

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure (Annex V) 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

### Did 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 made <b>sustainable investments with an environmental objective: 100%</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>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a 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 made <b>sustainable investments with a social objective: 0%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

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. During 2023 the sustainable investment objectives of the financial product were largely met, since the first project completed the groundwork, infrastructure, and greenhouse construction. It should be noted that the project originally aimed to build both a tomato greenhouse and an aquaculture shrimp farm, but the shrimp farm was cancelled and replaced by plans for additional greenhouses. The reason the project did not pursue the shrimp farm was related to

potential significant negative impacts on local bodies of freshwater. Once the greenhouse facility becomes operational in 2024, the investment objectives can be considered as fully met. Once the greenhouse is operational, all relevant sustainability indicators will be monitored and reported, allowing for evaluation of the sustainability performance against the investment objective. The tomato greenhouse is expected to be operational in 2024. A life cycle assessment (LCA) was also launched during 2023 and will be completed in 2024. The LCA is being conducted with external specialists to ensure a thorough and comparable sustainability evaluation of the first investment of the Regenergy Fund

The Regenergy Fund has a range of sustainable investment objectives. These include both environmental objectives and social objectives, while the environmental objectives are considered the main objectives, and the social objectives are considered supplemental objectives. The main financial objective of the Regenergy Fund is to design, build, and rent assets which utilize waste (for example, greenhouses utilizing waste heat) to customers who produce resources locally (for example, tomatoes or other vegetables) and earn revenue based on such rental activities. The Regenergy Fund aims to invest in creation of long-term industrial symbiosis infrastructure projects which produce food or other resources (such as tomatoes, shrimp, chemicals, or fuels) 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.

Each project within the Regenergy Fund may have different characteristics such as geographic location, size or type of land available, size or type 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. 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 characteristics 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 to contribute to the Paris Agreement goal to limit global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

The Regenergy Fund investments also aim to contribute to the relevant UN Sustainable Development Goals (UN SDGs). Specifically, Regenergy Fund 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 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- 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 environmental investment objectives are considered to align with the following EU Taxonomy activity: NACE 35.30; Energy; Activity 4.25; Production of heat/cool using waste heat.

Reference benchmarks have been designated for the purpose of validating the sustainable investment objectives, where relevant. Reference case studies, environmentally focused life

cycle assessments (LCAs), and ex-ante greenhouse gas emission studies were used to compare the investment of the first project to various benchmark or “business as usual” scenarios. 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.

● **How did the sustainability indicators perform?**

Where relevant and currently possible, data has been collected and reported for the following sustainability indicators during 2023 and related to the first project of the Regenergy Fund. It should be noted that this type of large-scale infrastructure project typically has significant one-time impacts, related to activities such as land alteration, production of building materials, and transportation of goods to the construction site. Once the greenhouse facilities are operational in 2024, the following sustainability indicators will all be reported to monitor the sustainability performance of the investment.

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

No	Sustainability indicators	2023 performance
1	Metric tons of resources produced, by type of resource	0 tons (Tomato production in Frövi expected to begin in 2024)
2	Total GWh of heat used	2.36 GWh (Temporary heaters during construction in Frövi, and office in Malmö)
3	GWh of waste heat reused	0 GWh (Use of waste heat in Frövi expected to begin in 2024)
4	Total GWh of purchased electricity used	0.29 GWh (Groundwork and construction in Frövi, and office in Malmö)
5	GWh of renewable electricity used	0.29 GWh

		(Groundwork and construction in Frövi, and office in Malmö)
<b>6</b>	Metric tons of CO2-equivalent emissions abated, related to waste heat reuse (beyond scope 1, 2, and 3)	0 tons CO2e (Use of waste heat in Frövi expected to begin in 2024)
<b>7</b>	Metric tons of CO2-equivalent emissions produced (scope 1, 2, and 3)	Scope 1 = 594 tons CO2e Scope 2 = 3 tons CO2e (market based) Scope 2 = 21 tons CO2e (location based) Scope 3 = 8857 tons CO2e  (Scope 1 emissions from fuel use for temporary heaters. Scope 2 emissions from purchased electricity and heat. Scope 3 emissions mainly from building materials, capital goods, contractor fuel use, and upstream transport. The Scope 3 emissions is based on available data from project partners and is estimated to cover more than 90% of emission sources.)
<b>8</b>	Total volume of water consumption	0 cubic meters (Water consumption in Frövi is expected to begin in 2024)
<b>9</b>	Volume of rainwater collected and reused	0 cubic meters (Rainwater consumption in Frövi is expected to begin in 2024)
<b>10</b>	Total volume of wastewater produced and management methods	0 cubic meters (Wastewater is expected beginning in Frövi in 2024)
<b>11</b>	Total metric tons of waste produced and management methods	0 tons (Waste is expected beginning in Frövi in 2024)
<b>12</b>	Number of new full-time jobs	0 jobs

