

Nordic Investment Opportunities A/S – ESG Policy

1. Purpose

The purpose of this Policy is to establish Nordic Investment Opportunities A/S (“**NIO**”) approach to responsible investments while ensuring adherence to applicable regulation, external standards and internal governance, including the principles of sustainability (ESG) integration when sourcing, selecting and monitoring investments.

2. Scope

This Policy applies to all funds managed by NIO and outlines the principles for responsible investments made by the funds

3. Definitions

SFDR Regulation	Regulation (EU) 2019/2088 and supplementing regulation hereof
Sustainability factor	Environmental, social and governance matters respect for human rights, anti-corruption and anti-bribery matters
Sustainability risk	an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment
Sustainable investment	an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy; or an

investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance

4. Principles

NIO is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of NIO's standard investment process. NIO believe that a focused effort to integrate ESG into investments is a prerequisite for long-term, healthy earnings – and thus for the preservation of the real value of investments.

The aim of NIO's ESG Policy is to protect the value of NIO's investments and focus on and acting responsibly. NIO integrates sustainability risks into the investment processes for the managed funds, NIO identify sustainability factors which may pose a risk and affect the performance of an investment made by the fund. The sustainability risks identified is considered in the investment decision making process.

In addition to downside protection, sustainable factors may also generate investment opportunities that can be pursued, including solutions to address climate issues, inequality or other environmental, social and governance factors.

For Funds that promotes environmental and/or social characteristics.

Funds that promote environmental and/or social characteristics are classified as Article 8 funds in accordance with the SFDR regulation.

Based on what is relevant for a specific investment strategy of the managed funds, environmental and/or social characteristics and good governance practices are promoted through ongoing dialogues and – to the extent possible - active ownership and exclusions. NIO ensures that the underlying investment funds

contribute to meeting the promoted environmental and/or social characteristics relevant for that specific investment strategy. This includes annual reporting on compliance with the SFDR Article 8 requirements. NIO seeks appropriate disclosures on ESG from the fund managers of the investments, in which the AIFs managed by NIO invests in or co-invests with. NIO is responsible for the assessment of sustainability and associated risks and opportunities in its screening and investment decision process.

For Funds that have sustainable investments as their objective

Funds that have sustainable investments as their objective are classified as Article 9 funds in accordance with the SFDR regulation.

For funds with a sustainable investment objective NIO ensure that the underlying investment funds contribute to the attainment of the relevant sustainable investment objective of the managed fund. For Article 9 funds, the principle of 'Do No Significant Harm' is applied to these funds to ensure that neither the environmental nor the social sustainable objectives are significantly harmed with the investments made by the fund. This includes annual reporting on compliance with the SFDR Article 9 requirements. NIO seeks appropriate disclosures on ESG from the fund managers of the investments, in which the AIFs managed by NIO invests in or co-invests with. NIO is responsible for the assessment of sustainability and associated risks and opportunities in its screening and investment decision process.

5. Application

The below are the overarching ESG principles of investments made by NIO's funds under management.

5.1.1 Environmental

Relevant environmental issues of an investment shall be identified and assessed. Compliance obligations regarding the assessment and identification of environmental consequences and issues related to an investment, set out by relevant law or regulations, shall be properly observed.

The environmental consequences related to the construction process for infrastructure assets owned, specifically in relation to the use of hazardous materials and construction work in general as well as ongoing operations, shall be minimized in accordance with good industry practice.

NIO will expect investments to make a positive contribution to decarbonisation either directly or indirectly through pursuing energy efficiencies, waste reduction or similar.

5.1.2 Social

Relevant social and human rights issues of an investment shall be identified and assessed.

No investment shall be engaged in the manufacture of weapons, which during normal intended use would breach fundamental humanitarian principles (e.g., atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines), be involved in the development, production or storage of nuclear weapons, or in the production of components made explicitly for use in nuclear weapons.

Fundamental labour rights shall be acknowledged and observed by the investment project, including significant suppliers.

NIO expects investments to have adequate health & safety policies and training in place to minimise lost time injuries.

5.1.3 *Governance*

No corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an Investment.

Voting rights shall be exercised to promote the active ownership of an Investment.

Governmental and community relations shall be promoted to the extent relevant.

Appropriate disclosure on environmental, social and governance issues shall be promoted.

Effective risk management shall be promoted.

Laws and regulations regarding, e.g. environmental, human rights and labour rights set out by relevant authorities, shall be complied with by all parties, including by significant suppliers, involved in an Investment.

