Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: PARETO SICAV – Pareto ESG Global Corporate Bond

Legal entity identifier: 213800ZLUK8TYAC4A289

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?[1]

●● ☒ **Yes**	●○ ☐ **No**
☒ It made **sustainable investments with an environmental objective**: _69.5__%	☐ **It promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective: _25.3__%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?[2]

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund's investment objective is to create long-term positive return relative to its risk profile, by making investments aligned with its sustainable investment objectives. The Sub-Fund has one environmentally sustainable investment objective and one socially sustainable investment objective. Both sustainable investment objectives have connections to the 2030 Agenda for Sustainable Development with the 17 Sustainable Development Goals (hereinafter "SDGs") at its core.

The Sub-Fund's environmentally sustainable investment objective is to maintain a decarbonization trajectory.

The Sub-Fund's socially sustainable investment objective is to contribute to a well-functioning society and promote better living standards.

All investments made by the Sub-Fund, excluding investments as referred to in "2 Other", have contributed to either the environmentally sustainable investment objective or the socially sustainable investment objective.

Overall about the Sub-Fund's investment strategy

The Sub-Fund's investment strategy has been exercised in accordance with the following frameworks for all investments made by the Sub-Fund:

- The Nordic Swan Ecolabel criteria;
- UN's Principles for Responsible Investments ;
- Pareto Asset Management guidelines for responsible investments; and
- The Sub-Fund's investment policy, exclusion policy and engagement policy.

The Sub-Fund applied the following as the main elements in its investment strategy to ensure that all investments met the Sub-Fund's investment criteria:

- Exclusion criteria;
- ESG integration (inclusion criteria); and
- ESG engagement

An investment is considered sustainable by the Sub-Fund if:

- The activities (products or services) of the investee contribute to one of the Sub-Fund's sustainable investment objectives;
- The activities (products or services) of the investee do not cause significant harm to any environmental or social sustainable objective; and
- The investees show good governance practices. Exclusions First, the fund managers exclude all investments not within the Sub-Fund's investment universe, as such investments do not contribute to the Sub-Fund's sustainable investment objectives, may cause significant harm to environmental and / or social objectives and such investees' governance practices do not live up to the required standards.

The exclusion process is executed through screening with exclusion and observation lists developed by using Bloomberg classification industry sectors ("BICS") applicable to the SubFund's exclusion criteria. The exclusion lists are updated on a monthly basis.

The following exclusions criteria are applied:

Extracting and refining fossil fuels and uranium

The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from exploration, drilling, extraction and/or refining (for fuel) of:

- coal (all sorts of thermal coal, e.g. lignite or anthracite);
- natural gas (conventional and unconventional);
- crude oil (conventional and unconventional); and
- uranium.

In theory, and in accordance with the Nordic Swan Ecolabel criteria companies that fulfil all of the following criteria are exempt and may be included in the Sub-Fund:

- At least 90% of the company's energy sector CapEx in new capacity, on average for the three consecutive years including

