

Name	IWC IP's Sustainable Investment Policy
Application	This policy applies to all financial products with a sustainable investment objective
Version number	2
Effective date	February 19th, 2025
Last updated	February 19th, 2025
To be reviewed and possibly updated	When required by circumstances and at least annually
Responsible for updating	Chief Executive Officer
Policy contact	Chief Executive Officer
Approved by	Board of Directors

1 Purpose and scope

The Sustainable Investment Policy (the “**Policy**”) describes the framework governing the IWC Investment Partner A/S’ (the “**Firms**”) approach to financial products with a sustainable investment objective.

The Policy guides the Firm throughout the investment process by describing key Environmental, Social and Governance (“**ESG**”) principles and procedures which are intended to support the long-term best interest and value creation for its clients and stakeholders. Given the Firms area of investments, the Firm believes in the fundamental importance of integrating Environmental, Social and Governance factors into its investment decisions. The Firm believes that sustainable investments create and protect value through selecting desirable investments with lower risk profiles and by avoiding investing in assets where the assets ESG factors negatively impact its risk-return profile.

In addition, the Firm is committed to carrying out socially responsible and environmentally sound investments in sustainably managed natural resources and will consider ESG matters in addition to an investment’s financial viability. In doing so, the Firm will assess, monitor, and report on its activities to ensure actual or potential adverse impacts of its investments are identified and avoided or mitigated.

2 Roles and Responsibilities

The Firm’s Sustainable Investment Policy is reviewed and approved by the Board of Directors; thereafter the Chief Executive Officer is responsible for the policy implementation in the organization.

3 Sustainable Investment Principles and Incorporation

The Firms sustainable investment framework builds on four main mechanisms:

1. Screening
2. Sustainability risk integration

3. PAI considerations¹
4. Active Ownership

The Firm has a variety of strategies and investment structures, including fund-of-funds and direct investments. The ability to influence operations and/or performance of the underlying investments, including on matters related to this Policy, varies. Consequently, while the overall focus areas for the investments are similar and the content of the Policy applies to all investment instruments, the practical approach differs based on the underlying structures and strategies, and will be regulated by appropriate and dedicated policies, procedures and SOPs.

The Firm will also engage with industry peers and will actively contribute to the development of the field of sustainable investment as a signatory to, member of, or participant to the:

- UN Principles for Responsible Investment (UN PRI)
- Forest Stewardship Council (FSC®)
- Programme for Endorsement of Forest Certification (PEFC's) Stakeholder Consultation Forum, and the
- Danish Forum for Responsible Investing (DanSIF)
- Forum member of the Taskforce on Nature-related Financial Disclosure
- Other similar organizations/initiatives, as deemed relevant.

The Firm approach is inspired by the principles and norms described below:

- Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- Forests certification schemes' (FSC, PEFC, etc.) principles
- International Bill of Human Rights
- International Finance Corporation's Performance Standards on Social and Environmental Sustainability ('IFC PS')
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Organization for Economic Development and Cooperation Guidelines for Multinational Enterprises ('OECD MNEs')
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFDs)
- UN Convention against Corruption ('UN CaC')
- United Nations Global Compact's 10 Principles ('UN GC')
- United Nations Guiding Principles on Business and Human Rights
- United Nations Principles for Responsible Investment ('UN PRI')
- United Nations Sustainable Development Goals (SDGs).

¹ Principle Adverse Impacts are to be understood as defined in the EU SFDR on entity level and are reported annually in accordance herewith.

3.1 Definitions

Environmental factors relate to and directly impact the natural capital associated with the Firm's and its clients' investments. Consideration of the risks, opportunities and impacts on and from the environment are therefore vital for securing the investments' long-term value. At the same time, the Firm's investment activities may also impact the environment in which it operates. It is therefore one of the Firm's key principles to invest in sustainably managed natural resources and to integrate environmental risks and opportunities, such as climate change (physical and transition), biodiversity and ecosystems conservation, use of natural capital, etc., in its conduct. Among others, investment-relevant climate and other environment-related indicators from Regulation 2022/1288 Annex I, Table 1 and 2 ('Principal Adverse Sustainability Indicators'), are considered.

Social factors relate to the impact on communities, where the Firm invests, on the Firm's employees and other stakeholders pertinent to the Firm's and its clients' investments; and are deemed of high importance. Thus, the Firm focuses on responsible business conduct and is led by ethical and human rights considerations in its investments, to ensure human and workers' rights are protected, and employees' development and retention is prioritized. Among others, investment-relevant social and employee, respect for human rights, anti-corruption and anti-bribery matters indicators and factors from Regulation 2022/1288, Annex I, Table 1 and 3, ('Minimum Safeguards') are considered.

Governance factors relate to legal compliance, transparency, trust and alignment of interest, not only between the company and its shareholders, but also between the company and its broader stakeholders, and are thus safeguarding the Firm's license to operate. Governance matters, which may include bribery and corruption, political and charitable contributions and sponsorships, tax strategy, board structure, executive pay, conflicts of interest related to gifts and entertainment, etc., are ensured at the Firm by a solid compliance system and principles of transparency. Among others, investment-relevant social and employee, respect for human rights, anti-corruption and anti-bribery matters indicators and factors from Regulation 2022/1288, Annex I, Table 1 and 3, are considered.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the financial performance of the investment and/or affect the market value of the investment. The Firm recognizes four main categories of risk: land management (land health and operations, land titles and stakeholders, land conversion and high conservation value areas), Physical (acute and chronic weather events – current and in relation to climate change, biotic and abiotic impacts, asset and operational impacts), Governance and transition (Tax and company structure, reputation and market risks, policy and legal rights), Social and country (human rights, labor, occupational health and safety, social tensions and unrest, investment freedom and rule of law).

