

Sustainability Policy	Page: Page 1 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

**IDC MANAGEMENT DENMARK APS**

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**SUSTAINABILITY POLICY**

Sustainability Policy	Page: Page 2 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

## 1 Definitions

1.1 For the purpose of this sustainability policy (this “**Policy**”), the following definitions shall apply:

<b><u>“AIFM”</u></b>	Alternative investment fund manager.
<b><u>“AIFM act”</u></b>	Danish Consolidated Act no. 2015 of 1 November 2021 on alternative investment fund managers with subsequent changes.
<b><u>“Board of Directors”</u></b>	The board of directors of the Company.
<b><u>“Company”</u></b>	IDC Management Denmark ApS.
<b><u>“Disclosure regulation”</u></b>	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 with subsequent changes.
<b><u>“ESG”</u></b>	Environmental, Social and Governance.
<b><u>“Executive Board”</u></b>	The executive board of the Company.
<b><u>“Fund(s)”</u></b>	Any alternative investment fund(s), managed by the Company, at any given time.
<b><u>“Investment Committee”</u></b>	The investment committee of the Fund(s) as appointed by the risk partner (da. Komplementar) of the Fund(s) from time to time, in accordance with the respective limited partnership agreements of the Funds.
<b><u>“Managing Director”</u></b>	The managing director of the Company.

Sustainability Policy	Page: Page 3 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

**“Portfolio Manager”**

The person appointed by the managing director to oversee the Company's portfolio management function.

**“Risk Manager”**

The person appointed by the managing director to oversee the Company's risk management function.

**“Risk Overview”**

The Company's risk overview, appended to the company's risk management policy as appendix I, which identifies the inherent risks, that the Company and/or the Funds are or may be exposed to.

**“RTS-draft”**

ESA's draft Regulatory Technical Standards of sustainability-related disclosures (Final Report on draft Regulatory Technical Standards) of 22 October 2021.

**“Target Company”**

A company in which the Company has invested into, will invest into or considers investing into on behalf of a Fund.

## 2 Introduction

- 2.1 This Policy is issued by the Board of Directors pursuant to Article 3 of the Disclosure Regulation, according to which the Company must have adequate policies on the integration of sustainability risks in their investment decision-making process in place and published on their website.
- 2.2 The purpose of this Policy is to describe the principal guidelines of **1)** the manner in which the Company will identify, assess, control, and monitor sustainability risks, as part of its risk management of the Funds, **2)** the manner in which sustainability risks are integrated into the investment decisions of the Company, and **3)** the manner in which the Company shall take the risk of negative sustainability impacts into account in its investment activities.
- 2.3 The drafting and implementation of this Policy is only part of the measures taken by the Company to comply with the Disclosure Regulation. Accordingly, the Company has:
1. Implemented sustainability risks in its risk management policy and procedure (see Section 8)
  2. Implemented sustainability risks in its portfolio management policy and procedure (see Section 9)
  3. Implemented sustainability risks in its remuneration policy (see Section 10)

Sustainability Policy	Page: Page 4 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

- 2.4 As to the content of this Policy, no requirements are specified in the Disclosure Regulation or the taxonomy regulation, nor is it mentioned in the RTS Draft. The formation of this Policy thus expresses the Board of Directors' best understanding of the Disclosure Regulation's requirements for the Policy, devised after careful considerations and discussions with the Company's legal advisors.

### 3 Scope

- 3.1 This Policy applies to all members of the Board of Directors and the Executive Board as well as every other employee of the Company and to any natural or legal person (or employees of such legal person) to whom the Company has delegated its AIFM-services, and who is involved in the Company's risk-management or portfolio-management activities.
- 3.2 Each person subject to this Policy is personally responsible for familiarizing themselves with the content of this Policy.

### 4 Publication

- 4.1 This Policy shall be published at the Company's website and shall be accessible to the public at all times. If the Policy is amended, the revised version shall be published on the website, cf. clause 13.3.
- 4.2 The Managing Director is responsible for ensuring, that the latest version of this Policy is published and accessible to the public on the website of the Company, at all times.