	the last financial year, are in the renewable energy sector. • Revenue from renewable energy comprises at least 50% of the company's total revenue. This ratio may be calculated on average over the course of 1, 2 or 3 of the last financial years. • The company has no revenue from tar sand, shale oil or shale gas, or other fracking activities and/or mining of oil shale and/or extraction in the Arctic region. Generating power The Sub-Fund may not invest in energy companies which themselves or through entities they control derive 5% or more of their revenue from generating power from: • coal (all sorts of thermal coal, e.g., lignite or anthracite); • natural gas (conventional and unconventional); • crude oil (conventional and unconventional); and • uranium. In theory, and in accordance with the Nordic Swan Ecolabel criteria companies that fulfil all of the following criteria are exempt and may be included in the Sub-Fund: • At least 90% of the company's energy sector CapEx is in new capacity, on average for three consecutive years including the last financial year, are in the renewable energy sector. • Revenue from renewable energy comprises at least 50% of the company's total revenue from power generation OR at least 50% of the company's energy production capacity is based on renewable sources. This ratio may be calculated on average over the course of 1, 2 or 3 of the last financial years. • The company has no revenue from tar sand, shale oil or shale gas or other fracking activities and/or mining of oil shale and/or extraction in the Arctic region The aforementioned sectors generate a significant amount of Greenhouse Gas Emission contributing to accelerate global warming and temperature rising. High emitting sectors • Further, the Sub-Fund has identified the following sectors as high emitters of Greenhouse Gases, namely: Aluminum; • Aviation; • Automobiles; • Cement; • Mining; • Pulp and papers; • Shipping; and • Steel. If holding companies operating in the above-mentioned sectors shall be considered investable by the Sub-Fund, they must pass at least one of the following eligibility criteria: • At least 30% of the company's economic activity is aligned with the climate change objectives of the EU Taxonomy (climate change mitigation and adaptation); • At least 75% of the company's CapEx, on average for three consecutive years including the last financial year, is aligned with the climate change objectives of the EU Taxonomy; • The company is in a rapid transition and has a validated 1.5 °C Science Based Target (SBT) with near- and long-term or net-zero emission targets or is aligned with a similar internationally accepted framework for transition; and/or • The company is one of the best 15% in GHG intensity. To calculate intensity the Sub-Fund shall consistently use either yearly GHG emission/Enterprise value incl. cash or GHG emission/revenue in a global comparison of its sector with reported GHG emissions. GHG emissions shall be calculated with the GHG Protocol Corporate Standard (scopes 1 & 2, and scope 3 for automobiles). Conventional weapons The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from the production or sale of conventional weapons. This also covers firearms for civilian use but does not include production or sale of weapons or ammunition for hunting and competition. Any investment in companies that do not derive 5% or more of their revenue from such activities, must nevertheless comply with Pareto Asset Management's guidelines for responsible investment which prohibits the fund to invest in companies which:

- Produce weapons that in normal use does violate basic humanitarian principles
- Sell weapons or military equipment to states subject to sanctions from the UN Security Council or other international measures directed at a particular country that Norway has supported

Tobacco

The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from the production of tobacco and tobacco products.

The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from sale/distribution of tobacco and tobacco products.

International norms and conventions

ILO's fundamental principles

The Sub-Fund may not invest in company if there is an unacceptable risk or systematic violations of human rights such as murder, torture, deprivation of liberty, forced labour, the worst forms of child labour.

UN Global Principles

The Sub-Fund may not invest in company if there is an unacceptable risk or systematic violations of the ten principles which cover human rights, labour rights, environmental protection, and the fight against corruption.

OECD Guidelines for multinational Enterprises

The Sub-Fund may not invest in company if there is an unacceptable risk or systematic violations of the government-backed recommendations on responsible business conduct.

Exclusions specifically applied for government bonds

The Sub-Fund does not invest in government bonds. In case of investment in government bonds, the Sub-Fund may not invest in such bonds issued by countries that are subject to EU Financial sanctions or UN Financial sanctions, or countries that have not ratified the Paris Agreement. Further, the Sub-Fund may not invest in government bonds issued by countries which achieve a score worse than 40 in the currently valid Transparency International's Corruption Perceptions Index.

Severe environmental damage

The Sub-Fund may not invest in companies if there is an unacceptable risk that the company contributes or is responsible for severe environmental damage including emissions of greenhouse gases that affect our climate.

Gross corruption

The Sub-Fund may not invest in company if there is an unacceptable risk or systematic violations of the UN Global Compact's tenth principle on "business should work against corruption in all its forms, including extortion and bribery".

Produce pornography

The Sub-Fund may not invest in companies which themselves or through entities they control produce pornography.

Produce alcohol

The Sub-Fund may not invest in companies which themselves or through entities they control derive revenue from the production of alcohol.

Gambling

The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from gambling.

Genetically modified organism

The Sub-Fund may not invest in companies which themselves or through entities they control derive 5% or more of their revenue from modified seeds, crops and genetically modified organisms for agricultural use of human consumption.

The investment contributes to one of the sustainable investment objectives of the Sub-Fund

Issuers still within the Sub-Fund's investment universe after the exclusion screening process has been subject to further analysis by the fund managers to disclose whether the investment contributed to one of the sustainable investment objectives of the Sub-Fund.

An investment is considered to contribute to one of the sustainable investment objectives if:

- The products / services / clearly identifiable strategy and targets of the investee enable or positively impact one of the targeted SDGs; and
- The issuer passes the Sub-Fund's ESG analysis.

As an investment's contribution to the Sub-Fund's sustainable investment objectives is assessed based on, among others, the targeted SDGs for each sustainable investment objective, the fund managers will perform an analysis of the issuer to determine whether the issuer has revenue derived from activities enabling or positively impacting one of the targeted SDGs and / or has a clearly identifiable strategy and targets that enable or positively impact one of the targeted SDGs.

