



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</li> <li><input type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> </ul>	

# RI TRANSPARENCY REPORT

## 2020

Nordic Credit Partners

## 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 2020 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.

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.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
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	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	🔒	n/a	✓						
FI 11	Integration - ESG information in investment processes	🔒	n/a	✓						
FI 12	Integration - E,S and G issues reviewed	🔒	n/a	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Nordic Credit Partners

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Sweden

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

2

**OO 03** **Mandatory** **Public** **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** **Public** **Gateway/Peering** **General**

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

31/12/2019

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

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		1	800	000	000
Currency	SEK				
Assets in USD			188	083	574

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

<b>OO 06.1</b>	Select how you would like to disclose your asset class mix.
----------------	-------------------------------------------------------------

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	>50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0

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

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets	100
Emerging Markets	0
Frontier Markets	0
Other Markets	0
Total 100%	100%

NCP invest in Nordic high yield bonds.

### Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1 | Select the active ownership activities your organisation implemented in the reporting year.

#### Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

#### Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 | Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

#### Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 | Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Closing module

- Closing module

Peering questions

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
----------	-------------------------------------------	--------	---------	---------

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
------------	---------------------------------------------------------------------------------------------------------

Corporate (financial)	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%
Corporate (non-financial)	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
------------	-----------------------------------------------------------------------------------------------------------------------------------------

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# Nordic Credit Partners

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Nordic Credit Partners' objective is to capitalise on the growing Nordic corporate high yield bond market. We invest in well-diversified leveraged portfolios of Nordic corporate high yield bonds in mature and well-established industries targeting to achieve an attractive, stable risk-adjusted return over time.

The portfolios are composed through a tailored 'bond-picking' buy-and-hold strategy with strict cash flow focus and we always aim to remain invested until maturity. We seek companies with significant asset base, proven track-record and professional management/owners.

Investment decisions are taken based on a thorough due diligence process including ESG factors. Strict investment criteria and continuous portfolio monitoring minimises default risk of each investment and broad diversification across industries, regions and risk levels reduces risk in overall portfolio. ESG considerations are made throughout the investment process and unanimous approval is required by the Board of Directors for all investment decisions.

Nordic Credit Partners applies the UN Global Compact's Ten Principles in the investment process and are signatories to the Principles for Responsible Investment (PRI). We also refrain from investments in oil, gas, oil service companies, thermal coal, tobacco, gambling, pornography, alcohol and controversial and military weapons.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Nordic Credit Partners' motivation for considering ESG factors in the investment process is a combination of internal ethical values and our clients' values and preferences. It is also our conviction that companies with a structured approach to sustainability become more successful in the long term and thus will be more attractive investments with lower default risk. The aim of our business is to create long-term value from an economic, social and environmental perspective. This we do by implementing the following processes:

- **Incorporating ESG information:** NCP has developed its proprietary Sustainable Return Model (SRM), built on sustainability analysis across four pillars: Market, Operations, Financing and ESG. The SRM framework serves as a basis for the due diligence process, focusing on sustainability across all four pillars.
- **Screenings: Norm-based screenings:** to capture companies which engage in activities that violate international guidelines and conventions.
- **Sector screenings:** to exclude investments in companies operating in specific sectors or business areas that are deemed to meet major sustainability challenges.
- 
- **Positive selection:** We attach great importance to identifying and seeking exposure to important sustainability themes. By integrating sustainability into our investment's thesis, we believe that we will benefit our long-term investors and contribute to the development of sustainability in society at large. We have a process for integrating sustainability into all types of investments we do, and we are especially looking for companies that actively reduce environmental impact such as carbon emissions, water utilization and handling toxic waste.
- **Engagement:** The companies we invest in are typically in the small to midcap segment and as such we can have a direct access to management. If we have identified any issues in the due diligence phase or portfolio companies, we will seek answers from the company and for them to take action. Issues that can be addressed include management, risks and opportunities related to the environment, social aspects and business ethics. If we do not receive a satisfactory response or the company does not show a willingness to change, we may choose to divest the holding.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach
- Sector specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

<b>SG 02.2</b>	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
----------------	-----------------------------------------------------------------------------------------------------------------------------

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ESG incorporation approaches
- Active ownership approaches
- We do not publicly disclose any investment policy components

<b>SG 02.3</b>	Additional information [Optional].
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Our intention is to publicly disclose our Sustainability Framework in 2020.

