

Sustainability Risk Policy

1. Purpose of the policy

This policy ("Policy" or the "Policy") applies to Maj Invest Equity A/S and its employees, ("Maj Invest Equity").

The policy has been drawn up in accordance with Article 3 of the Disclosure Regulation (EU) 2019/2088 of 27 November 2019. The policy is an element of Maj Invest Equity's approach to sustainability risks, including Maj Invest Equity's general policy statements concerning environmental, social and governance (ESG) factors, see clause 3. The policy also sets the framework for how Maj Invest Equity will handle and integrate sustainability risks in investment decisions, see clause 4.

The purpose of this policy is to describe Maj Invest Equity's approach to the integration of sustainability risks in investment processes in Maj Invest Equity. In Maj Invest Equity, the identification and handling of sustainability risks take place at company level, in certain investment processes and in the course of the ongoing monitoring of investments. Maj Invest Equity is a manager of alternative investment funds with several different strategies. The opportunities to integrate sustainability risks in investment processes therefore depend to a high degree on the individual investment strategy.

2. Sustainability risk

Sustainability risk is defined – according to SFDR – 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 an investment. Sustainability factors are – according to SFDR – environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Climate and environmental risks

Climate and environmental risks include financial risks arising from exposure to an investment that may be affected by climate change or other forms of environmental degradation, and the

transition to a carbon-neutral economy. Here, a distinction is made between physical risks and transition risks.

Physical risks are related to more frequent and more extreme weather events, and may include business activities that are particularly vulnerable to these extreme weather conditions.

Transition risks concern the financial risks that companies may face as a consequence of the transition to a carbon-neutral economy. This might include investments in a sector with high carbon emissions, where the underlying assets become stranded, resulting in lost value and failing profitability.

Social risks

Social risks concern the financial risks faced by investors as a consequence of social or societal factors. These risks may develop as a consequence of changes in a number of societal aspects, and include social conditions, working conditions, human capital, diversity and inclusion.

Governance risks

Governance risks refer to the potential challenges and threats a company might face as a consequence of ineffective or incompetent management. These risks may affect the company's ability to achieve its own goals, protect its reputation and maintain good management and operations, which in overall terms can have a negative impact on the value of an investment.

3. In general about sustainability in the Maj Invest Group

Maj Invest Equity's overall approach to responsible investment is expressed through membership of PRI (Principles for Responsible Investment) and the annual reporting in accordance therewith, and through Maj Invest Equity's policies concerning responsible investments and voting. Read more about this at www.majinvest.com.

As a company, Maj Invest Equity considers sustainability risks to the extent that such risks can affect Maj Invest Equity's financial stability, if they are not handled correctly.

Maj Invest Equity aims to manage funds with a sustainability classification (funds in accordance with Article 8 of the Disclosure Regulation) among the funds managed by Maj Invest.

Another focus for Maj Invest Equity is to be a workplace that takes sustainability into account, and that takes sustainability and social responsibility seriously.

Maj Invest Equity endorses the following general policy statements in the Maj Invest Group:

The Maj Invest Group's social responsibility and climate initiatives:

- The Maj Invest Group has a permanent employee committee, the Committee for Social Purposes, which works with donations and has the aim of donating DKK 10 million over a five-year period (up to and including 2027), with focus on social vulnerability and on nature/climate issues.
- The Maj Invest Group has a permanent employee committee, the Climate Committee, which works to promote climate awareness internally in the Maj Invest Group. The committee also actively seeks to identify internal opportunities within the Maj Invest Group to choose more climate-friendly solutions that will contribute to reducing waste and excessive consumption.
- The Maj Invest Group has a permanent employee committee, the Inclusion Committee, which works to promote diversity and inclusion in the Maj Invest Group and in the financial sector in general, in cooperation with relevant institutions.

The Maj Invest Group's initiatives to support investments and products to promote sustainability:

- The Maj Invest Group seeks to adhere to internationally recognised principles in its sustainability work.
- The Maj Invest Group actively seeks to be able to offer investment strategies and/or products that invest directly in renewable energy, and in companies that change behaviour or develop technology and products that promote the green transition.
- The Maj Invest Group works actively to be able to offer investment strategies and/or products which invest in companies that promote positive development in society or social conditions.

The Maj Invest Group's policy statements are principles which the Maj Invest Group will seek to adhere to in the companies and for the investment strategies in the Maj Invest Group for which this supports the purpose, and is relevant for and agreed with the customer.

The Maj Invest Group's business partners, codes of conduct for responsible business practices, internationally recognised due diligence standards and sustainability reporting are presented in Appendix 1.