Further, the investment is subject to the Sub-Fund's adapted ESG analysis. The issuer is assigned an ESG rating as either "underperformer", "average", "above average" or "outperformer" relative to the result of the analysis, including all E, S and G aspects. If an issuer is rated as "underperformer", the issuer is not eligible for investment.

The ESG analysis' methodology is developed according to the requirement of the Nordic Swan Ecolabel. An annual review of the Sub-Fund's analysis is performed, signed, and released by the Chief Compliance Officer. This review is verified by the Nordic Swan Ecolabel.

The ESG analysis is conducted based on information disclosed in several sources. Given the amount of available information, the fund managers prioritize data collection from the following sources:

- Companies' public disclosures and publicly available reports;
- Sell-side research;
- Third party research;
- Academic studies;
- White papers;
- Climate research centers; and / or
- Non-governmental organisations (NGOs) research.

The first step of the valuation model is to assign the issuer an individual environmental score, social score and governance score based on the following associated factors:

Environmental factors

Support a precautionary approach to environmental challenges

- The issuer provides a code of conduct or practice for its operations and products that confirms commitment to care for health and the environment.

Undertake initiatives to promote greater environmental responsibility

- Through a defined company vision, policies strategies and actions to include sustainable development including climate action plan and potentially circular economy, preserve biodiversity and local communities.
- Develop sustainability targets and indicators. A valuation of relevant Principal Adverse impact indicators and EU Taxonomy alignment will be conducted at this stage to the extent such data is available.

Encourage the development and diffusion of climate friendly technologies

- The issuer aims to implement technologies to help reduce the use of raw materials and increased efficiency.

Ratings:

(+) Environmental: The issuer satisfies all the three criteria and associated factors.

(0) Environmental: The issuer satisfies at least one out of the three criteria and associated

factors.

	(-) Environmental: The issuer does not satisfy any of the above criteria and associated factors. *Social factors* Support and promote practices in human rights • The issuer should support and respect the protection of internationally proclaimed human rights: 1) Issuer is not causing or contributing to adverse human rights impacts, 2) Issuer promotes employment, income equality and employee's safety. • Make sure that they are not complicit in human rights abuses. Support and promote practices in labour rights • The elimination of all forms of forced and compulsory labour; Clear policy not to use, be complicit in, or benefit from forced labour. • The effective abolition of child labour; 1) Act according to the ILO conventions and / or Un Global Compact or 2) Publish an annual modern slavery statement. Identify whether child labour is a problem within the business. Aware of countries, regions, sectors, economic activities where there is a greater likelihood of child labour. Make publicly available guidelines on how the company handles human rights and labor rights both within its business as well as through entities they control • Guidelines should be provided by company via reporting and/or from website. Support inclusions, diversity and employee's well-being • Guidelines should provide policies and elements that emphasize inclusion and diversity Disclosures should provide elements such as third-party recognition that the company is a good place to work. Ratings: (+) Social: The issuer satisfies all the three criteria and associated factors. (0) Social: The issuer satisfies at least one out of the three criteria and associated factors. (-) Social: The issuer does not satisfy any of the above criteria and associated factors. *Governance* Actively fight corrupt practices, such as extortion and bribery • Issuer provides policy explaining how it will actively fight corrupt practices, such as extortion and bribery. Have a system of compliance/ committee • All employees should be aware of the issuer's code of ethical business conduct. The issuer should have a well-defined system. • The issuer should have a well-defined system of compliance and/or committee that ensures a commitment to maintain good values, which adheres to a code of conduct and complies with relevant laws and regulations. Promote good governance practices • The issuer establishes a corporate governance practice in relation to national law and standards. • Provide transparency in board members and missions. • Promote diversity and independency. Ratings: (+) Governance: The issuer satisfies all the three criteria and associated factors. (0) Governance: The issuer satisfies at least one out of the three criteria and associated factors.

(-) Governance: The issuer does not satisfy any of the above criteria and associated factors.

