

## **Argentum Alternative Investments AS and Argentum Asset Management AS – SFDR Compliance Statement pursuant to Article 3, 4 and 5**

Regulation (EU) 2019 /2088, also known as the EU Sustainable Finance Disclosure Regulation (**SFDR**), requires, amongst other things, alternative investment fund managers to disclose the manner in which sustainability risks are integrated into investment decisions, whether and how principal adverse impacts of investment decisions are considered, and how remuneration policies are consistent with the integration of sustainability risks in investment decisions.

Argentum Alternative Investments AS (**AAI**) is an alternative investment fund manager authorised by the Financial Supervisory Authority of Norway and is subject to the disclosure and reporting obligations set out in the SFDR.

Argentum Asset Management AS (**AAM**) is an alternative investment fund manager registered with the Financial Supervisory Authority of Norway.

This SFDR Compliance Statement pursuant to SFDR Article 3, 4 and 5 applies to AAI and AAM. The processes, measures and actions outlined below in this statement are performed by AAM for its own investment decisions and in its capacity as investment advisor to AAI for AAI's investment decisions, and forms an integral part of all investment decisions made by AAM and AAI (hereafter jointly referred to as **Argentum**).

### **Integration of sustainability risk into investment decision-making processes**

Argentum integrates sustainability risk in the investment decision-making process.

Sustainability risk is defined 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 investments pursuant to Article 2 (22) of SFDR.

As an investment fund manager to Limited Partners in private equity funds, Argentum places high demands on the funds in which we invest. Argentum is confident that a strong focus on ESG and strong processes regarding responsible investments are important to achieve strong returns.

Our investment processes are designed to mitigate sustainability risks and, in so doing, positively contribute to Argentum's investment performance. Prior to making new primary or secondary investments in private equity funds, a separate analysis of the manager's vision, guidelines and working methods in the area of ESG is conducted, including undertaking an ESG due diligence on the manager and/or assessing the manager's policy investment restrictions, investment strategy and underlying portfolio (as applicable). For co-investments, an ESG-based assessment of the investment opportunity will always be conducted prior to making the investment.

As part of the analysis' described above, Argentum will assess (i) how the manager identifies and integrates sustainability risks in its investment decisions, (ii) how, and to what extent, the relevant fund's mandate or portfolio companies (as applicable) are exposed to sustainability risks and (iii) whether the sustainability risk policy of the manager or sustainability risk exposure of a potential co-investment is satisfactory for the article 8-funds that are managed by Argentum. If Argentum during the investment decision-making process identifies relevant sustainability risks, such risks and the likelihood of them materialising will be included in Argentum's post-investment risk monitoring process.

Should Argentum during the pre-investment due diligence find that the manager has unsatisfactory sustainability risk policies in place, or the fund's underlying portfolio or co-investment opportunity (as

applicable) is exposed to sustainability risks in a manner that is unacceptable to Argentum and Argentum's article 8-funds, Argentum may choose to refrain from making the investment. Our investment process is outlined in further detail in our ESG report.

Each quarter AAI prepares a separate sustainability risk and compliance report to its board of directors providing information regarding AAI's compliance with applicable regulatory and contractual obligations relating to ESG and sustainability.

The character of the sustainability risks which Argentum's investments may be exposed to is dynamic, and may change over time due to, inter alia, climate changes, changes in regulatory frameworks and societal behaviour and preferences. Argentum's investments are also exposed to several jurisdictions and industries.

Sustainability risks assumed relevant for Argentum include (but are not limited to) risks related to underlying portfolio investments, such as physical climate change and transition risk, health and safety incidents, risks related to labour rights and working conditions, tax compliance and exposure to improper business practices and corruption, as well as risks related to the private equity funds in which Argentum through its funds invests in, including regulatory risks related to sustainable finance requirements and risks of corporate misconduct and lack of transparency. The type of sustainability risks relevant for Argentum's investments and to which degree the investments are exposed to such sustainability risks will vary, depending on the underlying private equity fund's investment strategy and scope.

There can be no guarantee that Argentum is able to eliminate sustainability risks, and such risks may have an adverse impact on the returns of an investment should they materialise. Should a sustainability risk materialise in such a way that it impacts a broader part of Argentum's portfolio, the occurrence of such risk will likely have a more adverse impact on Argentum's financial values and returns than if the risk was to occur in relation to only one or a few specific portfolio companies.

### **No consideration of adverse impacts of investment decisions on sustainability factors**

Argentum does not consider adverse impacts of investment decisions on sustainability factors in the manner prescribed by Article 4(1)(a) of the SFDR and currently applies Article 4(1)(b).

As an investment fund manager to Limited Partners in private equity funds, Argentum is not in a position to ensure it will obtain data of a strong quality portfolio-wide to report on the indicators listed in Table 1 of Annex 1 of Commission Delegated Regulation (EU) 2022/1288.

Argentum intends to consider adverse impacts of its investment decisions on sustainability factors if and when Argentum is able to obtain the relevant data from the asset managers it invests in or with.

Argentum will review its readiness to comply annually.

### **Remuneration policies**

As an authorised alternative investment fund manager, AAI has adopted a remuneration policy in accordance with the Alternative Investment Fund Managers Directive (AIFMD). Certain employees may be entitled to variable remuneration based on a discretionary and from time to time assessment. The variable remuneration takes into account the relevant employee's compliance with Argentum's policies and procedures, including our ESG policy and the particular ethical guidelines for investment activities. Integration of sustainability risks is not a defined element which always shall be taken into account when determining variable remuneration, but will indirectly be included in the overall assessment, as Argentum's sustainability risk policy is an important part of Argentum's ESG policies and procedures.

As a registered alternative investment fund manager, AAM has not adopted a remuneration policy pursuant to AIFMD, but Argentum Fondsinvesterings AS has adopted guidelines for remuneration for executive personnel which applies to AAM. When determining variable remuneration for executive personnel, fixed ESG-related targets/indicators (KPIs) are taken into account. The KPIs encompass the investment portfolios incorporation of the UN Sustainable Development Goals, concrete developments of the managers ESG policy/guidelines and changes in percentage in the investment portfolio's greenhouse gas emissions. Integration of sustainability risks is not a specific KPI which shall be taken into account when determining variable remuneration, but will indirectly be included in the overall assessment, as Argentum's sustainability risk policy is an important part of Argentum's ESG policy and routines.

Version	Scope	Date
1	First publication of disclosure	03.06.2021
2	Updated in accordance with Commission Delegated Regulation (EU) 2022/1288	16.12.2022
3	Annual update	30.06.2023
4	Update	13.09.2023
5	Annual update	30.06.2024
6	Annual update	30.06.2025