

Sustainability Report ODIN Fund Management **2021**



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Greetings from CEO

Our ambition is to be competent and concerned about issues relating to sustainability and social responsibility. We use our position as a long-term active asset manager and owner to create values for our customers in line with principles of sustainability and social responsibility.

To achieve this, we set more goals for ourselves when the new sustainability strategy was put in place in 2020. We intend to be active owners, and be clear about our expectations and demands. We will offer responsible and sustainable products, communicate clearly and unambiguously about sustainability and build expertise.

One of the goals we set for ourselves was to offer products with a distinct sustainability profile. In 2021, we established a new equity fund in line with ODIN's sustainability strategy. All of ODIN's funds can be defined as sustainable, but ODIN Bærekraft is our first fund with sustainability as its primary purpose. The fund allows customers to save in more sustainable companies. 2021 is the year in which sustainability went from being "soft law" to "hard law". The EU's Action Plan on Sustainable Finance contains more requirements for us in the financial services industry and the companies in which we have invested. In the first instance, the requirements relate to increased reporting on sustainability. Standardised reporting on sustainability gives us better information about the companies in which we have invested. Standardised fund-level reporting will provide clients with more information about the funds in which they have invested. Both will contribute to more transparency and knowledge of sustainability.

In 2021, we gradually increased our sustainability resources and employed more well-qualified personnel to further strengthen and develop our work on sustainability. This allows us to start 2022 with increased capacity and expertise on sustainability in the management of the ODIN funds.

Sustainability assessments are a key part of our investment process and for following up companies in which we have invested. In this report you can read about the Odin Funds' work with active ownership in 2021.

Wishing you a good investment year,

Bjørn Edvart Kristiansen, CEO



Greetings from CIO



In ODIN, we have taken several major steps in sustainability during the year. Among other things, we have established our first sustainability fund, the ODIN Bærekraft equity fund. The fund aims to invest in companies that contribute to the shift towards a green and sustainable economy. That doesn't mean we make concessions in our requirements to the companies in terms of quality, profitability and high returns on capital. These criteria go hand in hand with the Fund's sustainable purposes.

At the same time, in recent years more and more requirements have been placed on both us and the companies we invest in and it is important for us to be clear about how

we work on sustainability. We continue to work purposefully on the strategy we established in 2020 that runs out this year. The strategy is about continuing the great work we are doing, ensuring that our funds live up to the high standards we have set, improving communication and reporting competence as well as and other internal measures.

It is gratifying to see that our funds have delivered good returns through 2021, while still more broadly incorporating sustainability criteria into our corporate analyses. There is no contradiction between long-term good returns and investment in sustainable companies.

Alexander Miller, CIO

ODIN and sustainability

At ODIN, we are stock pickers, which means we are selective when it comes to choosing which companies we want to invest in. Different sustainability criteria affect companies' value creation over time. Consequently, assessments linked to sustainability are key elements of all investment decisions. This is why our fund managers work closely with the management of our companies, set out requirements and ask questions about our companies' work on sustainability. In practice, we exercise active ownership and we use our voice to have an influence and ensure that sustainability considerations are higher on the agenda. We signed up to the UN's Principles for Responsible Investments in 2012. The principles reflect our commitment to implement and report on how we include accountability and sustainability in our company and portfolio assessments. This commitment also applies to our fixed-income funds.

Our work on sustainability can be summarised using three main categories:

1. Integration – sustainability considerations are integrated into ODIN's investment decisions.

2. Active ownership – through dialogue with company management and exercising our voting rights at general meetings, we are an active owner of the companies we invest in.

3. Exclusions and observation – reject certain companies based on behaviour and/or the products/services they offer. If behaviour/products change in companies we own, the company is put on an observation list.

INTEGRATION means, among other things, that we carry out sustainability analyses of the companies we invest in. Every company we invest in is presented to the fund management team and this process includes a thorough sustainability assessment. In other words, we consider the risks and opportunities associated with sustainability, as well as how the board and management are equipped to deal with it. We also regularly review our portfolios. Good assessments require access to good information, and we make use of information from multiple sources. These include publicly available information,

such as annual reports and NGO reports, as well as information from meetings with company management representatives from relevant companies and from analysts. We also use external research firms for objective assessments of companies. We currently use the research firm Sustainalytics, which provides us access to its extensive company database and analysts, as well as analysis related to product involvement and events.

ACTIVE OWNERSHIP is about using our voice as shareholders, both through voting at general meetings and through continuous dialogue with the companies we invest in. We also participate in nomination committees. The goal is to create awareness and encourage companies to improve their work on sustainability. In this way, the companies can become even better equipped to tackle the various issues they face, which also benefits their shareholders. We try to vote in all of the general meetings of the companies we invest in. To do this as effectively as possible, we make use of the services of ISS Proxy Voting Service from which we receive voting suggestions based on sustainability considerations. In our dialogue with the companies we invest in, active ownership is typically linked to specific events, reporting or themes that we focus on. If anything happens in the companies we invest in, we will immediately initiate a dialogue. If we see no ability or willingness to change, we will sell our shares in the company. As a result of our concentrated portfolios, we are, in many cases, majority owners of the companies we invest in. Our voice is heard, and we make sure to use it. In the companies in which we are minority owners, we often benefit from collaborating with other investors.

