



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition for climate change</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for climate change</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition for climate change</p> <p><input type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage service providers</p>		

# RI TRANSPARENCY REPORT

## 2019

NORSAD FINANCE LIMITED

## 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 2019 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	✓	Public							✓
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	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Private							✓
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	🔒	n/a							✓
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	🔒	n/a							✓
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		🔒	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
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	✓	Private	✓						
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	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
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	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

# NORSAD FINANCE LIMITED

## 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 checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input 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 type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Total 100%	<div style="border: 1px solid black; padding: 5px;"> <div style="background-color: #0070C0; color: white; padding: 2px 5px; display: inline-block;">Please specify</div>            Private Credit Provider         </div>

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

- Hedge funds
- Fund of hedge funds

OO 02	Mandatory	Public	Peering	General
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### OO 02.1 Select the location of your organisation's headquarters.

Botswana



**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

20

**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.

31/12/2018

**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			128	513	552
Currency	USD				
Assets in USD			128	513	552

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

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

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0.9	0
Fixed income	94.3	0
Private equity	0.2	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	4.6	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges**OO 06.2**

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

{image:/Download.aspx?id=80FCF85A-404E-463B-93D4-22FD16599029}

**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.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

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

### Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

	Listed equity – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.	
	Listed equity – voting
<input checked="" type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf	

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).

Listed equity

- 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.

Private equity

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

Cash

- 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 - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

Private Equity

RI implementation via external managers

Closing module

Closing module

### Peering questions

OO LE 01	Mandatory	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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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.

#### Percentage of internally managed listed equities

Strategies	Percentage of internally managed listed equities
Passive	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - fundamental and active - other	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO FI 01	Mandatory	Public	Gateway	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 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
------------	---

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

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 (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" 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.

<b>OO PE 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	



# NORSAD FINANCE LIMITED

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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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 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 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"/> Engagement policy <input 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.

The principal objective of the Company is to contribute to private sector development of Southern African Countries, by way of availing funding, to enterprises that are financially, socially and environmentally sustainable and which create jobs with decent working conditions, adopt good governance practices, and overall assist economic growth and poverty alleviation in Southern African Countries.

All investee companies and FSPs shall comply or commit to comply within an agreed timeframe with the sustainability criteria outlined in the Social and Environmental (S&E) Sustainability Policy of Norsad.

**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]

Prerequisite for Norsad financing is that the client complies with local environmental and social laws. Norsad shall require investee companies to apply the following international principles and standards when applicable:

- Legal and regulatory requirements in the countries where they operate
- IFC Performance Standards<sup>1</sup> (+ accompanying Guidance Documents) appropriate to the size and nature of the business. IFC Good Practice Note on HIV/AIDS in the Workplace and other IFC Good Practice Notes where relevant,
- IFC Interpretation Note on Financial Intermediaries<sup>2</sup>
- The World Bank Group Environmental, Health and Safety Guidelines<sup>2</sup> (EHS Guidelines),
- ILO Core Conventions and recommendations<sup>2</sup> and ILO's Basic Terms and Conditions of Employment <sup>3</sup>
- EDFI Principles for Responsible Financing<sup>4</sup>
- UN Guiding Principles on Business and Human Rights<sup>6</sup>
- Any relevant sector sustainability Guideline or Directive

No

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 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:http://www.norsadfinance.com/policies](http://www.norsadfinance.com/policies)}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{[hyperlink:http://www.norsadfinance.com/policies](http://www.norsadfinance.com/policies)}

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{[hyperlink:http://www.norsadfinance.com/policies](http://www.norsadfinance.com/policies)}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:http://www.norsadfinance.com/policies](http://www.norsadfinance.com/policies)}

- Attachment (will be made public)

- Sector specific RI guidelines

- Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:<http://www.norsadfinance.com/policies>}

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:<http://www.norsadfinance.com/policies>}

Attachment

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

URL/Attachment

URL

URL

{hyperlink:<http://www.norsadfinance.com/policies>}

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:<http://www.norsadfinance.com/policies>}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:http://www.norsadfinance.com/policies}

Attachment

Reporting

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

This is outlined in the Norsad anti-corruption and anti bribery policy. It states company officials must avoid relationships with clients, prospective clients, financing partners or other entities with whom Norsad has formal agreements which might jeopardise Norsad's interests or which might be of personal economic benefit to the company official or a related party. This includes restraint from involvement in matters in which conflict of interest might occur and influencing preparations and decision-making in such matters.

