

SLÄTTÖ

Policy for Responsible Investments

1. Introduction

1.1 Background

Slättö Förvaltning AB (“**Slättö**” or the “**Company**”) is a manager of alternative investment funds (the “**AIFs**”) pursuant to AIFMD¹. The aim of this Policy for Responsible Investments (the “**Policy**”) is to contribute to Slättö’s goal of creating long-term sustainable value through the Company’s investments and the Policy sets out how Slättö shall implement responsible investment principles and practices in its business.

1.2 Purpose and scope

The purpose of the Policy is to describe the framework governing the approach of Slättö to responsible investments and ESG/sustainability. The policy is approved and adopted by Slättö’s Board of Directors and shall serve as one of the governing documents for e.g., the Company’s Investment Committee when deciding upon investments. The Policy shall apply to all all investments made by Slättö through the AIFs.

1.3 Division of responsibilities

Slättö’s Board of Directors is ultimately responsible for the Policy and the framework for Responsible Investments it sets out and shall review, amend when needed, and adopt The Policy at least annually.

Slättö’s CEO is responsible for ensuring the implementation of the Policy in the business operations and its continuous monitoring as well as that necessary amendments or changes to its practical application are made. The CEO may adopt and implement instructions and/or other subordinated governance documents that more closely describe Slättö’s procedures and processes. Slättö’s CEO may delegate the practical coordination and implementation of the Policy to Slättö’s Head of ESG and Communications.

2. Foundations

The objective of the AIFs managed by Slättö is to achieve capital growth by way of implementing a thematic investment strategy focused on Nordic real estate. The AIFs managed by Slättö are, primarily, unlisted limited liability companies and make their investments, directly or indirectly, in real estate projects, including companies managing real estate development projects.

The foundations of the Policy are widely recognized international frameworks, namely the UN Principles for Responsible Investment and the UN Global Compact, as well as applicable legislation under the EU’s Sustainable Finance agenda, inter alia, SFDR² and Taxonomy³.

Slättö’s Code of Conduct states the Company’s policies on human rights and workers’ rights, bribery, taxation and fair competition. Slättö is also a signatory of the UN Global Compact and the Slättö Code of Conduct and Code of Conduct for Construction Suppliers reflect the Global Compact’s ten principles. Slättö is also a signatory of the UN Principles for Responsible Investments. Furthermore, Slättö is committed to applying the principles in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Slättö shall comply with all applicable regulatory requirements under SFDR, which mandates e.g. disclosures of how the Company integrates sustainability in its investment decisions.

¹ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010. AIFMD is implemented in Sweden through the Swedish Act on Alternative Investment Fund Managers (Sw: *lag (2013:531) om förvaltare av alternativa investeringsfonder*).

² Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

Slättö has committed to Net Zero 2040 as defined by the Science Based Targets initiative. The firm shall apply for Science Based Targets with the Science Based Targets initiative and is committed to taking actions to reduce greenhouse gas emissions across its investments.

3. Slättö's approach to the Policy

3.1 Integrate ESG from deal sourcing to asset management and exit

Slättö shall integrate this Policy as well as ESG in general throughout the investment cycle, from deal flow to investment decisions, asset management and exit. The firm shall focus on ESG aspects that create value when buying, developing and selling assets, as well as manage adverse impacts. Section 4 (Implementation) describes Slättö's processes.

3.2 Promote environmental and / or social characteristics

The AIFs managed by Slättö promote environmental and / or social characteristics in accordance with the definitions of the SFDR. The AIFs partially make sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the Taxonomy.

When investing, Slättö shall apply the following environmental or social characteristics.

- Apply exclusion list.

Slättö applies the following exclusions: assets that are primarily intended for use⁴ in activities related to fossil fuel production or distribution, unregulated alcohol, tobacco and gambling; or assets that are used in activities related to controversial weapons⁵.

- Reduce GHG emissions in real estate, by reducing energy demand across the AIF's portfolios where relevant.

Slättö requires that the energy performance of the asset is measured before or after purchase. Slättö shall work to improve energy performance wherever applicable, based on our ability to influence for example given our ownership share in a company an AIF invests in, across all assets in the AIF's portfolios.

