

## **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 a Limited Partner 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 investing in a new fund, a separate analysis of the manager's vision, guidelines and working methods in the area of ESG is conducted. The assessments cover various sustainability factors, including, but not limited to, environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In addition, Argentum has systematised ESG-related assessments in such a way that they form part of the formal legislative agreements when investing in new funds. All managers must endorse Argentum's side letter, in one form or another, prior to Argentum committing capital for a new fund, including the acceptance that:

- Argentum's investment activities are based on the principles in the UN Global Compact
- They have received Argentum's ethical guidelines and are urged by Argentum to develop similar guidelines
- They will evaluate the social, environmental and ethical consequences of current and planned investments

ESG factors are also an inherent part of the investment process within secondary investments. For secondary investments, the manager’s policy, investment restrictions, investment strategy and underlying portfolio are screened before any investment decision is made.

For co-investments, an ESG-based assessment of the investment opportunity is always conducted based on the main areas of the UN Global Compact:

- Human rights
- Labour standards
- Environment
- Anti-corruption

If, during the pre-investment due diligence, Argentum finds that the managers’ focus on ESG is unsatisfactory, Argentum can choose to refrain from making the investment. Our investment process is outlined in further detail in our ESG report.

**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 a Limited Partner 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 Argentums policies and procedures, including our ESG policy and the particular ethical guidelines for investment activities.

As a registered alternative investment fund manager, AAM has not adopted a remuneration policy pursuant to AIFMD.

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