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
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**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
  - Chief Portfolio Officer**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
  - Investment analysts
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Dedicated responsible investment staff
  - Investor relations
  - Other role, specify (1)

**Other description (1)****Head of Compliance and Audit**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

**Other description (2)**

ESG Officer

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

Management level:

Head of Portfolio and Risk Responsibilities: S&E Compliance of Norsad portfolio and Norsad Finance itself.

Operations level:

Social & Environmental Officer, Responsibilities: SE categorisation (high SE risk investments), Social and Environmental due diligence - SEDD, advising Norsad Investment Officers and clients on SE issues, overall S&E monitoring and compliance of Norsad portfolio. 100% working time dedicated to S&E.

External consultants and advisory team: To assist with capacity and expertise on ESG matters and SEDD of high risk projects.

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

	Number
--	--------

2

	I confirm I have read and understood the Accountability tab for SG 07
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I confirm I have read and understood the Accountability tab for SG 07

## 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]

Registered in 2017, This is our first mandatory reporting.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- 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)

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]

New members, joined in 2017 and still learning to navigate the platforms.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- 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 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

**SG 12.4**

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Other, specify (1)

Describe how responsible investment is incorporated

We use ESG consultants for high risk investments.

- Other, specify (2)
- Other, specify (3)
- None of the above
- No, we do not use investment consultants.

### 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

### Asset class implementation not reported in other modules

**SG 16****Mandatory****Public****Descriptive****General****SG 16.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - engagement	No ESG incorporation for the listed equity investment.
Listed equity - (proxy) voting	No ESG incorporation for the listed equity investment.
Private equity	Social and Environmental Action Plan in place and ongoing monitoring.

## Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

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.

**Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.**

If you are transferring data from an offline document, please check your response carefully.

Fixed income

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
URL	{hyperlink:http://www.norsadfinance.com/policies}

# NORSAD FINANCE LIMITED

## 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
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<b>FI 01.1</b>	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 (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
	100%	

<b>FI 01.2</b>	Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.
----------------	---

Our ESG process include screening and risk categorisation that are integrated in the investment cycle and affect investment decision.

Our S&E process are intergrated in the following manner:ESG Screening-Due diligence-presentation to Board:approval-Annual monitoring.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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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.
----------------	---

- 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

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>FI 04.1</b>	Indicate the type of screening you conduct.
----------------	---

Select all that apply



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

**FI 04.2** Describe your approach to screening for internally managed active fixed income

Desk research, client discussions and a self assessment form are used to develop a preliminary summary of any ESG issue. We use the IFC performance standards and assess what standards are triggered, the project is categorised with significant ESG issues noted. This is all presented to the screening committee by the investent team supported by the inhouse ESG officer.

**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 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 checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> We follow the IFC exclusion list <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 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

## (C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1 Describe your approach to integrating ESG into traditional financial analysis.

ESG is not incorporated in financial analysis.

FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

Corporate (non-financial)

We use sector guidelines, IFC performance standards and the level of S&E risk categorisation determines level of due diligence and monitoring.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

			Corporate (non-financial)
ESG analysis is integrated into fundamental analysis			<input type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.			<input type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.			<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.			<input type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.			<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.			<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.			<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.			<input type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.			<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.			<input type="checkbox"/>
Other, specify			<input checked="" type="checkbox"/>

<b>FI 11.2</b>	Additional information [OPTIONAL]
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ESG is incorporated in the investment cycle to identify S&E risks by risk categorisation and assesment by IFC Performnace standards.

It is not incorporated into the financial analysis.

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 12.1</b>	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

Corporate (non-financial)

Sector analysis for S&E risks and the companies ability to manage and mitigate those ESG risks is assessed.

# NORSAD FINANCE LIMITED

## 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)
- Other, specify  
Verification by Head of Portfolio and Risk
- 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