

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 of investment decisions on sustainability factors covers the reference period of May 2nd 2022 (registration date of the Fund) to December 31st 2022 (the end of the calendar year). This is the first reference period both for the FMP and for the Fund.

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, Social and employee, Respect for human rights, and Anti-corruption and anti-bribery matters.

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 in all stages of the investment process.

For each of the below adverse sustainability indicators, Selected Group Sverige AB provides data for relevant impact years, explanations to describe 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 data presented in the “Impact year 2022” column. No impact data is presented from the previous year since the Fund was not created until 2022.

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact year 2022	Impact year N/A	Explanation	Actions taken, actions planned, and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0,00 tons CO ₂ eq	N/A	The Fund did not generate any scope 1 GHG emissions related to any activities such as operation of owned vehicles, own energy production, usage of refrigerants, or otherwise combustion of any fuels.	Monitoring of scope 1, 2, and 3 GHG emissions began in 2023 for the year 2022. More significant scope 1, 2, and 3 GHG emissions are expected in 2024 once the first project (Frövi Sweden) is launched by the Fund. Additionally, abated GHG emissions will
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		Scope 2 GHG emissions	0,41 tons CO ₂ eq (location-based) 0,31 tons CO ₂ eq (market-based)	N/A	The Fund generated scope 2 GHG emissions related only to the consumption of purchased renewable electricity and purchased district heating.	be monitored beginning in 2024, which are often referred to as “scope 4 GHG emissions” or “avoided GHG emissions”.
		Scope 3 GHG emissions	906,85 tons CO ₂ eq	N/A	The Fund generated scope 3 GHG emissions, predominantly related to sub-contracted land groundwork and construction, and specifically the operation of vehicles and machinery. The Fund also generated a smaller portion of scope 3 GHG emissions related to business travel, capital goods, employee commuting, and energy activities.	
		Total GHG emissions	907,26 tons CO ₂ eq (with location-based Scope 2) 907,16 tons CO ₂ eq (with market-based Scope 2)	N/A	More than 99% of the Fund’s total GHG emissions originated from scope 3 activities. More than 97% of the Fund’s total GHG emissions originated	

					from sub-contracted operation of vehicles and machinery for land groundwork and construction within scope 3.	
2. Carbon footprint	Carbon footprint	N/A	N/A	N/A	When the Fund's projects are operational and have ongoing and steady resource production, carbon footprint will be calculated and monitored.	
3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	N/A	When the Fund's projects are operational and have ongoing and steady resource production, GHG intensity will be calculated and monitored.	
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	N/A	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.	
5. Share of non-renewable energy	Share of non-renewable energy consumption	Electricity:	N/A	During 2022 no energy (electricity, heating,	The Fund will invest in projects which will	

	consumption and production	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	0 % (non-renewable electricity consumption) N/A (non-renewable electricity production) Heating: 72 % (non-renewable heating consumption) N/A (non-renewable heating production)		steam, or cooling) was produced by the Fund or investee companies. During 2022 minimal energy (electricity and heating) was consumed by the Fund or investee companies.	consume predominantly waste heat as the heating source and predominantly renewable electricity as the electricity source.
	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 2022 there was no revenue, because the first investment project of the Fund was not yet completed or operational.	The FMP 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	N/A	During 2022 the Fund and investee company performed various assessments to ensure that its project site was not located in biodiversity-sensitive areas, according to the European Environment Agency's Common	The FMP commits to take potential negative impacts on biodiversity into consideration in all investment decisions. To ensure no investee company negatively impacts biodiversity-sensitive areas or otherwise protected

			such biodiversity-sensitive areas		<p>Database on Designated Areas (CDDA), the Swedish Environmental Protection Agency's Natura 2000 map tool, the UNESCO World Heritage List, and the Key Biodiversity Areas (KBA) map tool.</p> <p>Furthermore, the above tools identified that the project site is approximately 4 km distance from one nature reserve and between 3-6 km distance from three protected forest biotopes. No activities were identified as potentially harmful to these areas.</p>	<p>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 Sweden).</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	<p>During 2022 the Fund had no significant emissions to water, because the investee company's first project facility was not yet operational.</p> <p>During 2022, only minimal water consumption occurred</p>	<p>The FMP will consider emissions to water generated by investee companies using data collection and monitoring of water consumption and wastewater at project facilities, once they are operational.</p>

					in offices, but consumption volumes, effluent volumes, and effluent qualities could not be measured because the office is a rented space. Such water consumption and effluent was municipal city water without any direct emissions of 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.	To ensure no investments negatively impact nearby water sources, all projects shall be subject to project assessments and obtain necessary permits in cooperation with the local Swedish authorities (or equivalent authorities in other countries if the project is located outside of Sweden).
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	During 2022, the Fund did not generate any hazardous waste or radioactive waste.	The FMP does not anticipate that any hazardous waste or radioactive waste will be generated from the investee companies.
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	Share of investments in investee companies that have been involved in violations of the	0 % share of investments in investee companies with violations of	N/A	N/A	The FMP commits that no investments shall be made in investee companies which fail to uphold the UN Global Compact Ten

	for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	UNGC principles or OECD Guidelines for Multinational Enterprises	the UN Global Compact principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises			Principles, the OECD Guidelines for Multinational Enterprises, or the Fund's Code of Conduct. Furthermore, the Fund's Code of Conduct is based on the UN Global Compact, OECD Guidelines for Multinational Enterprises, ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, and the UN Guiding Principles on Business and Human Rights.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for	0 % share of investments in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	The FMP aligns investments in investee companies with the UN Global Compact Ten Principles and the OECD Guidelines for Multinational Enterprises, and the Fund's Code of Conduct is based on these frameworks, among others. Prior to making investment decisions, all

