PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

ODIN Forvaltning AS (ODIN Fund Management)

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🏳	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	🔒	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

ODIN Forvaltning AS (ODIN Fund Management)

Reported Information

Public version

Organisational Overview

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PRI Principles for Responsible Investment

Basic Information

OO 01 | Mandatory | Gateway/Peering | General

OO 01.1 Select the services you offer.

☑ Fund management

% of assets under management (AUM) in ranges

- ○ <10%
- ○ 10-50%
- ◉ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 02 | Mandatory | Peering | General

OO 02.1 Select the location of your organisation's headquarters.

Norway

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ○ 1
- ◉ 2-5
- ○ 6-10
- ○ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

56

OO 03 | Mandatory | Descriptive | General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ○ Yes
- ◉ No

OO 04 | Mandatory | Gateway/Peering | General

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PRI Principles for Responsible Investment

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		33	719	015	432
Currency	NOK				
Assets in USD		5	551	170	115

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

◉ Approximate percentage breakdown to the nearest 5% (e.g. 45%)

○ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 | **Mandatory** | **Descriptive** | **General**

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

◉ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	84.9	0
Fixed income – corporate	4.7	0
Fixed income – government	0.1	0
Fixed income – other	10.3	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0

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Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as broad ranges

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ◉ <10% ○ 10-50% ○ >50 %

OO 09	Voluntary	Descriptive	General

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PRI Principles for Responsible Investment

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

ODIN is a value investor. Investments in listed companies shall create long term value for the unit holder. As a value investor we are focussed on companies' value generation rather than short term market volatility. Value generation is defined as excess return on equity and invested capital over time. ODIN is an active fund manager and invests in companies with a high conviction. This is reflected in concentrated fund portfolios and active ownership. ODIN's four fundamental principles are - competence in collaboration, concentrated portfolios, consistent approach, responsible investments, and long term ownership. We identify potential investments through analysis of eight criterias - historical and estimates for future performance, qualify of management and board of directors, market position, profitable growth, value generation for shareholders, balance sheet, cash generation, and corporate responsibility (ESG).

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- ☑ We incorporate ESG issues into investment decisions on our internally managed assets
- ☑ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☑ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 10.3	Additional information. [Optional]

We cast our (proxy) votes directly or via service provider.

Please see LEA 16.1 for further information on the proxy voting service provided by Hermes EOS.

OO 11	Mandatory	Gateway	General

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☐ Fixed income – corporate
- ☐ Fixed income – government
- ☐ Fixed Income – other
- ☑ None of the above

OO 12	Mandatory	Gateway	General

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OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

☑ Listed Equity incorporation

Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Overarching Approach

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PRI Principles for Responsible Investment

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1

Indicate if you have a responsible investment policy.

- (●) Yes
- ( ) No

OA 01.2

Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (●) Yes
- ( ) No

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PRI Principles for Responsible Investment

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

The objective of ODIN's ESG policy is to promote sustainable value creation by improving company governance and behavior. Our approach is influenced by the characteristics of our investment strategy. We are a high-conviction value investor and seek to identify through bottom-up and top-down analysis companies that can be expected to outperform three to five years, or longer term. Our long time horison and concentrated portfolios create material incentives for us to identify and integrate ESG into investment analysis and decisions, and to be active owners. We have approached ESG integration from a perspective of value-creation rather than market-driven client requirements. Our investment strategy means that we have a material interest in understanding the fundamental value drivers and risks facing actual and potential portfolio companies.

All of ODIN's portfolio managers have responsibility for ESG integration. A key component of effective ESG integration is the quality of data and analysis. The ESG information that we integrate into our investment decisions comes from three sources: publicly available information, regular discussions between our portfolio managers and company management, Hermes EOS, who provide us with - controversial reports, screening of our portfolios for non-compliant with key international treaties and conventions, and access to detailed analysis and insights obtained through their direct engagement with over 450 companies.

Out investment strategy means that we have a material interest in being effective stewards of the companies in which we invest. While we treat equally all material concerns, be they related to ESG or other factors, we also recognise that material risks related to environmental and/or social factors are generally a symptom of a broader governance failure. Ensuring that portfolio companies have an effective board and governance systems is therefore a key objective of our stewardship activities. We engage selectively accross our portfolio. Our approach to engagement includes four steps: Identifying material risks to sustainable corporate success, Identifying risks to our exclusion thresholds, Consider whether engagement is likely to be effective at influencing change, Regularly review progress on engagement to reassess the likelihood of change.

We vote on all of our holdings. We have a voting policy which is implemented by Hermes EOS. We have a watch-list of key companies for which our portfolio managers will review and confirm all of Hermes EOS' voting recommendations.

ODIN's exclusion policy includes two types of exclusions:

1. Ethical exclusion - groups of companies we exclude from our investable universe on the basis "what" they do. We will not include in our portfolio companies, or financial instruments issued by companies, that earn more than 5% of either revenues or profit from products and/or services directly related to on or more of: controversial weapons (incl nuclear, chemical and biological weapons, anti-personnel landmines, cluster bombs and depleted uranium ammunition).

