



selected
group

SUSTAINABLE INVESTMENT POLICY

24.10.2023

Selected Alternatives Management ApS

1. Introduction

This Sustainable Investment Policy (the "Policy") is approved by Selected Alternatives Management ApS' ("SEAL Man.") Board of Directors (the "Board") and sets out the SEAL Man.s' approach to sustainable investments and shall serve as a guidance throughout SEAL Man.s' investment process.

The purpose of the Policy is to ensure that SEAL Man. manages sustainability related risks when investing on behalf of its clients in line with the criteria for each specific alternative investment fund ("AIF") managed by SEAL Man..

Finally, it is this Policy's ambition to empower SEAL Man. to contribute positively to a sustainable economic growth in society and promote a healthy environment, biodiversity and prevent climate change.

2. Applicable Law

The Policy is based on the Commission's legislative act regulation (EU) no. 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("Disclosure Regulation") and the Commission's legislative act regulation (EU) no. 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. Further, the Commission's delegated regulation (EU) 2022/1288 of 6 April 2022 supplementing the Disclosure Regulation with regards to regulatory technical standards.

3. Sustainable investment principles

SEAL Man. must manage sustainability related risks, whether they stem from environmental, social or governance-related (ESG) issues equally to other factors when investing on behalf of its clients.

SEAL Man. integrates sustainability risk assessments in all stages of the investment lifecycle, from the sourcing of suitable investments, project qualification and development, to managing and monitoring the asset through the investment period and the divestment. It is SEAL Man.s' belief that a thorough assessment of sustainability related risks is a pre-condition for long-term value creation, and that a disregard of this could cause material negative impact on the value of the investment.

ENVIRONMENTAL

SEAL Man. must properly observe relevant laws and/or regulations and ensure that investments do not unnecessarily harm the environment. The ambition is to operate safely within environmental and climate related regulation. Further the ambition is, where and when possible, promote a healthy environment, biodiversity and prevent climate change in line with net-zero ambitions of the Paris Agreement. In extension of this, the ambition of SEAL Man. is to align whenever possible to the purpose of the EU taxonomy for sustainable activities, containing six established climate and environmental objectives, and where different means can be required for an activity to make a substantial contribution to each objective¹:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

SOCIAL

SEAL Man. must identify and assess relevant social and human rights issues related to its investment activities to ensure that SEAL Man. respects fundamental humanitarian principles as well as fundamental employees' rights as set out in the OECD Guidelines for Multinational Enterprises and the UN Global Compact principles.

GOVERNANCE

SEAL Man. must ensure that good governance prevails in its investment activities to avoid unnecessary risk-taking and promote long-term value creation. These principles must apply in SEAL Man.'s own investment process, in the selection of fund managers and in direct investments in companies or assets. To that end SEAL Man. is an active owner and investor.

Restrictions

The Investment Management Function must pursue only investments in sectors which fall within the scope of the relevant AIF's investment strategy. SEAL Man.

¹ See also https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/taxonomy-regulation_en

avoids investments in companies and assets that violate international principles for corporate responsibility such as OECD Guidelines for Multinational Enterprises, UN Global Compact and UN Guiding Principles on Business and Human Rights.

It is the general guideline that SEAL Man. does not invest in the fossil fuel industry, unless the target investment in scope has a credible green transition plan in place.

IMPLEMENTATION

SEAL Man.'s investment strategies for each Fund are reflected in detail in the articles of association of the Funds where relevant.

The Managers Sustainable investment principles must support the aims of any and all Funds it manages and thereby support long-term sustainability goals. Accordingly, we only invest in assets for which associated sustainability risks can be identified, measured, monitored, managed, controlled and reported on within the criteria set by the Fund. The Manager continually ensures that the necessary internal competencies are in place to satisfy this requirement. Further, the Manager must ensure that external service providers delegated to carry out ongoing asset management tasks have the necessary competencies and are subjected to sustainability risk and quality assessments. The Investment function is responsible for the management of Funds and Fund assets, including the sustainability risk management of Funds and Fund assets.

