

# GRO Capital

## Sustainability-related disclosures

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# RESPONSIBLE INVESTMENT POLICY

GRO CAPITAL A/S

**5 November 2021**

## **Background and purpose**

- 1.1 This Responsible Investment Policy, as amended from time to time, sets out Gro Capital A/S' ("GRO") responsible investment approach and shall guide GRO throughout its investment process, including when sourcing and screening potential investments, proposing investments, monitoring and managing Investments and when to exit investments.
- 1.2 The Responsible Investment Policy shall apply to each of the investment funds under its management and shall be read alongside the fund documentation governing each fund, which sets out the type of assets and activities comprising such fund's investment strategy. This policy does not affect applicable laws and regulations or documentation governing a fund under management, which shall prevail in all cases.
- 1.3 GRO believes that an increased focus to integrate sustainability into its investment process is a prerequisite for long-term economic sustainability as well as preservation and increasing the value of investments, which GRO seeks to achieve through good corporate governance and responsible investment practices in the Nordic/North European mid-market technology companies focusing on B2B software that the funds managed by it invests in.
- 1.4 The objective of this Responsible Investment Policy is to establish and describe the ESG principles and guidelines for GRO and the funds under its management. Further, the aim of this policy is to ensure that investments managed by GRO have the necessary foundation for long term sustainable growth and such investments being properly protected against sustainability risks.
- 1.5 GRO is along with the Board of Directors and Executive Management of portfolio companies responsible for the sound implementation of this policy.

## **Responsible Investment Principles**

- 1.6 The following overarching environmental, social and governance principles is applied by GRO, and GRO will endeavor to ensure that such principles are observed by the investments of the investment funds managed by GRO.
- 1.7 Sustainability and associated risks and opportunities are considered equally to other factors when performing the investment risk assessment and in the decision-making process.
- 1.8 **Environmental**
  - 1.8.1 Obligations to assess and identify environmental consequences and issues of an investment, set out by relevant law or regulations, shall be properly observed.
  - 1.8.2 The environmental consequences related to the assets of technology companies, specifically with regard to the use of any hazardous materials as well as its ongoing operations, shall be minimized in accordance with good industry practice.
- 1.9 **Social**
  - 1.9.1 Relevant social and human rights issues of an investment shall be identified and assessed.
  - 1.9.2 No investment shall be engaged in the manufacture of weapons, which in the course of normal intended use would breach fundamental humanitarian principles (e.g., atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines), or in the development, production or storage of nuclear weapons, or in the production of components made explicitly for use in nuclear weapons.
  - 1.9.3 The fundamental employees' rights shall be acknowledged and observed by the investment project, including significant suppliers.
- 1.10 **Governance**

- 1.10.1 No corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an investment.
- 1.10.2 Voting rights shall be exercised to promote the active ownership of an investment.
- 1.10.3 Governmental and community relations shall be promoted to the extent relevant.
- 1.10.4 Appropriate disclosure on environmental, social and governance issues shall be promoted.
- 1.10.5 Effective risk management shall be promoted.
- 1.10.6 Laws and regulations regarding, e.g., environmental, human rights and labour rights set out by relevant authorities, shall be properly observed by all parties, including by significant suppliers, involved in an investment.
- 1.11 **Deviations**
- 1.11.1 Any deviations from the above principles or standards: (i) must not result in a breach of applicable law; and (ii) shall always be supported by and justified in adequate risk mitigation measures and project-specific risk management plans.
- 1.11.2 Any party to an investment failing to respect the principles set out above shall be deemed an unethical partner ("**Unethical Partner**").
- 1.11.3 If GRO has cause to believe that a party to an investment may be classified as an Unethical Partner, and if an applicable excuse that would remedy such classification cannot be obtained by the Partnership, GRO shall refrain from doing business with such party for and on behalf of any investment entity managed by GRO.
- 1.11.4 In the event that GRO determines, or a limited partner of an investment entity managed by the Manager by written notice to GRO declares, that one or more party to an investment may be deemed an Unethical Partner, GRO shall use commercially reasonable efforts to seek to encourage the party in question to cease to engage in the activity giving rise to the classification as an Unethical Partner. If a party to an investment is deemed an Unethical Partner, GRO shall inform the limited partner advisory committee of the investment entity in question about such qualification and, to the extent relevant, steps taken pursuant to this Clause 1.11.4.
- 1.11.5 If within a reasonable period of time such Unethical Partner does not cease to engage in the activities giving rise to its classification as an Unethical Partner, then GRO shall take appropriate steps towards such Unethical Partner and/or the relevant investment, taking into account to its fiduciary obligations to the investment entity in question and its obligation to maximise the value of such investment entity's investments.

### **Responsible Investment Procedures**

- 1.12 To support GRO's implementation of the ESG principles set out above, GRO has implemented the following procedures throughout its investment process:
  - (a) GRO's investment team will only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy. Based on factors relevant to each investment, GRO's investment team will identify relevant ESG topics for targeted due diligence in connection with early-stage due diligence;
  - (b) GRO's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant in each case, include an assessment of risks relating to: (i) environmental impacts and compliance, (ii) labour standards, (iii) human rights, (iv) anti-bribery and corruption, and (v) health, safety and environmental standards;
  - (c) GRO's investment team shall, to the extent relevant and possible considering the structure of an investment, seek to ensure that it is either represented in the investee company board or otherwise

has access to relevant ESG-related investment information, and that relevant ESG topics are addressed in relevant investment contracts;

- (d) After the closing of an investment, GRO shall continue to act as an active owner of the investment, which shall, inter alia, be done through different initiatives, including: (i) responding to any incidents concerning ESG matters, (ii) monitoring of counterparties, including on ESG topics and incidents, (iii) discussing ESG matters at board meetings, and (iv) conducting relevant follow-ups on ESG topics with investee companies.

These initiatives shall be established for the purpose of identifying ESG topics and risks throughout the life-cycle of the fund investments reducing the likelihood of any ESG incidents occurring and to minimize any ESG risks which may have a negative impact on an investment of a fund managed by GRO.

### **Amendments**

- 1.13 The limited partners of the investment funds managed by GRO and GRO acknowledge that responsible investment considerations are constantly evolving and changing over time. The Manager may in its own discretion amend this Responsible Investment Policy from time to time. Should one or more of the limited partners of the investment funds managed by GRO consider it necessary to amend this Responsible Investment Policy, GRO and such limited partners agree to enter into good faith negotiations in order to implement such changes. Such changes shall be subject to the consent of the limited partners of the investment funds managed by GRO in accordance with the limited partnership agreement governing each such investment fund.

