Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant	Skagen AS (894500CA254XQAUC2437)
Summary	
Skagen AS (894500CA254XQAUC2437) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement	

16 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

is the consolidated statement on principal adverse impacts on sustainability factors of SKAGEN AS (894500CA254XQAUC2437) and includes SKAGEN SICAV products.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.
The values presented below is derived as of 31 December 2024.

Summary of principle adverse impact statement:

As a member of Storebrand Asset Management As ("SAM" Group), SKAGEN is managing a portfolio of SKAGEN funds on behalf of SAM. SKAGEN is committed to adhere to the group-wide exclusion list Storebrand Exclusion Standard which comprises a comprehensive set of exclusion criteria. These exclusion criteria are the first filter applied to reduce and manage principle adverse impacts of the investment activity of the products in the wider group. Alignment with exclusion criteria and management of the most adverse principal adverse impacts is enforced and executed both at SAM level and at SKAGEN level on a routine basis in accordance with Storebrand Sustainable Investment Policy, SFDR disclosures and SKAGEN internal routine description document. Beyond the Storebrand Exclusion Standard, the equity funds managed by SKAGEN apply an ESG Integration Strategy throughout the investment process which places the products under SFDR Art 8 reporting and disclosure requirements. Financially material principle adverse impacts are considered, measured, and documented at various stages in the investment decision making process as part of our ESG Integration Process, exclusion criteria and materiality matrix. This is documented in quarterly screening controls and in the ESG factsheets and further summarized in external reporting (SFDR Periodic Report).

Information on the principal adverse impact of our funds' investments for the reference period from 1 January to 31 December 2024 will be reported, subject to data availability and quality, by 30 June 2025.

As SKAGEN AS is a subsidiary of Storebrand Asset Management As, please also refer to Storebrand Asset Management As` statement on principle adverse impacts on sustainability factors for further details.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined by the SFDR are set out in Table 1 below. These indicators must be considered to ensure that adverse impact on key sustainability factors is taken into consideration. For each of these indicators, we include information on actions taken in managing principal adverse impacts identified.

Information of the funds' investments on these indicators will be published by 30 June 2025. This information will cover the period of 1 January until 31 December of the preceding year.

[*Information referred to in Article 7 in the format set out below*]

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	**Metric**	**Impact 2024**	**Impact 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	303436.77 Coverage 97.6%	300504.6 Coverage 98%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Potential factor to be analysed in integration stage, and potential topic of engagement.
		Scope 2 GHG emissions	108760.53 Coverage 97.5%	102613.35 Coverage 98%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Potential factor to be analysed in integration stage, and potential topic of engagement.

		Scope 3 GHG emissions	2116369.16 Coverage 97.5%	3140083.66 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Potential factor to be analysed in integration stage, and potential topic of engagement
		Total GHG emissions	2528502.73 Coverage 97.5%	3542812.06 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Proxy for product-based exclusion criteria, Potential factor to be analysed in integration stage, and potential topic of engagement
	2. Carbon footprint	Carbon footprint	395.42	595.02	External data providers used to derive the data comprise	Quarterly reports, client reporting

			Coverage 96.3%	Coverage 95%	Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	600.08 Coverage 96.7%	977.63 Coverage 96%	Please refer to the historical comparisons section below for an explanation of material year on year changes External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where	Due diligence of high emitting industries

					available.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	6.01 Coverage 96.9%	5.46 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non- renewable energy production of investee companies from non- renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Consumption: 59.61 Production: 1.70 Consumption coverage 97.2% Production coverage: 96.5%	Consumption: 60.18 Production: 1.97 Consumption coverage 97% Production coverage: 95%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability

	6. Energy consumption intensity per	Energy consumption in GWh per million EUR of revenue of investee companies, per high	Sector A: 0.25 Sector B: 1.41 Sector C: 1.42 Sector D: 0.14 Sector E: 0.09 Sector F: 0.26 Sector G: 0.05 Sector H: 0.61 Sector L: 24.40 Coverage: Sector A: 100% Sector B: 89.7% Sector C: 97.7% Sector D: 0.14% Sector E: 100% Sector F: 62.5% Sector G: 76.4% Sector H: 99.00% Sector L: 100%	Sector A: 573.73 Sector B: 0.79 Sector C: 0.97 Sector D: 0.14 Sector E: 0.38 Sector F: 0.1 Sector G: 0.06 Sector H: 0.74 Sector L: 0.52 Coverage: Sector A: 100% Sector B: 99% Sector C: 97% Sector D: 16% Sector E: 100% Sector F: 76% Sector G: 91% Sector H: 100% Sector L: 100%	Please refer to the historical comparisons section below for an explanation of material year on year changes. External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability

	high impact climate sector	impact climate sector				
Biodiversity	7. Activities negatively affecting biodiversity- sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	6.39 Coverage 97.2%	5.78 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.52 Coverage 9.4%	0.42 Coverage 13%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.96 Coverage 89.8%	0.31 Coverage 91%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Potential factor to be analysed in integration stage, and potential topic of engagement.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.13 Coverage 97.2%	0.16 Coverage 97%	Please refer to the historical comparisons section below for a comment. External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is	Basis for exclusion criteria, Potential factor to be analysed in integration stage, and potential topic.

					missing, estimates from mentioned third-party providers is used where available.	