The sustainability risk assessments must be monitored on a continuous basis to ensure the Fund stays within its investment mandate, and measurable sustainability risk management limits must be defined and monitored for all Funds.

Where the article-classification of a relevant Fund demands it (art. 8 and/or 9 under SFDR) sustainability risk assessments is maintained on a regular basis, where the Risk Function must ensure that sustainability risk assessments of Funds and Fund assets are conducted on a continuous basis and reported to the Board for any breach of defined thresholds.

For Funds that have a sustainable objective or promotes ESG characteristics or sustainable investments (art. 8 and/or 9 under SFDR), the Manager shall consider principal adverse impacts of investment decisions on sustainability factors.

The CEO must ensure that procedures are in place for the following:

-
- Conducting Sustainability risk assessments for Funds
- Due diligence procedures, including procedures to ensure that Assets are ESG screened and managed in accordance with the Disclosure Regulation
- ESG scoring Assets in accordance with article 6, 8 and 9 of the Disclosure Regulation.
- Quarterly reporting to the Board of the Fund(s) and reporting to the General Assembly in accordance with the Fund's articles of association

4. Sustainable Investment Process

For the purpose of identifying sustainability related risks throughout the investment process and the Funds investment lifecycles the Board has defined the following steps in the investment process to support the implementation of the principles set out above.

Due diligence

The Investment Management Function must in its investment recommendations – whether it is in acquisition or exit - to the Investment Committee and subsequently to the Board present a sustainability due diligence that highlights relevant ESG-related issues and present mitigating actions hereto.

Targeted due diligence is carried out on ESG topics relevant to the potential investment in the relevant Fund. For Funds targeting investments promoting environmental or social characteristics (SFDR article 8) or sustainable investments (SFDR article 9), due diligence shall comprise an analysis of the investment from a sustainability perspective to determine the principal adverse sustainability impacts that might affect the Fund's current and future valuation, and extent to which it can comply with sustainability disclosure requirements. Further, a due diligence shall determine the degree to which an investment with sustainability as an objective or promoting ESG characteristics is environmentally sustainable and can be measured against an internal scale or external index.

Monitoring

The Investment Management Function must on an ongoing basis update the assessment of the initially – or newly identified and relevant – sustainability

related risks and the effect of imposed mitigation actions. The risk assessment shall be reported periodically to SEAL Man.'s Board.

ENGAGEMENT

SEAL Man. is an active owner and investor and engages on sustainability related topics with relevant stakeholders that are affected by SEAL Man.'s investment activity. Fund managers, portfolio companies, suppliers, operators are the primary subjects in this aspect, but also other stakeholders must be taken into account.

The engagement with stakeholders must ensure strong alignment of the investment projects with the overall objective of the AIFs.

REPORTING AND COMMUNICATION

The Investment Management Function must report to the Board about the implementation of this policy. In line with Enterprise Risk Management Policy, prompt warning must be given to the Board on imminent issues.

Finally, SEAL Man. will communicate timely and transparently with the public on relevant issues and report at least annually on the implementation of this policy.

5. Remuneration

It is pivotal to SEAL Man.'s remuneration policy that unnecessary risk taking is avoided, also in respect to sustainability related risk.

Any employment agreement must be structured in such a way there is to the highest degree possible never a financial incentive for the respective employee to achieve a higher remuneration through choices purposefully neglecting sustainability related risk or by assuming a higher sustainability related risks for the managed funds or SEAL Man.

6. Review

This Policy must be reviewed and updated at least annually by the Board to ensure that it remains relevant and effective in the context of SEAL Man.'s investment activities and the evolving sustainable finance landscape. Further, the Policy must be reviewed in the event of legislative changes, the introduction of new investment types, products, etc. and others that will affect the sustainability risks associated with fund management.

Further, SEAL Man. must ensure that procedures are in place and periodically reviewed and updated to support and ensure implementation and compliance with sustainability risk management for its funds.

Version	Edited by	Approved by	Date
1.1	FVH/TMJ	Board	31.10.2023