		Multinational Enterprises				<p>potential industry partners, suppliers, and tenant operators shall be subject to screening to ensure they uphold the UN Global Compact Ten Principles, the OECD Guidelines for Multinational Enterprises, and the Code of Conduct.</p> <p>The FMP and Fund reserve the right to perform off-site or on-site audits at its industry partners, suppliers, and tenant operators to further monitor compliance.</p> <p>Reference to such frameworks and guidelines shall also be included in contracts 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	The investee company is the Fund, which does not have any employees. Therefore this metric is not applicable.	The investee company is the Fund, which does not have any employees. Therefore this metric is not applicable.

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0 % female board members 100 % male board members	N/A	The investee company is the Fund, which had only male board members during 2022.	The FMP 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	N/A	During 2022, no investments were made in investee companies with any exposure to controversial weapons.	The FMP 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						
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						
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						
<p>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.</p> <p>The FMP plans to additionally report on the following indicators:</p>						

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

- INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS
 - 2. Rate of accidents
 - 3. Number of days lost to injuries, accidents, fatalities or illness
 - 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 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, and the Key Biodiversity Areas (KBA) map tool.

In 2023, the Fund released a Code of Conduct, which is public and can be found on the WA3RM website. The FMP and fund have also adopted various screening and assessment mechanisms, which are used internally for project and investment assessment. These mechanisms will be used to identify, prioritize, and manage principal adverse impacts on sustainability factors in key areas such as human rights, business ethics, GHG emissions, energy, water, waste, biodiversity, employee diversity, health and safety, and other areas.

To further enable avoidance and management of the principal adverse impacts of investments in the full value chain, the FMP and Fund have developed various mechanisms including, but not limited to, a Code of Conduct, project partner screenings, project application screenings, general project impact screenings, project partner contracts, project partner audits, and templates for regular reporting of sustainability data to the FMP from projects in investee companies.

The FMP will apply the mechanisms described above respectively in the investment decision phase, the project development phase, and the asset management phase. The FMP aims to apply thorough screening of all potential investments and aims to focus its investments towards investee companies which have substantial positive impact on sustainability factors and which do not significantly harm or inhibit any sustainability factors.

Engagement policies

The FMP 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 FMP takes a highly proactive approach to its engagement with investment stakeholders. Prior, during, and after investment decisions 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, 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 FMP 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 FMP'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 in its Code of Conduct and regular sustainability reporting, 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
- Greenhouse Gas Protocol Scope 2 Guidance Amendment to the Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Corporate Value Chain Scope 3 Accounting and Reporting Standard

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 additionally requires that all investee companies shall comply with international, national, regional, and municipal laws and norms. Project partners with contracts or agreements related to the investment are also expected to comply with such laws and norms.

List of indicators used to measure impacts and adherence related to the above international standards and guidelines on an annual frequency:

- 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 (CO₂eq) emissions abated
- Metric tons of carbon dioxide-equivalent (CO₂eq) emissions produced (scope 1, 2, and 3)
- Volume of total water consumption (categorised by water source)
- Volume of rainwater consumption
- Volume of wastewater produced (categorised by contents and management method)
- Metric tons of waste produced (categorised by waste type)
- Metric tons of waste (categorised by management method)
- Number of new full-time jobs created
- Gender distribution of employees (in total and by job classification)
- Total worked hours
- Total manufacturing standard hours
- Number of suppliers which have signed the Code of Conduct

- Number of project operators which have signed the Code of Conduct
- Number of biodiversity environmental impact assessments performed per project
- Number of accidents, type, and severity
- Number of harassment cases
- Number of Code of Conduct social breaches in supply chain or in project operation (related to minimum wage, minimum rest days, minimum working age, freedom of association, and other labour related matters)
- Number of Code of Conduct environmental breaches in supply chain or in project operation (related to air pollution, water pollution, waste management, or other environmental matters)
- Number of Code of Conduct business ethics breaches in supply chain or in project operation (related to corruption, bribery, anti-competitive behaviour or other business ethics matters)

Historical comparison

The Fund commenced operations in 2022 and therefore no historical comparisons can be made to any previous years. A historical comparison will be reported starting in 2024, when data from both 2023 and 2022 has become available. The FMP will begin such historical comparison reporting in future PAI Statements.