Once the issuer is assigned an individual environmental score, social score and governance score, a total score is computed by using the following ESG rating metric:

Outperformer: [+,+,+] – all three pillars are outperforming

Above average: [+,+,0],[+,0,+], [0,+,+] – at least two pillars are outperforming and one average

Average: [+,0,0], [0,+,0] [0,0,+], [0,0,0]

Underperformer: [-,-,-], [0,-,-], [+,-,-]

Engagement

Each formalized dialogue has been integrated, updated and reviewed into the ESG analysis.

The activities (products or services) of the investee do not cause significant harm to any environmental or social sustainable objective and the investee follows good governance practices

To ensure that all investments made by the Sub-Fund complied with the do no significant harm principle and followed good governance practices, the Sub-Fund applied the following methodologies:

- Exclusions: All investments not within the Sub-Fund's investment universe are excluded, as such investments do not contribute to the Sub-Fund's sustainable investment objectives, may cause significant harm to environmental and / or social objectives and such investees' governance practices do not live up to the required standards.
- ESG analysis: Issuers not filtered out in the exclusion screening but rated as "underperformer" in the ESG analysis are not eligible for investment as the risk of the issuer causing significant harm to any environmental or social objective is unacceptable and / or the investees' governance practices do not live up to the required standards.
- Principle adverse impacts on sustainability factors: Issuers' principal adverse impacts on sustainability factors are assessed prior to an investment and monitored during the holding period, to the extent such information is available.
- Carbon Footprint: A third party is designated to measure the carbon footprint of each investment within the Sub-Fund's portfolio and aggregated at portfolio level.

- ***How did the sustainability indicators perform?***

The Sub-Fund has applied the following sustainability indicators to measure the attainment of the environmentally sustainable investment objective:

Percentage of NAV in investments aligned with the SDGs
- SDG7: 57%
- SDG8: 22%
- SDG9: 17%
- SDG11: 17%
- SDG12: 17%
- SDG13: 69%
- SDG14: 52%
- SDG15: 52%

Percentage of NAV committed to Science-Based Targets: 22%
Percentage of NAV approved SBTs: 28%
Percentage of NAV climate action plan: 75%
Percentage of NAV Green bonds and Sustainability-linked-bons: 26%
Carbon Footprint assessment executed by a designated third party: The carbon footprint assessment is available in the Sub-Fund's Sustainability Report 2022.

The Sub- Fund has applied the following sustainability indicators to measure the attainment of the socially sustainable investment objective:

Percentage of NAV in investments aligned with the SDGs
- SDG1: 7%
- SDG2: 5%
- SDG3: 25%
- SDG4: 18%
- SDG5: 18%
- SDG6: 5%
- SDG8: 22%
- SDG10:18%
- SDG16: 5%
- SDG17: 5%

…and compared to previous periods? [3]

No previous periodic report according to "Template periodic disclosures for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852" has been provided.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

As part of the investment strategy, the fund managers have applied the following measures to ensure that the sustainable investments did not cause significant harm to any environmental or social investment objective:

Exclusions: All investments not within the Sub-Fund's investment universe has been excluded, as such investments do not contribute to the Sub-Fund's sustainable investment objectives, may cause significant harm to environmental and / or social objectives and such investees' governance practices do not live up to the required standards.

ESG analysis: Issuers not filtered out in the exclusion screening but rated as "underperformer" in the ESG analysis has been considered not eligible for investment as the risk of the issuer causing significant harm to any environmental or social objectives is unacceptable and / or the investee's governance practices do not live up to the required standards.

Principal adverse impact on sustainability factors; Issuers' principal adverse impacts on sustainability factors has been assessed prior to investments and monitored during the holding period to the extent such information has been available.

Carbon footprint assessment: A designated third party has measured the carbon footprint of each investment within the Sub-Fund's portfolio and aggregated at portfolio level.

How were the indicators for adverse impacts on sustainability factors taken into account?

The principal adverse impact indicators have been assessed in the initial investment decision making process and have likewise been monitored manually during the holding period to the extent such information has been available.

The Sub-Fund has used the 14 mandatory principle adverse impact indicators, namely:
GHG emissions;
Carbon footprint;
GHG intensity of investee companies;
Exposure to companies in the fossil fuel sector;
Share of non-renewable energy consumption and production;
Energy consumption intensity per high impact climate sector;
Activities negatively affecting biodiversity-sensitive areas;
Emissions to water;
Hazardous waste and radioactive waste ratio;
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
Unadjusted gender pay gap;
Board gender diversity; and
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, the Sub-Fund has selected 2 additional principle adverse impact indicators, namely:
Share of securities not issued under Union legislation on environmentally sustainable bonds; and
Lack of human rights policy.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

As the Sub-Fund may not invest in a company if there is an unacceptable risk or systematic violations of the UN Global Principles and / or the OECD Guidelines for multinational Enterprises the fund managers have applied a precautionary approach to ensure that all investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles.