### **Remuneration**

- 5.1 The board of GRO must establish governance systems that ensure board oversight with executive management, performance and remuneration reviews, legal compliance with respect to books, records, and accounting standards, effective internal controls, and solid risk management processes. Specifically, it is important that the remuneration of the management team and employees in GRO does not encourage risk taking beyond the acceptable levels, including with respect to sustainability factors.

### **Other applicable guidelines and principles**

- 1.14 This Responsible Investment Policy is based on main principles of UN Principles for Responsible Investment ("**UN PRI**").
- 1.15 GRO is committed to monitor any changes to UN PRI and to other relevant corporate ethical policies (including a limited partner's or an investment's commitment to a particular environmental, social and governance standard) or national/international/global institutional codes of conduct (e.g., the OECD Guidelines for Multinational Businesses and the UN Guiding Principles on Business and Human Rights) and continuously evaluate whether updates, amendments or changes to the Responsible Investment Policy should be made.

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

Due to GRO Capital's size, the AIFM is not required to consider PAI on entity level. GRO Capital's funds consider ESG risks, impacts and opportunities as part of the funds' investment process, as specified in GRO Capital's Responsible Investment Policy and the Sustainability-related information disclosed on the funds. However, GRO Capital does not currently consider principal adverse impacts of investment decisions on sustainability factors (PAI) as stipulated in Article 4 of the Sustainable Finance Disclosure Regulation (SFDR).

GRO Capital has decided not to do so, based on an assessment of risk, costs, and benefits, as well as ability to obtain the necessary data required according to the SFDR in developing the PAI-statement cf. Annex I of the SFDR delegated act. Due to GRO Capital's limited size and investment strategy, the company finds that the full application of the regulation is not currently viable from a cost and capacity perspective. GRO Capital primarily invests in smaller portfolio companies, which are not generally at this time in a position to provide the data required by the regulation, in sufficient quality and extent.

The existing ESG policies and procedures at current stage are deemed appropriate by the company to support the ESG ambition and management of the funds. The current approach is proportionally tailored to the fund's investment strategies and GRO Capital's Responsible Investment Policy.

GRO Capital continues to monitor market- and regulatory developments, as well as developments in data availability. GRO Capital will on a continuous basis, and minimum once a year, undertake an assessment of the viability of complying.

## Integration of sustainability risks

This statement describes how GRO Capital integrates sustainability risks into the investment decision-making process cf. Article 3 of the Sustainable Finance Disclosure Regulation (SFDR).

The SFDR defines sustainability risk 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”.

### Sustainability risks

Our investments are exposed to a number of sustainability risks which could potentially affect the value of our investments. Below, an overview of the key potential risks is provided.

Environmental risks which may cause a potential or actual negative impact on the investment could include transition and physical climate risks. Physical climate risks can potentially negatively impact investments through the direct and indirect effects of climate change. For example, climate change may negatively impact growth in vulnerable geographical locations, as well as resource availability and supply chain operations. Transitional risks include business-related risks that may occur in the transition towards a low-carbon future. Risks may particularly relate to policy and regulatory changes, such as carbon taxes, as well as changes to consumer behaviour and technologies. Further, increasing stakeholder and market expectations may pose reputational risks, which can potentially financially impact our investments.

Other environmental risks can occur in relation to breaches to local and international environmental regulations and frameworks, including legal or reputational consequences from pollution caused by a company, e.g., related to leakages into eco-systems and air-pollution.

Investments may also be exposed to social risks related to inequality and discrimination, poor working conditions, health and safety, and human- and labour rights. Particularly, gender diversity is a key focus area for GRO Capital due to the challenges related to this topic within the B2B software industry. Further, governance risks can arise in relation to exposure to cases of corruption and bribery, unethical tax practices, conflicts of interest, and general unethical business conduct, causing legal or reputational harm.

### Integration of sustainability risks into the investment decision-process

GRO believes that an increased focus to integrate sustainability into its investment process is a prerequisite for long-term economic sustainability as well as preservation and increasing the value of investments, which GRO seeks to achieve through good corporate governance and responsible investment practices in the Nordic/North European mid-market technology companies focusing on B2B software that the funds managed by it invests in.

The goal is to appropriately manage the sustainability risks and opportunities related to our investment throughout the investment risk assessment and decision-making process. In doing so, we have developed policies and procedures to ensure that our investments meet the ESG-related principles set out in our Responsible Investment Policy.

To integrate the consideration of sustainability risks in our investment decision-making process, we integrate these considerations into our investment decision framework, following the below procedures:

- a) Screening: GRO's investment team will only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy and ESG principles. Based on factors relevant to each investment, GRO's investment team will perform an initial screening of investments to identify red flags or material risks, which may impact the investment decision;
- b) Due diligence: If material risks are identified, GRO's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant in each case, include an assessment of risks relating to: (i) environmental and climate impacts and compliance, (ii) labour standards, (iii) human rights, (iv) anti-bribery and corruption, and (v) health, safety and environmental standards.

- c) Investment decision: GRO Capital's investment team will present findings from the aforementioned process to the Investment Committee. During the final investment decision process, ESG opportunities and risks will be flagged, and recommendations to address relevant ESG risks will be proposed for potential target companies.
- d) Investment contracts: GRO's investment team shall, to the extent relevant and possible considering the structure of an investment, seek to ensure that it is either represented in the investee company board or otherwise has access to relevant ESG-related investment information, and that relevant ESG topics are addressed in relevant investment contracts

# Sustainability-related information: GRO Fund I

## Summary

### Dansk

Denne fond fremmer miljømæssige eller sociale karakteristika, men har ikke bæredygtig investering som sit mål.

Fonden har til hensigt at undgå investeringer, der ikke er i overensstemmelse med GRO Capitals Politik for Ansvarlige Investeringer ved at følge principperne og procedurerne for due diligence og engagement, der er beskrevet heri. Fonden søger at fremme god miljø-, social- og ledelsespraksis (ESG), med fokus på karakteristika relateret til nedenstående temaer:

- Klimaforandringer: GRO søger at påvirke og samarbejde med porteføljevirksohmeder for at reducere deres drivhusgasemissioner og opstille reduktionsmål.
- Kønsdiversitet: GRO søger at påvirke og samarbejde med porteføljevirksohmeder om at etablere politikker og handlingsplaner for kønsdiversitet.
- Ansvarlig forretningsledelse: GRO søger at påvirke og samarbejde med porteføljeselskaber for at sikre, at virksomhederne har passende politikker og procedurer på plads for at understøtte ansvarlig forretningsledelse, heriblandt politikker om anti-korruption og bestikkelse, kønsdiversitet og klima.

