

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: REQ Nordic Compounders Legal entity identifier: 635400SSQTJGTLLCD277

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

All investments made by REQ promote social and environmental characteristics. Both aspects are important parts of the investment criterias before making a new investment. The social and environmental characteristics are assessed prior to investment through a standardized inhouse KPI- framework.

The Fund promotes environmental and social characteristics, including by taking sustainability into account in investment decisions, both as part of the assessment of a company and through the use of exclusion lists, as described in further detail below. On average, the fund met these environmental and social characteristics during the reporting period of January 1 to December 31, 2023, as measured by reference to the sustainability indicators set out below. However, the fund held a cash position for a small number of days which exceeded 5% of the fund. As cash is not defined by the E/S characteristics, there were a limited number of days where

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

we did not meet the target. In particular, the Fund promotes the following environmental characteristics through the use of environmental exclusion criteria:

i. Climate change mitigation

ii. Affordable and clean energy

iii. Climate change adaptation

iv. The transition to a circular economy

v. Pollution prevention

vi. Lower deforestation

The Fund promotes the following social characteristics: i. Durable corporate cultures, ii. Decent work and economic growth, iii. Reduced inequalities, iv. Good corporate governance, v. Health and well-being in society, vi. The promotion of human rights.

● **How did the sustainability indicators perform?**

REQ follows a standardized ESG assessment framework in which all information is obtained on a best effort basis.

We confirm there is no investment in companies on the exclusion list or with >5% exposure to pornography, gambling, weapons. The majority of the investments are in companies that are founder-led. REQ's assessment is that our portfolio companies are being proactive in terms of social issues.

During the reporting period from January 1 to December 31, 2023, our ESG assessment framework yielded a total score of 63.4%. Our framework mandates that each company achieves at least a 50% fulfillment rate, as our threshold is set at 50%. Consequently, companies that achieve a score exceeding our 50% threshold are deemed to be in alignment with the Environmental and Social (E&S) characteristics of the fund. This criterion is further elaborated below.

Scores are generated through our proprietary framework, evaluating companies on governance, social, and environmental factors. These broad categories are subdivided into specific areas, further broken down into metrics and Key Performance Indicators (KPIs). Each KPI undergoes both quantitative and qualitative assessment, contributing to the overall score and detailed commentary for each company. Moreover, KPIs are evaluated against a set standard potential score, with total scores for governance, social factors, and environmental concerns expressed as percentages. These percentages are the cumulative scores for each category as a portion of their respective potential scores, leading to an aggregate percentage score reflecting each company's performance across all categories. The value of these scores primarily lies in the trend they reveal over multiple periods, which remains a focal point of our monitoring activities.

The screenshot provided from our rating framework serves as a visual aid to exemplify the discussed methodology.

Category	Metric	KPI	
Governance	Corporate governance	Independent directors	Numbers of independent directors BoD >40%
		Number of board members	Size of BoD (number of members 5-9)
		Average tenor board members	Avg. tenor of board members
		Tenor of CEO	Tenor of CEO
		Insider ownership	Shares owned by insiders (BoD, management)
		CEO ownership	Shares owned by CEO (incl. options) (%)
		Number of large holders	Number of shareholders with ownership >5%
		Independent nomination committee	Members of nomination committee that are independent
		Executive compensation	Transparent CEO compensation scheme, total incentives aligned with shareholder interests
		Chairman/CEO separated	Chairman and CEO role separated
	BoD diversity	Female directors >0%	
	Corporate behaviour	Anti-competitive practices	Has the company code of conduct against anti-competitive practices in place
Tax avoidance		Operations in countries with sole purpose to avoid or lower taxation	
Corruption		Operations in countries with risk of corruption, code of conduct against corruption?	
Total governance			
Social factors	High-risk labour and land issues	Human rights	Disclosure of human right policies
		Slavery and child labour	Disclosure of relevant policies towards slavery, child labour, or forced labour
		Use of land	Disclosure of use of land and code of conduct areas regarding disputed land areas
	Supply chain management	Health and safety	Disclosure of relevant metrics related to reported incidents LTM, score based on direction and
		Supply chain management	Disclosure of relevant procedures related to supply chain management (eg impact on land, raw
		Product safety	Code of conduct related to product safety and impact of product usage
	Socio-economic equality	Chemical safety	Code of conduct related to handling of chemicals and other toxic raw materials
		Pay equality	Disclosure of ratio of basic salary for employee category against priority areas of equality
		Wage levels	Disclosure on standard entry level wages compared to relevant minimum wages
	Diversity and inclusion	Unions	Disclosure on policies for unions
Human capital development		Disclosure of provision of relevant training provided to employees	
Diversity		Disclosure of diversity procedures, score relative towards policies in place	
REQ corporate culture model		REQ corporate culture model	The company's culture as defined by REQ Corporate Culture Model
Total social			
Environment	Climate impact	GHG emissions	Disclosure of GHG emissions, level relative towards industry emissions
		Subject to carbon tax	Emission of CO2 and exposure towards carbon tax
		Climate change vulnerability	Adoption of TCFD reporting
	Waste and pollution	Waste	Disclosure of waste handling
		Water use	Disclosure of water use, score based on sustainability of water as input factor
	Opportunities	Use and recycling of raw materials	Disclosure of use and recycling of raw materials and other input factors
EU taxonomy compliant		Compliant with EU taxonomy, relative score according to taxonomy score card	
Green opportunities		Upside related towards change towards green and/or circular economy	
Total environment			