How did this financial product consider principal adverse impacts on sustainability factors? [4]

The fund managers' methodology aims to continuously evaluate the principal adverse impacts on environmental, social and governance issues related to the issuers' operation activities, where such information has been available. This entails that the Sub-Fund has collected and measured any relevant quantitative and qualitative information enabling to measure principal adverse impacts on sustainability factors.

The Sub-Fund has used the 14 mandatory principle adverse impact indicators, namely:
GHG emissions;
Carbon footprint;

GHG intensity of investee companies;
Exposure to companies in the fossil fuel sector;
Share of non-renewable energy consumption and production;
Energy consumption intensity per high impact climate sector;
Activities negatively affecting biodiversity-sensitive areas;
Emissions to water;
Hazardous waste and radioactive waste ratio;
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
Unadjusted gender pay gap;
Board gender diversity; and
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, the Sub-Fund has selected 2 additional principle adverse impact indicators, namely:
Share of securities not issued under Union legislation on environmentally
sustainable bonds; and
Lack of human rights policy.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 December 2022

Largest investments	Sector	% Assets	Country
UPM-Kymmene Corp 7.45% Reg S Sen 97/26.11.27	Materials	3.4%	FI
Getlink SE 3.5% 20/30.10.25	Consumer Discretionary	2.7%	FR
Ht Troplast GmbH 9.25% Sen Reg S 20/15.07.25	Materials	2.5%	DE
SGL TransGroup Istl AS FRN Sen 19/04.11.24	Industrials	2.2%	DK
Picard Groupe 3.875% 21/01.07.26	Consumer Staples	2.2%	FR
Banco Bilbao Vizcaya Argent SA VAR 20/15.10.Perpetual	Financials	2.1%	ES
Pattern Energy Gr Inc 4.5% Ser 144A Sen 20/15.08.28	Utilities	2.1%	US
Capnor Weasel Bidco Oy FRN 19/12.06.25	Consumer Discretionary	1.9%	FI
Nobian Finance BV 3.625% 21/15.07.26	Materials	1.9%	NL
Organon & Co 4.125% 144A 21/30.04.28	Health Care	1.8%	US
Grupo Antolin Irausa SA 3.375% Sen Reg S 18/30.04.26	Consumer Discretionary	1.8%	ES
Tdc Net A/S 5.056% EMTN 22/31.05.28	Communications	1.7%	DK
Iron Mountain UK Plc 3.875% EMTN Sen Reg S 17/15.11.25	Financials	1.7%	US
Wesco Dist Inc 7.125% 144A 20/15.06.25	Industrials	1.6%	US
DKT Finance ApS 9.375% Sen 18/17.06.23	Communications	1.6%	DK

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

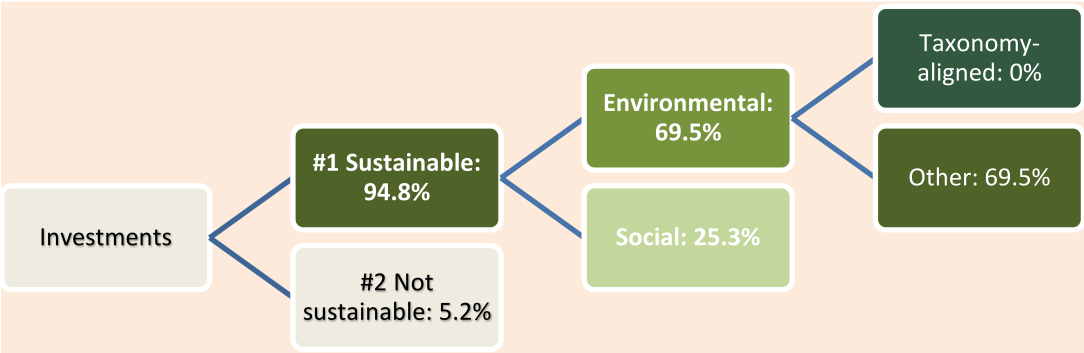
The sustainable investments made by the Sub-Fund are investments in accordance with SFDR Article 2 (17). The Sub-Fund makes both environmentally sustainable investments and socially sustainable investments. However, the Sub-Fund has not committed to making sustainable investments with an environmental objective in economic activities that qualify as sustainable under the EU Taxonomy.