### 5 Relevant terms

- 5.1 The Company is, in terms of the Disclosure Regulation, both a "*financial market participant*" as defined in point (e) of article 2(1) and a "*financial adviser*" as defined in point (e) of article 2(11), as an AIFM, that provides investment advice services.
- 5.2 This Policy includes the role of the Company on both terminologies and provides information on the Company's integration of sustainability risks in their investment decision-making process, and in their investment advice.
- 5.3 To ensure the *correct* risks are identified and integrated in the *correct* process, it is therefore crucial to initially determine the definition of these terms – "*sustainability risk*" and "*investment decision-making process*".
- 5.4 The term "*sustainability risk*" is defined in point (22) of Article 2 in the Disclosure Regulation, as; "*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*".
- 5.5 The Managing Director is of the opinion that the relevant sustainability risks for the Funds include, among other things, the following events, and circumstances:
1. Lack of relevant natural resources, energy and resource use, water and sea conditions, biodiversity, pollution, and greenhouse gas emissions.
  2. Economic and social inequality, including conditions relating to integration and labour market conditions, vulnerable communities, and social disturbances in specific geographic areas.

Sustainability Policy	Page: Page 5 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

3. Conditions regarding third parties' management, including ethical matters at management level, compliance with legislation, including tax legislation and anti-money laundering legislation, and personnel matters.
- 5.6 According to the Disclosure Regulation, the event or conditions in question is only regarded as a *sustainability risk* if the event or circumstance has or may have a *material* negative economic impact on the value of the investment.
- 5.7 The sustainability risks must be integrated in the Company's "*investment decision-making process*" and "*investment advice*". The Managing Director understands the "*investment decision-making process*" as the process and preliminary research the Portfolio Manager undertake, before deciding to acquire an investment asset on behalf of, or providing investment advice to, a Fund that the Company manages (full reference is made to the Company's portfolio management policy and procedure).
- 5.8 Decisions taken by the Company in connection with the ongoing administration and maintenance of an investment asset shall *not* be considered an investment decision.
- 5.9 The Managing Director has assessed – conforming to a general precautionary principle – that a decision is regarded as an investment decision within the meaning of the Disclosure Regulation, regardless of the fact that the final investment decision is made by the Investment Committee of the Fund(s) as it is based on the advice given by the Company in the investment memo submitted to the Fund for final approval before the investment can be completed.

## 6 Identification of sustainability risks

- 6.1 The Company manages alternative investment funds, comprising of collective investment portfolios, that primarily consists of investments in global unlisted technology and industrial corporations, hereunder companies in *technology, including FinTech, marketplaces and platforms, such as bank and payment services, digital lending, financial infrastructure, payroll and benefits, accounting and insurance*, and so on.
- 6.2 The Managing Director has identified the following *environmental, social, or governmental* events or conditions that, if one of them occurs, it could cause an actual or a potential material negative impact on the value of an investment. The financial impact may be on the investment or the Target Company itself, arising from environmental, social, and governance considerations, as follows:

### 6.3 Environmental

- i) Climate change: Climate change is one of the largest threats to the global economy and could have an impact on the economy in certain countries/areas/markets and could affect the demand and buying power. This implies risks to the Target Companies.
- ii) Natural disasters or severe weather conditions: A single natural disaster or severe weather conditions (earthquakes, floods, hurricanes, and similar natural events) could potentially damage a Target Company or a consumer market and impact a certain country to contain higher risk.
- iii) Damage to environment: Some Target Companies may be exposed to the risk of damaging the surrounding environment, e.g., by pollution due to external damage impact or faulty processes, which would require the Target Company to carry out

Sustainability Policy	Page: Page 6 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

clean-up operations or pay compensation. This could have a material negative economic impact on the Target Company.

#### 6.4 Social

- i) Inequality and labour relations: Inequality, discrimination and bad conditions for labour may cause negative publicity for a Target Company and may affect the demand for the Target Company's products. It may also result in strikes, labour shortages and conflicts.
- ii) Health and safety: Safe and healthy work environments are essential to the wellbeing of employees, as well as to the long-term sustainability of any company's operations - non-prioritization of physical and mental well-being resulting in an unsafe work environment may result in strikes, labour shortages and conflicts, and could also cause the Target Company to be subjected to negative publicity which could affect the demand for the Target Company's products.