2. Risk based exclusion - individual companies whose securities we decide to exclude (or to sell) on the basis of "how" they operate. That is, companies whose behaviour poses a significant risk to the sustainability of the company's business model or earnings potential. We will implement risk-based exclusions only where we consider it unlikely that we will be able to exert a positive influence to contribute towards meaningful change in the relevant behavours.

ODIN intends to work closely with other investors to promote sustainability by improving company behaviour.ODIN is a member of NORSIF, SWESIF, FINSIF, and Norsk Eierforum.

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PRI Principles for Responsible Investment

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.1 Indicate if your responsible investment policy is publicly available.

○ Yes

◉ No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

○ Yes

◉ No

OA 02.5 Additional information. [Optional]

Policy documents are available on clients and prospective clients request.

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach	◉ Applicable policies cover all AUM
☑ (Proxy) voting policy	○ Applicable policies cover a majority of AUM
☑ Engagement/active ownership policy	○ Applicable policies cover a minority of AUM
☑ Specific guidelines on corporate governance	
☑ Specific guidelines on environmental issues	
☑ Specific guidelines on social issues	
☐ Asset class-specific guidelines	
☑ Screening/exclusion policy	
☐ Other, specify	
☐ Other, specify	

OA 04	Mandatory	Core Assessed	General

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PRI Principles for Responsible Investment

OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

ODIN Forvaltning AS shall always act in the best interest of the collective investment funds (funds) and the clients to which ODIN provide active asset management (clients). Funds and clients shall be equally treated and information regarding investments shall not be used on an unauthorised or improper way, to the benefit of or at the expense of other funds or clients. Funds' and clients' interest shall take precedence in relation to the company or the company's associated people, which is stated in the Norwegian Securities Regulations paragraph 9-1 (1) c and Securities Fund Regulations paragraph 1-2 (1) nr.1.

All associated people to the company shall to the company's CEO provide information regarding investments in companies and other interests in these companies. The CEO shall determine whether there are risks of conflicts of interest between the company and the funds and/or the clients.

The company's Guidelines for the conduct of fund management and execution of trade for clients to which ODIN provide active asset management, details five identified potential areas of conflicts:

- Conflicts of interest in relation to operations

- Conflicts of interest where employees can put their own interest ahead of the funds and its customers

- Conflicts of interest between funds and active management clients

- Conflict of interest between ODIN and companies in the same corporate group

- Conflict of interest between ODIN and the funds and/or clients

Clients shall receive a written description of the company's routines to handle conflicts of interest before entering into an agreement. The comprehensive description shall be enclosed to the active asset management agreement.

The Chief Investment Officer shall on a continuously basis follow up the funds' and clients' investments in order to control compliance to the policy. The company shall keep record over situations, services or products where potential conflicts of interest can appear or have appeared, which can or have had a real damage to one or more unit-holders or clients' interest. When such a situation appear, the client shall be informed in writing. The company's Chief Investment Officer is responsible for the implementation and the proceedings of the policy.

○ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General

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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.

○ Yes

◉ No

OA 05.4	Additional information. [Optional]

This will be one of the evolutionary steps for year 2014.

Governance and human resources

OA 07	Voluntary	Descriptive	General

OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

ODIN's Chief Investment Officer has the overall responsibility for the integration of ESG into the investment process. The CIO set the infrastructure to enable integration, the objectives which is managed by the senior management, and report to the Board of Directors. All of ODIN's portfolio managers shall certify implementation and are responsible for the day-to-day responsible investment activites whithin PM's specific fund mandate. ODIN has decided to work with external specialist advisory, service- and product providers on normative and controversial product screening, ESG company research, and on proxy voting. During reporting year 2013 the providers where Hermes EOS and ISS. The responsible investment performance is part of portfolio managers' incentive structure, and is assessed on a continuously basis by the executive management.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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PRI Principles for Responsible Investment

	Roles present in your organisation

☑ Board members or trustees

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☑ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other Chief-level staff or head of department, specify

☑ Portfolio managers

- ☐ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Investment analysts

- ☐ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Dedicated responsible investment staff

- ☐ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☑ External managers or service providers

- ☑ Oversight/accountability for responsible investment
- ☑ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number
11	

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OA 08.3	Additional information. [Optional]

All portfolio managers, equity analysts, and head of ESG are dedicated responsible investment staff.

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- ☐ Responsible investment included in personal development and/or training plan
- ☑ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☑ None of the above

Portfolio managers

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☑ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☑ None of the above

Dedicated responsible investment staff

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☑ None of the above

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PRI Principles for Responsible Investment

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☐ Asian Corporate Governance Association
☐ Association for Sustainable & Responsible Investment in Asia
☐ Australian Council of Superannuation Investors
☐ CDP Climate Change
☐ CDP Forests
☐ CDP Water
☐ CFA Institute Centre for Financial Market Integrity
☐ Council of Institutional Investors (CII)
☐ Eumedion
☐ Extractive Industries Transparency Initiative (EITI)
☐ Global Investors Governance Network (GIGN)
☐ Global Real Estate Sustainability Benchmark (GRESB)
☐ Institutional Investors Group on Climate Change (IIGCC)
☐ Interfaith Center on Corporate Responsibility (ICCR)
☑ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic
☐ Moderate
☐ Advanced

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Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Dedicated RI staff participated in a two days training program "Incorporating ESG into the investment process".