	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	65.52 Coverage 97.0%	60.51 Coverage 96%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Factor for potential norm-based exclusions Binary variable on investee level. Assess quality and accuracy of input.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17.98 Coverage 3.9%	17.34 Coverage 3%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Subject to data availability

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	32.83 Coverage 96.9%	31.51 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Potential factor to be analysed in integration stage, and potential topic of engagement.
	14. Exposure to controversial weapons (anti-	Share of investments in investee companies involved in the manufacture or selling of	0 Coverage 97.2%	0 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Exclusion criteria

	personnel mines, cluster munitions, chemical weapons and biological weapons)	controversial weapons				
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15. GHG intensity	GHG intensity of investee countries	293.57 Coverage 100%	309.63 Coverage 100%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is	Subject to data availability

					used where available.	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where	0 Coverage 100%	0 Coverage 100%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Basis for exclusion of sovereign bonds

		applicable, national law				
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0	0	Subject to data availability	Data currently not available. Work on data availability
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0	0	Subject to data availability	Data currently not available. Work on data availability
Other indicators for principal adverse impacts on sustainability factors						
In addition to the set of mandatory indicators above, we consider two additional indicators subject to data availability and quality. We consider the voluntary indicator relating to deforestation measured as share of companies without a policy to address deforestation (Table 2, indicator 15. Deforestation).						

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	15. Deforestation	Share of investments in companies without a policy to address deforestation	78.65 Coverage 97.00%	78.63 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Factor for potential norm-based exclusions Binary variable on investee level.

We also consider the voluntary indicator supplier code of conduct measured as share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) (Table 3, indicator 4. Lack of a supplier code of conduct).

Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period

Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	11.70 Coverage 97.00%	11.39 Coverage 97%	External data providers used to derive the data comprise Sustainalytics and Trucost. Where data is missing, estimates from mentioned third-party providers is used where available.	Factor for potential norm-based exclusions Binary variable on investee level.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

SKAGENs investment philosophy focus on a holistic set of factors that can inform value creation positively and/or negatively. The key is to identify which factors we believe to be material from a double-materiality perspective. SKAGEN has developed a materiality matrix to help identify and assess those ESG factors of most direct relevance for any given investment case. By extension, the same framework is used to identify and prioritise principal adverse impacts on sustainability factors, particularly negative screening of potential investments to manage potential adverse impacts that can result from the fund's investment activities. Our approach to integrating sustainability risks in our investment process is set out in the SFDR Sustainability Related Disclosures. SKAGEN identifies and prioritize principal adverse impacts on sustainability factors through four pillars: Exclusion, Enhanced due diligence of climate risks, ESG factsheets and Active Ownership. Each method is applied in different circumstances and leads to different investment outcomes. The full potential of a sustainable investment strategy is only realised when all four pillars are applied together. Exclusion sits at the start and end of the investment process. Each potential investment must be screened in advance to ensure that it complies with our minimum criteria. Further information about sustainability risks is provided for companies that pass the initial negative screening to be used in the construction of the investment case. Companies in high emitting industries are subject to an enhanced due diligence of climate risks. ESG factsheets ensure that material and company specific double-materiality (sustainability risks and adverse impacts) are considered in the investment case. When a new company is included in the portfolio of equity funds managed by SKAGEN, it is routinely monitored through a quarterly ESG screening control process. Procedures for analysing and prioritizing PAI's are constantly reviewed.

Engagement policies

The Sustainable Investment Policy includes a section on how we organize our stewardship and engagement activities. In principle, all PAIs are relevant under this scope, depending on the level of financial materiality and/or level of sustainability risk and adverse impact. SKAGEN adapts our engagement policies in step change with industry evolution and maturing data quality but will not target entity level reduction of our PAI figures as such, as doing so will drive perverse incentives and decouple from real economy realities. Rather, we view it as incumbent on us to focus this effort at the level of underlying holdings through analysis, stock selection and stewardship (for which there is an annual turnover in our products impacting the year-on-year entity level PAI figure for each PAI indicator). SKAGENs stewardship and engagement effort include PAI factors where deemed necessary and financially material. SKAGEN believes in exercising our rights as shareholders. We employ two main ways of doing this. Either through voting at shareholder meetings or engaging – through direct dialogue – with the management and board members of our various holdings.

Both tools can be very effective in addressing concerns regarding environmental, social and corporate governance matters. Combined they can strengthen one another and be an effective signal to companies on where we stand on various important issues. We will therefore use both methods to influence companies' behavior over time.