4. Integration of sustainability risks in investment decisions

Maj Invest Equity handles and integrates sustainability risks in its investment advisory services and its investment decisions to the extent relevant for the individual investment strategy. Agreements with the individual investors will show to the relevant extent how Maj Invest Equity includes sustainability risks in the investment advisory services/investment decisions.

The impact of sustainability factors on the value of an investment can vary according to the company's activities/nature of the investment. In the assessment – depending on the type of investment – Maj Invest Equity can include such parameters as the sector, and the portfolio company's maturity, size and geographical location, in the assessment of these risks. Maj Invest Equity will generally seek to take account of relevant sustainability risks in its investments, in line with the investment strategy.

As investment adviser and manager of alternative investment funds, the integration of sustainability risks will depend on the individual investment strategy, but Maj Invest Equity does seek to incorporate systematic processes for the integration of sustainability risks across investment strategies. This work includes a risk assessment, in which connection sustainability risks may be relevant. Sustainability factors may be one of several factors in the overall assessment, depending on the individual investment strategy. In such case, a sustainability risk analysis will be implemented by Maj Invest Equity's investment team, supported to the relevant extent by internal knowledge and external information about sustainability factors, and in cooperation with Maj Invest's Sustainability Department.

Maj Invest Equity's management continuously assesses whether actual ESG events or incidents have occurred that constitute significant sustainability risks for the Maj Invest Group's companies, or are of significance to Maj Invest Equity's investment advisory services. At each ordinary meeting of the Board of Directors, information is given concerning any sustainability incidents and, where relevant, material sustainability risks for Maj Invest Equity.

Maj Invest is a manager of alternative investment funds with primarily unlisted investments. The integration of sustainability risks depends to a high degree on the specific investment fund's strategy. For investments in alternative investment funds, various types of sustainability risks can be relevant, depending on geographical location, sector and maturity of the investments. For the investment strategies for which this is agreed, the investment process will entail analysis of sustainability risks as part of the risk assessment and, where relevant, the aim is a systematic approach.

5. About Maj Invest Equity's investors and sustainability risks

Maj Invest Equity's advisory services include funds that promote sustainability, and funds that do not promote sustainability. Whether sustainability is promoted and how sustainability risks are integrated depends on the specific investment strategy.

Investors in Maj Invest Equity receive information about sustainability risks when they enter into an agreement with Maj Invest Equity and in reporting from Maj Invest Equity, including

- i) whether Maj Invest Equity integrates sustainability risks in its investment advisory services/its investment decisions, and
- ii) in such case possible effects of sustainability risks on the returns of the funds managed by Maj Invest Equity, or
- iii) information that sustainability risks are not assessed to be relevant for the funds managed by Maj Invest Equity, and the reasons for this.

Where relevant, the investor's preferences in relation to sustainable products will be surveyed as an element of the establishment of an investment agreement. Maj Invest Equity will assess together with the investor whether the funds managed by Maj Invest Equity match the investor's preferences. Maj Invest Equity will be able to incorporate investors' preferences in the form of special restrictions and a black list, if this is assessed to be in accordance with the investment strategy. It will in principle not be possible to incorporate the investors' own policy or separate goals, if the policy or goals are in conflict with the investment strategy.

Investors in the Maj Invest Equity funds receive information about the funds managed by Maj Invest Equity, as well as quantitative reporting that reflects the requirements in SFDR. Investors' preferences for reporting on selected parameters are matched to the extent to which Maj Invest Equity can ensure data of appropriate quality.

6. Further information and updating of the policy

Information on Maj Invest Equity's general approach to sustainability can be found at www.majinvest.com, including

- Maj Invest Equity's **Sustainability Risks Policy**
- Maj Invest Equity's **Responsible Investment Policy**
- Maj Invest Equity's **Remuneration Policy** and Maj Invest Equity's **general information on the remuneration policy and remuneration, and compliance with management requirements**
- Maj Invest Equity's **Statement on principal adverse impacts**

7. Infringement and revision

Responsibility for compliance with this policy is held by the Executive Board of Maj Invest Equity.

In the event of non-compliance with the policy, the Executive Board must notify the Board of Directors. In collaboration with the Board of Directors, the Executive Board will take the measures necessary to ensure that the policy is complied with once again.

The policy is revised annually by the company's Executive Board, or as required, including on any significant changes in the assumptions underlying the policy. This is then approved by the company's Board of Directors.

Questions about Maj Invest's ESG policy can be addressed to the company at info@majinvest.com.

8. Entry into force

This policy enters into force on 8 November 2023.

Discussed and approved by the Board of Directors on 8 November 2023 and subsequently signed using digital signature.

Board of Directors:

_____ Chairman of the Board of Directors Tommy Pedersen	_____ Board member Maria Hjorth	_____ Board member Nils Bernstein
_____ Board member Jørgen Tang-Jensen	_____ Board member Henrik Parkhøi	_____ Board member Britta Korre Stenholt

APPENDIX 1 for products/services includes sustainable products (Article 8 or 9)

- a. Information on policies for any identification and prioritisation of the principal adverse sustainability impacts and indicators.