SG 03	Mandatory	Public	Core Assessed	General
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<b>SG 03.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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- Yes
- No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

## Governance and human resources

**SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The Board of Directors and the CEO are represented on the investment committee which is involved in:

- Referrals of potential investments.
- Due diligence of potential investments where ESG factors are considered.
- Preliminary and final investment discussions where ESG factors are considered. The investment decisions requires unanimous approval from the investment committee.

The CEO is also responsible for the internal verification of the PRI reporting.

The portfolio manager is responsible for monitoring and incorporating ESG factors in his/her day-to-day work and carrying out the reporting. The PM can consult an experienced Board Member on strategic ESG issues.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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Number
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0

<b>SG 07.4</b>	Additional information. [Optional]
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NCP aim to hire Head of Sustainable Investment early 2020.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	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.
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**Select all that apply**

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

We have been a PRI signatory since 2017, but also encourage peers to become signatories to the PRI.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- 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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	------------------------------------------------------------------------------------------------------------

- Yes  
 No

### Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants  
 No, we do not use investment consultants.

### ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors  
 Yes, in order to assess future climate-related risks and opportunities  
 No, our organisation does not currently carry out scenario analysis and/or modelling

### Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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	Fixed income
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Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><li><input checked="" type="radio"/> Broad approach to RI incorporation</li><li><input type="radio"/> Detailed explanation of RI incorporation strategy used</li></ul>
	<p>Frequency</p> <ul style="list-style-type: none"><li><input type="checkbox"/> Quarterly</li><li><input type="checkbox"/> Biannually</li><li><input type="checkbox"/> Annually</li><li><input type="checkbox"/> Less frequently than annually</li><li><input checked="" type="checkbox"/> Ad hoc/when requested</li></ul>



# Nordic Credit Partners

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

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## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

Corporate (financial)	Screening alone	100
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0 100%
Corporate (non-financial)	Screening alone	100
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Nordic Credit Partners's ESG strategy is developed to align with our internal as well as clients' values. We adhere to the UN Global Compact principles in our investment process as we do not want to invest in companies breaching internal norms. This has become an industry standard in the Nordics.

To ensure compliance with UN Global Compact and other international conventions we use an external research provider. The same provider also provides screens for a range of sectors on our portfolio companies, based on coverage. For sectors with limited sector coverage we also do manual research.

In combination with screenings, we also proactively invest in companies where we see ESG opportunities, for example Green and Social Bonds.

**FI 01.3** Additional information [Optional].

**Further information on Nordic Credit Partners's ESG work:**

In accordance with FI 01.1-2.

- The choice of strategy builds on Nordic Credit Partners' values as set forth in the ESG Investment Policy.
- The ESG Investment policy is owned by the CEO and board, thus the accountability also falls on the named.
- There are two PMs, out of which one is responsible for the implementation of the policy.

**Implementation of ESG policy:**

- During the reporting period an internal and external screening have applied.
- As stated in the additional information to the investment process below, monitoring of current investments is conducted on a quarterly basis where potential key issues would be reviewed and discussed in the investment committee
- Screening of holding companies for norms violations as well as particular sectors, done on biannual basis.
- In the event of sector involvement or business conduct issues, found either pre- or post investment, Nordic Credit Partners would evaluate available information to build an understanding of severeness and thereafter potentially contact the company for their view. Depending on understanding of issue, Nordic

Credit Partners would choose to either refrain from investment, engage with the company to reach desirable results, or divest.

**Further background to investment due diligence process:**

All potential investments are evaluated in a tailored and thorough due diligence process for typically lasting for 2-4 weeks and including:

- *Business and market review* focused on business model, quality of operations, customers, management, ownership, competitive landscape as well as industry and market structure.
- *Financial review* focused on historic and forecasted financial performance, current trading, quality of earnings, cash flows, debt service capacity, downside risk and sensitivity analysis.
- *ESG - NCP* use both negative exclusion and positive impact criteria in their ESG due diligence. If a new investment opportunity does not meet the ESG minimum thresholds, an investment will not be made, regardless of its financial attractiveness.
- Valuation and investment returns.
- Structure and documentation.