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☑ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

☑ Basic

☐ Moderate

☐ Advanced

☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

○ No

OA 10.3 Additional information. [Optional]

ODIN is a member of NORSIF, SWESIF, FINSIF and Norsk Ejerforum

OA 11 | **Mandatory** | **Core Assessed** | **PRI 4**

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

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OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☐ Provided financial support for academic or industry research on responsible investment

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Other, specify

○ No

OA 12	Voluntary	Additional Assessed	PRI 4,5,6

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

○ Yes

◉ No

OA 12.4	Additional information.

We have engaged Hermes EOS to identify and where possible to influence on our behalf key public issues and corporate best-practices. This includes reactive responses to key consultations and requests for comments, as well as proactive approach to promoting four key objectives:

- Empowering owners: fiduciary duty, stewardship codes, investor collaboration, voting

- Investor protections: market rules, minority rights, related party transactions, boards

- Lengthening timeframes: strategy, risk registers, incentive structures, externalities

- Honest reporting: report quality, accounting standards, auditor independence

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

○ Yes

◉ No

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OA 14	Voluntary	Descriptive	PRI 1

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

○ Yes

◉ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

◉ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.

☑ Reviewed by Board, CEO, CIO or Investment Committee

☐ Validated by internal audit or compliance function

☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.

We have had meetings and discussions internally, and with external specialist advisory, e.g. Hermes EOS and ISS. Data has been gathered and validated before reporting into the UNPRI framework.

The draft reporting has been signed off by responsible information providers.

○ No

OA 19.4	Additional information.

As a member of Hermes Fund Managers Limited, our service provider Hermes EOS was subject to an AAF audit during 2013 which scrutinised the controls in place around its activities on behalf of clients. Hermes EOS is also subject to quarterly risk/control reviews by Hermes Fund Managers Limited internal audit, and reports monthly to the Hermes Fund Managers Limited compliance function.

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PRI Principles for Responsible Investment

ODIN Forvaltning AS (ODIN Fund Management)

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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PRI Principles for Responsible Investment

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1

LEI 01.1 Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☑ Active – fundamental and other active strategies

	% of internally managed listed equities

- ○ <10%
- ○ 10-50%
- ◉ >50%

LEI 02	Voluntary	Descriptive	PRI 1

LEI 02.1 Provide a brief overview of how you incorporate ESG issues in listed equity investments.

We have integrated ESG into our investment philosophy and investment process. Each portfolio manager is responsible for ESG integration in their portfolios. Our investment philosophy is to be a long term, active, and responsible investors.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1

LEI 03.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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☐ Screening alone (i.e. not combined with any other strategies)

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☑ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	% 100

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

Company's ESG issues can have financial implications which can deteriorate risk adjusted return.

LEI 03.3 If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

Normative screening is part of the foundation to identify companies with potential ESG issues, and for the strategy and processes for active ownership and engagement. Screening on controversial products and services is done in order to comply with the exclusion policy and thresholds.

LEI 04 | **Voluntary** | **Additional Assessed** | **PRI 1**

LEI 04.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

☑ Raw ESG company data

Indicate who provides this information

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PRI Principles for Responsible Investment

☑ ESG research provider

☐ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☑ Company-related analysis or ratings

Indicate who provides this information

☑ ESG research provider

☐ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☐ Sector-related analysis or ratings

☐ Country-related analysis or ratings

☑ Screened stock list

Indicate who provides this information

☑ ESG research provider

☐ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☑ Issue-specific analysis or ratings

Indicate who provides this information

☑ ESG research provider

☐ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☐ Other, specify

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LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Hermes EOS provide a systematic screen of a wide range of information sources to identify companies within HEOS client portfolio whose activities may be considered to violate the guidelines.

HEOS has selected the UN Global Compact Principles, the Ottawa Convention on landmines, the Oslo Convention on cluster munitions, the Biological Weapons Convention, the Chemical Weapons Convention, involvement in nuclear weapons, infringements on trade and arms embargos, and material corporate governance concerns as the basis for its screening for controversial companies. This list of issues has been selected as they are the major issues of concern to responsible investors and because, in the case of the UN Global Compact Principles and chosen controversial weapons conventions, of their internationally recognised status.

Engagement analysts then provide in-depth assessments of the issues including making a judgement as to whether they can be addressed by engagement. The engagement analysts will provide reports on those companies considered to be in violation of guidelines. These reports will document the relevant issues and provide a "severity score" indicating the materiality of the company's guideline violations. The report will indicate whether HEOS considers the company a target for engagement via an "engagement recommendation", and provide a summary of engagement activity to date with the company. The screening and review process is undertaken on a quarterly basis, enabling the controversial company reports to take into account new guideline violations, changes in companies' activities and other business developments in a timely manner. Major events at companies may also prompt an ad-hoc update of relevant controversial company reports should an issue of sufficient materiality arise.

HEOS has sub-contracted Sustainalytics for ESG company research, which details sector and company specific ESG issues of materiality, and RepRisk to identify and assess ESG risks on a broader basis.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.