		(Greenhouse job recruitment is expected in 2024)
<b>13</b>	Gender representation percentage of employees	Percentage not available (Dependent on results of recruitment process in Frövi in 2024)
<b>14</b>	Total work hours	0 work hours (Operations in Frövi are expected to begin in 2024)
<b>15</b>	Total manufacturing standard hours	0 manufacturing hours (Operations in Frövi are expected to begin in 2024)

● *...and compared to previous periods?*

The Regenergy Fund is currently unable to compare the above sustainability indicator performance in 2023 with previous periods, because this is the first project of the fund and therefore there are no previous projects or related activities to compare to. Once the facilities for the first project are constructed and operational in 2024, data will be reported to allow for such comparisons between historical periods and between projects.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

The investments of the Regenergy Fund are considered to not have caused any significant harm to any sustainable investment objectives during 2023. A “Do No Significant Harm” screening was performed on the investment in 2022, following the DO NO SIGNIFICANT HARM HANDBOOK from UNEP ([Link](#)) and relevant EU Taxonomy technical screening criteria found in the EU Taxonomy Compass ([Link](#)). The investments are not considered to significantly have harmed any of the six EU environmental objectives set out in Article 9 and according to Article 17. The investments have also been carried out in compliance with the minimum safeguards laid down in Article 18. During 2023 an external environmental assessment of the Regenergy Fund’s first project was also performed by external specialists from Research Institutes of Sweden (RISE).

Based on the EU Taxonomy activity types and EU Taxonomy DNSH criteria, the external environmental assessment by RISE in 2023 determined that no significant harm would be caused to any of the six EU environmental objectives in relation to

the fund's first project in Frövi Sweden. It should be noted that each future project may include different EU Taxonomy activity types, therefore the DNSH criteria may differ between projects. If any party seeks more detailed information about how the Fund works with DNSH screening or wishes to see a copy of the external assessment from RISE, they are welcome to contact the Regenergy Fund.

The original project plan included an aquaculture shrimp farm which was identified as a risk factor prior to the external assessment by RISE. The shrimp farm was deemed capable of causing significant environmental harm to nearby freshwater bodies and species. Therefore, the Regenergy Fund decided to remove the aquaculture component of the project and focus solely on greenhouses for tomato production. The saline content of aquaculture wastewater and sludge waste was determined to potentially cause significant environmental harm. This is an example of how the investments of Regenergy Frövi are constantly monitored for such possible cases of significant harm to any sustainable investment objectives or EU environmental objectives.

### *How were the indicators for adverse impacts on sustainability factors taken into account?*

An initial assessment of the following principle adverse impacts (hereafter referred to as "PAI") was performed internally during 2022. Additionally, an external environmental assessment was performed in 2023 by Research Institutes of Sweden to assess actual and potential negative and positive environmental impacts of the first Regenergy Fund project. PAIs 7 and 8 were those which were considered at-risk related to the effluents of the aquaculture portion of the project, which contributed to the fund's decision to remove aquaculture from the project plan. Some PAIs were identified as not relevant, such as PAI 4, PAI 9, and PAI 14. The other PAIs were considered relevant and measured and/or estimated as accurately as possible based on currently available data. All relevant PAIs were taken into account in the project planning for the investments with the objective of doing no significant harm to any. Various mechanisms have been put in place to ensure this, such as a greenhouse gas emissions inventory reporting for investments, biodiversity assessments of land used in investments, a Code of Conduct to uphold various principles, and operational reporting routines for energy, water, waste, and other indicators.

#### **Environmental PAIs:**

- 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

#### **Social PAIs:**

**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.

- 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

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Yes. The investments of the Regenergy Fund have been aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Code of Conduct of the project development company has been based on these frameworks. The company's Code of Conduct serves as the main mechanism which ensures alignment of the investment with key governance areas such as human rights, health and safety, fair wages, freedom of association, privacy, environmental impacts and responsibility, anti-corruption, and conflicts of interest. No non-compliances against the company's Code of Conduct, the OECD Guidelines for Multinational Enterprises, or the UN Guiding Principles on Business and Human Rights were identified during 2023, among the SPV Regenergy Frövi AB, the project development company, project contractors, project suppliers, or operator tenants.