EXCLUSIONS AND OBSERVATION are the means we use if something occurs in our companies that may be in violation of our guidelines.

As an active fund manager, we take a company-focused approach to the composition of our portfolios. This is why we do not have as much need for lists of companies we wish to exclude from our portfolios. Simply put, this means that all the companies we invest in are thoroughly analysed and selected after a lengthy process.

ODIN and sustainability

A number of companies will be excluded as a result of a comprehensive assessment of the company's risk profile and future prospects. Sustainability criteria have an important part to play here. At the same time, there are certain sectors and individual companies that we avoid, based on the products they offer and/or the company's behaviour. We make assessments on the basis of our own criteria and the Government Pension Fund Global (GPF) criteria. We also follow the GPF exclusion list and companies excluded by the GPF are removed from our investment universe.

Companies will also be excluded or placed on the observation list in the event of suspected serious and systematic violations of generally accepted norms. We expect the companies we invest in to act in accordance with the principles of the UN Global Compact. These principles relate to human rights, labour rights, the environment and anti-corruption. We have also drawn up documents describing our own expectations for the companies we invest in.

You will find a full overview of our funds on the following page.

The companies we invest in should act in line with the principles of the UN Global Compact:



We exclude companies with more than:

- 0%** of revenue related to controversial weapons (weapons whose normal use breaches human rights)
- 5%** of revenue related to tobacco production
- 5%** of revenue related to pornography
- 5%** of revenue related to oil sands
- 5%** of revenue related to thermal coal extraction or which bases on a significant part of its operations on thermal coal

Human rights 

Principle 1: Companies shall support and respect the protection of internationally proclaimed human rights
Principle 2: Make sure that they are not complicit in human rights abuses

Labour rights 

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: The elimination of all forms of forced and compulsory labour
Principle 5: The effective abolition of child labour
Principle 6: The elimination of discrimination in respect of employment and occupation

Environment 

Principle 7: Companies shall support a precautionary approach to environmental challenges
Principle 8: Undertake initiatives to promote greater environmental responsibility
Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption 

Principle 10: Companies shall work against corruption in all its forms, including extortion and bribery

Overview of our funds

EQUITY FUNDS

ODIN Sustainable Equities	A	
ODIN Norden	B	
ODIN Norge	B	
ODIN Sverige	B	
ODIN Europa	B	
ODIN Global	B	
ODIN Emerging Markets	B	
ODIN USA	B	
ODIN Eiendom	B	
ODIN Small Cap	B	

BONDFUNDS

ODIN Likviditet	B
ODIN Norsk Obligasjon	B
ODIN Europeisk Obligasjon	B
ODIN Kreditt	B

BALANCED FUNDS

ODIN Aksje	B
ODIN Horisont	B
ODIN Flex	B
ODIN Konservativ	B
ODIN Rente	B

INSTRUMENTS

- 1. Integration** – which means that sustainability considerations are integrated into ODIN's investment decisions.
- 2. Active ownership** – which means that, through dialogue with company management and exercising our voting rights at general meetings, we are an active owner of the companies we are invested in.
- 3. Exclusions and observation** – which means that we exclude certain companies based on behaviour and/or the products/services the company offers. If behaviour/products change in the companies we own, the companies are placed on the observation list.

SUSTAINABILITY



Sustainability score: Excellent (5 out of 5 points)

The fund gets a top score on active ownership and on the exclusion of sectors. The fund also gets points for investment in companies that benefit society.

Sustainability score: Very good (4 out of 5 points)

The fund achieves a top score for active ownership and exclusion of sectors, but misses out on one point for social utility.

 - Fossil-free

The labelling scheme has been developed for the funds offered by SpareBank 1 and is intended to show the sustainability grading of the funds, based on a points score. A fund can achieve a total of five points across the three criteria: negative screening, positive screening and active ownership. The fund labelling work is performed by a neutral third party: The Governance Group.

What we have done in 2021?

In 2020, ODIN adopted a new sustainability strategy. The strategy sets clear goals that we are working towards in our sustainability efforts. In line with the strategy we established a new equity fund in 2021. The fund has sustainability as its purpose, and is an Article 9 fund pursuant to the EU Sustainable Finance Disclosure Regulation. More information about the fund can be found on page 17.

In 2021, we also employed more resources to strengthen competence on sustainability. You can read more about ODIN's new sustainability officer on page 18.