- ○ Yes
- ◉ No

LEI 05	Voluntary	Additional Assessed	PRI 1

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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

☑ Engagement

- ◉ We have a systematic process to ensure the information is made available.
- ○ We occasionally make this information available.
- ○ We do not make this information available.

☑ (Proxy) voting

- ◉ We have a systematic process to ensure the information is made available.
- ○ We occasionally make this information available.
- ○ We do not make this information available.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

☑ Negative/exclusionary screening

Screened by

- ☑ Product
- ☑ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

Description

Hermes EOS provides us with the following screening information on companies:

Breach/risk of breach of Norms including the UN Global Compact Principles, the Ottawa Convention on landmines, the Oslo Convention on cluster munitions, the Biological Weapons Convention and the Chemical Weapons Convention. Involvement in nuclear weapons (product), infringements on trade and arms embargos (Norms-based screening - other) and material corporate governance concerns are also provided to us.

☐ Positive/best-in-class screening

☑ Norms-based screening

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Screened by

- ☑ UN Global Compact Principles
- ☐ Universal Declaration of Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description

Hermes EOS provides us with the following screening information on companies:

Breach/risk of breach of Norms including the UN Global Compact Principles;

Human rights (UNGC P1& P2), Labour Rights (UNGC P3), Labour Rights (UNGC P4), Labour Rights (UNGC P5), Labour Rights (UNGC P6), Environment (UNGC P7, P8 & P9), Anti-corruption (UNGC P10)

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LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

HEOS will identify controversial companies as those which are expected to breach, or continue to breach UN Global Compact Principles in a serious manner. This expectation may arise because the company suffers from underlying systemic problems that will take an extended period to address, the company may be known to be hostile or resistant to shareholders' engaging to address the issue, or the underlying systemic problem may be inherent to the company's business.

HEOS will identify controversial companies as those which manufacture parts solely used in the above-listed controversial weapons, as well as those companies which are involved in the assembly or supply of such weapons. HEOS will only consider removing a company from the screen on these grounds once all relevant business activities have ceased. We will also identify companies that are integral to the maintenance of nuclear weapons. Those companies which are not currently producing cluster munitions but whose governments are not party to the Oslo Convention - such as the US - and which therefore may, if permitted by the government, produce cluster munitions at some point in the future are not identified. There appears to be a shift in public policy in the US that indicates that this is unlikely. If these companies were to recommence the production of cluster munitions they would be identified.

HEOS will identify controversial companies as those which have an ongoing trading relationship with any country subject to any trade or arms embargo. HEOS will only consider removing a company from the screen on these grounds once all relevant business activities have ceased.

HEOS will identify controversial companies as those with poor corporate governance practices relative to the various standards, "Screened Issues", which have the capacity to negatively affect shareholder value, and which are not actively taking steps to improve those aspects of corporate governance which are of concern. The materiality of corporate governance concerns is a highly subjective question, and HEOS will use its engagement experience with the company in question, and more generally, when deciding which poor corporate governance practices pose a material threat to shareholder value. HEOS will only consider removing a company from the screen on these grounds once it is satisfied that the company has reformed its corporate governance practice to mitigate the governance-related threat to shareholder value.

The above screening and review process is undertaken on a quarterly basis, enabling the controversial company reports to take into account new guideline violations, changes in companies' activities and other business developments in a timely manner. Major events at companies may also prompt an ad-hoc update of relevant controversial company reports should an issue of sufficient materiality arise.

The clients are notified upon request.

LEI 07	Mandatory	Core Assessed	PRI 1

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LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

☑ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.

☑ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar

☐ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies

☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions

☐ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

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LEI 07.2	Additional information. [Optional]

Our service provider Hermes EOS employs its research partner Sustainalytics to ensure screening of issuers is based on robust analysis. Hermes EOS analysts provide an independent, engagement perspective which complements Sustainalytics' rigorous approach to company research which ensures that the screening services provided to us are not only based on thorough research but also take into account company circumstances and engagement considerations.

At Sustainalytics, comprehensive research is undertaken or sourced to determine issuers' ESG performance. Issuers are given the opportunity by Sustainalytics to review ESG research on them and correct inaccuracies. External research and data used to identify issuers to be excluded/included is subject to internal audit by its staff. Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies. A periodic review of the quality of the research undertaken and provided is carried out at Sustainalytics. For all of its company ESG research, Sustainalytics contacts companies directly and asks them to provide feedback on their company ESG report. This process aims to give companies an opportunity to provide Sustainalytics with additional inputs in regard to some of their ESG management systems and policies and correct any potential inaccuracies. Furthermore, companies may also provide further clarification in regard to specific company involvement in particular controversial issues, and how these are managed.

