

Pre-contractual disclosure (Annex 3) for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: **Selected Regenergy VSO A/S**

Legal entity identifier: **63670008VK1WLPWYYV64 (CVR: 43364731)**

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 85%</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 0%</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### What is the sustainable investment objective of this financial product?

The master fund, which Selected Regenergy VSO A/S invests all of its equity in, Selected Waste-to-Life Fund I S.C.A. SICAV-RAIF and WA3RM Regenergy Developer Fund I AB (hereafter referred to as “the Regenergy Fund”), has sustainable investments as its main objective within the meaning of Article 9 of SFDR. The Regenergy Fund contributes to various sustainable investment objectives. These objectives include both environmental objectives and social objectives, while the main financial objective of the Regenergy Fund is to design, build, and rent assets (for example, greenhouses and aquaculture production sites) to customers in order to produce resources locally (for example,

tomatoes or shrimp) and earn revenue based on such rental and waste heat sales activities.

The Regenergy Fund aims to invest in creation of long-term industrial symbiosis infrastructure projects in assets using industrial waste heat or other types of industrial waste (such as carbon dioxide, nitrogen, phosphorous, or organic waste). Reuse of waste is a core objective and requirement for all industrial symbiosis projects within the Regenergy Fund. Investments need to also demonstrate improved resource efficiency and industrial circularity that leads to multiple beneficial effects for sustainable development.

It should be noted that each project within the Regenergy Fund is not yet fully operational will have different characteristics such as geographic location, size of land available, size of facilities built, amount and temperature of waste heat available, and resources that are to be produced in the facility(s). It should also be noted that the first project of the Regenergy Fund is not yet fully operational and therefore the information about potential positive and negative sustainability impacts related to its operations is limited and subject to change. Since the first project will be complete and operational in 2024, operational data and related sustainability impact data will be shared in 2025.

Environmental objectives of the Regenergy Fund include:

- Establish clear environmental targets for each project
- Net abatement of GHG emissions (abated emissions should outweigh scope 1, 2, and 3 emissions over the asset lifetime)
- Reuse of industrial waste heat (or other waste streams) and minimization of waste output
- Use of renewable electricity and minimization of electricity consumption
- Reuse of rainwater and minimization of water consumption
- Assessment and management of risks and negative impacts, including but not limited to, ecological impacts, biodiversity impacts, climate impacts, water-related impacts related to project groundwork, partner selection, building material selection, construction, and operation

Social objectives of the Regenergy Fund include:

- Establish clear social targets for each project
- Creation of local full-time jobs
- Gender diversity among employees
- Use of only qualified suppliers that commit to the investment objectives
- Use of only qualified tenant operators that commit to the investment objectives
- Local production of resources for local market(s) to reduce foreign dependencies
- Assessment and management of risks and negative impacts, including but not limited to, cultural impacts, community impacts, health and safety impacts, and labor conditions related to project groundwork, partner selection, building material selection, construction, and operation

The Regenergy Fund aims to invest in projects which will produce net positive climate impacts and support long-term abatement of greenhouse gas emissions. This is expected

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

to contribute to the Paris Agreement goal to limit global warming to well below 2 degrees Celcius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

The Regenergy Fund investments will contribute to various UN Sustainable Development Goals. Specifically the investments are expected to contribute most significantly to the following UN SDGs:

- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 12. Ensure sustainable consumption and production patterns
- Goal 13. Take urgent action to combat climate change and its impacts
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15: Conserve and sustainably use land, while protecting and conserving biodiversity-sensitive areas and otherwise protected areas
- Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Regenergy Fund environmental investment objectives are expected to contribute to the following EU Taxonomy six climate and environmental objectives: *Climate change mitigation, Climate change adaptation, and Transition to a circular economy*. The Regenergy Fund also anticipates that its investments will contribute, to a lesser degree, to the following EU Taxonomy six climate and environmental objectives: *Sustainable use and protection of water and marine resources, Circular Economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems*. The Regenergy Fund's environmental investment objectives are considered to align with the following EU taxonomy activity: NACE code 35.30 (Energy; Activity 4.25; Production of heat/cool using waste heat). The investments also align with the EU Taxonomy technical screening criteria and “do no significant harm” criteria outlined in page 89 of Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

Reference benchmarks have been designated for the purpose of attaining the sustainable investment objectives, where relevant. Reference case studies and environmentally-focused life-cycle assessments (LCAs) have been used to compare resources produced by the investment assets compared to resources produced using standard methods in current markets and in relevant geographic regions. The Regenergy Fund does not use an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark.