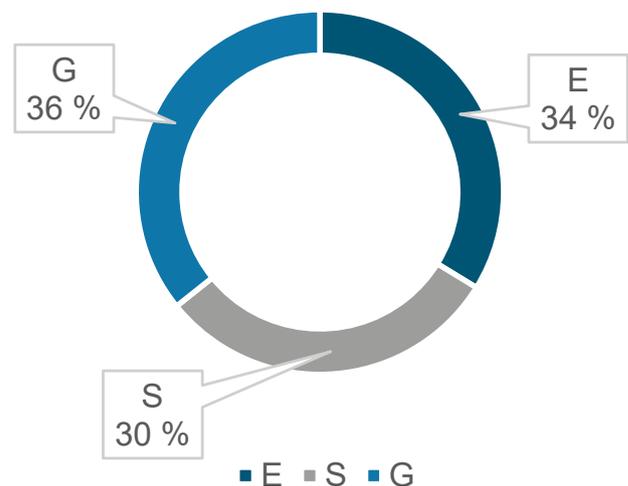
In 2021, we focused on the topics of modern slavery, composition of the Board of Directors, and climate risk. Funds were reviewed to uncover risks associated with these topics and we have entered into a dialogue with companies that are particularly exposed to such risks. On the following pages, you will find examples of the dialogues we have entered into with our companies in 2021, and an overview of how we have voted at general meetings.

Company dialogue

During the first half-year, we registered 91 dialogues with companies related to sustainability issues. Below follows an overview of the topics that have been discussed in these meetings. These dialogues are defined as instances where we contact a company to enquire about or discuss sustainability topics. We also include those instances where contact was initiated by companies wanting to get feedback from shareholders on what we consider important.

In 2021, we had a dialogue with several companies on the Science Based Targets initiative (SBTi). The initiative helps companies to set goals for reducing emissions. Goals are considered scientifically based if they are in line with what recent climate science considers necessary to meet the goals of the Paris Agreement.

Topic for dialogue 2021





Environment and climate

The challenges associated with the 'E' in ESG concern the environment and climate. Given the urgency of taking steps to cut global carbon emissions, this is the sustainability topic that by far receives the most attention.

New EU regulations are pending that will specify companies' contributions to cutting carbon emissions to the atmosphere and finding new green solutions. These will result in both risks and opportunities for companies across industries. We want our companies to make clear assessments of their impact on the climate and environment. It is pleasing to see that companies are generally becoming better at reporting on sustainability, in terms of their carbon footprint as well as other ESG factors of significance to the company. An increasing number of companies are also committing to the Science Based Targets Initiative (SBTi) – which means that their targets for cutting emissions must be in line with the Paris Agreement's target of 1.5 degrees Celsius. This is another thing we frequently discuss with the companies we invest in. This commitment and the subsequent reporting will enable both the management and other stakeholders to monitor a company's progress.

During 2021, Kerry Group, Dassault and Atlas Copco have set for themselves emission reduction targets. Thermo Fisher, Visa, Henry Schein, S&P Global and Diploma have committed to setting targets.

Climate risk is another related topic and is one of our three topic areas for this year. We spend time assessing the climate risks of the companies we own. The companies will be affected to varying degrees by the transition to a low-carbon society. Energy-intensive industries based on fossil energy will experience higher costs in line with stricter regulations and a greener system of taxes and duties. Producers of fossil energy will see less demand for their products over time. On the other hand, companies that can contribute solutions that cut our energy consumption will see a brighter future. Climate risk is not static, rather it is a factor that companies can themselves influence by means of innovation and their ability to adapt and change



Social conditions

Just as we expect companies to focus on their impact on the environment and climate, we also expect them to focus on how they affect people and society. No companies are perfect, and they will all face challenges to varying degrees, but it is important that companies take a clear stand in relation to what is considered acceptable and what is not. But what happens when the definition of okay and not okay varies from country to country? We thoroughly review our funds to find any discrepancies. In our experience, companies with particularly complex value chains are especially challenging.

As we wrote in the annual report for 2020, we have been in contact with Yara about one of their suppliers in Belarus, Belaruskalis. The case involved the employees' right to strike and generally poor working conditions at Yara's subcontractor. ODIN expressed our concern about the situation. Yara have been clear about what they demand of their subcontractors. In this case, Yara is the largest single customer of Belaruskalis and they therefore have a great opportunity to exert influence.

In late 2021 Norway endorsed the recent expansion of sanctions against Belarus. The backdrop to the sanctions is the Lukashenko regime's exploitation of vulnerable migrants and its behaviour towards neighbouring countries. Shortly after this happened Yara announced that they would discontinue all procurement from Belarus. The sanctions make it too demanding to maintain oversight of the value chain in Belarus. Yara is clear that this reduces the company's ability to influence safety and working conditions at Belaruskalis, but it will continue its collaboration with Belaruskalis in the area of HSE in partnership with their trade union.

Just over a year ago, we met with the Norwegian Support Committee for Western Sahara to learn about the issues related to companies' presence in occupied West-

ern Sahara. We wrote about our work on this in last year's sustainability report. Of our portfolio companies, Swedish Atlas Copco and German Continental had activities in the region at the time. The former exited the region in 2020. In February this year, Continental also announced that it has not renewed its conveyor belt delivery contract with OCP, Morocco's state-owned mining company. Although we have a small voice globally, we spend time on influencing and maintaining a dialogue with the companies associated with such issues and other ESG-related issues.

