

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant name: Selected Group Sverige AB

Legal entity identifier: 559304-2053

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Summary

Selected Group Sverige AB (the "Financial market participant" or the "FMP") considers principal adverse impacts (PAIs) of its investment decisions on sustainability factors. The FMP currently manages one product, WA3RM Regenergy Developer Fund I AB (the "Fund"). This statement concerns the Fund managed by the FMP and is the consolidated statement on principal adverse impacts on sustainability factors.

This statement on principal adverse impacts (PAIs) of investment decisions on sustainability factors covers the reference period of January 1st 2023 to December 31st 2023. This is the second reference period both for the FMP and for the Fund. But it should be noted that the previous reference period did not represent a full year, since the Fund was launched in May 2022. This is the second version of this disclosure, and subsequent versions of this disclosure will be published each year by no later than June 30th.

The FMP, Selected Group Sverige AB, considers principal adverse impacts on an entity level for the Fund's investments in investee companies, by identifying relevant sustainability indicators, measuring the negative impact on such sustainability indicators, and monitoring such data regularly. Selected Group Sverige AB considers the mandatory principal adverse impact indicators defined by the EU Sustainable Finance Disclosure Regulation (SFDR) prior to investment decisions.

The principal adverse impacts considered are GHG emissions, Carbon footprint, GHG intensity, Exposure to companies in the fossil fuel sector, Non-renewable energy consumption and production, Energy consumption intensity per high impact climate sector, Activities negatively affecting biodiversity-sensitive areas, Emissions to water, Hazardous waste and radioactive waste, Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, Unadjusted gender pay gap, Board gender diversity, Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

Description of the principal adverse impacts on sustainability factors

The full library of adverse sustainability indicators are defined and described in the table below. These indicators are considered prior to, during, and after investment decisions to ensure that adverse impacts on key sustainability factors are assessed thoroughly and throughout all stages of the investment process.

The FMP, Selected Group Sverige AB, describes each of the below adverse sustainability indicators and provides data for relevant impact years, explanations related to the impact data and context, and information about actions taken, planned actions, and targets set to avoid or minimize the principal adverse impacts identified.

All texts in the “Explanation” column are related to the impact data presented in the “Impact year 2023” column, which represents the reference period of January 1st 2023 to December 31st 2023. Impact data presented in the “Impact year 2022” column represents the reference period of May 2nd 2022 to December 31st 2022, since May 2nd 2022 was the launch date of the Fund.

All data reported in the table below is subject to data quality and availability limitations. In general, the data reported in the annual statement on principal adverse impacts covers as much of the investment and related activities as possible, with data of the highest quality possible. Data was collected from key business partners for relevant investments, such as the project developer, building materials supplier, groundwork contractor, construction contractor, and electricity and heating providers. The data for “impact year 2023” is considered of very high quality. Only in a limited number of cases certain assumptions needed to be made for scope 3 GHG emissions related to building materials, capital goods, and transport. In the future the FMP will work with the relevant data providers to further improve the data coverage and data quality, with an objective to reach greater reliability.

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact year 2023	Impact year 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	594 tons CO ₂ eq	0 tons CO ₂ eq	The Fund's first infrastructure project, Regenergy Frövi AB, generated scope 1 emissions from diesel-powered temporary heaters used during construction in colder periods in 2023. There were no scope 1 emissions during 2022.	Monitoring of scope 1, 2, and 3 GHG emissions began in 2023 for the year 2022. The Fund's scope 1, 2, and 3 GHG emissions are expected to fluctuate, due to the nature of the Fund's large-scale infrastructure projects characterized by significant groundwork, building material procurement, transport, and construction activities. All GHG emissions are presented in tons CO ₂ equivalent emissions. In general the Fund's investments aim to have no scope 1 emissions, no market-based scope 2 emissions, and minimized
		Scope 2 GHG emissions	21 tons CO ₂ eq (location-based)	0,41 tons CO ₂ eq (location-based)	The Fund's first infrastructure project,	