#### 6.5 Governmental

- i) Governance considerations: Individual events or incidents in which a company is exposed to negative publicity due to poor employee relations, violations of anti-money laundering or tax legislation, lack of compliance or similar matters may adversely affect the value of a Target Company.
- ii) Tax increases on non-climate-friendly forms of businesses: Changes to tax or de-toxic rules on non-climate-friendly forms of energy could increase the cost of operating a Target Company.
- iii) Inflationary risk and interest rate risk: Rising interests can cause negative impact on businesses that needs financing, whilst inflation could cause the value of the income to decrease and the operating costs of the Target Companies to rise.
- iv) Employee and CEO Payments: High payments could expose a Target Company to negative publicity.
- v) Relations to persons, companies or countries which are subject to economic sanctions: In such cases, a Target Company can be affected by the sanctions and/or subject to negative publicity and boycott.

#### 6.6 General

- i) Changes in policy measures (regulatory risks), legislation, technology or consumer behavior: The public and consumers might take on requirements for the Target Company or Companies within its supply chain, causing the production to rise in costs or be entirely impaired. As an example, the requirements for companies' sustainability profile could cause the impairment of unsustainable Target Companies.

## 7 Principles for corporate sustainability responsibility

- 7.1 It is the Company's policy, to consider the long-term consequences of its actions in both financial and social terms and to protect and increase the investors return in a way that helps create a more sustainable financial system and society as a whole. The Company is aware of its responsibility to ensure that sustainability play an even greater role in its future conducts and investments.

Sustainability Policy	Page: Page 7 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

7.2 The Company generally manages Funds that does not have sustainable investment as its definite objective. The sustainability characteristics of the Funds are outlined in the Investment Fund Documents of the Fund in question.

7.3 The specific approach to sustainability deployed by each portfolio management will depend on multiple factors including, but not limited to, the objectives of the Fund, duration of the investment as well as specific research on the inherent sustainability risks in the proposed investments. The Company screens and assesses the sustainability risks that may affect the Funds' investments.

7.4 The Company recognizes that various sustainability factors can pose actual or potential material risk to its investments as described under clause 6. Therefore, the investment activities and general conduct of business of the Company are guided by the following principles:

#### **7.5 Environmental**

The Company recognize that the world faces environmental challenges - the Company engages in the global financial markets, thus, it believes that it can and should do its best endeavours to promote positive influence in environmental matters. The Company will on a continuous basis work to improve its environmental efforts and reduce its carbon emission.

#### **7.6 Social**

The Company supports inclusiveness and diversity and takes a zero-tolerance approach to any form of discrimination and harassment.

#### **7.7 Governance**

The Company has issued corporate governance guidelines and risk management policies and procedures to assist the Board of Directors, the Executive Board and other employees in the exercise of the Company's responsibilities – the Company understands that good corporate governance helps businesses operate more efficiently, attracts capital, safeguards against corruption, and improves the relationship with their stakeholders.

7.8 The Company hires, promotes, and remunerates employees on the basis of merit, and employs a fair pay practice.

7.9 The Company deploys a high standard of ethics and integrity and will at all times demonstrate good corporate governance through responsible, effective, and transparent management and takes a zero-tolerance approach to any form of bribery and corruption.

### **8 Implementation of Sustainability Risks in the Risk Management Policy and Procedure**

8.1 The Company has established an independent risk management function and appointed a Risk Manager, who has the overall responsibility to ensure sound risk management in the Company. The Risk Manager is appointed in the Company's risk management policy. The Risk Manager monitors all aspects of risk management in the Company and the Funds.

8.2 The Managing Director has instructed the Risk Manager to implement the sustainability risks in the risk management procedure, so that relevant and material sustainability risks are included in the risk assessment and risk handling of the Funds.

Sustainability Policy	Page: Page 8 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

- 8.3 Reference is made in full to the Company's risk management policy and risk management procedure, which describe the general principles for measuring, monitoring and managing risks, and the Risk Overview, in which the Company has identified the inherent risks, that the Company and/or the Funds are or may be exposed to, including sustainability risks.