As mentioned earlier this year, ODIN is particularly focusing on modern slavery, an umbrella term that refers to the type of situations where people are grossly exploited. For our companies with their decentralised business models, this requires good guidelines and procedures that reduce the risk of such types of incidents. In our opinion, the British health and safety conglomerate Halma is a positive role model with its clear focus and collaboration with the NGO Stop the Traffic. Halma has more than 7,200 employees in over 40 companies operating in more than 25 countries. The company does not have a centralised purchasing department, which makes its supply chains complex and fragmented.

It solves the challenges presented by this by requiring all of its companies to conduct semi-annual internal control processes that confirm that they have operated within the framework of the group's procedures and guidelines for vital human rights and ethical conditions, including modern slavery. As far as we are aware, there are no controversies or cases of modern slavery in our companies, although some have a way to go in terms of risk management and surveying subcontractors. We will continue to monitor the companies' work on this front going forward.



Governance

When we are assessing a company, its governance policy is a very important factor in our analysis. Governance is about the ability of the board and management team to make good, long-term choices. Like much else, this is, to a large extent, about how incentives are structured. This concerns both those who work for the company and those who manage the company. In many ways, governance forms the core of our ESG work. That is why we are focused on exercising our voting rights at general meetings, why we participate in nomination committees and why we are an active owner in our companies.

This year as in the past, the typical issues are related to remuneration, board composition etc. The latter is one of our three areas of focus this year and we will continue to discuss this with our companies during the autumn.

One essential point of good corporate governance is that the management team and the Board make decisions that are in the best interests of shareholders. In April, DNB announced that it wanted to acquire its competitor Sbanken and it placed a bid for Sbanken at around 30 per cent above the share price. Sbanken is a very well positioned bank with high customer satisfaction and good profitability. It has a market share for mortgages of around 3 per cent in Norway, and also has a strong position in the savings market. DNB received early acceptance from the largest shareholder, Altor, subject to certain conditions. In ODIN, we considered DNB's offer too low and declined it. As of April, the situation remained open, and several interested parties reported their interest in the bank. ODIN Norden, with its 4.8 per cent ownership of Sbanken, entered into negotiations with DNB and the bank opted to increase the bid by 5% over its initial bid. We then chose to accept the bid. We believe it is important to fight these fights, and as an active manager with relatively large ownership stakes our voice is very important. The acquisition was not approved by the Norwegian Competition Authority. DNB has appealed the decision.

Corporate governance is one area we are very interested in. One of the underlying themes is how the dynamic and cooperation between the chair of the board and CEO work. There are some examples in the funds where the Group CEO also serves as the Chair of the Board. In general, this is not a practice that we approve of as it can result in conflicts of interest. When a single person holds both titles, all of the major decisions lie in their hands. This can make it difficult for the Board to objectively assess performance and carry out control processes. By maintaining separate roles, the CEO can focus on the day-to-day running of the company while the chair and the board can oversee and objectively assess the management team's work. On the other hand, there are no rules without exceptions. We have seen several examples where such a structure is appropriate and highly productive. These often involve early-stage companies or where the founder of the company is still an active leader of the business.

In the past few years, we have discussed this topic with two of our French companies that operate with the same person in the roles of chair of the board and CEO: the service company Teleperformance and the kitchen appliance manufacturer Groupe SEB. Indications from our meetings with the companies this year indicate that they are now choosing to take several shareholders' signals into account and will separate the roles in the near future. We welcome this.

Another important point is the incentive structure of the company. In dialogue with Volution Group, we have argued for the company to include ESG targets in the long-term remuneration of management. At a meeting with the company in October, we received confirmation that 20% of their LTIP will be based on the achievement of the company's sustainability targets.

General meetings and electoral committees

During this year's season, ODIN voted against the level of compensation to the CEO of Wells Fargo. We rated the overall level as high and that compensation is not adequately linked to results achieved. ODIN also voted for a shareholder proposal asking the company to prepare a report showing the scope of incentive programmes for the employees of the bank. The incentive programme was previously put together in a way that led to risky decisions. It is therefore important that the company be open about the new programme.

At the annual general meeting of Berkshire, two shareholder proposals were put forward. The first shareholder proposal calls for better reporting of climate risks and opportunities. The second proposal calls for more transparency and reporting on the company's work for better diversity. ODIN chose to vote in favour of these proposals. ODIN is a long-term owner; climate risk and opportunities are factors that affect the company today and in the future. Increased focus on diversity can produce positive spin-off benefits for the working environment, and the opportunity the company has for hiring the best resources. Generally speaking, we are positive about proposals that encourage the company to be more open about topics that are important for society. More information about the company's work is important in our holistic assessment of the company.

ODIN is also an active owner through participation in the nomination committee. The task of a nomination committee is to choose candidates for the company's Board of Directors. The Board is elected at the annual general meeting and are the shareholders' representatives. The Board of Directors is the chief body of the company and oversees its day-to-day management and operations. This is an important task that we undertake together with other major shareholders in the companies. Representatives of the Odin Funds sit on 10 nomination committees: Byggmax, Addlife, AQ Group, Beijer Alma, Addnode, Munters, CTT Systems, Thule, Nimbus, Dustin.

