have established an extensive framework of guidelines to prevent the group from 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 implementing mitigating measures.

Pareto Securities provides regular training for our employees relevant to their duties to know their responsibilities under the money laundering framework and be able to identify indicators of money laundering and terrorist financing. In 2023, the focus has been on training newly employed colleagues.

We have also focused on further digitalising the KYC process to create a more client-friendly and efficient process in line with a risk-based approach to the anti-money laundering work. Russia's invasion of Ukraine has led to an increased focus on sanctions regulations and monitoring of customers against sanctions lists. During the year, the Compliance department conducted several workshops with the AML team, client establishment team and settlement personnel.

Going forward, we will continue to focus on increasing efficiency and quality in the various AML processes.





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# Compliance

Our compliance culture is strong, and we believe this is crucial for how we conduct our daily business and maintain the trust of our 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 organisation 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 evaluating both the sector in which the potential client operates and evaluating more company-specific matters. Our clients' focus on relevant ESG factors is analysed by the Deal Committee, and we strive to collect information from our clients to specify potential sustainability-related objectives that the financial instruments are compatible with our target market assessment.

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 organised 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 minimised and in accordance with our Conflict-of-Interest Policy, available on our website.

In 2023, the Compliance department's activities included, among other things, implementation of new legislation throughout the organisation, Deal Committee participation and input, monitoring pre-launch and pre-signing meetings, training of employees, advising, spot checks, handling of inquiries from regulatory authorities, and review of internal guidelines.







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# Conflicts of interest

Pareto Securities is, like other investment banks, engaged in activities based on a business model with an inherent potential for conflicts of interest. The different departments in Pareto Securities serve different client interests, and conflicts of interest may also arise between Pareto Securities and its clients.

The structure and activities of Pareto Securities shall always be organised in such a way that the risk of negative consequences resulting from conflicts of interest between Pareto Securities and its clients, as well as between the clients of Pareto Securities, are minimised. If conflicts of interest cannot be avoided, Pareto Securities ensures that the clients' interests take precedence over the interests of Pareto Securities and that no individual client is unfairly favoured to the detriment of other clients.

In 2023, our Conflict of interest policy was updated, integrating i.a. sustainability considerations.

Pareto Securities works actively to identify potential conflicts of interest and how to handle such identified conflicts of interest. Each year, workshops are held with the respective Department Heads to identify new potential conflicts of interest and ensure that identified conflicts are mitigated and appropriately handled. The workshops form the basis for Pareto Securities' Conflict of Interest Policy, which is annually published on our website.







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# Whistleblowing

Pareto Securities is committed to ensuring a healthy working environment with a low threshold for misconduct. A fair and open working environment with freedom of expression benefits our business and our employees.

We acknowledge that whistleblowing is valuable to the Group as it offers an opportunity to remedy misconduct which otherwise would not surface. All employees are encouraged to report issues of concern so that Pareto Securities becomes aware of them and can take the necessary steps to rectify the situation.

Employees may report issues of concern in several ways. As a general principle, internal reporting channels (i.e., reporting to one’s immediate department head, the appointed human resources, or safety representatives) should be the first port of call for employees wishing to raise their concerns. Internal reporting is often the best way to pass on information to the relevant persons within Pareto Securities who can contribute to the early and effective resolution of the matter.

Pareto Securities further acknowledges that employees may need anonymity in particularly sensitive cases. As a supplement to the internal reporting channels mentioned above, Pareto Securities has established a digital whistleblower channel operated by an independent Norwegian law firm, allowing total anonymity. All reporting channels safeguard the confidentiality and protection of employees who report misconduct.

Going forward, Pareto Securities will continue to work actively to ensure that the Group’s reporting channels remain robust and encourage employees to come forward with their concerns without fear of retaliation.







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# Risk management and capital adequacy

One of the most important aspects of Pareto Securities' operations is the capability to effectively manage risks. While conducting our business, the Group is exposed to a wide 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 Securities rely 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, value, and behaviours in maintaining a sound risk culture within the organisation characterised by a high level of risk awareness, ongoing dialogue regarding the risk Pareto Securities is or may be exposed to and robust methods for systematic risk management. The Group's risk is managed by applicable laws and regulations, as well as risk management and internal directives. Internal procedures have been established. Directors and senior management set the tone by providing strong, explicit, visible support and commitment to corporate policies and instructions.

For Pareto Securities regulated entities, the decision-making authority regarding 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 core operations. The boards' tools for ensuring that risk-taking, risk management and risk control are in line with decisive control documents are the three functions of Risk Management, Compliance, and Internal Audit, where the Internal Audit function is outsourced to a third party which reports directly to the boards. Pareto Securities unregulated entities are followed up by compliance (in a regulated entity) and through the internal self-assessment control that is carried out annually for the Group.

Pareto Securities maintains a business continuity plan to ensure that our operations continue in the event of a significant disruptive crisis. The continuity plan is regularly tested, including supporting processes associated with incident response and information technology disaster recovery. We are committed to deliver quality service to clients and partners amid challenging circumstances. Appropriate measures are taken to prioritise the most critical functions.