An investment is considered sustainable by the Sub-Fund if:
The activities (products or services) of the investee contribute to one of the Sub-Fund's sustainable investment objectives;

The activities (products or services) of the investee do not cause significant harm to any environmental or social sustainable objective; and
The investees show good governance practices.

What was the asset allocation?

An investment may contribute to both Sub-Fund's sustainable investment objectives. However, issuers' contribution can be more material to one objective over the other. Whether an investment is included in the calculation of the percentage disclosed for investments with an environmental objective or social objective is decided based on to which objective the investment contributes the most. The Sub-Fund's net asset value is used as denominator for calculating the Sub-Fund's asset allocation.



In which economic sectors were the investments made?

Sectors	**Proportion**
Communications	6.8%
Consumer Discretionary	14.1%
Consumer Staples	6.7%
Energy	1.8%
Financials	16.3%
Health Care	9.3%
Industrials	14.0%
Materials	18.2%
Technology	1.2%
Utilities	6.4%

Sub-sectors	**Proportion**
Apparel & Textile Products	0.5%
Auto Parts Manufacturing	4.8%
Banks	2.7%
Cable & Satellite	0.8%
Chemicals	4.6%
Communications Equipment	1.1%
Construction Materials Manufacturing	3.3%
Consumer Products	1.9%
Consumer Services	3.2%
Containers & Packaging	5.6%

Electrical Equipment Manufacturing	3.0%
Financial Services	4.2%
Food & Beverage	2.6%
Forest & Paper Products Manufacturing	4.7%
Health Care Facilities & Services	6.3%
Home Improvement	1.9%
Industrial Other	5.3%
Machinery Manufacturing	1.3%
Medical Equipment & Devices Manufacturing	0.4%
Pharmaceuticals	2.6%
Power Generation	3.3%
Property & Casualty Insurance	2.3%
Real Estate	7.0%
Renewable Energy	1.8%
Software & Services	0.1%
Supermarkets & Pharmacies	2.2%
Transportation & Logistics	2.2%
Travel & Lodging	3.7%
Utilities	3.0%
Waste & Environment Services & Equipment	2.1%
Wireless Telecommunications Services	1.4%
Wireline Telecommunications Services	4.6%

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? [7]

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852" included in the Prospectus of PARETO SICAV Annex 2, the Sub-Fund did not commit to making sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy. Consequently, the sustainable investments' alignment with the EU Taxonomy has not been determined.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy1 ?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

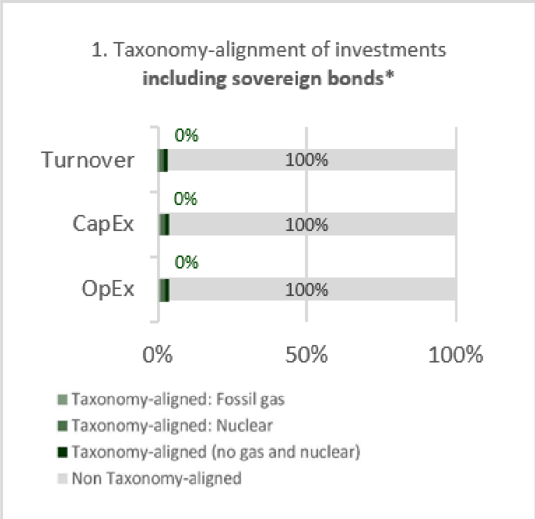
[5] Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee

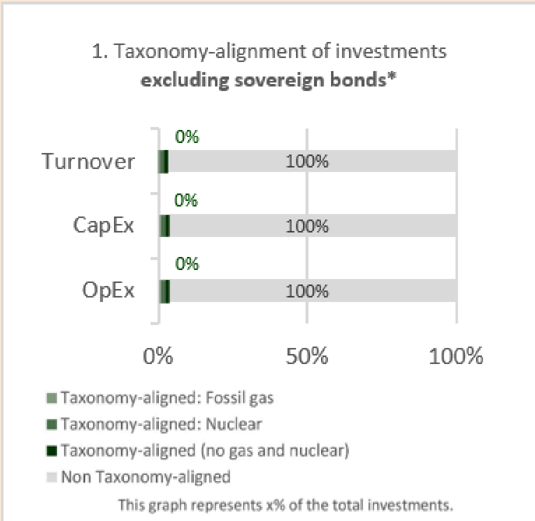
companies.