			3 tons CO ₂ eq (market-based)	0,31 tons CO ₂ eq (market-based)	Regenergy Frövi AB, generated scope 2 emissions from consumption of purchased electricity and purchased district heating during 2023. Such emissions were higher in 2023 than 2022, due to a higher amount of project construction activities.	scope 3 emissions (where such emissions are to be addressed via project-specific targets related to such key areas as energy, land use change, groundwork, construction, and purchased building materials). The targets are not set according to any standard or framework and the targets are not based on any reference year since the emissions are project-based and each project may vary in size, location, waste stream, and commodity which they aim to produce.
		Scope 3 GHG emissions	8 857 tons CO ₂ eq	907 tons CO ₂ eq	The Fund's first infrastructure project, Regenergy Frövi AB, generated scope 3 emissions, predominantly from purchased building	

					<p>materials, purchased capital goods, contracted land groundwork, and construction during 2023.</p> <p>The scope 3 GHG emissions in 2022 were lower than in 2023, due to most procurement and construction occurring in 2023. In 2022 the scope 3 emissions were related predominantly to fuel use during contracted groundwork.</p>	
		Total GHG emissions	9 472 tons CO ₂ eq (with location-based Scope 2)	907 tons CO ₂ eq (with location-based Scope 2)	More than 93% of the Fund's total GHG	

			9 454 tons CO ₂ eq (with market-based Scope 2)	907 tons CO ₂ eq (with market-based Scope 2)	emissions originated from scope 3 activities during 2023.	
2. Carbon footprint	Carbon footprint	<p>221,12 tons CO₂eq/€M EUR of investment value (with location-based Scope 2)</p> <p>220,70 tons CO₂eq/€M EUR of investment value (with market-based Scope 2)</p>	N/A	<p>The value of RFAB, the Fund's project(s), is 42 836 805 EUR as per December 31st 2023 and as stated in the WRDF1 2023 annual report. The indicator was not calculated for 2022 since the fund had only been launched in May 2022.</p>	<p>The carbon footprint indicator is calculated based on the annual scope 1, 2, and 3 GHG emissions and current value of the Fund's first infrastructure project, Regenergy Frövi AB.</p> <p>The indicator is presented as a ratio of total tons CO₂ equivalent emissions per investment value (tons CO₂eq/€M EUR investment value). See actions and targets in indicator 1.</p>	
3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	N/A	<p>When the Fund's project(s) are operational and have ongoing resource production in 2024, the GHG intensity indicator will be calculated based on the annual scope 1, 2, and 3 GHG emissions,</p>	

						<p>value of the Fund's first infrastructure project Regenergy Frövi AB, and revenue from the project facility(s).</p> <p>The indicator will be presented as a ratio of total tons CO₂ equivalent emissions per revenue (tons CO₂eq/€M EUR revenue). See actions and targets in indicator 1.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0% exposure to companies active in the fossil fuel sector	0% exposure to companies active in the fossil fuel sector	The Fund was not active in the fossil fuel sector and did not have exposure to companies active in the fossil fuel sector.	No investments from the Fund will be made in companies active in the fossil fuel sector, which derive revenue from exploration, mining, extraction, production, processing, storage, refining, distribution, storage or trade of solid fuels, natural gas, or oil. A business partner screening is completed for each investment to avoid such exposure to the fossil fuel sector.