Investment strategies/products (Article 6 services/products are omitted)	Provisionally selected principal adverse sustainability indicators	Prioritisation of principal adverse sustainability impacts	Information on the integration of sustainability
Private Equity: LD Equity 1 K/S under voluntary liquidation			
Private Equity: LD Equity 2 K/S under voluntary liquidation			
LD Equity 3 K/S under voluntary liquidation			
Maj Invest Equity 4 K/S			
Maj Invest Equity 5 K/S			
Maj Invest Equity Vietnam I K/S			
Maj Invest Equity Southeast Asia II K/S			
Danish Microfinance Partners K/S	Table 1: 4, 10, 14 Table 2: 9 Table 3: 6 and 15	Separate sustainability policy Portfolio-specific focus areas Separate sustainability reporting	Information stated in the fund's sustainability policy <i>(available to investors)</i> .
Maj Invest Financial Inclusion II K/S	Table 1: 4, 10, 14 Table 2: 9 Table 3: 6 and 15	Separate sustainability policy Portfolio-specific focus areas Separate sustainability reporting	Information stated in the fund's sustainability policy <i>(available to investors)</i> .
Maj Invest Financial Inclusion III K/S	Table 1: 4, 10, 14 Table 2: 9 Table 3: 6 and 15	Separate sustainability policy Portfolio-specific focus areas Separate sustainability reporting	Information stated in the fund's sustainability policy <i>(available to investors)</i> .
Private Equity Minorities I K/S	Table 1: 4, 13 and 14 Table 2: 4 Table 3: 6	Separate sustainability policy	Information stated in the fund's sustainability policy <i>(available to investors)</i> .
Maj Invest Equity 6 K/S	Table 1: 4, 10, 12, 13, 14 Table 2: 4 Table 3: 1, 4, 9, 15	Separate sustainability policy Portfolio-specific focus areas Separate sustainability reporting	Information stated in the fund's sustainability policy <i>(available to investors)</i> .
Maj Invest Fintech Inclusion Fund I K/S	Table 1: 4, 10, 14 Table 2: 9 Table 3: 6 and 15	Separate sustainability policy Portfolio-specific focus areas Separate sustainability reporting	Information stated in the fund's sustainability policy <i>(available to investors)</i> .

- b. A description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned.

See above.

- c. Brief summary of active ownership policy (Responsible Investment)

Maj Invest Equity believes that sustainability factors can affect investments, and we therefore seek to integrate these factors in our investment process, depending on the individual investment strategy.

Maj Invest Equity has signed the UN-supported Principles for Responsible Investment, PRI, and complies with these principles. Maj Invest Equity is also a member of Brancheforeningen for Aktive Ejere i Danmark (Active Owners Denmark) (formerly Danish Venture Capital and Private Equity Association) and adheres to their active ownership guidelines.

Maj Invest Equity's principles for responsible investment are based on the ten principles in the UN's Global Compact. Sustainability analysis is incorporated as part of the investment criteria, and sustainability factors and potential risks are included as an element of the introductory due diligence conducted prior to any investment. Enterprises' policies and approach to reporting, and improvement in sustainability factors, are also taken into account.

Maj Invest Equity follows up on existing and/or potential sustainability risks in the investment period. The portfolio enterprises' sustainability performance is monitored via Board membership, visits, reporting and ongoing dialogue with the enterprises. Maj Invest Equity engages in dialogue with

the company's management and other shareholders, where this is required, and draws up a plan for the implementation of any improvements.

On an annual basis, our progress and activities in conjunction with sustainability are reported via PRI's reporting and evaluation survey. The PRI Transparency Report is publicly available on our website. We also report annually on our sustainability activities for clients, and on request.

- d. Relevant reference to codes of conduct for responsible business practice and internationally recognised standards for due diligence and reporting, etc.

Important business partners, codes of conduct, standards, etc. for sustainability.	Companies
Cooperation with Sustainalytics on sustainability screening and engagement	MI, MIE
Collaboration with ComplyAdvantage on sanction screening	MI, MIE and MB
Collaboration with ISS on voting	MI
Adoption of PRI	MI, MIE
Adoption of IIGCC (The Institutional Investors Group on Climate Change)	MIE
Transparency International Danmark	MI
Various standards for sustainability and reporting, as a consequence of SFDR and other EU and DK regulation	MI, MIE and MB
Code of conduct CFA Asset Manager Code	MI
Code of conduct: International PE and Venture Capital Valuation Guidelines	MIE
Code of conduct: Active Owners' tax code	MIE
IA 50	MIE