Sustainalytics considers quality management of key importance. Its analysts have clear and detailed research guidelines across indicators and industries to inform their analysis. Its Quality Management System (QMS) ensures continuous monitoring and improvement while its QMS team, whose responsibilities are described below, assists with particularly challenging issues requiring further consideration. In addition, all company profiles are peer reviewed before being uploaded to the database to ensure consistency and thoroughness.
The QMS includes the following elements: Clear and detailed research guidelines for all products and services, Detailed research procedures including sourcing requirements, archiving systems, process documentation and reporting, Peer review of all company reports, Assignment of clear responsibilities for conducting research and monitoring adherence to research guidelines and procedures, Systematic tracking of incidents as raised by analysts, other company staff and external parties such as clients or the companies that it researches, Requests for feedback from the companies we cover, Periodic review of the QMS, including evaluation and identification of priorities for action, and On-going training for our analysts on quality standards and procedures.

Sustainalytics implements strict procedures to ensure the proper management of research data as part of all its deliverables. It regards the independence and objectivity of its analysis fundamental to the quality of its work. It ensures that its ratings and any other analytical assessments are only influenced by factors relevant to research and are not affected by actual or potential business relationships between Sustainalytics and the companies it researches.

LEI 08	Voluntary	Additional Assessed	PRI 1

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LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached

☑ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

- ◉ Systematic
- ○ Occassional

☑ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☐ Audits of fund holdings are undertaken regularly by internal audit function

☐ Other, specify

☐ None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Where an existing investment comes to breach the Exclusion Threshold, we will seek to exit the investment as rapidly as is appropriate to preserving investment performance. In large capital markets we expect that this can be delivered within two weeks and in smaller within three months. If we believe that in particular circumstances this timetable cannot be delivered we will report to our clients the reasons for a different timeframe, taking to account the nature and extent of the breach and the value implications.

Where an existing investment is added to the risk-based exclusion list, we will seek to exit the investment as rapidly as is appropriate to preserving investment performance. In large capital markets we expect that this can be delivered within two weeks and in smaller within three months. If we believe that in particular circumstances this timetable cannot be delivered we will report to our clients the reasons for a different timeframe, taking to account the nature and extent of the breach and the value implications.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1

LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.

We produce a scorecard for each position in our portfolios. This scorecard is a summary of the most important and relevant valuation factors. The portfolio manager will give a score for the company risk in terms of E, S and G. In addition, we have a common database where we collect all relevant information for each holding in our portfolios. We have a separate section in the database for ESG-information. Our approach is to integrate ESG in order to reduce risks and thereby improve the funds' risk adjusted performance.

LEI 11	Mandatory	Core Assessed	PRI 1

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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	◉ We systematically review the potential significance of environmental issues and investigate them accordingly ○ We occasionally review the potential significance of environmental issues and investigate them accordingly ○ We do not review environmental issues
Social	◉ We systematically review the potential significance of social issues and investigate them accordingly ○ We occasionally review the potential significance of social issues and investigate them accordingly ○ We do not review social issues
Corporate Governance	◉ We systematically review the potential significance of corporate governance issues and investigate them accordingly ○ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ We do not review corporate governance issues

LEI 12	Voluntary	Descriptive	PRI 1

LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

☑ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

☑ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☑ Company information and/or ratings on ESG are updated regularly

☐ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

LEI 12.2	Describe how ESG information is held and used by your portfolio managers.

☑ ESG information is held within centralised databases or tools and it is accessible by all relevant staff

☑ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff

☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions

☐ Other, specify

☐ None of the above

LEI 13	Voluntary	Additional Assessed	PRI 1

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LEI 13.1	Indicate into which aspects of investment analysis you integrate ESG information.

☐ (Macro) economic analysis

☑ Industry analysis

- ○ Systematically
- ◉ Occasionally

☑ Analysis of company strategy and quality of management

- ◉ Systematically
- ○ Occasionally

☐ Idea generation

☐ Portfolio construction

☑ Fair value/fundamental analysis

- ◉ Systematically
- ○ Occasionally

LEI 13.2	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- ☐ Adjustments to income forecasts (sales, earnings, cash flows)
- ☑ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify

☐ Other, specify

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1

LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☑ Screening

	Describe any reduction in your starting investment universe or other effects.

We have excluded the companies that are on the exclusion list of the Norwegian Ministry of Finance, which is a requirement from some of our clients.

	Specify the percentage reduction

	%

5

☑ Integration of ESG issues

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	Select which of these effects followed your ESG integration:

☑ Reduce or prioritise the investment universe

☐ Overweight/underweight at sector level

☐ Overweight/underweight at stock level

☑ Buy/sell decisions

☐ Other, specify

LEI 16	Voluntary	Descriptive	PRI 1

LEI 16.1	Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

	a) Impacted funds' financial performance

Screening		Integration of ESG issues	
◉ Yes ○ No		◉ Yes ○ No	

	b) Reduced funds' risk or volatility

Screening		Integration of ESG issues	
◉ Yes ○ No		◉ Yes ○ No	

	c) Improved funds' ESG performance

Screening		Integration of ESG issues	
◉ Yes ○ No		◉ Yes ○ No	

LEI 16.2	Describe how you are able to determine these outcomes and your actual performance.

ODIN's investments have had very few big losses due to ESG issues.