Intet indeks er blevet udpeget som referencebenchmark for at opfylde de miljømæssige eller sociale karakteristika, som fonden fremmer.

Fondens fulde redegørelse for bæredygtighedsrelaterede oplysninger, der er angivet nedenfor, indeholder desuden oplysninger om:

- a) Fondens miljømæssige og sociale karakteristika og de indikatorer, der bruges til at måle opnåelsen af de miljømæssige og sociale karakteristika, som fonden fremmer. Dette omfatter en beskrivelse af de anvendte metoder og datakilder, samt hvordan indikatorerne overvåges gennem fondens levetid;
- b) Begrænsninger for anvendte metoder og data, og hvordan disse ikke påvirker opnåelsen af de miljømæssige og sociale karakteristika;
- c) Den investeringsstrategi, der anvendes til at opfylde de sociale og miljømæssige karakteristika, herunder politikken til vurdering af god ledelsespraksis for virksomheder, der er investeret i;
- d) Andelen og fordelingen af investeringerne i bæredygtige investeringer;
- e) Due diligence-procedurer og engagementspolitikker.

### English

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

The fund intends to avoid investments which are not in line with GRO Capital's Responsible Investment policy by following the principles and procedures for due diligence and engagement outlined in the Responsible Investment Policy, and seeks to promote good Environmental, Social and Governance (ESG) practices with a focus on characteristics related to the below themes:

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.

- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.

The full statement on sustainability-related information for the fund provided below includes information on:

- a) The environmental and social characteristics of the fund and the indicators used to measure the achievement of the environmental and social characteristics promoted by the fund. This includes a description of the methodologies and data sources used, as well as how the indicators are monitored through the lifecycle of the fund;
- b) Limitations to methodologies and data used and how these do not affect the attainment of the environmental and social characteristics;
- c) The investment strategy used to meet the social and environmental characteristics, including the policy to assess good governance practices of investee companies;
- d) The proportion and allocation of the investments in sustainable investments;
- e) Due diligence procedures performed and engagement policies.

### **No sustainable investment objective**

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

### **Environmental or social characteristics of the fund**

The fund promotes the following environmental and social characteristics as part of the investment strategy for GRO Fund I. GRO Capital and the fund promote social and environmental characteristics for the Partnership in the manner described in GRO Capital's "Responsible Investment Policy".

In line with the above, the environmental and social characteristics that the product seeks to promote include greenhouse gas emissions, gender equality and good governance.

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.
- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

### **Investment strategy**

#### **Investment strategy used to meet the environmental and social characteristics**

The fund invests in mature equity and equity-related majority and minority stakes in Nordic and North European, mid-market technology companies with a focus on business-to-business software.

To ensure that selected investments contribute to meeting environmental and social characteristics of the fund, the fund incorporates the ESG principles set out in the Responsible Investment Policy through the investment evaluation and decision-making process:

- e) Screening: GRO's investment team will only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy and ESG principles. Based on factors relevant to each investment, GRO's investment team will perform an initial screening of investments to identify red flags or material risks, which may impact the investment decision;
- f) Due diligence: If material risks are identified, GRO's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant in each case, include an assessment of risks relating to: (i) environmental and climate impacts and compliance, (ii) labour standards, (iii) human rights, (iv) anti-bribery and corruption, and (v) health, safety and environmental standards.
- g) Investment decision: GRO Capital's investment team will present findings from the aforementioned process to the Investment Committee. During the final investment decision process, ESG opportunities and risks will be flagged, and recommendations to address relevant ESG risks will be proposed for potential target companies.
- h) Investment contracts: GRO's investment team shall, to the extent relevant and possible considering the structure of an investment, seek to ensure that it is either represented in the investee company board or otherwise has access to relevant ESG-related investment information, and that relevant ESG topics are addressed in relevant investment contracts

During the ownership phase, GRO Capital actively works with portfolio companies to influence their contribution to the environmental and social characteristics of the fund. This includes encouraging portfolio companies to set targets on climate and gender diversity, developing ESG-related policies and action plans. GRO Capital engages in ongoing dialogue with management of the portfolio companies, and companies annually report on their progress to GRO Capital.

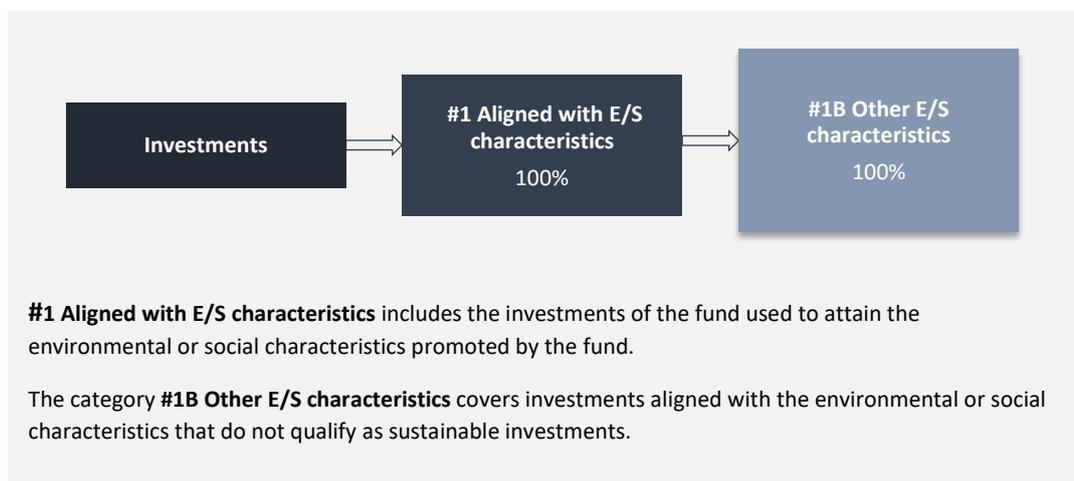
### **Policy to assess good governance practices of investee companies**

GRO Capital will review each portfolio company's ESG standards over the lifecycle of each investment to identify areas of ESG related risks and opportunities. Specifically, in relation to good governance:

- GRO Capital will work with portfolio companies through representation on their boards or other governance structures, with the goal of improving performance and minimizing adverse impacts in ESG areas.
- GRO Capital will seek to provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement policies that help align the interests of owners and management.
- GRO Capital will follow the responsible investment policy and steps implemented for ESG risk screening and due diligence processes. GRO Capital conducts legal, tax and ESG due diligence to inform investment decisions. The due diligence process is used to inform GRO Capital that the investee companies:
  - Comply with applicable labour laws in the countries where the Partnership invests.
  - Maintain anti-bribery and corruption policies that prohibit bribery and other improper payments in order to gain commercial advantages;
  - Respect the international codes of conduct, e.g. the OECD Guidelines for Multinational Businesses and UN Guiding Principles on Business and Human Rights and;
  - Seek to minimize adverse impacts on the environment through the operations

## Proportion of investments

The asset allocation diagram below illustrates the planned asset allocation of the fund. The fund is committed to 100% investments aligned with other environmental and social characteristics. Hence, the fund includes 0% investments with a sustainable investment objective, as defined by EU regulation 2019/2088 (Sustainable finance disclosure regulation) and 2020/852 (Taxonomy). Derivatives are not used to attain the environmental and social characteristics of the fund.



## Monitoring of environmental or social characteristics

Post-investment, performance is evaluated on fund-level annually through reporting on environmental, social and governance indicators from the portfolio companies to GRO Capital. The annual reporting is used to both inform GRO Capital as well as investors on the performance of the fund. In addition, progress and actions on the above parameters are also addressed on an ongoing basis during the year through regular dialogue with management of the portfolio companies.

## Methodologies for environmental or social characteristics

As described in the "Responsible Investment Policy", Capital has established a number of environmental, social and governance principles GRO Capital will endeavor to ensure are observed by the investments of the fund. As such, GRO Capital will seek appropriate disclosures on ESG from each entity in which the fund invests in, having a focus on climate change, gender equality and good governance practices.

The indicators used to measure the attainment of the environmental and social characteristics include:

- Whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital;
- Whether portfolio companies have formulated and implemented policies on gender diversity, climate and anti-corruption;
- Whether portfolio companies have formulated action plans for gender diversity and reducing climate impacts;
- Whether the portfolio companies in scope have measured and reported on the ESG-data requested by GRO Capital.

## Data sources and processing

The data sources used to measure the attainment of the sustainability indicators are provided by the portfolio companies in the fund. This includes annual ESG data on indicators required by GRO

Capital as well as documentation of portfolio companies' policies and action plans required by GRO Capital.

Data quality is ensured by the data provided by portfolio companies being thoroughly reviewed by GRO Capital and external advisors. Further, GRO Capital and its advisors may discuss and discuss any questions related to the data with the aim to improve the data quality, accuracy and completeness.

A proportion of the data reported may be estimated, however, the majority of the data reported is based on actual numbers. In cases where estimates are used, this may be done to ensure a higher level of completeness where some portfolio companies have not been able to attain the necessary data, or where a company is new to the portfolio and has just begun gathering ESG data.

For the indicator of '*whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital*', this is based on the number of investments made by GRO Capital and the fund following the principles and process set out in the responsible investment policy. This e.g., includes the number of investments where the necessary ESG risk assessments and ESG due diligence procedures have been performed.

### **Limitations to methodologies and data**

Limitations to the methodologies and data quality can naturally arise in relation to the maturity level of the portfolio companies. As such, new portfolio companies that are less mature in relation to ESG-reporting may particularly in their first reporting period have lower data quality or require more use of estimates on ESG data. Further, a general lack of consistency in methodologies and accessibility to ESG data may impact the portfolio companies' ability to report on data in a standardized way.

GRO Capital actively works to mitigate any loss of data quality or limitations to methodologies in general through sparring and quality control during the annual data collection activities, and by providing portfolio companies with the necessary information to collect and develop data and information in a consistent way. Further, through GRO Capital's active ownership activities, a focus is on ensuring that portfolio companies develop ESG policies and action plans in line with GRO Capital's standards and expectations. Through this approach, GRO Capital works to ensure that the environmental and social characteristics promoted by the fund are met.

### **Due diligence**

Following GRO Capital's Responsible Investment Policy, ESG risks and opportunities are considered throughout the investment process. Potential adverse impacts on the social and environmental characteristics of the fund are addressed across the pre-investment and portfolio management phase. Pre-investment, these are addressed through risk screening and due diligence procedures to exclude investments with potential severe adverse impacts that are not in line with GRO's investment strategy. This includes:

- 1) **Screening and exclusion:** In the early investment process, all potential investments undergo a screening to identify key ESG risks and to ensure that the fund does not directly invest in: Portfolio companies with direct exposure to weapons, sanctioned persons and countries, tobacco, pornography, alcohol and gambling or other that the investment does not follow the investment strategy of the fund.

- 2) **ESG due diligence:** When potential material risks are identified, GRO Capital assesses sustainability-related risks and opportunities as well as maturity through targeted ESG due diligence processes, involving external advisors as needed.
- 3) **Investment decision:** The screening and due diligence results directly inform the investment decision.

These initiatives shall be established for the purpose of identifying ESG topics and risks throughout the lifecycle of the fund investments reducing the likelihood of any ESG incidents occurring and to minimize any ESG risks which may have a negative impact on an investment of a fund managed by GRO. See more in the section "Investment Strategy".

### **Engagement policies**

The fund follows the principles for active ownership and engagement outlined in GRO Capital's Responsible Investment Policy. After the closing of an investment, GRO Capital acts as an active owner of the investment, which shall, inter alia, be done through different initiatives, including: (i) responding to any incidents concerning ESG matters, (ii) monitoring of counterparties, including on ESG topics and incidents, (III) discussing ESG matters at board meetings, and (iv) conducting relevant follow-ups on ESG topics with investee companies.

### **Designated reference benchmark**

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.

# Sustainability-related information: GRO Fund II

## Summary

### Dansk

Denne fond fremmer miljømæssige eller sociale karakteristika, men har ikke bæredygtig investering som sit mål.