Due diligence is conducted using a wide range of data sources including company materials and financial reports, third-party industry and market reports, public filings, credit and equity research industry experts.

**Further background to investment process:**

First-time Issuers:

- Phase 1: Pre-sounding/information collection, incl. teaser information from underwriter(s), corporate financial reporting, 1to1 meetings with management, etc.
- Phase 2: If PMs are still interested, in-depth DD process of above mentioned materials, and internally conducted screening, analyst views, contact with network of industrial advisors (one per sector - knowledge of sector and company often including management).
- Phase 3: Memo to the board incl. recommendation / conclusions, discussion between PMs and board, sign off from all individuals are needed.
- Phase 4: Investment recorded and reported back to the board.

• Secondary market:

- PMs find potential suitable investments.
- Phase 1-4 above apply with some differences in research sources.

1. Origination

- Maintaining shadow portfolio of high quality potential issuers/issuers with currently unsatisfactory risk-return balance.
- Investment committee network referrals.
- Industrial partner network referrals.
- Referrals from shareholders, financial sponsors, market intelligence, consultants and banks.
- Preliminary investment committee discussion.

2. Execution

- Thorough due diligence conducted by the CEO and PM, the investment committee, advisers and industrial partners.
- Strict price discipline and timing flexibility provides for entry at best available market price.
- Final investment committee discussion.
- Investment committee approval.

3. Monitoring

- Quarterly investment reviews.
- Ad-hoc investment committee meetings possible at short notice.
- Key issues reviewed and discussed in investment committee.

4. Exit

- Investments will normally be exited when bonds are repaid/refinanced without involvement from the investment committee.
- Refinancing opportunities treated as a 'new deal' (back to step 1 "Origination").
- Investment committee always involved in potential restructurings.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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<b>FI 02.1</b>	Indicate which ESG factors you systematically research as part of your analysis on issuers.
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

<b>FI 02.2</b>	Indicate what format your ESG information comes in and where you typically source it
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- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis
- Issuer-level ESG analysis
- Sector-level ESG analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

<b>FI 02.3</b>	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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Sustainalytics provide norms-based and certain sector specific screens for the portfolio and potential investments two times a year. The norms-based screening includes violations of international norms and conventions, capturing business conduct issues.

Research on companies governance structures is a vital part of Nordic Credit Partners' investment analysis. We believe good governance is a prerequisite for sound businesses, corporate practices and work on ESG-related issues.

Sources used to collect relevant data include sell-side research and analyst views covering the relevant companies and sectors, company materials, financial reports, meetings with management, ESG providers providers, third-party industry and market reports, public filings, credit and equity research industry experts. - Nordic Credit Partners' network of industrial advisers is frequently consulted to confirm the due diligence findings.

- In parallel, the Board of directors draws on its extensive network of insightful expertise, decision makers and top-tier managers to add additional assurance.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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<b>FI 03.1</b>	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

<b>FI 03.2</b>	Describe how your ESG information or analysis is shared among your investment team.
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>(A) Implementation: Screening</b>				
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FI 04	Mandatory	Public	Gateway	PRI 1
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<b>FI 04.1</b>	Indicate the type of screening you conduct.
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

**FI 04.2**

Describe your approach to screening for internally managed active fixed income

Please see answers provided in previous sections.

**Implementation:**

**Norms-based screening approach:**

- Nordic Credit Partners has commissioned Sustainalytics to provide norms-based and product involvement research for the portfolio and potential investments two times a year.
- Based on mentioned on the above, Nordic Credit Partners evaluate companies against the UN Global Compact principles to base investment decisions on.
- In the event of business conduct issues, found either pre- or post investment, Nordic Credit Partners would evaluate available information to build an understanding of severeness and thereafter potentially contact the company for their view. Depending on understanding of issue, Nordic Credit Partners would choose to either refrain from investment, engage with the company to reach desirable results, or divest.

**Negative screening approach - exclusion of the sectors/product involvement areas:**

- Nordic Credit Partners refrains from investing in companies within the following sectors due to ethical beliefs and financial investment considerations: Oil & Gas, Tobacco, Alcohol, Weapons, Adult Entertainment.

**FI 06**

**Mandatory**

**Public**

**Core Assessed**

**PRI 1**

**FI 06.1**

Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.



Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

# Nordic Credit Partners

## Reported Information

### Public version

### Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1**

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)