LEI 17	Voluntary	Descriptive	PRI 1

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LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☑ ESG issue 1

	ESG issue and explanation

Governance/Corruption& bribes

Two companies in the industrial sector, with considerable international activities, have been charged of allegations of corruption for an extensive number of years, and investigations have been launched by the relevant authorities. One company uncovered the concerns through an internal investigation and passed the information to the relevant authority which launched an investigation. The other company became aware of the corruption issue one year prior to the allegations, and hired external investigators which concluded that there was no reason to go further with the investigation.

Both cases have poor track record on avoiding corruption and exposes the companies to reputational and financial risks. In the governance process with one of the companies, before the allegations, they announced they had implemented an extensive reporting structure in order to avoid corruption. The two cases indicate lack of preparedness and implementation of reporting structures.

	ESG incorporation strategy applied

☐ Screening

☐ Integration

☑ Combination of ESG incorporation strategies

	Impact on investment decision or performance

ODIN decided to maintain the two investments as the companies have stated they will cooperate with investigator and authorities to clarify all the facts on the allegations. ODIN will continue to highlight the issue with the managment and board.

Number of holdings affected: 2.1% of AUM

☑ ESG issue 2

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ESG issue and explanation

Governance/Board composition

ODIN is a member of the nomination committee for the two companies in the industrial sector - is the chairman of one where shareholders have proposed board members which ODIN opposed due non appropriate profile to the board assignment.

The two nomination committees had extensive discussions with the board members, CEO, and the largest shareholders. In one of the cases the discussions concluded in what skills and competencies the board of the company was in dire need of.

ESG incorporation strategy applied

☐ Screening

☑ Integration

☐ Combination of ESG incorporation strategies

Impact on investment decision or performance

In one of the cases ODIN did not succeed in the opposition. The nominated person was elected to the board.

Number of holdings affected: 2.03% of AUM

☑ ESG issue 3

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ESG issue and explanation

Governance/Staggered board& poison pills

A company in the industrial sector with a staggered board of directors, in combination with a shareholder rights plan (poison pill), was doing a pre-IPO share issue. We had several meetings with the management and chairman of the board, but did not succeed in the discussions aiming at changing the structure.

ESG incorporation strategy applied

☑ Screening

☐ Integration

☐ Combination of ESG incorporation strategies

Impact on investment decision or performance

We decided not to participate in the pre-IPO share issue.

Number of holdings affected: 0% of AUM

☑ ESG issue 4

ESG issue and explanation

Governance/Renumeration

A company in the industrial sector with an extensive option program. We had several meetings with the management and the chairman of the board to motivate them to create an incentive plan in alignment with shareholder interests. We voted aginst the option program, that did not get sufficient number of votes.

ESG incorporation strategy applied

☐ Screening

☑ Integration

☐ Combination of ESG incorporation strategies

Impact on investment decision or performance

Number of holdings affected: 0.35% of AUM

☑ ESG issue 5

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ESG issue and explanation

Social issue/labour rights

The labour rights issues in the company are considered extraordinary in comparison to industry peers. Issues has resulted in several strikes and production shortfalls. The conflict exposes the company to financial, operational, and reputational risks. Management has shown slightly progress on employee relations.

ESG incorporation strategy applied

☐ Screening

☐ Integration

☑ Combination of ESG incorporation strategies

Impact on investment decision or performance

ODIN decided to divest the holding due to the financial, operational, and reputational risks.

Number of holdings affected: approx 0,1% of AUM

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6

LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

○ We disclose it publicly

○ We disclose it to clients and/or beneficiaries only

◉ We do not proactively disclose it to the public and/or clients/beneficiaries

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ODIN Forvaltning AS (ODIN Fund Management)

Reported Information

Public version

Direct - Listed Equity Active Ownership

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PRI Principles for Responsible Investment

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.

We have a long history of being an active owner. Especially in our Nordic portfolios, we tend to hold significant positions in the companies that we are invested in. We keep regular conversations with management. We vote for all our holdings and we often participate in nomination committées. Where necessary, we initiate discussion with other shareholders where we feel there is a need for improvements.

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

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Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☐ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via service providers

Process

Process for engagements run internally

LEA 03 | Mandatory | Core Assessed | PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

○ Yes
◉ No

LEA 04 | Mandatory | Core Assessed | PRI 2

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

○ Yes
◉ No

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LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.

◉ Yes

- ○ Yes, in all cases
- ○ Yes, in the majority of cases
- ◉ Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.

The portfolio manager, which is ultimately responsible for the fund's investments, is responsible for monitoring and evaluation of progress of the engagement activities. ODIN has implemented an infrastructure where all company information is stored and accessable to the fund management team. The stored information include historical company data and improvements which facilitates monitoring and evaluation.

If a company is engagable according to Hermes EOS, the portfolio manager is responsible to initiate an engagement process and that will depend on ODIN's ownership in percent of the company's market capitalisation or voting share. There is no target set for the engagement process. The portfolio manager will often cooperate with other owners in order to increase voting power. The portfolio manager will inform the other members of the engagement process. Valuable experience will always be an important part for future engagement.

○ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

○ Yes

◉ No

LEA 06	Mandatory	Core Assessed	PRI 2

LEA 06.1	Indicate if the collaborative engagements in which you are involved have defined objectives.