A significant part of Risk Management's tasks is repetitive each year, such as daily control of market risk, credit risk and liquidity risk. Management and control of operational risk and compliance with internal risk instructions, as well as monitoring, updating, and reporting of capital adequacy to regulators, are also typical activities throughout the year. In addition, the annual capital adequacy assessment process, which includes a comprehensive assessment of ESG-related risk and the self-assessment of internal control of operational risk and conflict of interest, are important pillars of Risk Management's activities.

Going forward, in addition to the activities mentioned above, Risk Management aims at continuing to develop sustainability awareness into the annual self-assessment in risk management processes and of in the annual self-assessment of internal control of operational risk.





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# Information security

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

Managing cyber security is of high importance to protect our employees, clients, stakeholders, and assets against cyber threats. Both proactive and reactive 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 several technical safety barriers and puts employees through regulator information security and privacy training to avoid unwanted incidents, including mandatory web-based training courses in information security and privacy. These are tangible, concrete measures designed to prevent human and technical errors. Should unwanted incidents and discrepancies related to information security and privacy occur, these are registered, followed up and reported.

Increased digitalisation and increased risk of cyberattacks have been drivers for the new EU legislation (The Digital Operational Resilience Act). The importance of a proactive and structured approach to information security is also increasing due to greater expectations from supervisory authorities, partners, and society. During 2023, Pareto Securities worked continuously with threat assessments to ensure security protection. The Group’s Chief Operating Officer leads the information security work.







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# Data privacy

Pareto Securities is committed to safeguarding the privacy of our clients, employees, and business partners. We believe that transparency in how we manage the personal data we collect is vital to building trust and accountability with our stakeholders, who expect privacy.

We have established a framework to ensure correct and secure personal data processing. We follow security measures to protect against the loss, misuse, and alteration of personal 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. Risk management is a natural part of our data privacy work, and in this respect, we follow our general risk management framework.

Pareto Securities has established a mandatory web-based training course to ensure that all employees have a basic knowledge of data privacy.

Our Global Privacy Policy provides details of our approach to data privacy and is available on our website.





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# Reporting and data 2023

## Reporting approach

This report outlines our activities and achievements across the following three main areas: environmental, governance and social. Analysing our 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 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 of CO<sub>2</sub>e that are direct and indirect emissions related to the group. These are greenhouse gas emissions 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 improve concrete measures to minimise them.

## Reporting cycle

We will provide an annual sustainability report 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	COUNTRY	SUPERVISORY AUTHORITY	AUTHORIZATION
Pareto Securities AS	Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	Investment firm
• Pareto Securities AS, Frankfurt branch	Germany	Norwegian Financial Supervisory Authority (Finanstilsynet) / BaFin (Federal Financial Supervisory Authority)	Investment firm, Branch
• Pareto Securities AS, Copenhagen branch	Denmark	Norwegian Financial Supervisory Authority (Finanstilsynet)/ Danish Financial Supervisory Authority (Finanstilsynet)	Investment firm, Branch
Pareto Securities AB	Sweden	Swedish Financial Supervisory Authority (Finansinspektionen)	Investment firm
Pareto Securities Oy	Finland	Financial Supervisory Authority (Finanssivalvonta)	Investment firm
Pareto Securities Ltd	UK	The Financial Conduct Authority (FCA)	Investment firm
Pareto Securities Pte Ltd	Singapore	The Monetary Authority of Singapore (MAS)	Investment firm
Pareto Securities Inc	US	Financial Industry Regulatory Authority (FINRA)	Broker Dealer
Pareto Securities Pty Ltd	Australia	Australian Securities and Investment Commission (ASIC)	Investment firm
Pareto Securities AG	Switzerland	The Swiss Financial Market Supervisory Authority (FINMA)	Pareto Securities AS is authorized to act as a representative for a foreign securities dealer through Pareto Securities AG
Pareto Project AS	Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	AIFMD
Pareto Business Management AS	Norway	Norwegian Financial Supervisory Authority (Finanstilsynet)	Accounting firm
• Pareto Business Management AB	Sweden	N/A	N/A
• Pareto Business Management A/S	Denmark	N/A	N/A
Pareto Maritime Services AS	Norway	N/A	N/A
Pareto Offshore AS	Norway	N/A	N/A



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# Key Performance Indicators