Through the nomination committees and general meetings, we also review the companies' incentive programmes. This is also something we bring up with the management of the company when we meet them. We believe that incentive programmes are particularly important to ensure that conflicts of interest do not arise. Conflicts of interest between shareholders and manage-

ment are a recognised challenge that can arise if sensible incentive structures have not been established that ensure overlapping interests between shareholders and the management of a company. At ODIN, we are concerned with reducing the risk of such conflicts of interest. We want the companies we own to make decisions that overlap with the interests of the shareholders. More specifically, we want management to aim to maximise the value per share over time. At the same time, we emphasise that the focus on ESG factors does not conflict with this objective, in fact the opposite is true.

In dialogue with Volution Group, we have argued for the company to include ESG targets in the long-term remuneration of management. At a meeting with the company in October, we received confirmation that 20% of their LTIP will be based on the achievement of the company's sustainability targets.



In 2021, we cast 4,723 votes at 266 general meetings. This represents a voting rate of 99.3 per cent. Of the votes we have cast, we voted against the company's recommendations on 146 occasions. These typically included proposals related to incentive programmes, management and Board remuneration issues, and the election of board members. Below are some examples of how ODIN has used the right to vote in 2021.

Observation- and exclusion list

The observation list consists of companies for which sustainability risks that must be investigated further have been identified. Companies that are placed on the observation list typically remain there for some time.

In 2021 we sold our holdings in Wells Fargo so this company has gone off the observation list. When we invested in the company in 2017, the bank had recently experienced a sales scandal that had attracted negative attention and affected the reputation of the bank. It became known that Wells Fargo had created fake accounts in customers' names without their consent. The motivation behind this was a system that rewarded employees based on the number of new products sold to existing customers. Strong pressure from management to achieve annual profit targets led to behaviour from employees that was not in the customer's interest.

When we did our analysis of Wells Fargo in 2017 we pointed to this sales scandal as an important risk to our investment. However, it developed in a negative direction after we invested, and the bank eventually ended up on our observation list due to this sales scandal. The Bank has made progress and positive changes are taking place; the current management has taken on the work of implementing the necessary changes.

We think Wells Fargo is going in the right direction, but we underestimated the problems the bank was facing and how long it would take to clean them up. We think that Wells Fargo still has a strong competitive position in the U.S. market, but we are unsure whether they now have an organisational culture that is capable of managing this competitive position in a sensible way. Our assessment was therefore that it is a sensible decision to sell our shares.

A focus on anti-money laundering is not a new topic within the banking industry. The banks have had quite some job to do here but the majority are showing great progress in the area.

Danske Bank has not issued any major updates regarding the bank's work on improving anti-money laundering programmes since 2019. At the same time, the investigations into the bank in the USA, Denmark, France and Estonia are continuing and the outcome, in terms of the timing and size of any fine(s) remains uncertain. In December, the US Office of Foreign Assets Control (OFAC) announced that it was closing its investigation into the alleged violations of American sanctions without taking any action. In January 2021, Danish prosecutors dropped the charges against six former employees, as they were unable to find any evidence to justify the accusations pursuant to the Money Laundering Act.

With regard to Swedbank, investigations are still ongoing in the USA and Estonia. As of March 2020, Swedbank had identified 217 initiatives to improve AML deficiencies, of which 87 have been implemented. It is difficult to see the effect of this yet, due to the short period of time in which the initiatives have been in place. Unlike Danske Bank, Swedbank has chosen to continue its operations in Estonia.

Proper anti-money laundering procedures are essential for banks. It can prove very expensive to fall behind in this area, in terms of money, internal resources and reputational harm. We will continue to monitor the situation closely

Observation- and exclusion list



Watchlist			
Date	Company	Fund	Cause
04.07.2018	Danske Bank	ODIN Kreditt, ODIN Europeisk Obligasjon	Money laundering accusations
11.09.2018	Wells Fargo	ODIN USA	God business practice
22.03.2019	Swedbank	ODIN Kreditt	Money laundering accusations
14.11.2019	DNB	ODIN Kreditt/ODIN Europeisk Obligasjon/ODIN Norge/ODIN Norsk Obligasjon/ODIN Likviditet	Money laundering accusations
19.11.2019	SEB	ODIN Kreditt	Money laundering accusations
Exclusions list			
Date	Company	Fund	Cause
01.02.2019	Fortive Corp.	ODIN USA	Involved in nuclear weapons

Carbon footprint

Back in 2017 we started to measure the carbon footprint of our portfolios. The carbon footprint, here measured by carbon intensity, provides a picture at the fund level of the scale of the emissions from the companies in a given portfolio measured against the revenues. The lower the number, the better. Not all companies report their carbon footprint and we have to estimate this based on comparable companies. The reason for reporting the carbon footprint for our funds is to encourage companies to measure their own emissions and set clear targets to reduce them from today's levels.

