

Nordic Alpha Partners' ESG-related disclosures

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Financial Market Participant:

Nordic Alpha Partners II ApS, CVR no. 42795968 ("NAP")

Nordic Alpha Partners' (NAP) focus on the environmental, social and governance impact of our investments serves as part of our DNA to support long-term competitive returns. We are committed to ensure that our investments are environmentally and socially responsible and we support a sustainable financial environment characterized by good governance, diversity, high ethical standards, integrity, and accountability.

Environmental, social and governance (ESG) considerations are built into all our core activities and decision-making processes, from screening, evaluation, and due diligence of potential target companies, to our portfolio governance, strategy development and daily growth journey execution.

This document has been made and released in order to comply with requirements in Regulation (EU) 2019/2088 on sustainability-related disclosure in the financial services sector ("SFDR").

Integration of sustainability risks in the investment decision making process (SFDR art. 3(1))

According to article 3 of the SFDR, financial advisors shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision process.

"Sustainability risks" refers to environmental, social, or governance ("ESG") events that, if they occur, could cause an actual or a potential material negative impact on the value of Nordic Alpha Partners Fund II K/S, company registration number (the "Fund") investments.

Risks such as market risks, operational risks, liquidity risks, regulatory risks or counterparty risks are deemed relevant, and it is therefore crucial to take into account and mitigate such sustainability risks in order to generate sustainable long-term risk adjusted returns for investors.

Therefore, NAP's investment process and value creation model include integration of sustainability risks throughout the different phases of investment analysis, investment decision and ownership, including our due diligence framework that we use to identify and prioritize principal adverse impacts on sustainability factors and assess sustainability risks on financial returns.

Based on an assessment of relevant sustainability risks, Investment Manager will make sure that Nordic Alpha Partners Fund II K/S, company registration number 42613983 (the "Fund") does not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities covered by the restrictions listed in Appendix A to these website disclosures.

To identify any sustainability risks related to an investment, NAP will as part of the due diligence phase and in addition to ensuring that the target company is not covered by the restrictions mentioned above:

- Review the purpose and business model of the target company.
- Review policies and procedures of the target company.
- Review any existing issues as declared by the company or discovered as part of the analysis.
- Conduct own interviews with key stakeholders (customers, suppliers etc.) when needed and appropriate.
- In specific cases – use external consultants to investigate key issues/concerns related to the particular case.

NAP requires all portfolio companies to have a clear position on sustainability risks, and we ensure that the Rules of Procedure for the Board of the portfolio companies include periodic reviews of identified sustainability risks as part of the board agenda.

Internally, Investment Manager reviews sustainability risks, status, and policies as part of the semi-annual review of the Fund's portfolio.

No consideration of adverse impacts of investment decisions on sustainability factors (SFDR art. 4)

In accordance with article 4 of the SFDR, financial market participants can choose whether or not to consider principal adverse impact of its investment decisions on sustainability factors.

NAP does not consider Principal Adverse Impact (PAI) of investment decisions on entity level.

The Fund takes PAI into account. See the sustainability disclosures for the Fund here:

<https://napartners.dk/wp-content/uploads/2022/12/Sustainability-related-website-product-disclosure-Nordic-Alpha-Partners-Fund-II.pdf>

Remuneration policies (SFDR art. 5)

According to article 5 of the SFDR, financial market participants shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites.

NAP does not have a separate remuneration policy. Therefore, information on how remuneration policies are consistent with the integration of sustainability risks is not further elaborated upon..

Appendix A

Restrictions

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

- i. whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant company or entity, including without limitation, human cloning for reproduction purposes) or which is legal but promotes violent conflicts;
- ii. named on any sanction list or which would otherwise result in violation of sanctions adopted by the UN, US or EU; or
- iii. which substantially focus on:
 - a. the production of and trade in tobacco and distilled alcoholic beverages and related products and related products;
 - b. the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
 - c. casinos and equivalent enterprises;
 - d. the research, development or technical applications relating to electronic data programs or solutions, which
 - 1) aim specifically at:
 - supporting any activity referred to under items (iii)(a)-(d) above;
 - internet gambling and online casinos; or
 - pornography
 - 2) or are intended to enable to illegally:
 - enter into electronic data networks; or
 - download electronic data.
 - e. fossil fuel-based energy production and related activities as follows:
 - 1) Coal mining, processing, transport and storage;
 - 2) Oil exploration & production, refining, transport, distribution and storage;
 - 3) Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
 - 4) Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO₂e per kWh of electricity),

applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.

f. energy-intensive and/or high CO₂-emitting industries as follows:

- 1) Manufacture of other inorganic basic chemicals
- 2) Manufacture of other organic basic chemicals
- 3) Manufacture of fertilisers and nitrogen compounds
- 4) Manufacture of plastics in primary forms
- 5) Manufacture of cement
- 6) Manufacture of basic iron and steel and of ferro-alloys
- 7) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
- 8) Manufacture of other products of first processing of steel
- 9) Aluminium production
- 10) Manufacture of conventionally-fuelled aircraft and related machinery
- 11) Conventionally-fuelled air transport and airports and service activities incidental to conventionally-fuelled air transportation

- iv. which are engaged (either directly or indirectly through entities in which such company controls at least 20 %) in the development, production, financing of the production of and trade in weapons and ammunition of any kind, including (i) anti-personnel mines (as defined in Article 2 of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Treaty)) and vehicles constructed to exclusively launch this type of weapon (ii) biological and toxin weapons (as defined in Article I of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (Biological Weapons Convention)) (iii) chemical weapons (as defined in Article II of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention)) (iv) cluster munitions (as defined in Article 2 of the Convention on Cluster Munitions); and (v) nuclear weapons;
- v. which derive (either directly or indirectly through entities in which such company controls at least 20 %) 30 % or more of its revenue from mining thermal coal or derives 30 % or more of its generated electricity from thermal coal; or
- vi. which are planning more than 0.5 gigawatts (GW) of thermal coal capacity additions and/or having to return more than 50 % of their generation capacities in the next 10 years;
- vii. which are not deemed economically viable according to internationally accepted standards;
- viii. which are designated by EU restrictive measures; or
- ix. which are an excluded final recipient.

Further, the Fund shall not make any investment in a portfolio company that, to Management's knowledge at the time of the investment, engages in the following activities:

- (i) Exploitation of disadvantaged social groups, e.g. using deceptive or exploitative subscription services or
- (ii) activities which are primarily of a speculative nature, including speculation related to tax matters, engages in activities which has a substantial negative impact on the local society or people.