- Promote responsible business conduct in the AIFs' investments in real estate development.

For all new real estate development projects that the AIF's invest in, construction suppliers are required to commit to following Slättö's Construction Supplier Code of Conduct.

More information is available in the SFDR disclosures at AIF level and shall also be made available on the *Slättö Investor Portal* ([link](#)).

3.3 Consider principal adverse impacts on sustainability factors

Slättö shall take principal adverse impacts on sustainability factors into account when investing, in accordance with the definition of the SFDR. For all the AIFs' investments, Slättö shall gather data regarding buildings' energy demand. Slättö shall also gather data regarding energy consumption of assets on an ongoing basis and work to reduce energy demand and increase renewable energy use wherever relevant and possible.

Slättö shall require all new construction suppliers in real estate development projects to commit to following Slättö's Construction Supplier Code of Conduct.

⁴ Assets where more than half of turnover is linked to one or more excluded activity.

⁵ Controversial weapons include for example chemical and biological weapons, cluster munitions and antipersonnel landmines.

3.4 Consider sustainability risks for the business

Through its operations, Slättö is exposed to various types of risk that are important for future development of the business. The company's risk management is a central part of the annual strategy process and includes the business's sustainability risks. Sustainability risks refer to an environment-related, social or governance-related event or circumstance which, should it occur, would have an actual or potentially significant negative impact on the value of the investment or the profitability of the business.⁶ The risk analysis and risk management aims to establish that the sustainability risks are in line with the company's risk appetite and to identify and take measures aimed at reducing, avoiding and following up on the sustainability risks.

Slättö has identified sustainability risks related to compliance, climate change, lack of environmental certification (buildings), working conditions, safety, supply chain, deficient life cycle analyses, financing and pollutions. Assessment shall take place with each investment decision and action is taken in the event of identified significant sustainability risks. This ensures that Slättö's risk exposure is kept within given frameworks for each AIF.

4. Implementation

4.1 Deal sourcing

Slättö's investment teams, business segments and ESG team work closely together when screening and evaluating potential investments. As a part of that process, Slättö shall conduct due diligence. The Company shall carry out checks to see if there are serious ESG issues, e.g., related to contaminated land or the presence of tenants tied to sectors in our exclusion list (3.2). Once a deal progresses, Slättö shall consider the potential for improvements related to energy efficiency standards and the Taxonomy.

In due diligence, the segment managers and investment analysts shall perform a first analysis of ESG issues. The ESG team shall be consulted and its findings are to be included in the Investment Memorandum.

4.2 Investment decision

Slättö's Investment Committee shall discuss all aspects of an investment, including ESG, following the Slättö Policy for the Investment Committee. The Investment Memorandum includes the ESG findings and potential actions needed to make improvements to the asset, e.g., regarding energy efficiency. Improvements are included in the asset business plan.

4.3 Ownership

Regarding assets under management, Slättö shall work to improve energy performance wherever applicable, based on our ability to influence, across all assets in the AIFs' portfolios. Slättö shall collect data on key environmental indicators for every asset, e.g., energy usage.

In project development, the Company shall follow environmental requirements, including striving for Taxonomy alignment and environmental certification according to SGBC Miljöbyggnad Silver or similar widely recognised standard.

Slättö shall engage with the companies the Company invests in. In all Joint Ventures where a Slättö AIF is a participant, Slättö representatives (a member of the Investment Committee and/or partner at Slättö) are guaranteed representation on the board of directors of the Joint Venture company.

⁶ Art. 2 (22) SFDR.

4.4 Exit

Managing ESG issues and improving performance during the ownership phase can reduce risk and enhance value, which can be realised on the asset's sale. Examples are energy efficiency improvements, environmental certification and installation of on-site renewables.

4.5 Reporting

Slättö reports externally on the implementation of this policy through the disclosures mandated by the SFDR and the firm's Sustainability Report as well as, in the future, through the PRI report. As to internal reporting, ESG is on the agenda of the Board of Directors at least once a year.