◉ Yes

- ◉ Yes, for all collaborative engagement activities
- ○ Yes, for the majority of collaborative engagement activities
- ○ Yes, for a minority of collaborative engagement activities

○ No

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LEA 06.2	Indicate if you monitor the actions companies take following your collaborative engagements.

◉ Yes

- ○ Yes, in all cases
- ○ Yes, in the majority of cases
- ◉ Yes, in the minority of cases

LEA 06.3	Describe how you monitor and evaluate the progress of your collaborative engagement activities.

The portfolio manager, which is ultimately responsible for the fund's investments, is responsible for monitoring and evaluation of progress of the engagement activities. ODIN has implemented an infrastructure where all company information is stored and accessable to the fund management team. The stored information includes historical company data and improvements which facilitates monitoring and evaluation.

The decision to terminate a collaborative engagement process will only take place if the likelihood for success is low. Escalation could take place if we team up with other shareholders or we see management and/or board of directors willing to initiate a dialogue.

In the collaborative engagement activities we do not have a structural way of defining engagement objectives. The portfolio manager will once a year present a fund review where engagement results are presented. Lessons learned are captured and integrated into future engagement programmes as part of the presentation of the yearly fund review. The information will also be shared among the portfolio managers during an engagement process.

○ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2

LEA 09.1	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

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Type of engagement	Insights shared
Individual/Internal staff engagements	◉ Yes, systematically ○ Yes, occasionally ○ No
Collaborative engagements	◉ Yes, systematically ○ Yes, occasionally ○ No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2

LEA 10.1 Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	○ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ◉ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements
Collaborative engagements	○ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ◉ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2

LEA 11.1 Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	5
Collaborative engagements	3

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LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	◉ > 50% ○ 10-50% ○ <10% ○ None
Collaborative engagements	◉ >50% ○ 10-50% ○ <10% ○ None

LEA 11.3	Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	◉ >50% ○ 10-50% ○ <10% ○ None

LEA 12	Voluntary	Additional Assessed	PRI 2

LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	☐ Environmental ☐ Social ☑ Corporate Governance ☐ We do not track this information
Collaborative engagements	☐ Environmental ☐ Social ☑ Corporate Governance ☐ We do not track this information

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LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Corporate Governance only

100

100%

Collaborative engagements

% Environmental only

10

% Social only

10

% Corporate Governance only

80

100%

LEA 13	Voluntary	Descriptive	PRI 2

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

○ Yes

◉ No

LEA 14	Voluntary	Descriptive	PRI 2

LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.

☑ Add Example 1

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Topic or ESG issue	Governance engagement and the issue addressed concern corruption & bribes
Conducted by	☑ Individual / Internal ☐ Collaborative
Objectives	Certify preparedness and implementation of reporting structure in order to avoid corruption and bribes. Clearify audit committee's or similar function's role in oversight of regulatory compliance and supervisory responsibilities to the Board of Directors. Increase transparency in the governance dialogue with fund managers regarding regulatory compliance.
Scope and Process	The engagement dialogue was conducted with two companies in face-to-face meetings with the management team. The relative size of the two engagements: 2.1% of AUM
Outcomes	Improved processed in place to counteract bribery and corruption risk.

☑ Add Example 2

Topic or ESG issue	Governance engagement and the issue addressed concern Board composition
Conducted by	☐ Individual / Internal ☑ Collaborative
Objectives	Implement process for board evaluation, assessment of existing competence and candidates profiles.
Scope and Process	The engagement dialogue was conducted by the nomination committée, in which ODIN is a member in one of them and chairing the other, with the board members, CEO and largest shareholders in face-to-face meetings and in writing. The relative size of the engagement: 2.03% of AUM
Outcomes	A shareholder increased his stake to 30% and managed to change the board against nomination committée's recommendation.

☑ Add Example 3

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Topic or ESG issue	Governance engagement and the issue addressed concern Staggered board & poison pills
Conducted by	☑ Individual / Internal ☐ Collaborative
Objectives	The objective was to influence a change in the practise governing the board of directors.
Scope and Process	The engagement issue concern one company. The process was conducted in several face-to-face meetings with the management and chairman of the board. The relative size of the engagement: ODIN is not an owner of the company, but considered to participate in a share issue.
Outcomes	ODIN decided not to participate in the share issue.

☑ Add Example 4

Topic or ESG issue	Governance engagement and the issue addressed concern Renumeration
Conducted by	☑ Individual / Internal ☐ Collaborative
Objectives	Establish an incentive plan that is in alignment with share holder interest.
Scope and Process	The engagement concern one company. We have had several face-to-face meetings with management and the chairman of the board. The relative size of the engagement: 0.35% of AUM
Outcomes	We voted aginst the extensive option program, which was also rejected by other shareholders, and the renumeration program was not granted at the annual general meeting.

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7

☐ Add Example 8

☐ Add Example 9

☐ Add Example 10

Communication

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LEA 15	Mandatory	Core Assessed	PRI 2,6

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.