Fonden har til hensigt at undgå investeringer, der ikke er i overensstemmelse med GRO Capitals Politik for Ansvarlige Investeringer ved at følge principperne og procedurerne for due diligence og engagement, der er beskrevet heri. Fonden søger at fremme god miljø-, social- og ledelsespraksis (ESG), med fokus på karakteristika relateret til nedenstående temaer:

- Klimaforandringer: GRO søger at påvirke og samarbejde med porteføljevirksohmeder for at reducere deres drivhusgasemissioner og opstille reduktionsmål.
- Kønsdiversitet: GRO søger at påvirke og samarbejde med porteføljevirksohmeder om at etablere politikker og handlingsplaner for kønsdiversitet.
- Ansvarlig forretningsledelse: GRO søger at påvirke og samarbejde med porteføljeselskaber for at sikre, at virksomhederne har passende politikker og procedurer på plads for at understøtte ansvarlig forretningsledelse, heriblandt politikker om anti-korruption og bestikkelse, kønsdiversitet og klima.

Intet indeks er blevet udpeget som referencebenchmark for at opfylde de miljømæssige eller sociale karakteristika, som fonden fremmer.

Fondens fulde redegørelse for bæredygtighedsrelaterede oplysninger, der er angivet nedenfor, indeholder desuden oplysninger om:

- f) Fondens miljømæssige og sociale karakteristika og de indikatorer, der bruges til at måle opnåelsen af de miljømæssige og sociale karakteristika, som fonden fremmer. Dette omfatter en beskrivelse af de anvendte metoder og datakilder, samt hvordan indikatorerne overvåges gennem fondens levetid;
- g) Begrænsninger for anvendte metoder og data, og hvordan disse ikke påvirker opnåelsen af de miljømæssige og sociale karakteristika;
- h) Den investeringsstrategi, der anvendes til at opfylde de sociale og miljømæssige karakteristika, herunder politikken til vurdering af god ledelsespraksis for virksomheder, der er investeret i;
- i) Andelen og fordelingen af investeringerne i bæredygtige investeringer;
- j) Due diligence-procedurer og engagementspolitikker.

### English

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

The fund intends to avoid investments which are not in line with GRO Capital's Responsible Investment policy by following the principles and procedures for due diligence and engagement outlined in the Responsible Investment Policy, and seeks to promote good Environmental, Social and Governance (ESG) practices with a focus on characteristics related to the below themes:

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.

- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.

The full statement on sustainability-related information for the fund provided below includes information on:

- f) The environmental and social characteristics of the fund and the indicators used to measure the achievement of the environmental and social characteristics promoted by the fund. This includes a description of the methodologies and data sources used, as well as how the indicators are monitored through the lifecycle of the fund;
- g) Limitations to methodologies and data used and how these do not affect the attainment of the environmental and social characteristics;
- h) The investment strategy used to meet the social and environmental characteristics, including the policy to assess good governance practices of investee companies;
- i) The proportion and allocation of the investments in sustainable investments;
- j) Due diligence procedures performed and engagement policies.

### **No sustainable investment objective**

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

### **Environmental or social characteristics of the fund**

The fund promotes the following environmental and social characteristics as part of the investment strategy for GRO Fund II. GRO Capital and the fund promote social and environmental characteristics for the Partnership in the manner described in GRO Capital's "Responsible Investment Policy".

In line with the above, the environmental and social characteristics that the product seeks to promote include greenhouse gas emissions, gender equality and good governance.

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.
- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

### **Investment strategy**

#### **Investment strategy used to meet the environmental and social characteristics**

The fund invests in mature equity and equity-related majority and minority stakes in Nordic and North European, mid-market technology companies with a focus on business-to-business software.

To ensure that selected investments contribute to meeting environmental and social characteristics of the fund, the fund incorporates the ESG principles set out in the Responsible Investment Policy through the investment evaluation and decision-making process:

- i) Screening: GRO's investment team will only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy and ESG principles. Based on factors relevant to each investment, GRO's investment team will perform an initial screening of investments to identify red flags or material risks, which may impact the investment decision;
- j) Due diligence: If material risks are identified, GRO's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant in each case, include an assessment of risks relating to: (i) environmental and climate impacts and compliance, (ii) labour standards, (iii) human rights, (iv) anti-bribery and corruption, and (v) health, safety and environmental standards.
- k) Investment decision: GRO Capital's investment team will present findings from the aforementioned process to the Investment Committee. During the final investment decision process, ESG opportunities and risks will be flagged, and recommendations to address relevant ESG risks will be proposed for potential target companies.
- l) Investment contracts: GRO's investment team shall, to the extent relevant and possible considering the structure of an investment, seek to ensure that it is either represented in the investee company board or otherwise has access to relevant ESG-related investment information, and that relevant ESG topics are addressed in relevant investment contracts

During the ownership phase, GRO Capital actively works with portfolio companies to influence their contribution to the environmental and social characteristics of the fund. This includes encouraging portfolio companies to set targets on climate and gender diversity, developing ESG-related policies and action plans. GRO Capital engages in ongoing dialogue with management of the portfolio companies, and companies annually report on their progress to GRO Capital.

### **Policy to assess good governance practices of investee companies**

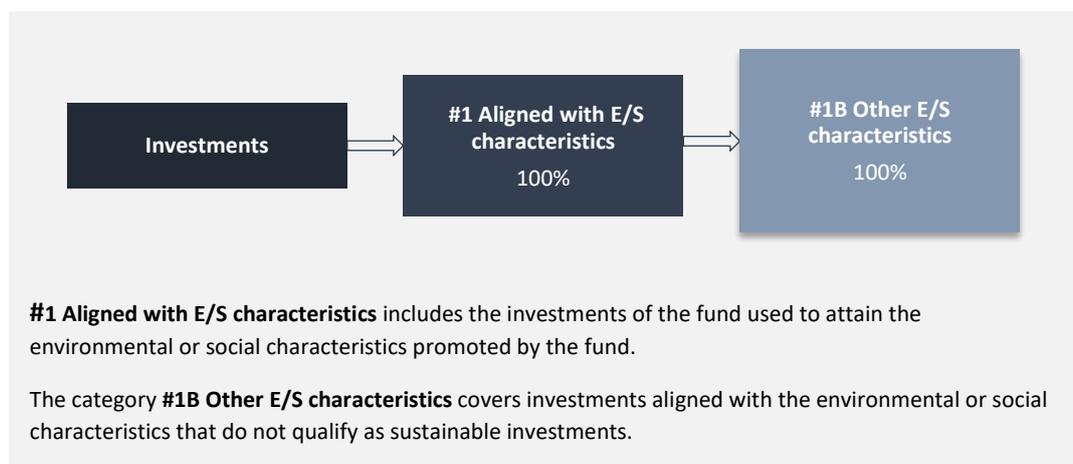
GRO Capital will review each portfolio company's ESG standards over the lifecycle of each investment to identify areas of ESG related risks and opportunities. Specifically, in relation to good governance:

- GRO Capital will work with portfolio companies through representation on their boards or other governance structures, with the goal of improving performance and minimizing adverse impacts in ESG areas.
- GRO Capital will seek to provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement policies that help align the interests of owners and management.
- GRO Capital will follow the responsible investment policy and steps implemented for ESG risk screening and due diligence processes. GRO Capital conducts legal, tax and ESG due diligence to inform investment decisions. The due diligence process is used to inform GRO Capital that the investee companies:
  - Comply with applicable labour laws in the countries where the Partnership invests.
  - Maintain anti-bribery and corruption policies that prohibit bribery and other improper payments in order to gain commercial advantages;
  - Respect the international codes of conduct, e.g. the OECD Guidelines for Multinational Businesses and UN Guiding Principles on Business and Human Rights and;
  - Seek to minimize adverse impacts on the environment through the operations

### **Proportion of investments**

The asset allocation diagram below illustrates the planned asset allocation of the fund. The fund is committed to 100% investments aligned with other environmental and social characteristics.

Hence, the fund includes 0% investments with a sustainable investment objective, as defined by EU regulation 2019/2088 (Sustainable finance disclosure regulation) and 2020/852 (Taxonomy). Derivatives are not used to attain the environmental and social characteristics of the fund.



## Monitoring of environmental or social characteristics

Post-investment, performance is evaluated on fund-level annually through reporting on environmental, social and governance indicators from the portfolio companies to GRO Capital. The annual reporting is used to both inform GRO Capital as well as investors on the performance of the fund. In addition, progress and actions on the above parameters are also addressed on an ongoing basis during the year through regular dialogue with management of the portfolio companies.

## Methodologies for environmental or social characteristics

As described in the "Responsible Investment Policy", Capital has established a number of environmental, social and governance principles GRO Capital will endeavor to ensure are observed by the investments of the fund. As such, GRO Capital will seek appropriate disclosures on ESG from each entity in which the fund invests in, having a focus on climate change, gender equality and good governance practices.

The indicators used to measure the attainment of the environmental and social characteristics include:

- Whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital;
- Whether portfolio companies have formulated and implemented policies on gender diversity, climate and anti-corruption;
- Whether portfolio companies have formulated action plans for gender diversity and reducing climate impacts;
- Whether the portfolio companies in scope have measured and reported on the ESG-data requested by GRO Capital.

## Data sources and processing

The data sources used to measure the attainment of the sustainability indicators are provided by the portfolio companies in the fund. This includes annual ESG data on indicators required by GRO Capital as well as documentation of portfolio companies' policies and action plans required by GRO Capital.

Data quality is ensured by the data provided by portfolio companies being thoroughly reviewed by GRO Capital and external advisors. Further, GRO Capital and its advisors may discuss and discuss any questions related to the data with the aim to improve the data quality, accuracy and completeness.

A proportion of the data reported may be estimated, however, the majority of the data reported is based on actual numbers. In cases where estimates are used, this may be done to ensure a higher level of completeness where some portfolio companies have not been able to attain the necessary data, or where a company is new to the portfolio and has just begun gathering ESG data.

For the indicator of *'whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital'*, this is based on the number of investments made by GRO Capital and the fund following the principles and process set out in the responsible investment policy. This e.g., includes the number of investments where the necessary ESG risk assessments and ESG due diligence procedures have been performed.

## **Limitations to methodologies and data**

Limitations to the methodologies and data quality can naturally arise in relation to the maturity level of the portfolio companies. As such, new portfolio companies that are less mature in relation to ESG-reporting may particularly in their first reporting period have lower data quality or require more use of estimates on ESG data. Further, a general lack of consistency in methodologies and accessibility to ESG data may impact the portfolio companies' ability to report on data in a standardized way.

GRO Capital actively works to mitigate any loss of data quality or limitations to methodologies in general through sparring and quality control during the annual data collection activities, and by providing portfolio companies with the necessary information to collect and develop data and information in a consistent way. Further, through GRO Capital's active ownership activities, a focus is on ensuring that portfolio companies develop ESG policies and action plans in line with GRO Capital's standards and expectations. Through this approach, GRO Capital works to ensure that the environmental and social characteristics promoted by the fund are met.

## **Due diligence**

Following GRO Capital's Responsible Investment Policy, ESG risks and opportunities are considered throughout the investment process. Potential adverse impacts on the social and environmental characteristics of the fund are addressed across the pre-investment and portfolio management phase. Pre-investment, these are addressed through risk screening and due diligence procedures to exclude investments with potential severe adverse impacts that are not in line with GRO's investment strategy. This includes:

- 4) **Screening and exclusion:** In the early investment process, all potential investments undergo a screening to identify key ESG risks and to ensure that the fund does not directly invest in: Portfolio companies with direct exposure to weapons, sanctioned persons and countries, tobacco, pornography, alcohol and gambling or other that the investment does not follow the investment strategy of the fund.
- 5) **ESG due diligence:** When potential material risks are identified, GRO Capital assesses sustainability-related risks and opportunities as well as maturity through targeted ESG due diligence processes, involving external advisors as needed.
- 6) **Investment decision:** The screening and due diligence results directly inform the investment decision.

These initiatives shall be established for the purpose of identifying ESG topics and risks throughout the lifecycle of the fund investments reducing the likelihood of any ESG incidents occurring and to minimize any ESG risks which may have a negative impact on an investment of a fund managed by GRO. See more in the section “Investment Strategy”.

### **Engagement policies**

The fund follows the principles for active ownership and engagement outlined in GRO Capital’s Responsible Investment Policy. After the closing of an investment, GRO Capital acts as an active owner of the investment, which shall, inter alia, be done through different initiatives, including: (i) responding to any incidents concerning ESG matters, (ii) monitoring of counterparties, including on ESG topics and incidents, (II) discussing ESG matters at board meetings, and (iv) conducting relevant follow-ups on ESG topics with investee companies.

### **Designated reference benchmark**

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.

# Sustainability-related information: GRO Fund III

## Summary

### Dansk

Denne fond fremmer miljømæssige eller sociale karakteristika, men har ikke bæredygtig investering som sit mål.