Material ESG factors relate to factors which the Firm, in its sole discretion, determines to have or could potentially have substantial impact on an organization's ability to create, preserve, or deteriorate economic, environmental, and social values for itself and its stakeholders.

3.2 Investment Selection and Due Diligence

In its investments' assessment and selection, the Firm will consider ESG matters associated with the underlying assets, investees, and portfolios, alongside financial returns. Such matters will typically assess investees' responsible business conduct towards human and labor rights, anti-bribery and corruption, sustainable management of natural resources and ecosystems health, climate change risks and opportunities, among others. In this process, the Firm will be governed by its key principles and relevant procedures throughout the due diligence and investment decision processes.

In the due diligence phase of each investment a screening process is conducted to assess that:

- The investment and related ecosystems will be managed sustainably
- The investment will substantially contribute to achieving the product sustainable objective
- The investment management practices do not produce significant harm to any of environmental or social factors
- The investment has sound and good governance

Moreover, before any investment decisions are made, a detailed review will be conducted to identify the material risks associated with the proposed assets. These risks form part of the overall due diligence of any investment.

In this regard, any of the Firm's products which are marketed and labelled in accordance with Regulation (EU) 2019/2088, will during the due diligence phase at as a minimum ensure the below:

- Presence of third party audited sustainability certification, such as FSC and/or PEFC-endorsed forest management certification, and other asset specific sustainability certifications. Where available, compliance with certification requirements prevents the investment activity from negatively impacting certain sustainability factors. The analysis of the relationship between the different certification requirements and the principal adverse impact indicator is conducted and stored together with the investment due diligence documents.
- Presence and quality of any relevant policies and procedures by contracted service providers.
- Written statements from any contracted service provider outlining the ability of the service provider and applicable policies to prevent negative impacts on sustainability factors.

For Financial Products marketed and labelled in accordance with Regulation (EU) 2019/2088, relevant 'do no significant harm' criteria ("**DNSH**") as set out in Commission Delegated Regulation

(EU) 2021/2139 shall, where available, be integrated into checks and criteria used as part of the due diligence supporting investment decisions.

Irrespective of EU Taxonomy alignment, all investments by Financial Products marketed by the Firm and labelled in accordance with Regulation (EU) 2019/2088, will be subject to a climate risk assessment, as set out in the DNSH criteria and results will be integral to investment decisions and investment management.

3.3 Investment Management

Post-acquisition, the Firm will, following a risk-based prioritization approach, monitor and discuss ESG-related matters with its clients and investees (internal/external), as relevant. When there are material issues, or potential material issues, identified, the Firm will address these in the management plan, or elsewhere as appropriate. Furthermore, the Firm aims at supporting the integration and disclosure of ESG matters at the level of the underlying investment, thereby lowering an investment's overall risk.

During the holding phase, recurrent data collections are conducted to ensure that the elements of the due diligence assessments are unchanged. Among others, the below is assessed:

- Confirmation that the elements assessed during the due diligence are still in place, i.e. the elements of the screening,
- Monitoring of the substantial contribution of the investment to the objective,
- Monitoring of potential negative impacts on sustainability factors.

The level of each risk is monitored during the holding period, and significant changes in risk levels are considered and addressed. Negative impact on one of the sustainability factors and changes in the risk categorization of the investment, triggers remediation and mitigation actions.

During preparations for exit, the Firm may find it advantageous to review investments' ESG performance.

3.4 Engagement Approach

The Firm will monitor the investments ESG factors and sustainability related dynamics in relation to the regular reporting and engage with investors to enhance understanding and knowledge on ESG practices. Moreover, the Firm will activate ad-hoc interventions and specific engagement actions when ESG risks have materialized (significant events have been reported) or when investees fail to comply with the Firm's key ESG principles as discovered in the Firm's monitoring process. The engagement will then aim at ending and curbing an undesirable activity/effect, and where relevant, set forth an action plan for mitigating it, prevent its future occurrence, and obtain commitment for more effective management of ESG factors. If the adverse activity/effect is not ended, the Firm may consider recommending earlier exit of its/ its clients' relevant holdings.

Reporting

The Firm will report ESG matters annually to relevant stakeholders, as determined by the CEO. As an alternative investment fund manager (“**AIFM**”), the Firms reporting will also reflect the sustainability information as required by law and other binding regulations.

4 Conflicts of Interest

The Firm is aware that potential or actual conflicts of interest may arise as part of its activities. Consequently, the Firm has policies in place for the purpose of taking all responsible steps to prevent conflict of interest. Where such conflict cannot be avoided, the Firm will identify, manage and monitor the conflict and where appropriate disclose these to the relevant stakeholders, to prevent adverse impact on the interest of the client.

5 Responsible for updating the guidelines

The CEO is responsible for ensuring that this Policy is updated.

The foregoing Policy was adopted by the Board of Directors and accepted by the CEO on February 19th, 2025.

On behalf of the Board of Directors:

Accepted by the CEO:

Steen Villemoes, Chairman

Otto Reventlow, CEO