[6] **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments in transitional and enabling activities? [8]

0%. As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852" included in the Prospectus of PARETO SICAV Annex 2, the Sub-Fund did not commit to making sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy. Consequently, the share of investments in transitional and enabling activities has not been determined.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods? [9]

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852" included in the Prospectus of PARETO SICAV Annex 2, the Sub-Fund did not commit to making sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy. Consequently, the percentage of investments that were aligned with the EU Taxonomy has not been determined.

No previous periodic report according to "Template periodic disclosures for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852" has been provided.

[10] are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? [11]

69.5%of the total net assets of the Sub-Fund. Such investments are made with an environmental objective that is not aligned with the EU Taxonomy. The investments contribute to another environmental objective in accordance with the Sub-Fund's environmentally sustainable investment objective.

These investments offer products / services and / or has a clearly identifiable strategy and targets that contribute to maintaining a decarbonisation trajectory through enabling or positively impacting targeted SDGs.

Due to the lack of/low numbers of companies reporting on the EU Taxonomy at the time, the Sub-Fund did not commit to a percentage of sustainable investments with an environmental objective that are aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Taxonomy.

25.3%of the total net assets of the Sub-Fund.

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under “not sustainable” are the use of cash and derivatives. Cash has been held as ancillary liquidity / risk balancing purposes. The Sub-Fund’s use of derivatives has been executed in accordance with the purposes as described in the “Investment Objective and Policy” section in the Prospectus of PARETO SICAV Annex 2.

As a licensee of the Nordic Swan Ecolabel, the Sub-Fund’s investments in derivatives must comply with the label’s investment criteria applicable to such instruments.

What actions have been taken to attain the sustainable investment objective during the reference period?

Overall, the investment strategy of the Sub-Fund has been executed in accordance with:

The Nordic Swan Ecolabel criteria;
UN’s Principles for Responsible Investments [Principle 1, Principle 2 and Principle 3];
Pareto Asset Management guidelines for responsible investments; and
The Sub-Fund’s investment policy, exclusion policy and engagement policy.

The Sub-Fund has applied several binding elements in its investment strategy to attain the sustainable investment objectives of the Sub-Fund during the reference period.

The investment had to contribute to one of the Sub-Fund’s sustainable investment objectives: 1) to maintain a decarbonization trajectory, or 2) contribute to a well-functioning society and promote better living standards. Each investment had to enable or positively impact one of the SDGs targeted by each sustainable investment objective and pass the ESG analysis by achieving a rating exceeding “underperformer”
The investment could not cause significant harm to any environmental or social sustainable investment objective: The investment had to comply with the Sub-Fund’s applied exclusion criteria, pass the Sub-Fund’s ESG analysis by achieving a rating exceeding “underperformer” and the principal adverse impacts had to be acceptable opposite the sustainable investment objectives of the Sub-Fund
The investee had to follow good governance practices: The investment had to comply with the Sub-Fund’s applied exclusion criteria and pass the Sub-Fund’s ESG analysis by achieving a rating exceeding “underperformer”
Newsflow analysis: The newsflow analysis has been a binding element applied to monitor the Sub-Fund’s investments during their holding period. “Newsflow” includes all new information about an issuer disclosed by the issuer or through public sources. The disclosures provided through the newsflow have enabled the Sub-Fund to continuously assess whether the investment complies with the Sub-Fund’s investment criteria.
Engagement: The fund managers have engaged with the issuers which the Sub-Fund is invested in according to procedures as described in the Sub-Fund’s Engagement Policy.
Carbon footprint assessment: A third party has been designated to measure the carbon footprint of each investment within the Sub-fund’s portfolio an aggregated at portfolio level.

How did this financial product perform compared to the reference benchmark? [13]

[12] Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

The Sub-Fund did not designate a specific index as a reference benchmark to meet the sustainable investment objective as no eligible or appropriate benchmark with similar investment universe is available at the time of “Template pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852”.

How does the reference benchmark differ from a broad market index?

N/A

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

N/A

How did this financial product perform compared with the reference benchmark?