The decision to engage with select companies is made based on our assessment of the significance of a particular matter, the size of the holdings, scope to effect change and the opportunity to collaborate with other investors. Dialogue with companies can be exercised by expressing views, in writing or orally, to the company's management on all levels, advisers, and Board of directors.

Active ownership is a key pillar for our equity products. Whilst our fund-of-funds products do not have voting rights, they nonetheless engage with external products on ESG topics.

In addition, we will also seek to engage with companies on climate change. For some of our funds – and given the nature of the investment style - the carbon footprint may vary substantially over time. Still, we are committed to working with our holdings to reduce their carbon footprint and operate more efficiently over time. Climate change is one aspect considered when monitoring companies and those companies lagging in their efforts to reduce their carbon footprint may be subject to engagement. We will engage with and encourage those companies that are in a position to improve to reduce their carbon footprint.

Policy for Assessing Good Corporate Governance Practices in Investee Companies

SKAGEN is a signatory to the UN PRI, which commits our funds to invest according to its principles. Assessing the corporate governance of an investee company is a company-specific process. We stay clear of investing into companies where we might be concerned that the corporate governance of the company might jeopardize the financial interests of our unit holders.

USE OF VOTING RIGHTS

The framework for the use of voting rights for funds managed by SKAGEN is set out in Norwegian Regulations on Securities Funds Section 2-24 and in the industry recommendations from the Norwegian Fund and Asset Management Association.

The ultimate responsibility for execution of corporate governance in the SKAGEN funds lies with the Board of directors in SAM. The daily execution is delegated to the portfolio managers of each fund and activities are reported back to the Board. The Board annually evaluates the execution of corporate governance.

Guidelines for Voting

Voting rights must be exercised to the benefit of the fund in question, with the objective of securing the best possible risk-adjusted returns for unit holders. Normally, the portfolio manager assesses how the voting rights are to be used. In all cases where we vote, the respective portfolio manager familiarizes him or herself with the matters to be discussed at the general meeting and decides how to vote. Voting rights are exercised directly by the fund management company or by using a proxy voting platform.

Specific situations may call for a unique response and we will always take market and company conditions into consideration. To the extent that voting rights have been exercised in controversial cases or where we have voted against board or management recommended course of action, we will disclose the voting rationale.

Voting Process

We have selected Institutional Shareholder Services ("ISS"), an independent service provider, as the platform for our proxy voting activities. ISS provides notices of general meetings and comprehensive information about the companies, the voting items on the agenda and recommendations. Funds managed by SKAGEN will vote according to our own voting policy, and always in what we deem to be the best interests of our unit holders. When we do not have a policy in place for a specific ballot item, we will typically follow the ISS recommendation. We will review the relationship with ISS on an annual basis, including the quality and effectiveness of the services provided. Each fund has a custodian approved by the Financial Supervisory Authority of Norway. The custodian bank also provides information related to general meetings. Our voting record is publicly available on our website and is disclosed in quarterly and annual sustainability reports.

References to international standards

SKAGEN AS is a member of and use a range of international standards as part of our commitment to managing responsible investment principles:

- The UNPRI
- The OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Core Convention

As per Article 9 SFDR RTS, SKAGEN does not manage any funds with an explicit Paris aligned mandate and therefore deem further disclosures of the listed provisions to not be relevant. However, SKAGEN track and monitor the targeted decarbonization plans of the investee companies within the SKAGEN equity funds. Data sources for analyzing the carbon intensity of the investees are mainly Sustainalytics, Bloomberg, company reported disclosures and Transition Pathway Initiative for industry and peer group comparisons. SKAGEN do not make own assumptions on the investees forward looking carbon intensity, as it would involve to large uncertainties in the forecasted emissions. However, by using the investee companies communicated decarbonization targets, we are able to compile and aggregate the expected route of emissions in our portfolios. Following, lack of communicated decarbonization targets will be a topic for engagement with investee companies.

Historical comparison

SKAGEN AS manages a portfolio of equity and combination funds on behalf of the management company SAM. For historical comparison for the SKAGEN funds, please refer to the 2023 impact figures disclosed above.

Material year on year fluctuations from 2023 to 2024:

PAI 1.6. Energy consumption intensity per high impact climate sector: *Decrease in Sector A in 2024 compared to 2023, due to a reduced position in holdings within the NACE code A, Agriculture, forestry and fishing during 2024.*

PAI 1.3 GHG intensity of investee companies: *Reduced GHG intensity of investee companies from 2023 to 2024 due to a significant reduction in position of some high emitting holdings during 2024.*

PAI 1.10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: *From 2023 to 2024, the PAI have remained stable due to holdings in Russian shares. The Storebrand Group have excluded all state-controlled Russian companies following Russia`s attack on Ukraine. SKAGEN intends to sell all state-controlled Russian stocks as soon as selling becomes possible.*

[Information referred to in Article 10]