To ensure a positive long-term climate impact of investments, all projects in the Regenergy Fund shall predominantly use industrial waste heat as the heating source. All projects will be subject to quarterly monitoring and reporting of various environmental indicators once operational, including but not limited to: Scope 1, 2, and 3 greenhouse gas emissions; Water consumption volume by source; Wastewater volume and

management method; Sludge and solid waste type, volume, and management method; CO<sub>2</sub> consumption and source; Heating consumption and source; Purchased electricity consumption and source; Other purchased goods when relevant.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The following sustainability indicators are expected to be used to regularly (with quarterly frequency) measure the attainment of the sustainable investment objectives of the investments of the Regenergy Fund:

1. Metric tons of resources produced (categorized by type of resource)
2. GWh of heat used (by source)
3. GWh of waste heat reused
4. GWh of electricity used (by source)
5. GWh of renewable electricity used
6. Metric tons of net CO<sub>2</sub>-equivalent emissions abated
7. Metric tons of CO<sub>2</sub>-equivalent emissions produced (scope 1, 2, and 3)
8. Volume of water consumption (by source)
9. Volume of rainwater consumption
10. Volume of wastewater produced and management method
11. Metric tons of waste produced (by waste type)
12. Metric tons of waste produced (by management method)
13. Number of new full-time jobs
14. Gender distribution of employees
15. Total work hours
16. Total manufacturing standard hours

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The investments of the Regenergy Fund are subjected to many screening criteria prior to approval and project launch. The investments must have consensus-driven approval from all relevant stakeholders, such as the industry partner, local region and municipality, energy providers, water providers, and various governmental authorities for land, environment, water, and other areas. Do No Significant Harm screening is expected to be performed on all investment projects, following the *Do No Significant Harm Handbook* from UNEP.

Investments of the Regenergy Fund must:

- Comply with international, national, regional, and municipal laws and norms
- Contribute to one or more of the UN SDGs and not inhibit any of the UN SDGs
- Contribute to one or more of the EU Taxonomy environmental objectives and not inhibit any of the EU Taxonomy environmental objectives
- Uphold the UN Global Compact Ten Principles

- Be located in geographic areas which are not designated as protected or important areas in terms of biodiversity
- Utilize predominantly waste heat from industrial sources as the heat source
- Utilize other additional types of waste streams, where possible and feasible

### ● How have the indicators for adverse impacts on sustainability factors been taken into account?

Potential project investments are assessed based on the following principle adverse impacts (PAIs) from Table 1-Annex 1 of CDR (EU) 2022/1288, where the investment shall not be pursued if any of the following PAIs occur:

Environmental PAIs:

- PAI 4: Exposure to companies active in the fossil sector
- PAI 7: Activities negatively affecting biodiversity-sensitive areas

Social PAIs:

- PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
- PAI 14: Exposure to controversial weapons

Potential project investments are assessed based on the following PAIs from Table 1-Annex 1 of CDR (EU) 2022/1288, and the investment may be approved if it is expected to contribute to significant positive sustainability impacts, contribute to the UN SDGs and not inhibit them, contribute to the EU Taxonomy environmental objectives and not inhibit them, uphold the UN Global Compact Ten Principles, and align with the objectives the WA3RM and the Regenergy Fund:

- PAI 1: GHG emissions
- PAI 2: Carbon footprint
- PAI 3: GHG intensity of investee companies
- PAI 4: Exposure to companies active in the fossil sector
- PAI 7: Activities negatively affecting biodiversity-sensitive areas
- PAI 8: Emissions to water
- PAI 9: Hazardous waste ratio
- PAI 10: Violations of UN Global Compact Principles & OECD Guidelines for multinational enterprises
- PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD guidelines for Multinational Enterprises.
- PAI 12: Unadjusted gender pay gap
- PAI 13: Board gender diversity
- PAI 14: Exposure to controversial weapons