To gauge the overall ESG performance of our portfolio, we average the scores from the three ESG categories for every holding. This calculation yields a composite score, reflecting the portfolio's ESG status against our 50% benchmark. This composite score enables comparison across different reporting periods.

While we have made every effort to obtain complete and accurate data from these companies, some may not have provided all of the required information, or may not have provided it in a timely manner.

As a result, the analysis presented in this report may be limited in its scope and accuracy, and should be interpreted with caution. We encourage investors and other stakeholders to consider the limitations of the data when using this report for decision-making purposes. We will continue to work with companies to improve their reporting practices and to provide more complete and accurate data in future reports.

● ...and compared to previous periods?

In the current reporting period, we have maintained our commitment to upholding strong ESG standards across our investment portfolio, consistent with our previous disclosures. We continue to confirm that there are no investments in companies featured on the exclusion list or with more than 5% exposure to sectors we consider non-compliant, such as pornography, gambling, and weapons.

For the reporting period from January 1 to December 31, 2023, our ESG assessment framework yielded an overall score of 63.4%. This represents a modest improvement over the previous year's score of 62.8%, which was recorded during the same period from January 1 to December 31, 2022. Both scores exceeded our hurdle rate of 50%.

This change in the total score between the two reporting periods can be attributed to variations in the Key Performance Indicators (KPIs) reported for each holding within the portfolio and/or changes in the portfolio's composition. These changes may include the addition or removal of holdings, as well as modifications in the performance or reporting of KPIs by the existing holdings. As a result, these dynamics can lead to updates in our scoring for each holding, influencing the overall portfolio score.

- Specifically, for the period from January 1 to December 31, 2023, the positive shift in the portfolio's score was primarily due to changes in the portfolio. These changes altered the portfolio's composition, necessitating a recalibration of the overall scores, which, in turn, led to an increase in the average score for the portfolio. This adjustment reflects our ongoing commitment to maintaining and enhancing the ESG quality of our portfolio, with both observed periods surpassing our benchmark hurdle of 50%. ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

N/A The Fund does not commit to making sustainable investments.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

N/A. The fund does not commit to making sustainable investments

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

N/A. The fund does not commit to making sustainable investments

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

N/A. The fund does not commit to making sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



How did this financial product consider principal adverse impacts on sustainability factors?

N/A. The fund does not consider principal adverse impacts on sustainability factors.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

[complete]



What were the top investments of this financial product?

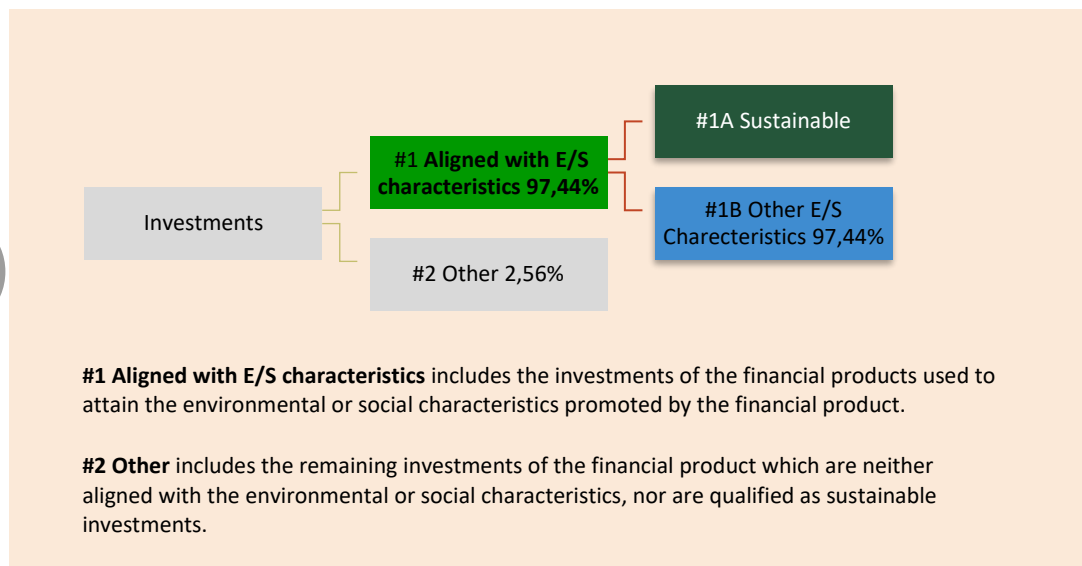
This table represents the largest investments of the fund as of December 29, 2023, calculated on the basis of market value of each holding in percentage of the total market value for the portfolio (AUM) for that particular date.