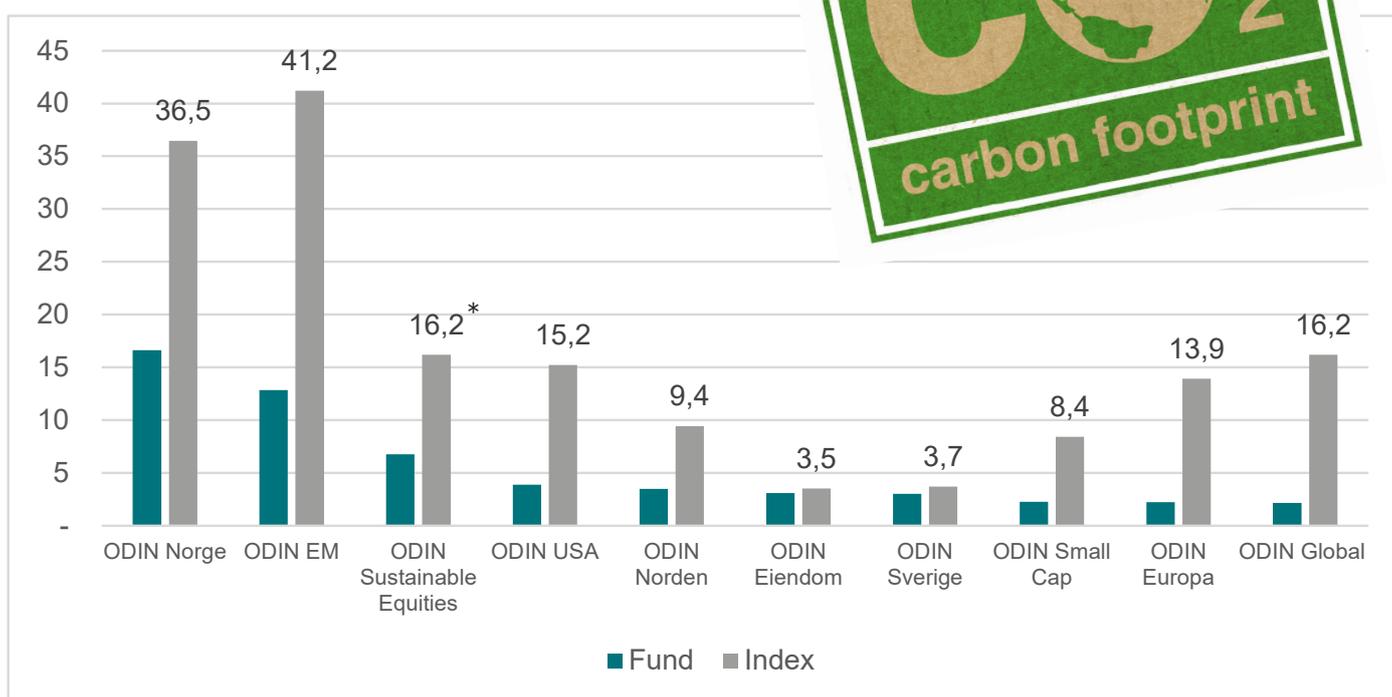
over one year) in relation to their turnover (annual turnover in the fund's currency), adjusted for portfolio weight. We report according to TCFD's recommendation for reporting carbon footprint for asset managers. Analytics agency Sustainalytics performs the calculations on our equity funds. The key figure being assessed is the fund's carbon intensity based on calculations made with the latest available data as of 31 December 2021.

[Read more about how we calculate our carbon footprint here>>](#)

The carbon footprint is a way to measure the fund's exposure to emission-intensive companies. The carbon footprint shows the portfolio companies' emissions (CO₂e



Carbon footprint per 31.12.2021(NOK)



* Emissions are divided into three categories: direct emissions (Scope 1), indirect emissions from energy supply (Scope 2) and indirect emissions associated with the purchase/sale of other goods and services (Scope 3). The emissions that can be controlled by the company, Scope 1 and Scope 2 emissions, form the basis for the calculation of the company's emissions. ODIN Sustainable Equities invests in companies that will contribute to the transition towards a greener and more sustainable society. This means that the companies contribute to reducing emissions through the products or services that they offer. This reduction in emissions is not included under emissions controlled by the company itself (Scope 1 and 2). The fund also invests in high-emission industries, but only in the companies with the most ambitious plans to cut emissions. Companies in emission-intensive sectors of the economy taking steps to reduce emissions is crucial if the world is to fulfil the ambitions set out in the Paris Agreement. Further information about ODIN Sustainable Equities can be found at odinfond.no

ODIN launches new fund

On 29 November, ODIN launched its new sustainability fund, ODIN Bærekraft. ODIN Bærekraft is an actively managed, global equity fund with sustainable investments as its purpose. The fund invests in companies that help achieve the EU's environmental goals and the UN sustainability goals.

With ODIN Bærekraft, ODIN takes its sustainability commitment a step further. By combining ODIN's long experience in responsible management with our quality-oriented investment philosophy, we have established our first fund that has sustainability as its primary purpose.