	<p>5. Share of non-renewable energy consumption and production</p>	<p>Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources</p>	<p>Electricity: Consumption = 100% renewable and 0% non-renewable. Production = N/A.</p> <p>Heating: Consumption = 100% industrial waste heat. (Note: unable to confirm share of non-renewable or renewable energy in the waste heat). Production = N/A.</p> <p>Fuel: Consumption = 0% renewable and 100% non-renewable. Production = N/A.</p>	<p>Electricity: Consumption = 100% renewable and 0% non-renewable. Production = N/A.</p> <p>Heating: Consumption = 27% renewable and 72% non-renewable. Production = N/A.</p> <p>Fuel: No fuel consumption during 2022.</p>	<p>During 2023 no energy was produced by the Fund or its investments.</p> <p>During 2023 energy in form of electricity, heating, and fuel was consumed during activities related to the Fund's first infrastructure project, Regenergy Frövi AB. 289 835 KWh of electricity was consumed. 23 400 KWh of heat was consumed. 223 462 Liters of diesel were consumed.</p>	<p>The Fund will only invest in infrastructure projects which will consume predominantly waste heat as the heating source and consume predominantly renewable electricity as the electricity source.</p>
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	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	During 2023 there was no revenue, because the Fund's first infrastructure project was not yet operational.	The Fund does not anticipate any future energy consumption in high impact climate sectors.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0% share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas with activities which negatively affect such biodiversity-sensitive areas	0% share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas with activities which negatively affect such biodiversity-sensitive areas	Prior to 2023, the Fund performed an assessment in 2022 to ensure the first infrastructure project was not located in biodiversity-sensitive areas, according to the European Environment Agency's Common Database on Designated Areas, the Swedish	<p>The Fund commits to take potential negative impacts on biodiversity into consideration in all investment decisions.</p> <p>To ensure no investments negatively impacts biodiversity-sensitive areas or otherwise protected areas, all projects shall be subject to biodiversity project assessments in coordination with local Swedish authorities under applicable law (or equivalent local national authorities in other countries if the project is located outside of Sweden).</p>

					<p>Environmental Protection Agency's Natura 2000 map tool, the UNESCO World Heritage List, and the Key Biodiversity Areas map tool.</p> <p>The assessment identified that the project site is approximately 4 kilometers from one nature reserve and 3-6 kilometers from three protected forest biotopes.</p> <p>No activities relate to the investment were identified as potentially harmful to these areas.</p>	
Water	8. Emissions to water	Tonnes of emissions to	N/A	N/A	During 2023 the Fund had no	The Fund will consider emissions to water generated

		<p>water generated by investee companies per million EUR invested, expressed as a weighted average</p>			<p>significant emissions to water, because the Fund's first project facility was not yet operational. During 2023, only minimal water consumption occurred in offices, but consumption volumes, effluent volumes, and effluent qualities could not be measured because the office is a small rented space. Such water was municipal city water without any direct emissions of</p>	<p>by investments using data collection and monitoring of water consumption, sources, and wastewater at the first project facility once it is operational in 2024. To ensure none of the Fund's investments negatively impact nearby water sources, all projects shall be subject to project assessments using the WRI Aqueduct Tools and shall obtain necessary permits in cooperation with the local Swedish authorities (or equivalent authorities in other countries if the project is located outside of Sweden).</p>
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					<p>nitrates, phosphates, pesticides, or other priority substances, as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council.</p>	
Waste	9. Hazardous waste and radioactive waste ratio	<p>Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average</p>	N/A	N/A	<p>During 2023, the Fund did not generate any hazardous waste or radioactive waste.</p>	<p>The Fund does not anticipate that any hazardous waste or radioactive waste will be generated from the investments.</p>

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0% share of investments in investee companies with violations of the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0% share of investments in investee companies with violations of the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	No cases of such violations were identified during 2023.	The Fund commits that no investments shall be made in infrastructure projects which fail to uphold the UN Global Compact Ten Principles or the OECD Guidelines for Multinational Enterprises. A business partner screening is also completed for each investment to avoid exposure to such violations against business ethics, human rights, and other key topics in the supply chain.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN	Share of investments in investee companies without policies to monitor compliance with the UNGC	0% share of investments in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for	0% share of investments in companies without policies to monitor compliance with the UNGC principles or	No cases of such non-compliance were identified during 2023.	The Fund aligns investments with the UN Global Compact Ten Principles and the OECD Guidelines for Multinational Enterprises. Prior to making investment decisions, all potential