● **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The sustainable investments of the Regenergy Fund are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights via pre-investment project screenings described above and application of the the Company’s Codes of Conduct, suppliers to the project, and customers of the project which will operate the greenhouse and aquaculture facilities. Furtmermore, the fund reserves the right to request or perform on-site audits, off-site audits, or third-party audits at project facilities, supplier facilities, or customer facilities. The Regenergy Fund expects all project partners involved in investments to adhere to international laws and frameworks such as:

- the UN Global Compact
- the UN Sustainable Development Goals
- the OECD Guidelines for Multinational Enterprises
- the UN Guiding Principles on Business and Human Rights
- The Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

Prior to all investment decisions, all PAIs are expected to be considered in a screening process for new project investments. Such screening shall involve an estimated quantitative assessment of the project impacts for all relevant PAIs, where possible based on reasonable data availability and quality.

More information about the consideration and assessment of PAIs in investment decisions of the Regenergy Fund is available on our website: [Sustainability related disclosures \(selectedalternatives.dk\)](#) and in the Fund’s annual reports effective with the 2024 annual report.

No

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**What investment strategy does this financial product follow?**

The Regenergy Fund investment strategy is to develop and finance so-called regenerative operations that reuse residual wastes from industries. These regenerative operations may be based on waste resources such as surplus heat and CO<sub>2</sub>, but also other residual wastes, such as industrial sludge or wastewater. We call this *Bringing Waste to Life*.

This means the investment strategy of the Company pursuant to which Investments shall be made in accordance with Sustainability Strategy and with the purpose of utilising waste streams from industrial production for sustainable food and biomaterials production and other relevant industrial production. If, and as long as the Company is qualified as a EuVECA, the Company shall comply with the requirements in Regulation (EU) No 345/2013 on European venture capital funds and at least seventy percent (70%) of the Investments shall be made in qualified investments prior to the fifth (5) anniversary of the Final Closing Date, and shall procure that such 70/30 split is not exceeded after such date.

With Sustainability Strategy we mean that the Investments shall contribute predominantly to the *UN Sustainable Development Goal 13: Climate Action*, as measured by total net annual and expected life-time climate impact presented in tons CO<sub>2</sub>-equivalent. Various additional sustainability indicators are used to further measure the investment's sustainability impacts and ensure the investment contributes to significant and positive sustainability impacts (*see page 3 of this disclosure*).

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The investment strategy of the Regenergy Fund applies a range of binding elements and criteria in order to carefully select investments. The binding elements and criteria listed below ensure that the Regenergy Fund only approves investments in projects which will contribute to the sustainable investment objectives of the Regenergy Fund.

Binding elements and criteria:

- Construction and operation of facilities that produce heating/cooling using waste heat or CO<sub>2</sub> from industrial production
- Competitive financial return on investment
- Significant climate impact in the form of greenhouse gas emissions abatement
- Significant contribution to one or more of the UN SDGs, without significantly harming any other UN SDGs
- Significant contribution to one or more of the EU Taxonomy environmental objectives, without significantly harming any other objectives
- Significant contribution to one or more of the Swedish environmental objectives, without significantly harming any other objectives
- Alignment with minimum “do no significant harm” principles of the EU Taxonomy
- Relevant suppliers and tenant operators uphold international, national, and local laws and the Company's Code of Conduct

● **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Regenergy Fund investments and all relevant stakeholders are expected to follow good governance practices, outlined in the company's Code of Conduct. The company reserves the right to screen and audit its suppliers, its own project sites, and its customers (tenant operators) to ensure good governance practices and assure that all such stakeholders uphold international, national, and local laws and norms as well as the WA3RM Code of Conduct. Such screenings and audits are based on, but are not limited to:

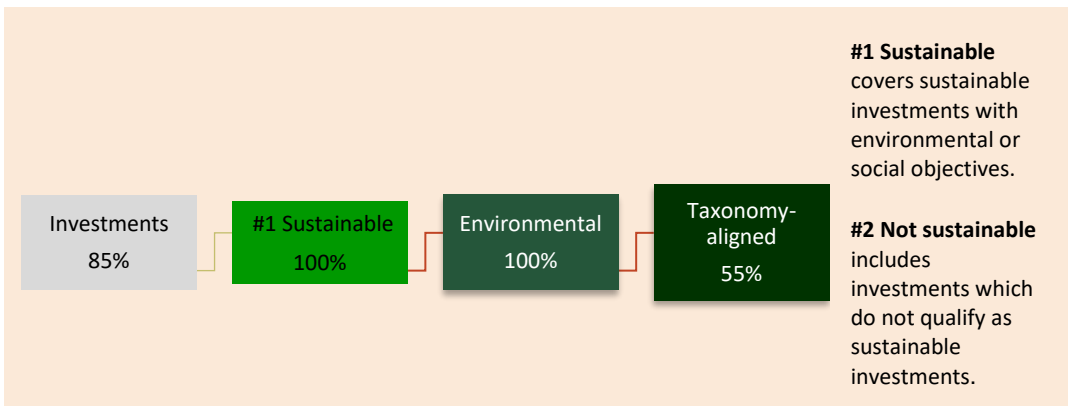
- Adherence to the UN Global Compact, ILO conventions, OECD Guidelines
- Environmental and climate impacts
- Human rights for employees
- Working conditions for employees
- Health and safety for employees
- Diversity of Board of Directors
- Anti-corruption and conflicts of interest

**Asset allocation** describes the share of investments in specific assets.



### What is the asset allocation and the minimum share of sustainable investments?

The Regenergy Fund commits to make 85% of sustainable investments with environmental objectives.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### How does the use of derivatives attain the sustainable investment objective?

Not applicable. The Regenergy Fund does not use derivatives to attain its sustainable investment objective.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

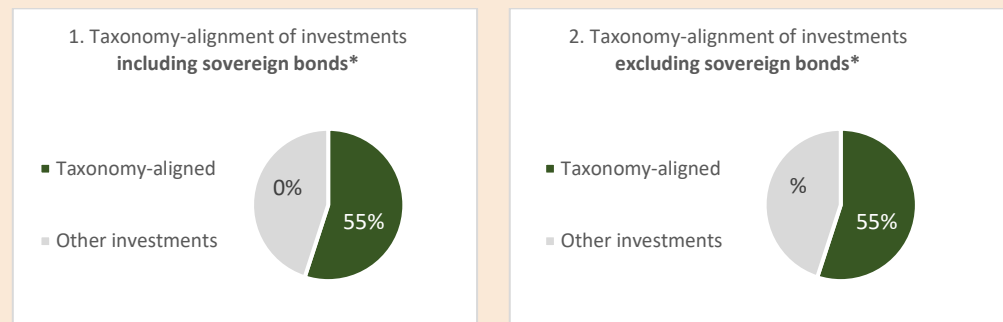
The sustainable investments with an environmental objective are considered to align 55% with the EU Taxonomy.



● **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

- Yes
  - In fossil gas
  - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.


● **What is the minimum share of investments in transitional and enabling activities?**

0%. Investments are unlikely to be in transitional and enabling activities, and the Regenergy Fund does not commit to a minimum percentage of investments being linked to such activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 45%, which is the Greenhouse facility. The greenhouse facility and the production of local tomatoes by utilizing low temperature waste heat is expected to contribute to climate change mitigation as the main

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

purpose. Sub purposes are transition to a circular economy, the sustainable use and protection of water and marine resources and pollution prevention and control. In total the greenhouse facility will contribute to four of the EU's six environmental objectives. Analyses and reports will be done, in order to obtain these objectives and ensure that the greenhouse does not significantly harm any of the environmental objectives. Taxonomy criteria do not exist for this investment, so no analysis can be done.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.



### What is the minimum share of sustainable investments with a social objective?

The Regenergy Fund does not commit to having a minimum share of sustainable investments with a social objective.



### What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable.



### Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No.



### Where can I find more product specific information online?

Information about the Regenergy Fund and the fund manager can be found at this website: <https://selectedalternatives.dk/>

Furthermore, the following disclosures required by the EU SFDR can also be found at the above website: Website disclosure, Pre-contractual disclosure, Statement on principal adverse sustainability impacts, and Periodic disclosure.