By investing in ODIN Bærekraft, our customers are given the opportunity to take part in the sustainable value creation that shapes the future. The companies in the fund will help address the major climate and environmental challenges facing the world. The world is experiencing a shift to a greener and more sustainable society. Through their technology, power of innovation and willingness to change, the companies in ODIN Bærekraft will contribute to this shift, while creating value for their shareholders.

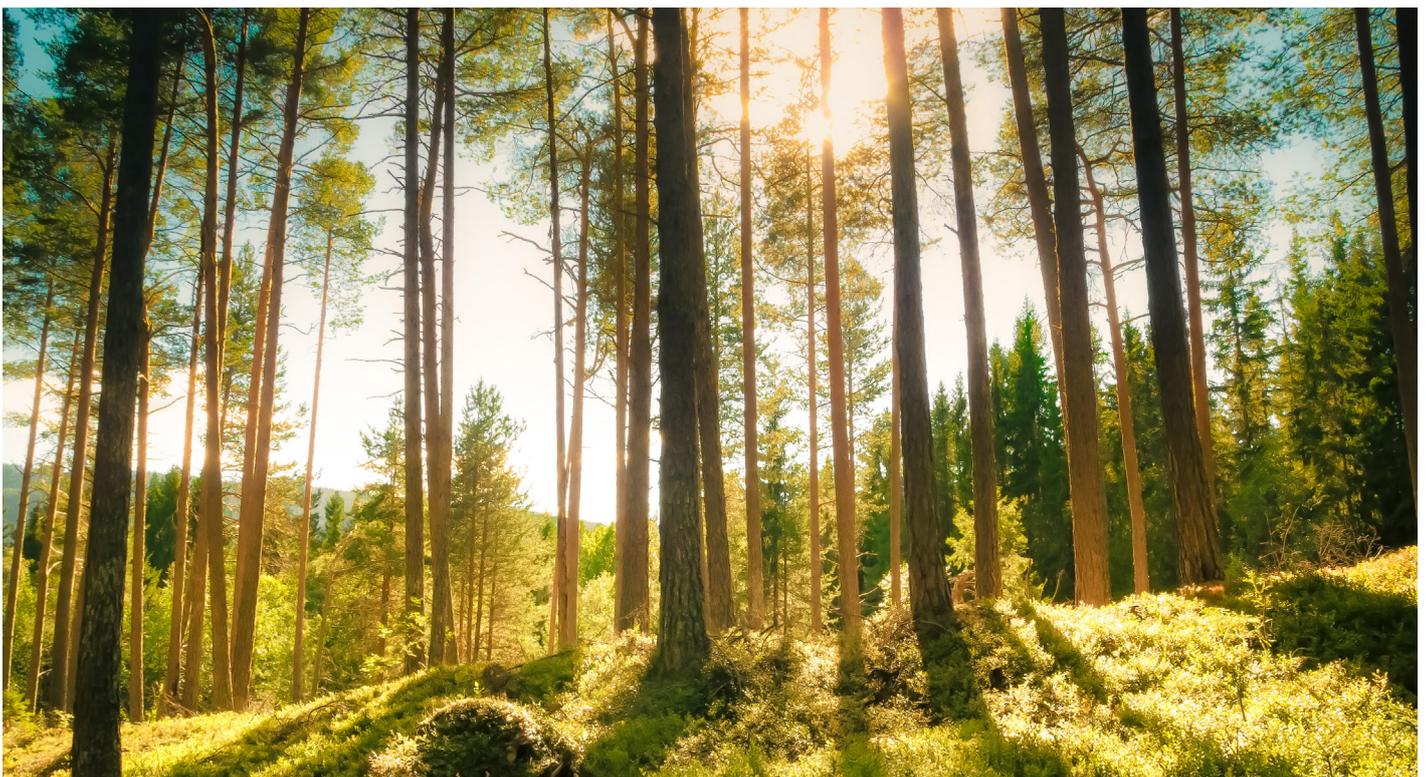
The fund includes a carefully composed selection of 30-35 sustainable quality companies from around the world. In line with ODIN's investment philosophy, the companies in the fund have strong market positions in their respective

markets and can demonstrate profitable growth. We are not supposed to go too far out on the risk curve, but rather at all times be invested in well-established companies, with a proven business model and strong balance sheets.

Selected sustainability trends are a key driver of the value creation in the companies we invest in. The fund invests in a variety of different sustainability topics, from renewable energy and energy efficiency to health, quality of life and social inclusion. By selecting a small cluster of companies from a wide variety of different sustainability topics, we get the opportunity to concentrate on the best companies, and can put together a fund that is suitably diversified with regard to industry, business model and geography.

ODIN Bærekraft will report according to Article 9 of the new EU Sustainable Finance Disclosure Regulation (SFDR). That means that, through our reporting, we will show how the companies in the fund contribute to the fund's various sustainability goals.

It is with pleasure and pride we have now established a fund that gives our clients the opportunity to share in the sustainable value creation that will shape the future. We look forward to following our sustainable companies in their journey towards a greener and more sustainable society.