	Global Compact principles and OECD Guidelines for Multinational Enterprises	principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Multinational Enterprises	OECD Guidelines for Multinational Enterprises		<p>business partners shall be subject to screenings to ensure they uphold the UN Global Compact Ten Principles and the OECD Guidelines for Multinational Enterprises.</p> <p>The Fund reserves the right to perform off-site or on-site audits of business partners to further monitor compliance with such frameworks.</p> <p>Reference to such frameworks and guidelines shall also be included in the purchase contracts related to investment projects with industry partners, suppliers, and tenant operators.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	N/A	The Fund's investments are infrastructure projects in the form of Social Purpose Vehicles (SPVs). Such SPVs do not have employees, but rather contract companies to design and construct the projects. Therefore this

						indicator is not relevant to the Fund.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33% female board members (1 person) 67% male board members (2 people)	33% female board members (1 person) 67% male board members (2 people)	The Fund's first investment, Regenergy Frövi AB, has a board of directors consisting of three people. Two people are men, and one person is a woman.	The Fund will consider average ratio of female to male board members in all investments in investee companies, and will monitor this on a regular basis. Future opportunities to increase the gender diversity of the board of directors will be considered.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% share of investments in investee companies involved in the manufacture or sale of controversial weapons	0% share of investments in investee companies involved in the manufacture or sale of controversial weapons	During 2023, the Fund made no investments in investee companies with any exposure to controversial weapons.	The Fund commits that no investments shall be made in companies which are involved in the manufacture or sale of any weapons, controversial or non-controversial.
Indicators applicable to investments in sovereigns and supranationals						
						N/A

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A	Not applicable due to the nature of our investments.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	N/A	Not applicable due to the nature of our investments.

Indicators applicable to investments in real estate assets							N/A	N
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period		
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	Not applicable due to the nature of our investments.		
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	Not applicable due to the nature of our investments.		

Other indicators for principal adverse impacts on sustainability factors

In addition to the set of mandatory EU SFDR sustainability indicators listed above in *Table 1*, the FMP reserves the right to consider additional sustainability indicators from *Table 2* and *Table 3* of the EU SFDR Annex 1 in the future, if relevant to the investments. Such additional indicators and their respective data would also be subject to reasonable limitations of data availability and data quality.

The FMP plans to additionally report on the following indicators, once the first investment project is operational in 2024:

- INDICATORS FOR CLIMATE AND OTHER ENVIRONMENT-RELATED MATTERS
 - o 5. Breakdown of energy consumption by type of non-renewable sources of energy
 - o 6. Water usage and recycling
 - o 8. Exposure to areas of high water stress

- INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS
 - o 2. Rate of accidents
 - o 3. Number of days lost to injuries, accidents, fatalities or illness
 - o 4. Lack of a supplier code of conduct

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The FMP uses several frameworks to identify and prioritize principal adverse impacts (PAI) on sustainability factors. These include, but are not limited to, the UN SDGs, the UN Global Compact ten principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the Greenhouse Gas Protocol scope 1, 2, and 3 guidelines, the European Environment Agency's Common Database on Designated Areas (CDDA), the Swedish Environmental Protection Agency's Natura 2000 map tool, the UNESCO World Heritage List, the Key Biodiversity Areas (KBA) map tool, and the WRI Aqueduct Tools.

The FMP and Fund have also adopted various screening and assessment mechanisms, which are used internally for assessment of existing investments and proposed investments. These mechanisms are used to identify, prioritize, and manage principal adverse impacts on sustainability factors in key areas such as

human rights, business ethics, GHG emissions, energy profile, water profile, waste profile, biodiversity impacts, employee diversity, and health and safety. These mechanisms are applied foremost in the early stages of investment decisions related to proposed infrastructure projects, to ensure establishment of investments which have substantial positive impact on sustainability factors and which do not significantly harm or inhibit any sustainability factors. In general, the Fund aims to invest in innovative infrastructure investments related to industrial circularity and industrial symbiosis.

Engagement policies

The Fund has engagement policies in place to ensure proper engagement and control over its investments, to ensure continuous compliance with the Fund’s sustainability policies and sustainability criterias. Below, you will find a brief introduction to some areas covered in the Fund’s engagement policies.

The Fund maintains a high level of engagement with relevant stakeholders in all investments. These stakeholders include, but are not limited to the investee company developing the investment projects, industry partners, suppliers, operator clients, governmental agencies, and local and regional governments. This engagement can be via direct in-person contact, direct digital contact, shared group meetings, email and other forms of contact.