LARGEST INVESTMENTS	SECTOR	% OF AUM	COUNTRY
ADDTECH	INDUSTRIALS	8.2 %	SWEDEN
MOMENTUM GROUP	INDUSTRIALS	7.9 %	SWEDEN
LAGERCRANTZ	INDUSTRIALS	7.6 %	SWEDEN
LIFCO	INDUSTRIALS	4.7 %	SWEDEN
NCAB GROUP	INDUSTRIALS	4.6 %	SWEDEN
OEM INTERNATIONAL	INDUSTRIALS	4.5 %	SWEDEN
VITEC SOFTWARE	IT	4.4 %	SWEDEN
ADDNODE GROUP	IT	4.3 %	SWEDEN
HMS NETWORKS	INDUSTRIALS	4.2 %	SWEDEN
INDUTRADE	INDUSTRIALS	4.2 %	SWEDEN

What was the proportion of sustainability-related investments?

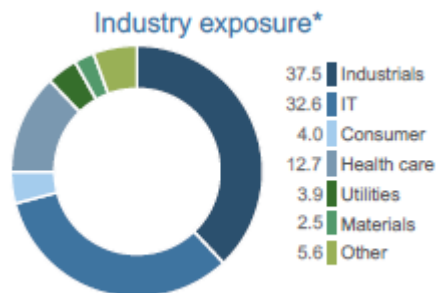
The investments of this financial product are expected to directly promote both environmental and/or social characteristics through its investment strategy, but without a minimum commitment of sustainable investments.

● What was the asset allocation?



● In which economic sectors were the investments made?

The following chart illustrates the economic sectors of the fund as of December 29, 2023. This is determined by a position-weighted industry exposure for each holding within the fund as of that specific date.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

the

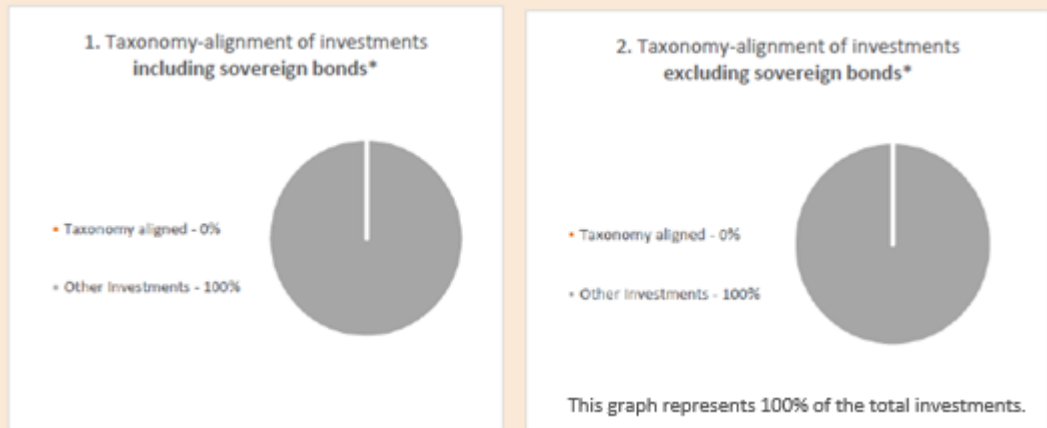
- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes:

 In fossil gas In nuclear energy

 No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

The Fund does not commit to making any investment in transitional and enabling activities

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? The Fund does not commit to a minimum share of sustainable investments.

What was the share of socially sustainable investments? While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund has investments that are included under “Other”, which includes cash and cash equivalents. Given the nature of these investments, no minimum environmental or social safeguards are applied, however the Investment Manager has assessed the risk related to holding such investments.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the period all new investments have been evaluated on the basis of environmental and/or social characteristics. Specifically, each new investment is evaluated through an in-house “ESG Scorecard”. The portfolio managers engage and monitor sustainability indicators in the current portfolios. The investments of this financial product directly promote both environmental and/or social characteristics through its investment strategy, but without a minimum commitment of sustainable investments.



How did this financial product perform compared to the reference benchmark?

The Fund does not use a designated index to reference benchmark its investments, neither in terms of financial performance, nor in terms of benchmarking whether it is aligned with the environmental and/or social characteristics that the Fund promotes.

- ***How does the reference benchmark differ from a broad market index?***
Not relevant given reference above
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
Not relevant given reference above
- ***How did this financial product perform compared with the reference benchmark?***
Not relevant given reference above

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform compared with the broad market index?***
Not relevant given reference above