N/A

	How did this financial product perform compared with the broad market index? N/A

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[1] tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments

[2] [list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]

[3] [include for financial products where at least one previous periodic report was provided]

[4] [include section if the financial product considered principal adverse impacts on sustainability factors]

[5] [include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852]

[6] [include note only for the financial products referred to in Article 6 , first paragraph, of Regulation (EU)2020/852]

[7] [include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 51 of this Regulation]

[8] [include a breakdown of the proportions of investments during the reference period]

[9] [include where at least one previous periodic report was provided]

[10] [include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

[11] [include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not Taxonomy-aligned]

[12] [include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

[13] [include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]

C_2022_1931 – Art 17 (page 27): Calculation of the degree to which investments are in environmentally sustainable economic activities

1. The degree to which investments are in environmentally sustainable economic activities shall be calculated in accordance with the following formula:

= market value of all investments of the financial product in environmentally sustainable economic activities/ market value of all investments of the financial product

(a) for debt securities and equities of investee companies, where a proportion of activities of those investee companies is associated with environmentally sustainable economic activities, the market value of that proportion of those debt securities or equities;

(b) for debt securities other than those referred to in point (a), where a proportion of the proceeds is required by the terms of those debt securities to be used exclusively on environmentally sustainable economic activities, the market value of that proportion;

(c) for bonds issued under Union legislation on environmentally sustainable bonds, the market value of those bonds;

(d) for investments in real estate assets which qualify as environmentally sustainable economic activities, the market value of those investments;

(e) for investments in infrastructure assets which qualify as environmentally sustainable economic activities, the market value of those investments;

(f) for investments in securitisation positions as defined in Article 2, point (19), of Regulation (EU) 2017/2402 of the European Parliament and of the Council15 with underlying exposures in environmentally sustainable economic activities, the market value of the proportion of those exposures;

(g) for investments in financial products as referred to in Article 5, first paragraph, and Article 6, first paragraph, of Regulation (EU) 2020/852, the market value of the proportion of those financial products representing the degree to which investments are in environmentally sustainable economic activities, as calculated in accordance with this Article.

The degree to which investments are into environmentally sustainable economic activities shall be calculated by applying the methodology used to calculate net short positions laid down in Article 3(4) and (5) of Regulation (EU) No 236/2012 of the European Parliament and of the Council.

2. For the purposes of paragraph 1, point (a), the proportion of activities of investee companies associated with environmentally sustainable economic activities shall be calculated on the basis of the most appropriate key performance indicators for the investments of the financial product using the following information:

(a) for the investee companies referred to in Article 8(1) and (2) of Regulation (EU) 2020/852, the disclosures made by those investee companies in accordance with that Article;

(b) for other investee companies, equivalent information obtained by the financial market participant directly from investee companies or from third party providers.

3. For the disclosures referred to in Article 15(1), point (a), and Article 19(1), point (a), in the case of investee companies that are non-financial undertakings that are subject to the obligation to publish non-financial information pursuant to Delegated Regulation (EU) 2021/2178 and other non-financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use turnover as the same type of key performance indicator for all non-financial undertakings.

4. By way of derogation from paragraph 3, where, due to the features of the financial product, capital expenditure or operating expenditure gives a more representative calculation of the degree to which an investment is into environmentally sustainable economic activities, the calculation may use the most appropriate of those two key performance indicators. In the case of investee companies that are financial undertakings subject to Article 8(1) of Regulation (EU) 2020/852 and for other financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use the key performance indicators referred to in Section 1.1, points (b) to (e), of Annex III to Delegated Regulation (EU) 2021/2178.

5. For the disclosures referred to in Article 15(1), point (a)(ii), Article 19(1), point (a)(ii), Article 55(1), point (b)(iii) and Artile 62(1), point (b)(iii), paragraphs 1 to 4 of this Article shall apply, except that the sovereign exposures shall be excluded from the calculation of the numerator and of the denominator of the formula contained in paragraph 1.

For each Sustainable Activity (SA):

$$\frac{(1)\text{Sum of } (\text{Position}_{\%\text{Revenues Aligned with SA}} * \text{Position}_{\text{Weight in ptf}} / 100)}{\text{Sum of } (\text{Position}_{\%\text{Revenues NOT Aligned-Eligible with SA}} * \text{Position}_{\text{Weight in ptf}} / 100)}$$