



CLIMATE TRANSPARENCY REPORT 2019

SKAGEN AS

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-9EE18B27-3CE2-437C-828B-3DED80B1F677/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	SKAGEN AS
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2012
Region	Europe
Country	Norway
Disclosure of Voluntary Indicators	96% from 38 Voluntary indicators

SKAGEN AS

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

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 checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting 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.

SKAGEN invests responsibly because companies that understand and utilise sustainability in their business strategy, will outperform their counterparts over the longer term. Investing sustainably is thus essential in order to achieve the best possible risk-adjusted returns for unit holders. It is only through investing sustainably that companies are fully able to identify risks and opportunities arising from environmental, social and governance factors. A sustainable approach to investing is also important if we are to be good long-term stewards of our clients' capital. Integrating sustainability factors and more active engagement into our investment process allows us to make better-informed investment decisions, and provides a more comprehensive view of each individual investment case. Our policy has been prepared in accordance with recommendation by the Norwegian Fund and Asset Management Association on corporate governance, EFAMA's (European Fund and Asset Management Association) Code of external governance, the UN Sustainable Development Goals and is in line with the UN-supported Principles for Responsible Investment (PRI).

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]

There are no variations or exceptions to the policy; it covers all assets under management.

No

SG 01.6

Additional information [Optional].

<https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/>

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC

Voluntary

Public

Descriptive

General

**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

The starting point for all sustainability work at SKAGEN is our investment process and philosophy. That means that we operate with broad and unconstrained mandates. This means that in selecting investments we are not boxed in by other constraints than the legal ones and our sustainability policy. In this policy, we have chosen to exclude some sectors and products that we have deemed unsustainable for the future. Two of these groups are companies with more than 25% of revenue from coal related activities and owners of palm oil plantations with unsustainable business practices. Beyond this, we seek to build in material and relevant sustainability issues into every investment case. This also applies to climate-related risks and opportunities. We will not make any investments unless we have a clear view, which will subsequently influence our belief in an investment case through position sizing and potential upside. For instance will our investment managers, if buying into an insurance company, look at exposure and risks related to the insurance portfolio given climate change and rising sea levels. We will also keep in mind the risks and opportunities when being exposed to fossil fuel related companies, such as oil and natural gas companies. SKAGEN will also engage with companies on climate related risks and opportunities where we see this as necessary. Currently we also measure the CO2 footprint. More work on TCFD will follow.

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

We typically invest with a 3-5 year investment horizon. In this time scale all our investments are evaluated in terms of risks and opportunities.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

No

**SG 01.11
CC**

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

SKAGEN is part of the Storebrand Group and a concerted effort on behalf of the whole group will come.

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
--------------	------------------	---------------	----------------------	--------------

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

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/](https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/)}

- Attachment (will be made public)
- Formalised guidelines on environmental factors

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/](https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/)}

- Attachment (will be made public)
- Formalised guidelines on social factors

	URL/Attachment
--	----------------

- URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/](https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/)}

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/voting-policy/](https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/voting-policy/)}

- Attachment (will be made public)
- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/](https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/)}

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/](https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/)}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/](https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/)}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/](https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/)}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

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

URL/Attachment

URL

URL

{[hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/](https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/)}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{[hyperlink:https://www.skagenfunds.com/funds/](https://www.skagenfunds.com/funds/)}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.skagenfunds.com/funds/}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/environmental-social-and-governance-policy/}

Attachment

Reporting

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.skagenfunds.com/about-us/responsible-investing/Storebrand-Group-ESG-Policy/}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
-------------------	---

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
--

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers
--

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
-----------------------------	--

In line with the agreements that the Storebrand Group has signed, SKAGEN now is following and addressing the climate related issues related to its portfolios. SKAGEN's board will have an oversight over the work that the company is doing in this respect, amongst other the exclusion of coal related companies and focus on deforestation in palm oil production.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
--------------	------------------	---------------	--------------------	--------------

SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 13.3	Additional information. [OPTIONAL]
----------------	------------------------------------

SKAGEN does not use scenario analysis and/or modelling as of now. Only on a few ad-hoc occasions have we used the <https://2degrees-investing.org/> to see how our funds fare under various scenarios. That said, as part of the Storebrand Asset Management the focus on this has been increasing. Work on how to report along the lines of the recommendations from the Task Force on Climate Related Disclosures is ongoing.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
--------------	--	---------------	----------------------------	--------------

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5	Additional information [Optional]
----------------	-----------------------------------

SKAGEN has not historically produced reports on carbon intensity for our funds. But, as part of the Storebrand Group this will be produced going forward.

SG 14 CC	Voluntary	Public		General
-----------------	-----------	--------	--	---------

SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
-------------------	---

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To give a current reflection of carbon footprint of portfolio as of now.	Carbon Intensity (Total (Scope 1+2) CO2 Equivalent (t)/ Total Sales (per mn Fund Currency))	
Carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To give a current reflection of carbon footprint of portfolio as of now.	Carbon Intensity (Total (Scope 1+2) CO2 Equivalent (t)/ Total Sales (per mn Fund Currency))	

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
-------------------	---

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

	Please describe
--	-----------------

As a stock picker we select individual companies for inclusion into our portfolios. These companies will be subject to risk and reward evaluations related to climate change. No such assessment has been conducted on an overall basis in our risk management.

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-------------------	--

- Yes
- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------------	---	--------	-------------	-------

SG 15.1

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

- Yes
- No