Fonden har til hensigt at undgå investeringer, der ikke er i overensstemmelse med GRO Capitals Politik for Ansvarlige Investeringer ved at følge principperne og procedurerne for due diligence og engagement, der er beskrevet heri. Fonden søger at fremme god miljø-, social- og ledelsespraksis (ESG), med fokus på karakteristika relateret til nedenstående temaer:

- Klimaforandringer: GRO søger at påvirke og samarbejde med porteføljevirkksomheder for at reducere deres drivhusgasemissioner og opstille reduktionsmål.
- Kønsdiversitet: GRO søger at påvirke og samarbejde med porteføljevirkksomheder om at etablere politikker og handlingsplaner for kønsdiversitet.
- Ansvarlig forretningsledelse: GRO søger at påvirke og samarbejde med porteføljeselskaber for at sikre, at virksomhederne har passende politikker og procedurer på plads for at understøtte ansvarlig forretningsledelse, heriblandt politikker om anti-korruption og bestikkelse, kønsdiversitet og klima.

Intet indeks er blevet udpeget som referencebenchmark for at opfylde de miljømæssige eller sociale karakteristika, som fonden fremmer.

Fondens fulde redegørelse for bæredygtighedsrelaterede oplysninger, der er angivet nedenfor, indeholder desuden oplysninger om:

- k) Fondens miljømæssige og sociale karakteristika og de indikatorer, der bruges til at måle opnåelsen af de miljømæssige og sociale karakteristika, som fonden fremmer. Dette omfatter en beskrivelse af de anvendte metoder og datakilder, samt hvordan indikatorerne overvåges gennem fondens levetid;
- l) Begrænsninger for anvendte metoder og data, og hvordan disse ikke påvirker opnåelsen af de miljømæssige og sociale karakteristika;
- m) Den investeringsstrategi, der anvendes til at opfylde de sociale og miljømæssige karakteristika, herunder politikken til vurdering af god ledelsespraksis for virksomheder, der er investeret i;
- n) Andelen og fordelingen af investeringerne i bæredygtige investeringer;
- o) Due diligence-procedurer og engagementspolitikker.

### English

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

The fund intends to avoid investments which are not in line with GRO Capital's Responsible Investment policy by following the principles and procedures for due diligence and engagement outlined in the Responsible Investment Policy, and seeks to promote good Environmental, Social and Governance (ESG) practices with a focus on characteristics related to the below themes:

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.
- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.

The full statement on sustainability-related information for the fund provided below includes information on:

- k) The environmental and social characteristics of the fund and the indicators used to measure the achievement of the environmental and social characteristics promoted by the fund. This includes a description of the methodologies and data sources used, as well as how the indicators are monitored through the lifecycle of the fund;
- l) Limitations to methodologies and data used and how these do not affect the attainment of the environmental and social characteristics;
- m) The investment strategy used to meet the social and environmental characteristics, including the policy to assess good governance practices of investee companies;
- n) The proportion and allocation of the investments in sustainable investments;
- o) Due diligence procedures performed and engagement policies.

### **No sustainable investment objective**

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

### **Environmental or social characteristics of the fund**

The fund promotes the following environmental and social characteristics as part of the investment strategy for GRO Fund III. GRO Capital and the fund promote social and environmental characteristics for the Partnership in the manner described in GRO Capital's "Responsible Investment Policy".

In line with the above, the environmental and social characteristics that the product seeks to promote include greenhouse gas emissions, gender equality and good governance.

- Climate change: GRO seeks to influence and work with portfolio companies to reduce their GHG emissions and set reduction targets.
- Gender equality: GRO seeks to influence and work with portfolio companies to establish policies and action plans for gender diversity.
- Good governance: GRO seeks to influence and work with portfolio companies to ensure that companies have in place adequate policies and procedures to support good governance, e.g., on anti-corruption and bribery, gender diversity and climate.

### **Investment strategy**

#### **Investment strategy used to meet the environmental and social characteristics**

The fund invests in mature equity and equity-related majority and minority stakes in Nordic and North European, mid-market technology companies with a focus on business-to-business software.

To ensure that selected investments contribute to meeting environmental and social characteristics of the fund, the fund incorporates the ESG principles set out in the Responsible Investment Policy through the investment evaluation and decision-making process:

- m) Screening: GRO's investment team will only pursue investments in sectors that fall within the scope of the relevant fund's investment strategy and ESG principles. Based on factors relevant to each investment, GRO's investment team will perform an initial screening of investments to identify red flags or material risks, which may impact the investment decision;
- n) Due diligence: If material risks are identified, GRO's investment team shall arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant in each case, include an assessment of risks relating to: (i) environmental and climate impacts and compliance, (ii) labour standards, (iii) human rights, (iv) anti-bribery and corruption, and (v) health, safety and environmental standards.
- o) Investment decision: GRO Capital's investment team will present findings from the aforementioned process to the Investment Committee. During the final investment decision process, ESG opportunities and risks will be flagged, and recommendations to address relevant ESG risks will be proposed for potential target companies.
- p) Investment contracts: GRO's investment team shall, to the extent relevant and possible considering the structure of an investment, seek to ensure that it is either represented in the investee company board or otherwise has access to relevant ESG-related investment information, and that relevant ESG topics are addressed in relevant investment contracts

During the ownership phase, GRO Capital actively works with portfolio companies to influence their contribution to the environmental and social characteristics of the fund. This includes encouraging portfolio companies to set targets on climate and gender diversity, developing ESG-related policies and action plans. GRO Capital engages in ongoing dialogue with management of the portfolio companies, and companies annually report on their progress to GRO Capital.

### **Policy to assess good governance practices of investee companies**

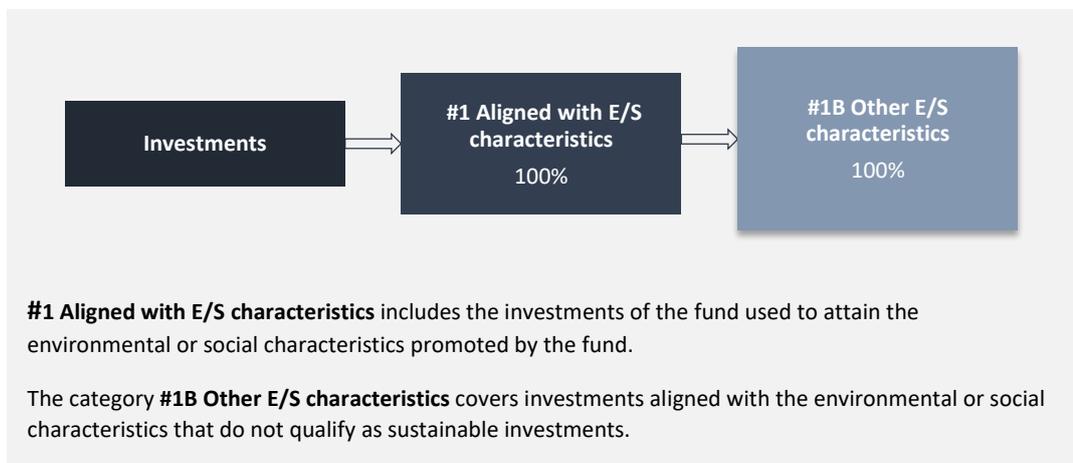
GRO Capital will review each portfolio company's ESG standards over the lifecycle of each investment to identify areas of ESG related risks and opportunities. Specifically, in relation to good governance:

- GRO Capital will work with portfolio companies through representation on their boards or other governance structures, with the goal of improving performance and minimizing adverse impacts in ESG areas.
- GRO Capital will seek to provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement policies that help align the interests of owners and management.
- GRO Capital will follow the responsible investment policy and steps implemented for ESG risk screening and due diligence processes. GRO Capital conducts legal, tax and ESG due diligence to inform investment decisions. The due diligence process is used to inform GRO Capital that the investee companies:
  - Comply with applicable labour laws in the countries where the Partnership invests.
  - Maintain anti-bribery and corruption policies that prohibit bribery and other improper payments in order to gain commercial advantages;
  - Respect the international codes of conduct, e.g. the OECD Guidelines for Multinational Businesses and UN Guiding Principles on Business and Human Rights and;
  - Seek to minimize adverse impacts on the environment through the operations

### **Proportion of investments**

The asset allocation diagram below illustrates the planned asset allocation of the fund. The fund is committed to 100% investments aligned with other environmental and social characteristics.

Hence, the fund includes 0% investments with a sustainable investment objective, as defined by EU regulation 2019/2088 (Sustainable finance disclosure regulation) and 2020/852 (Taxonomy). Derivatives are not used to attain the environmental and social characteristics of the fund.



## Monitoring of environmental or social characteristics

Post-investment, performance is evaluated on fund-level annually through reporting on environmental, social and governance indicators from the portfolio companies to GRO Capital. The annual reporting is used to both inform GRO Capital as well as investors on the performance of the fund. In addition, progress and actions on the above parameters are also addressed on an ongoing basis during the year through regular dialogue with management of the portfolio companies.

## Methodologies for environmental or social characteristics

As described in the "Responsible Investment Policy", Capital has established a number of environmental, social and governance principles GRO Capital will endeavor to ensure are observed by the investments of the fund. As such, GRO Capital will seek appropriate disclosures on ESG from each entity in which the fund invests in, having a focus on climate change, gender equality and good governance practices.

The indicators used to measure the attainment of the environmental and social characteristics include:

- Whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital;
- Whether portfolio companies have formulated and implemented policies on gender diversity, climate and anti-corruption;
- Whether portfolio companies have formulated action plans for gender diversity and reducing climate impacts;
- Whether the portfolio companies in scope have measured and reported on the ESG-data requested by GRO Capital.

## Data sources and processing

The data sources used to measure the attainment of the sustainability indicators are provided by the portfolio companies in the fund. This includes annual ESG data on indicators required by GRO Capital as well as documentation of portfolio companies' policies and action plans required by GRO Capital.

Data quality is ensured by the data provided by portfolio companies being thoroughly reviewed by GRO Capital and external advisors. Further, GRO Capital and its advisors may discuss and discuss any questions related to the data with the aim to improve the data quality, accuracy and completeness.

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For the indicator of *'whether investments have been conducted in line with the investment strategy and responsible investment policy of the fund and GRO Capital'*, this is based on the number of investments made by GRO Capital and the fund following the principles and process set out in the responsible investment policy. This e.g., includes the number of investments where the necessary ESG risk assessments and ESG due diligence procedures have been performed.

### **Limitations to methodologies and data**

Limitations to the methodologies and data quality can naturally arise in relation to the maturity level of the portfolio companies. As such, new portfolio companies that are less mature in relation to ESG-reporting may particularly in their first reporting period have lower data quality or require more use of estimates on ESG data. Further, a general lack of consistency in methodologies and accessibility to ESG data may impact the portfolio companies' ability to report on data in a standardized way.

GRO Capital actively works to mitigate any loss of data quality or limitations to methodologies in general through sparring and quality control during the annual data collection activities, and by providing portfolio companies with the necessary information to collect and develop data and information in a consistent way. Further, through GRO Capital's active ownership activities, a focus is on ensuring that portfolio companies develop ESG policies and action plans in line with GRO Capital's standards and expectations. Through this approach, GRO Capital works to ensure that the environmental and social characteristics promoted by the fund are met.

### **Due diligence**

Following GRO Capital's Responsible Investment Policy, ESG risks and opportunities are considered throughout the investment process. Potential adverse impacts on the social and environmental characteristics of the fund are addressed across the pre-investment and portfolio management phase. Pre-investment, these are addressed through risk screening and due diligence procedures to exclude investments with potential severe adverse impacts that are not in line with GRO's investment strategy. This includes:

- 7) **Screening and exclusion:** In the early investment process, all potential investments undergo a screening to identify key ESG risks and to ensure that the fund does not directly invest in: Portfolio companies with direct exposure to weapons, sanctioned persons and countries, tobacco, pornography, alcohol and gambling or other that the investment does not follow the investment strategy of the fund.
- 8) **ESG due diligence:** When potential material risks are identified, GRO Capital assesses sustainability-related risks and opportunities as well as maturity through targeted ESG due diligence processes, involving external advisors as needed.
- 9) **Investment decision:** The screening and due diligence results directly inform the investment decision.

These initiatives shall be established for the purpose of identifying ESG topics and risks throughout the lifecycle of the fund investments reducing the likelihood of any ESG incidents occurring and to minimize any ESG risks which may have a negative impact on an investment of a fund managed by GRO. See more in the section “Investment Strategy”.

### **Engagement policies**

The fund follows the principles for active ownership and engagement outlined in GRO Capital’s Responsible Investment Policy. After the closing of an investment, GRO Capital acts as an active owner of the investment, which shall, inter alia, be done through different initiatives, including: (i) responding to any incidents concerning ESG matters, (ii) monitoring of counterparties, including on ESG topics and incidents, (iii) discussing ESG matters at board meetings, and (iv) conducting relevant follow-ups on ESG topics with investee companies.

### **Designated reference benchmark**

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the fund.