ODIN strengthens its commitment with a new sustainability officer

Marte Storaker is employed as the new sustainability officer in ODIN. The position marks a distinct strengthening of ODIN's commitment to sustainability.

Marte Storaker is given primary responsibility for the sustainability area at ODIN. At the same time, Jannik Arvesen becomes an advisor for sustainability in the parent company SpareBank 1 Forvaltning.

"I'm looking forward to embarking on my work tasks for ODIN. ODIN is a long-term trustee where sustainability is a natural part of the investment process. The trustees of ODIN are doing a fantastic job, my job will be to ensure we are up to date and leading on sustainability going forward," Storaker says.

"Taking sustainability into account is an integral part of the investment philosophy and culture of ODIN. Both Marte and Jannik will keep us on our toes and on a steady course so we can take further steps and make our effort to contribute to a more sustainable world," says Alexander Miller, Chief Investment Officer at ODIN.

Long-term work

The ongoing and comprehensive shift to sustainable value creation provides unimaginable opportunities for smarter resource use and better solutions. That is precisely why these positions are so important to ODIN and SpareBank 1 Forvaltning- in line with ODIN's strategy for and increased commitment to sustainability, according to Miller:

"We have been working thoroughly and holistically with sustainability for a long time, particularly in terms of strategy, structure and internal reporting. At the same time, we are in active dialogue with the companies we invest in to place sustainability higher on the agenda," he says.

Preparing for the sustainable lift

Marte Storaker comes from the position of Senior Analyst for Responsible Investments in KLP Capital Management, bringing with her a tireless commitment to sustainable value creation. Jannik Arvesen, in turn, has 30 years of experience from capital markets and sustainability work. He will serve as an advisor to Marte and the ODIN management team on issues related to sustainability.

"With her burning commitment and solid experience in risk analysis, responsible investment and sustainability, there is no doubt Marte will reinforce us in the sustainability field. At the same time, we get to benefit from Jannik's experience as an advisor, both to ODIN in general and to Marte and the management team in particular. This gives us a real boost and inspiration to further the work of sustainable investment and active ownership", Miller says.



Marte Storaker, Head of Sustainability in ODIN



Jannik Arvesen, Advisor Sustainability, SpareBank 1 Forvaltning

ODIN's contribution

The companies we invest in should always act responsibly and seek to continuously improve. This also applies to ODIN itself as a company. ODIN is a company within the SpareBank 1 Alliance and has offices in Norway, Sweden and Finland. The headquarters are situated in Oslo and most of the company's employees are based here.

In order to ensure that we minimize our footprint, we have implemented a number of internal measures. We are committed to keeping carbon accounts for 2020 and to compensate for our carbon emissions. These accounts were published March 2021. This entails being conscious of consumption, avoiding waste and using climate and eco-friendly solutions wherever possible.

Conscious consumption

- Power consumption
- Paper & printing
- Disposable equipment/cutlery
- Purpose of air travel

Use climate/eco-friendly solutions where possible

- All disposable equipment made from plastic and cardboard will be phased out in favour of recycled and reusable materials

Avoid waste

- Focus on minimising food waste, as well as plans for minimising packaging.
- All waste must be sorted.

Every year, we give Christmas gifts to a charitable cause. From the many outstanding initiatives and causes, we chose to give the 2021 Christmas gift to;

Doctors Without Borders (Leger uten grenser) operate all over the world, providing medical emergency care to those who need it most. They help people affected by war, conflict and disasters.

Sykehusklovnene (Hospital Clowns) meet with hospitalized children and adolescents. Relatives have said that these meetings cheer the children up and help them cope with the difficulties of hospital life. Parents also describe how increased self-esteem helps their children find new strength. Research also shows that laughter and enjoyment reduce pain, strengthen the immune system and reduce stress.

Miljøagentene (The environmental agents) are the children's environmental organisation. We neither support nor are supported by any particular political party, but rather we are trying to get all the political parties to become even better at looking after our planet Earth. Nor do we favour any particular life stance or religion, but think everyone should become better at respecting each other's beliefs and outlook on life.

The environmental agents want the earth to be a place where we know what nature can tolerate and act and live accordingly. We are working for a cleaner environment and a more secure future. We encourage all environmental agents to discover our wonderful nature, and to explore the connection between man and nature.

Hand in Hand - Eradicating world poverty is one of the United Nations sustainability goals. This is Hand in Hand's vision. The challenge is enormous, and the question concerns all of us - no matter how and where we live. But how are people going to make a living and lift themselves out of poverty if they don't have a job that provides an income?

We at ODIN Funds have for many years been a sponsor of Hand in Hand. On a day-to-day basis, we work to find the best companies with a good management to invest in our funds. It is not unusual for us to follow a company from its small beginnings until it grows into a large company. By investing in Hand in Hand, we do much the same - especially in the poorest areas, we help by investing in women starting companies that can ultimately support an entire family. Help for self-help is a fantastic investment that causes communities and people to grow - and if there's one thing we in ODIN like, it's fantastic investments.

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