TOPIC	ACCOUNTING METRIC	UNIT / % / DESCRIPTION	NOTE	2022	2023	REFERENCE TO REPORT
ENVIRONMENTAL						
Impact total	CO <sub>2</sub> emissions - total	tCO <sub>2</sub>	1	815 tCO <sub>2</sub>	1 150 tCO <sub>2</sub>	19, 23-31
Impact from transport	CO <sub>2</sub> emissions	tCO <sub>2</sub>	1	589 tCO <sub>2</sub>	967 tCO <sub>2</sub>	19, 28, 31
Impact from energy	CO <sub>2</sub> emissions	tCO <sub>2</sub>	1	209 tCO <sub>2</sub>	165 tCO <sub>2</sub>	19, 27, 31
Impact fom waste	CO <sub>2</sub> emissions	tCO <sub>2</sub>	1	17 tCO <sub>2</sub>	18 tCO <sub>2</sub>	19, 29, 31
Offsetting our Corporate GHG Footprint	CO <sub>2</sub>	tCO <sub>2</sub>		794 tCO <sub>2</sub>	1 150 tCO <sub>2</sub>	19, 31
SOCIAL						
WORKPLACE						36-46
Permanent employees	Total	No.	2	480	439	6, 39
	Female	No. / %	2	122 / 25%	98 / 22%	6, 39
	Male	No. / %	2	358 / 75%	341 / 78%	6, 39
New employees	Total	No.	3	56	54	6, 39
	Female	No. / %	3	14 / 25%	12 / 22%	6, 39
	Male	No. / %	3	42 / 75%	42 / 78%	6, 39
Employee turnover	Total	%	3	13%	11%	66
	Female	%	3	3%	3%	66
	Male	%	3	10%	8%	66
Temporary employees/Interns	Total	No.	4	36	41	39, 46
	Female	No. / %	4	6 / 17%	7 / 17%	39, 46
	Male	No. / %	4	30 / 83%	34 / 83%	39, 46
Full-time employees	Total	No. / %		470	429	6, 39
	Female	No. / %		N/A / 30%	93 / 22%	6, 39
	Male	No. / %		N/A / 70%	336 / 78%	6, 39
Part-time employees	Total	No	5	33	25	6, 39
	Female		5	20 / 61%	10 / 40%	39
	Male		5	13 / 39%	15 / 60%	39
Involuntary part-time	Total	No.		0	0	39
	Female	No. / %		0	0	39
	Male	No. / %		0	0	39
Employees on parental leave	Total	No. / %		30 / N/A	27 / 6%	39
	Female	No. / %		9 / N/A	8 / 8%	39
	Male	No. / %		21 / N/A	19 / 6%	39
Average weeks of parental leave	Total	Avg. no. of weeks		N/A	12	39
	Female	No.		N/A	26	39
	Male	No.		N/A	6.7	39
Sick leave	Total (%)	%	6	0.45%	0.9%	37-38, 42



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# Key Performance Indicators

TOPIC	ACCOUNTING METRIC	UNIT / % / DESCRIPTION	NOTE	2022	2023	REFERENCE TO REPORT
Reported injuries	Total	No.	7	0	1	37
<b>HUMAN RIGHTS</b>						32-33, 35
Reported incidents – breaches of human rights	Total	No.		0	0	32-33,35
Knowledge and experience sharing	Conferences	No.		12	11	11, 47-49
	Participants in our conferences	No.		8.000+	5.500+	11, 47-49
	Presenting companies in our conferences	No.		600+	450+	11, 47-49
	1-1 investor meetings scheduled in our conferences	No.		1.500+	2.150+	11, 47-49
	Partner in events and committees	No.		5	5	50
	Seat in legal committees	No.		2	2	50
	Internship Program – participants	No.		36	41	46
Contributions	Non-profit organisations	No.		6	4	52
<b>GOVERNANCE</b>						
Combating money laundering and terrorist financing	Reported incidents	No.		0		53-55, 57
Compliance	N/A	Description		Please refer to report		53-55, 58
Conflicts of interest	N/A	Description		Please refer to report		53-55, 59
Whistleblowing function	Reported incidents	No.		0		53-55, 60
Risk management and capital adequacy	N/A	Description		Please refer to report		53-55, 61
Information security	N/A	Description		Please refer to report		53-55, 62
Data privacy	N/A	Description		Please refer to report		53-55, 63

**Note 1:** The input is based on consumption data from internal and external sources, converted into tonnes CO<sub>2</sub>-equivalents. The Corporate GHG Footprint analysis is based on the international standard: A Corporate Accounting and Reporting Standard, developed by the Greenhouse gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions. Please note that we in 2019 reported emissions from our US office in tCO<sub>2</sub> instead of CO<sub>2</sub> by mistake. We did not detect this as the emissions from our US office are relatively small and we had limited experience considering this was our first reporting year. The numbers have been rectified in this report.

**Note 2:** The reduction in number of total permanent employees is mainly due to the divestment of Aktieinvest FK AB in 2023.

**Note 3:** Permanent employees only.

**Note 4:** We have few temporary employees ( Nw: midlertidige ansatte). These are mainly interns in our Internship Program with working periods from 8 to 10 weeks. Such Internship Programs are common in the Finance industry.

**Note 5:** We have few part-time employees (Nw: deltidsansatte). These are mainly students working in our reception and in our AML-team, thus voluntary part-time employment. We differentiate between part-time employees with a reduced FTE percentage and part-employees who are students mainly 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).

**Note 6:** Included own sickness and caring for sick child.

**Note 7:** Work-related physical injury. One incident in 2023 related to the commute.



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## Get in touch!

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