## 9 Implementation of Sustainability Risks in the Portfolio Management Policy and Procedure

- 9.1 The Managing Director has appointed a Portfolio Manager in the Company's portfolio management policy and procedure. The Portfolio Manager shall ensure that sustainability risks are implemented in the Company's investment decision-making process so that any investment decision made by the Company on behalf of a Fund includes an assessment of the sustainability risks associated with the investment.

- 9.2 The Portfolio Manager shall incorporate the identified sustainability risks into the investment decision-making process with due regard to the Target Company to which an investment decision relates. This is done by implementing the risks in the Company's portfolio management policy and procedure to ensure that the portfolio management function always takes sustainability risks into account in the investment decision-making process, so that investment decisions are not made without the relevant sustainability risks being considered:

*"The Portfolio Manager shall gather all the material conclusions from the due diligence research in an Investment Memo. The Investment Memo shall at least contain information concerning; the Target Company's structure, market analysis, the business performance, model and plan of the Target Company, the founders and owners of the Target Company, a risk assessment of all material risks concerned with the investment, including sustainability risks."*

- 9.3 Reference is made in full to the Company's portfolio management policy and procedure in which the general principles of the Company's investment procedure is described.

## 10 Implementation of Sustainability Risks in the Remuneration Policy

- 10.1 The Company has prepared a written remuneration policy that is consistent with and promotes sound and effective risk management in the Company.

- 10.2 The Managing Director is responsible for ensuring that the remuneration policy does not encourage excessive risk-taking with regard to sustainability risks.

- 10.3 To this end, eligibility for bonuses is based amongst others on the recipient's compliance with the Company's policies, procedures, and internal rules which include the Company's policies on sustainability risks and must always be determined with a view to promote sound risk management. In addition, the Company's remuneration policy contains the following sections on the integration of sustainability risks into the remuneration policy:

*"In accordance with the requirements of EU Regulation 2019/2088, the Company has prepared a written sustainability policy in which the Company has identified and assessed the economic sustainability risks associated with the Company's activities."*

*These sustainability risks are included in the Company's risk management activities on an equal footing with the other identified economic risks.*



Sustainability Policy	Page: Page 9 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

*As described in this policy, there must not be a mismatch between the allocation of variable remuneration components to the Identified Risktakers and the identified economic risks to and interests of the investors. This also includes the sustainability risks as identified in the sustainability policy. Sustainability risks are thus included on equal terms with other identified risks in this policy.”*

- 10.4 Reference is made in full to the Company’s remuneration policy in which the Company’s general principles for remuneration are described.

## **11 Implementation and Controls**

- 11.1 The Managing Director is overall responsible for the implementation of the principles of this Policy and for implementing independent internal controls to ensure that the principles of this Policy are adhered to in the daily routines in the relevant business areas where sustainability risks are present.
- 11.2 The Managing Director shall continuously monitor the implementation of this Policy in the organization.

## **12 Reporting**

- 12.1 The Managing Director shall report, at least once a year in connection with the annual revision of the Company’s policies and procedures, to the Board of Directors of the Company regarding matters covered by this Policy.
- 12.2 Any employee or any other person comprised by this Policy who becomes aware of a breach of the provisions of this Policy must notify the Managing Director promptly of such breach.


## **13 Revision and Approval**

- 13.1 This Policy shall be reviewed – and, if necessary, revised – by the Company’s Board of Directors at least once a year.
- 13.2 If an amendment is made, a clear explanation of such amendment shall be described in the change log hereunder.
- 13.3 In the event of any change or amendments to this Policy, the new revised Policy must be updated on the website and all employees and other persons comprised by this Policy shall be informed about the relevant changes.

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Signatures:

Sustainability Policy	Page: Page 10 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

DocuSigned by:  
  
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Name: Richard Aitkenhead Castillo  
Position: Chairman of the board

DocuSigned by:  
  
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Name: Niels Ankerstjerne Sloth  
Position: Board member

DocuSigned by:  
  
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Name: Roberto Aitkenhead Bran  
Position: Board member / managing director

Date: September 15<sup>th</sup>, 2023

Sustainability Policy	Page: Page 11 of 11
IDC Management Denmark ApS	Version Dated: 15-09-2023

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