NIO does not directly or indirectly invest in companies that intentionally and repeatedly violate rules laid down by national authorities on the markets in which the company operates or by central international organisations endorsed by the relevant country.

NIO require investments to respect sanctions on jurisdictions by the UN, EU, USA or UK as well as avoid investments that on the investment date are domiciled in jurisdictions on the European Union list of non-cooperative jurisdictions for tax purposes.

6. **Assumptions**

NIO's work on sustainability in investments must be characterised by consistency, predictability, seriousness, and openness as well as based on facts rather than subjective assessments.

NIO expects investment managers to be amenable to suggestions of increasing integration of environmental, social and governance matters when relevant and for the investment manager in general to demonstrate a cooperative atmosphere with a high level of transparency of potential sustainability issues and plans to resolve these issues.

7. **Application**

To support the implementation of the principles described in this Policy, NIO shall implement the following procedures throughout NIO's investment process.

7.1 Screening and due diligence

Sustainability is included as one of NIO's investment underwriting criteria when evaluating potential investments. The screening process constitutes desk research and assessment of the manager's response to NIO's ESG due diligence questionnaire. The detailed assessment comprises NIO's own screening tool, which takes into account the manager's ESG commitment and management and the fund's ESG exposure from a market perspective. The market risks are identified through an assessment of the underlying funds' exposure to geographies and industry sectors. The fund manager is assessed based on the fund's policies and processes, implementation of its policies, in-house resources available, and the level, quality, and frequency of the manager's ESG reporting and monitoring of investments. The key ESG risks identified from both assessments are presented to the Investment Committee and integrated into the final investment decision.

7.2 Legal agreements

NIO will seek the relevant adherence to NIO's ESG Policy (including reporting requirements) to the extent possible as per the fund LPA, which should cover:

- (i) UN Global Compact
- (ii) OECD MNEs Guidelines
- (iii) UN Guiding Principles on Business and Human Rights
- (iv) Declaration on Fundamental Rights and Principles at Work of the International Labour Organisation (ILO)
- (v) The eight ILO core conventions
- (vi) The International Bill of Human Rights

In lieu of full adherence NIO will take a balanced view and also consider other options such as establish legal obligations through a side letter including, but not limited to, "excuse investment participation provisions".

7.3 Monitoring

NIO shall continue to actively monitor ESG factors and performance of the investments made by the Funds and engage with managers through regular dialogue and follow-up on identified key risks. Identified ESG risks are promptly escalated, and the Investment Committee shall, if deemed appropriate and relevant, be informed on the matter. NIO will also seek to encourage investment funds and companies, based on the business they conduct, to address relevant sustainability

issues, to have in place fit-for-purpose guidelines, and to apply control and follow-up systems to enable the business to operate responsibly.

On an annual basis, NIO will update the ESG due diligence on all investment managers the firm has exposure to.

8. General

NIO will stay up to date with the evolution of ESG practices in the international community through training and discussions among our peers and partners to help us become better investors on behalf of our clients.

NIO has established an internal ESG Steering Committee as well as an external ESG Advisory Board to ensure that ESG remains a key topic for the firm and best practices are implemented accordingly.

9. Remuneration policy consistency with ESG risks

NIO has adopted a remuneration policy which promotes sound and effective risk management with respect to sustainability risks and other relevant risks. The performance criteria are linked to compliance adherence, risk management policies, and compliance with internal and external rules and ESG principles. The remuneration policy does not encourage excessive risk taking with respect to ESG risks or other relevant risks.

10. Transparency

Information about sustainable and responsible investments required by the SFDR regulation is available on the website, in the respective funds annual report and in the respective fund's investor disclosure documents.

On an annual basis NIO will provide an ESG report presenting ESG developments at a firm and investment level in the past year. The report is available on the website.

11. Responsible

The Chief Investment Officer (CIO) is responsible for overseeing NIO's ESG policy with the support of the Fund Manager.

12. Approval

This Policy was approved by the Board of Directors on 2 February 2024.

13. Approval history

Version:	Effective from:	Changes:	Approved by:
1	20 October 2020	Approved 29 April 2020 by the Board of Directors in connection with application to convert investment firm license to an AIFM license. This policy shall apply following receipt of AIFM license from the Danish FSA.	Board of Directors
2	25 February 2021	Sustainability integration	Board of Directors
3	12 March 2021	Sustainability amendments	Board of Directors
4	28 February 2023	Annual review	Board of Directors
5	2 February 2024	SFDR reporting requirements integrated	Board of Directors