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

The financial product considered principal adverse impacts on sustainability factors related to all investments within the fund. During 2023, there was only one investment in one project. All relevant PAIs were identified in relation to the fund's investment. All relevant mandatory PAIs were taken into account in the project planning and execution for the investment. Various mechanisms, such as internal screenings and external assessments, were used in 2023 to ensure that the fund adequately considers all principal adverse impacts on sustainability factors. These mechanisms include, but are not limited to, a greenhouse gas emissions inventory reporting practice for investments, biodiversity assessments of land used in investments, a Code of Conduct to uphold various principles, and reporting routines for energy, water, waste, and other indicators.



The EU SFDR RTS Statement on principal adverse impacts was completed and published for the first time for the year 2022. A new Statement on principal adverse impacts for the year 2023 will also be completed and published during 2024. The Statements on principal adverse impacts are produced in order to consider, assess, and report all principal adverse impacts on sustainability factors. The 2023 Statement on principal adverse impacts of investment decisions on sustainability factors will be published in 2024 on the website of the fund manager, Selected Alternatives DK: [Sustainability related disclosures \(selectedalternatives.dk\)](https://www.selectedalternatives.dk).



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1/1/2023-31/12/2023

### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Regenergy Frövi AB (industrial symbiosis project located in Frövi Sweden)	Building & construction	100%	Sweden



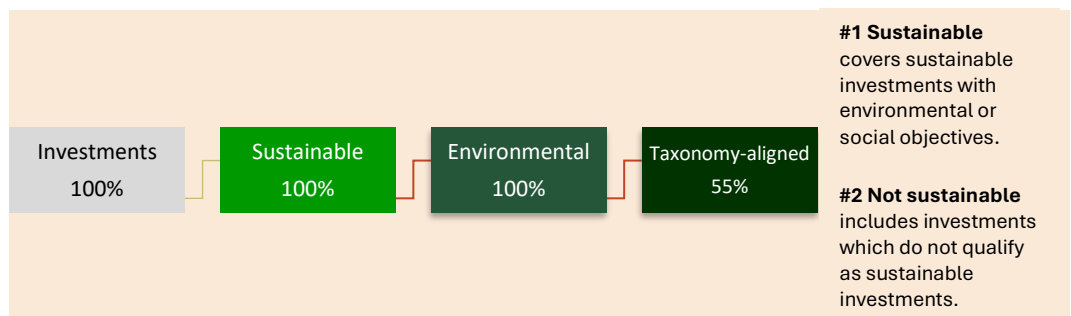
**Asset allocation** describes the share of investments in specific assets.

### What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments in 2023 was 100%. All investments in 2023 were used in the development, groundwork, procurement, and construction related to the Regenergy Fund’s first industrial symbiosis project located in Frövi Sweden. The project includes infrastructure to transfer and utilize a significant amount of waste heat from a nearby industrial pulp and paper facility for production of tomatoes in greenhouses. The project has a range of environmental, social, and financial sustainability objectives (see pages 1-3 of this document for more information about such objectives).

#### ● What was the asset allocation?

The proportion of sustainability-related investments was 100%.



#### ● In which economic sectors were the investments made?

The investments were made predominantly in the building and construction sector during 2023, including such activities as land preparation and groundwork, procurement of building materials and finished goods, transportation of goods, and

construction work. These investments can be linked to the following EU Economic Activity NACE codes: F41 - Construction of buildings; F41.1 - Development of building projects; F41.2 - Construction of residential and non-residential buildings. Furthermore, the objective of the investment is to ultimately re-use waste heat for tomato production in greenhouses, which is currently the Regenergy Fund's first project investment. This activity can be linked with the following EU Taxonomy NACE code: D35.30 - Energy - Activity 4.25 - Production of heat/cool using waste heat.



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

The sustainable investments with an environmental objective are 55% aligned with the EU Taxonomy. The investments are considered to significantly contribute to one or more of the six EU environmental objectives set out in Article 9, specifically Climate change mitigation, Climate change adaptation, and Transition to a circular economy. The investments are considered to comply with the technical screening criteria according to Article 10(3), 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. The main economic activities of the fund are related to the planning, design, construction, and rental of resource production facilities which utilize waste streams.