The Fund takes a highly proactive approach to its engagement with investment stakeholders. Prior, during, and after investment recommendations, relevant stakeholders are engaged regularly and regarding various topics, to ensure strong alignment of investment projects in the investee companies with the overall sustainable investment objectives of the Fund. After investment decisions have been made by the financial market participant, ongoing engagement with relevant stakeholders is continuously carried out in order to maintain a high focus on the overall sustainable investment objectives and ensure constant monitoring of investments in the areas of human rights, environmental responsibility, fair labor and wages, business ethics, and health and safety. The Manager reserves the right to perform off-site and on-site audits at its investee companies and project investment sites, supplier sites, and operator client sites.

The main objectives of the Fund’s engagement strategy are to: screen all potential investments thoroughly prior to investment decisions; build strong relationships with suppliers, operators, and other investment partners; and ensure that all necessary routines, processes, and frameworks are in place so investments and relevant stakeholders uphold international, national, and local laws. Furthermore, the engagement strategies described serve as a safeguard which will support the identification of any potential breaches to laws, norms, or the Code of Conduct. The Fund reserves the right to request remediation of any identified breaches to laws, norms, or the Code of Conduct and the right to divest the holding.

References to international standards

The FMP considers principal adverse impacts on sustainability factors related to all investments and with reference to various international standards. The FMP refers to international standards and guidelines, including but not limited to:

- UN Global Compact Ten Principles
- UN Sustainable Development Goals
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Scope 1)
- Greenhouse Gas Protocol Scope 2 Guidance Amendment to the Corporate Accounting and Reporting Standard (Scope 2)
- Greenhouse Gas Protocol Corporate Value Chain Scope 3 Accounting and Reporting Standard (Scope 3)

The FMP uses a range of key performance indicators, or KPIs, to measure impacts related to the above standards and guidelines on an annual frequency. See the full list of indicators below. The FMP began reporting on such indicators in 2023 for year 2022. But it should be noted that not all the below indicators can be reported on until the Fund's first infrastructure project becomes operational in 2024.

The FMP additionally requires that all investments shall comply with international, national, regional, and municipal laws and norms. Business partners with contracts or agreements related to the Fund's investments are also expected to comply with such laws and norms.

List of indicators used to measure impacts and alignment to the above international standards and guidelines:

- Metric tons of resources produced (categorized by type of resource)
- Giga-Watt hours of total heat used (categorized by heat source)
- Giga-Watt hours of waste heat reused
- Giga-Watt hours of electricity used (categorized by electricity source)

- Giga-Watt hours of renewable electricity used
- Metric tons of net carbon dioxide-equivalent (CO₂-equivalent) emissions abated
- Metric tons of carbon dioxide-equivalent (CO₂-equivalent) emissions produced (scope 1, 2, and 3 emissions)
- Volume of total water consumption (categorized by water source)
- Volume of rainwater consumption
- Volume of wastewater produced (categorized by quality and management method)
- Metric tons of waste (categorized by waste type and management method)
- Number of new full-time jobs created
- Gender distribution of employees
- Total worked hours
- Total manufacturing standard hours
- Number of violations against UN Global Compact principles or against Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (violations related to environmental responsibility, business ethics, labour, etc.)
- Number of biodiversity environmental impact assessments performed and results from such assessments
- Number of accidents by injury type and severity
- Number of harassment or discrimination incidents

Historical comparison

A historical comparison is reported in this PAI statement, displaying data from both 2023 (full year) and 2022 (partial year representing the time period since the launch of the Fund). It should be noted that while year-to-year comparisons will now be possible, the sustainability impacts related to the investments may be quite different each year. This is due to the nature of the Fund's large-scale industrial infrastructure projects, which are characterized by significant one-time impacts often related to land alteration, procurement of building materials, construction, and transport of goods. Once investment infrastructure projects become operational, the ongoing sustainability impacts such as heating consumption, electricity consumption, water consumption and effluent, solid waste, and transport are expected to be much more predictable and comparable.

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