- ○ We disclose it publicly
- ○ We disclose it to clients and/or beneficiaries only
- ◉ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2

LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

Hermes EOS undertakes intelligent voting on our behalf according to our own proxy voting policy. This means that all proxies are voted in line with the individual circumstances of the company and the vote, rather than using a box-ticking approach or as a compliance driven activity. The vote is viewed as an annual governance health check and voting work is strongly linked with corporate engagement. The vote is not perceived as an end in itself but rather as a mechanism which precipitates further change where required. Hermes EOS files shareholder proposals in markets where it is relevant to do so, typically in Germany and the US, either as lead filer or as co-filer alongside other investors. Consistent with its intelligent voting approach, this typically forms part of a wider engagement with the company and is used as a tool for leverage in its dialogue with management. Where, in accordance with its policies, Hermes EOS has executed a vote against management on large holdings or otherwise high-profile companies, it seeks to follow up with the company either in writing to explain the reasons giving rise to a vote against and the steps that it would like to see the company take to rectify the issue. As necessary, Hermes EOS will look to engage with the company before the meeting to ensure that the issue giving rise to the vote against is addressed so that it can vote in line with management's recommendation, a vote 'for' management 'by exception,' in subsequent years. It may look to vote against management in a number of different scenarios. While it is difficult to provide a general description, typically this will be where a vote with management would not serve the best long-term interests of shareholders. This may be either in terms of remuneration or where there are insufficient skills on the board to take the company forward.

There may also be specific instances where a vote in favour of management would be actively detrimental to the company, for example in the case of a merger or acquisition. Hermes EOS rarely abstains on votes. In the very rare instances that it does consider abstaining, this may be because it is unable to vote with management - typically due to inadequate information being provided - but where a vote against management may appear unduly harsh. Hermes EOS always seeks to obtain the required information to make an informed voting decision but this may not always be possible.

Process

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LEA 17	Mandatory	Descriptive	PRI 2

LEA 17.1 Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

○ We use our own research or voting team and make our own voting decisions without the use of service providers.

○ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

◉ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

Based primarily on

◉ the service provider voting policy signed off by us

○ our own voting policy

○ our clients requests or policy

○ other, explain

○ We hire service provider(s) which make voting decisions on our behalf.

LEA 18	Mandatory	Descriptive	PRI 2

LEA 18.1 Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

○ >20%

◉ 5-20%

○ 1-5%

○ <1%

Reasons for review

☑ Specific ESG issues

☑ Votes where a significant level of ownership is held

☐ Votes against management or abstentions

☐ Conflicts of interest

☑ Corporate actions such as M&A, disposal, etc.

☐ Other, explain

LEA 19	Voluntary	Descriptive	PRI 2

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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.

☑ Obtain confirmation that votes have been lodged:

- ◉ for a majority of votes
- ○ for a minority of votes

☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation

☐ None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2

LEA 20.1	Indicate if your organisation has a securities lending programme.

○ Yes

◉ No

LEA 21	Mandatory	Core Assessed	PRI 2

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

○ Yes, in most cases

◉ Sometimes, in the following cases:

- ☐ votes in selected markets
- ☐ votes on certain issues (all markets)
- ☑ votes for significant shareholdings (all markets)
- ☑ other, explain

See LEA 16.1

○ No

○ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

◉ We do track or collect this information

	Votes cast (to the nearest 1%)
	%

100

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	Specify the basis on which this percentage is calculated

- ○ of the total number of ballot items on which you could have issued instructions
- ◉ of the total number of company meetings at which you could have voted
- ○ of the total value of your listed equity holdings on which you could have voted

○ We do not track or collect this information

LEA 22.3	Additional information. [Optional]

Our service provider, Hermes EOS, submits vote instructions on all ballots available to vote in the portfolios for which we have subscribed to their proxy voting service.

LEA 23	Voluntary	Descriptive	PRI 2

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

◉ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	% 93.94
Against (opposing) management proposals	% 5.59
Abstentions	% 0.47

100%

○ No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2

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LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

○ Yes

◉ No

LEA 25	Voluntary	Descriptive	PRI 2

LEA 25.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☑ Add Example 1

Topic or ESG issue	Capital Structure
Decision made by	☐ Internal staff ☑ Service provider
Objectives	Companies should have an efficient capital structure which will minimise the long-term cost of capital.
Scope and Process	Consistent with its intelligent voting approach, in instances of material holdings or otherwise high-profile companies, our service provider Hermes EOS endeavoured to contact companies wherever possible when it recommended a vote against. Sometimes this contact enabled Hermes EOS to vote 'with management by exception.' Subsequent to the vote, Hermes EOS follows up with companies wherever possible to explain the rationale for voting against and what changes it would like to see.
Outcomes	Voting activity in relation to capital structure during 2013 both supported and built on engagements with companies on this issue. Using Hermes EOS' milestone approach to measure progress in engagements, a number of conversations with companies around the vote led to governance changes with companies. Other conversations around the vote contributed towards continuing engagements at companies where the required change is still outstanding.

☐ Add Example 2

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7

☐ Add Example 8

☐ Add Example 9

☐ Add Example 10

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LEA 25.2	Additional information.

Hermes EOS is the service provider.

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6

LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.

- ○ We disclose it publicly
- ○ We disclose it to clients/beneficiaries only
- ◉ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

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