### Did 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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low carbon fuels by end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

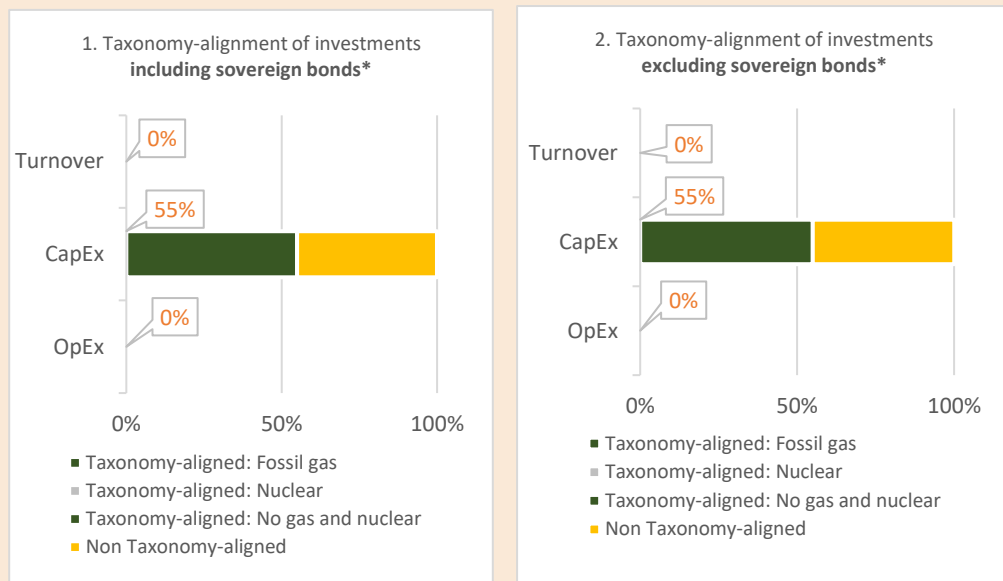
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

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

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.

The graphs below show in green the percentage of investments that were 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.



**Note:** The first project investment of the fund was not yet completed in 2023, therefore there was no revenue or OpEx during 2023.

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

● **What was the share of investments made in transitional and enabling activities?**

0%.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

There have not been previous reference periodic reports.

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



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy was 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 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 does not significantly harm any of the environmental objectives. Taxonomy criteria do not exist for this investment, so no analysis can be done to align with EU Taxonomy.

### What was the share of socially sustainable investments?

0%.



### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

No investments were included under “not sustainable”.



### What actions have been taken to attain the sustainable investment objective during the reference period?

The financial product has taken the following actions during 2023 to drive progress towards attaining the sustainable investment objectives of the Regenergy Fund:

- The internal sustainability resources were expanded and developed. A Project Impact Lead was hired, and existing Project Managers were engaged more heavily in sustainability tasks.
- Contractual agreements and infrastructure were completed for the first project, to ensure access to waste heat, renewable electricity, and water.
- Contractual agreements were completed for the first project, with the industrial waste heat provider, the greenhouse supplier, and the tenant operator.
- An external environmental assessment was completed by the Research Institutes of Sweden (RISE).
- The aquaculture portion of the original project plan was deemed to carry the risk of causing significant harm to freshwater bodies and, therefore was removed from the project plan.
- A life cycle assessment with external specialists from RISE and CIRCE began and aims to deliver a thorough and broad sustainability analysis of the first project in late 2024.
- For the first project, the groundwork was completed, the greenhouse building materials were ordered and largely delivered, and much of the greenhouse construction was completed.



## How did this financial product perform compared to the reference sustainable benchmark?

This financial product has not been compared with a reference sustainable benchmark. The single investment within this financial product during 2023 is a highly unique industrial symbiosis and circularity-oriented construction and operation of assets that produce heating/cooling using waste heat.

- ***How did the reference benchmark differ from a broad market index?***

This financial product has not been compared with a reference sustainable benchmark.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

This financial product has not been compared with a reference sustainable benchmark.

- ***How did this financial product perform compared with the reference benchmark?***

This financial product has not been compared with a reference sustainable benchmark.

- ***How did this financial product perform compared with the broad market index?***

This financial product has not been compared with a reference sustainable benchmark.

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