

RESPONSIBLE INVESTMENT POLICY

January 2025

1 Background and purpose

NH AIFM P/S ("**NH AIFM**"), an authorised alternative investment fund manager, regulated by the Danish Financial Supervisory Authority, is classified as a financial market participant under the SFDR (as defined below), and is therefore subject to the SFDR.

This Policy on Responsible Investment and Integration of Sustainability Risks (the "**Policy**") outlines NH AIFM's responsible investment commitment and approach to integrating environmental, social and governance ("**ESG**") matters into our investment processes and activities. This includes the integration of sustainability risks in the investment decision-making process when making investments on behalf of the alternative investment funds managed in accordance with Article 3(1) of the SFDR, as detailed in section 6.2 of this Policy.

Alternative investment funds managed by NH AIFM will be categorised in accordance with the product classification principles under the SFDR on a case-by-case basis.

2 Definitions

Board of Directors	The board of directors (in Danish: <i>Bestyrelse</i>) of NH AIFM.
Material ESG matter:	Topics where the investment has a material impact on environmental, social or governance matters, or where the topic creates material business risks or opportunities for the investment.
SFDR:	Regulation (EU) 2019/2088 of the European Parliament and of the Council on Sustainability-Related Disclosures in the Financial Services Sector, including any delegated regulations or legislation promulgated thereunder, each as amended from time to time.
Sustainability factor:	Environmental, social and governance matters including employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability risk:	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

3 Scope

The Policy covers activities throughout the entire investment lifecycle for alternative investment funds managed by NH AIFM, from deal sourcing and due diligence to subsequent ownership and exit. Our responsible investment processes are designed to capture ESG matters that are material to the specific type of investment, the maturity of the company, and our ability to influence their business practices.

4 Organisational responsibilities

4.1 Board of Directors

The Board of Directors will ensure the establishment, maintenance, and implementation of a sound, comprehensive, and appropriately documented responsible investment process.

4.2 CEO

The CEO of NH AIFM is responsible for overseeing the Policy and ensuring its application throughout NH AIFM's investment processes, including associated strategies, principles and targets.

The CEO is also responsible for reporting annually to the Board of Directors on responsible investment progress.

4.3 Delegation

To the extent NH AIFM delegates activities relating to ESG matters, NH AIFM must ensure that the delegate(s) undertakes to perform all ESG activities in accordance with the policies, procedures and instructions of NH AIFM, the constitutive documents and agreements governing each alternative investment fund managed by NH AIFM and applicable law. The CFO shall oversee any such delegation of ESG matters.

5 Responsible Investment principles

At NH AIFM, we believe that by integrating ESG matters into our investment strategy, investment processes and engaged ownership activities, we can make better investment decisions and deliver stronger financial returns over the long term. We firmly believe that companies proactively addressing ESG are better positioned for sustainable long-term value creation and, as a result, for generating superior financial returns.

When making investments for the alternative investment funds managed by NH AIFM, NH AIFM will, among other characteristics, emphasise the need for continuous progress in both financial performance and ESG matters. Further, NH AIFM strive to identify and proactively address risks of adverse sustainability impacts in investments and expect the same from the companies which alternative funds managed by NH AIFM invest in. NH AIFM focuses on, wherever possible, reducing sustainability risks to protect a fund's return.

We have integrated the six principles of the Principles for Responsible Investment (PRI) into our investment approach, and our approach is guided by the following international standards and norms:

- The ten principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises (OECD Guidelines)
- The Science Based Targets initiative (SBTi)

6 Responsible investment approach

6.1 Exclusions

NH AIFM refrain from making investments in companies involved in controversial weapons, which are prohibited by international treaties or conventions due to the indiscriminate damage they cause. We also refrain from making investments in companies generating any revenue from the production of tobacco products.

We exclude companies with more than 5% revenue derived from adult entertainment production or operations, non-medical cannabis production, gambling operations, palm oil production, predatory lending, or fossil fuel extraction/ production/ refining. We allow investments in fossil fuel companies that demonstrate a clear commitment to transitioning their business to low-carbon operations, as assessed by the methodology of the Transition Pathway Initiative.

We do not make investments in companies with significant adverse social or environmental impacts without a realistic plan to mitigate these. We refrain from investing in companies that demonstrate a consistent pattern of human rights violations, labour rights abuses, incidents of corruption, non-compliance with environmental regulations, or companies that are causing severe long-term environmental damage.

6.2 Integration of sustainability risks in investment decision making process

NH AIFM integrates ESG matters in all investment cases and investment decisions. In accordance with Article 3(1) of the SFDR, sustainability risks are assessed and monitored throughout the investment process, with relevant modifications made based on the specific circumstances of each investment case and the data available.

The sustainability risks of a portfolio company are assessed during the investment process based on ESG matters deemed material to the company. These matters typically include, but are not limited to, the following, which may in certain circumstances lead to sustainability risks:

- Climate and environmental impact
- Environmental management system and targets
- Employment and employee engagement
- Diversity, equity and inclusion
- Employee health & safety
- Product quality & safety
- Anti-corruption and business ethics
- ESG governance, management and maturity
- Human rights violations, labour rights abuses, incidents of corruption, non-compliance with environmental regulations

Material ESG matters including sustainability risks are identified and assessed in the due diligence phase for all potential investments, alongside other business risks and opportunities. The ESG due diligence incorporates both qualitative and quantitative data from corporate disclosures, external ESG data, third-party analyses, direct company interactions, stakeholder engagement, and, where applicable, on-site visits. The ESG-specific due diligence is reviewed by the portfolio management team of NH AIFM.

The results of the ESG due diligence are included in the final investment recommendation to the Board of Directors. These shall include the identification of any relevant actual or contingent material sustainability

risks, their potential negative impact of on financial returns (where material and to the extent possible), and mitigation plans designed to address these risks post-investment.

Where sustainability risks are deemed significant and no realistic plan to mitigate such potential risks exists, the Board of Directors shall carefully consider whether to refrain from making such investment. Similarly, for existing investments where significant ESG risks arise, appropriate measures – including potential divestment – may be undertaken.

During the ownership phase, action plans are designed to mitigate sustainability risks, address adverse impacts, and capitalise on ESG value creation opportunities. Sustainability risks will be closely monitored and addressed throughout the ownership of the investment, as further described in section 6.3 below.

Given NH AIFM's due diligence and investment monitoring processes, it is NH AIFM's assessment that the impacts of sustainability risks on financial returns will be limited for alternative investment funds managed by NH AIFM. Material risks or issues identified shall, as relevant, be addressed through defined mitigation plans which become part of the portfolio company's action plan post-investment.

6.3 Focus on sustainability factors as part of the engaged ownership

At NH AIFM, we strive to ensure that our investments have foundation for long-term sustainable growth. Hence, ESG is central to engagement and monitoring throughout the ownership period.

Engagement

Engaged ownership is used as a lever to influence portfolio companies, including through board positions and management dialogues. Efforts are also made to ensure that NH AIFM has appropriate information rights. Our approach to engaged ownership, along with the expectations we set for the portfolio companies, is tailored to the type of investment and the extent of our influence on each investment.

All portfolio companies in which alternative investment funds managed by NH AIFM invest are expected to comply with national regulations and international norms and standards for responsible business conduct in their own operations and value chains. Portfolio companies are further engaged for them to identify and proactively address potential and actual material ESG matters proportionate to their size and risk profile. These expectations are addressed during our due diligence process (see section 6.2 above) and are followed up throughout the ownership period.

NH AIFM will focus and follow up on how and to which extent (i) any mitigation plans are implemented by the relevant portfolio company (see section 6.2 above) and (ii) the portfolio company's specific objectives are satisfied.

Monitoring

ESG matters, including sustainability risks, will be monitored and addressed throughout the ownership of the investment to ensure effective ESG management and progress for the sake of long-term value creation.

ESG matters are integrated into NH AIFM's ongoing monitoring of investment performance and progress, where ESG data points are tracked to assess risks, opportunities, and progress. ESG data is sourced directly from private portfolio companies annually and is based on regulations and standards such as the EU Corporate Sustainability Reporting Directive (CSRD), SFDR, International Financial Reporting Standards Foundation (IFRS Foundation), GRI (Global Reporting Initiative), ESG Data Convergence Project, and InvestEurope.

7 Review and update

The Policy shall be reviewed and, to the extent relevant, updated at least annually or more frequently in the event that changes are required.

The Board of Directors may consult and request inputs from the CEO and the finance and delegation oversight function as part of its review of this policy.

Any changes to this policy must be adopted by the Board of Directors. The finance and delegation oversight function will be responsible for incorporating any changes.

Approval history

Version:	Effective from:	Changes:	Approved by:
1	January 2025	N/A	Board of Directors