

## Introduction: How Alder aligns with the Impact Principles

At Alder, we believe that strong financial returns and positive environmental impact go hand in hand. Our approach is built to ensure that every investment contributes meaningfully to a more sustainable world—benefiting not just our planet, but also our investors and broader stakeholders.

This *Disclosure Statement* explains how Alder integrates the **Operating Principles for Impact Management** (“Impact Principles”) into every stage of our investment process. These global principles serve as a robust framework for ensuring that impact is intentional, measurable, and embedded across the full investment lifecycle.

For investors, this document demonstrates how our internal processes, governance models, and evaluation frameworks align with international best practice in sustainable and impact-focused investing. It outlines how Alder manages our Article 9 funds under the EU Sustainable Finance Disclosure Regulation (SFDR), with a clear focus on accelerating the green transition.

In short, this statement serves as both a map and a commitment—showing how we translate strategic impact ambitions into concrete actions, accountability, and results.

	Principles for Impact management	Alder Way	Related Processes & Documents at Alder
STRATEGY	Principle 1 - Define Impact Goals	Strategic impact objectives	-Responsible Investment Policy -Alder Impact Framework -Environmental scorecard -SFDR – Annex IV
	Principle 3 - Manager's Role in Impact	Contribution to Impact	-The Alder Way •Table of ESG Compliance / bi-annual follow up and action plan
	Principle 4 - Evaluate Investment Impact	Systematic impact assessment	-Alder Impact Framework •Impact assessment process •Alder Impact Monetization Scorecard -Data Management Tool
	Principle 5 - Handle Negative Impacts	Managing ESG risks	-Impact Assessment process / ESG DD -SFDR Principal Adverse Impact Statement (PAI) -TCFD Climate adaptation analysis and plans -Macro Risk/Opportunity analysis per Deal Team
GOVERNANCE	Principle 2 – Fund-Level Impact Management	Portfolio impact management	-Alder Impact Framework •Alder Impact Monetization Scorecard •Table of ESG Compliance -Alder HR Handbook •Bonus Incentives Policy -Quarterly reports -Bi-Annual portfolio reviews
	Principle 6 - Track Investment Progress	Impact monitoring & response	-Sustainability Policy -Quarterly reports to LP's -Bi-annual LP meetings -Annual Sustainability report -SFDR Periodical report Annex V
MANAGEMENT	Principle 2 - Portfolio-Level Impact Management	Portfolio impact management	-Alder Impact Framework •Alder Impact Monetization Scorecard •Table of ESG Compliance -Alder HR Handbook •Bonus Incentives Policy -Quarterly reports -Bi-Annual portfolio reviews
	Principle 7 - Impact-Focused Exits	Sustained impact in exits	-Data Management System -The Alder Impact Framework •Alder Impact Monetization Scorecard •Exit distribution memo
REPORTING	Principle 8 - Improve Based on Lessons	Continuous improvement	-Yearly Strategy meetings
	Principle 9 - Public Reporting and Verification	Transparency	-PRI Public report -Annual Sustainability Report -SFDR Principal Adverse Impact Statement (PAI) -SFDR Periodical report Annex V

## Alder Way - Strategic impact objectives

- Every portfolio company must contribute to at least one of the eight impact objectives in the Alder Impact Framework.
- At least half of all Alder's deployed capital must be allocated to support key environmental objectives.
- At least half of the turnover of all Alder's companies must come from green activities, with a goal to double.

### Related procedures & documents

- Responsible investment Policy
- Alder Impact Framework
- Environmental scorecard
- SFDR – Annex IV



### PRINCIPLE 1 - Define Impact Goals

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

## Alder Way – Portfolio impact management

Alder applies a structured process to manage and monitor impact across its portfolio, integrating ESG criteria at all stages. Impact performance is regularly assessed through reporting and reviews. Staff incentives align with both impact and financial goals.

### Related procedures & documents

- Alder Impact Framework
  - Alder Impact Monetarization Scorecard
  - Table of ESG Compliance
- Alder HR Handbook
  - Bonus Incentives Policy
- Quarterly reports
- Bi-Annual portfolio reviews



### PRINCIPLE 2 - Fund-Level Impact Management

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

## Alder Way - Contribution to Impact

Alder drives impact through strategic guidance, governance support, and sustainability expertise.

Key Contributions:

- Helps portfolio companies set impact KPIs and align incentives with sustainability goals.
- Provides expert resources to strengthen impact performance.

### Related procedures & documents

- The Alder Way
  - Table of ESG Compliance / bi-annual follow up and action plan



### PRINCIPLE 3 - Manager's Role in Impact

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

## Alder Way – Systematic impact assessment

Alder systematically evaluates each investment's impact potential using internal and external frameworks.

Key Steps:

- Assesses impact using the Alder Environmental Impact Assessment and The Alder Impact Framework
- Sets measurable indicators for sustainability goals like carbon reduction and resource efficiency.

### Related procedures & documents

- Alder Impact Framework
  - Impact assessment process
  - Alder Impact Monetarization Scorecard
- Data Management Tool



### PRINCIPLE 4 - Evaluate Investment Impact

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.



## Alder Way – Managing ESG risks

Alder identifies, mitigates, and monitors ESG risks throughout the investment lifecycle, ensuring compliance and continuous improvement.

### Related procedures & documents

- Impact Assessment process / ESG DD
- SFDR Principal Adverse Impact Statement (PAI)
- TCFD Climate adaptation analysis and plans
- Macro Risk/Opportunity analysis per Deal Team



### PRINCIPLE 5 - Handle Negative Impacts

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

## Alder Way – Impact monitoring & response

Alder tracks progress with regular reports and predefined KPIs, ensuring alignment with impact goals and prompt corrective action when needed.

### Related procedures & documents

- Sustainability Governance Policy
- Quarterly reports to LP's
- Bi-annual LP meetings
- Annual Sustainability report
- SFDR Annex V



### PRINCIPLE 6 - Track Investment Progress

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.



## Alder Way – Sustained impact in exits

Alder ensures long-term impact by structuring responsible exits and, where possible, monitoring post-exit sustainability.

### Related procedures & documents

- Data Management System
- Alder Impact Framework
  - Alder Impact Monetarization Scorecard
  - Exit distribution memo



### PRINCIPLE 7 - Impact-Focused Exits

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

## Alder Way – Continuous improvement

Alder reviews impact outcomes, integrates lessons learned, and engages with industry peers to refine its impact strategy.

### Related procedures & documents

- Yearly Strategy meetings



### PRINCIPLE 8 - Improve Based on Lessons

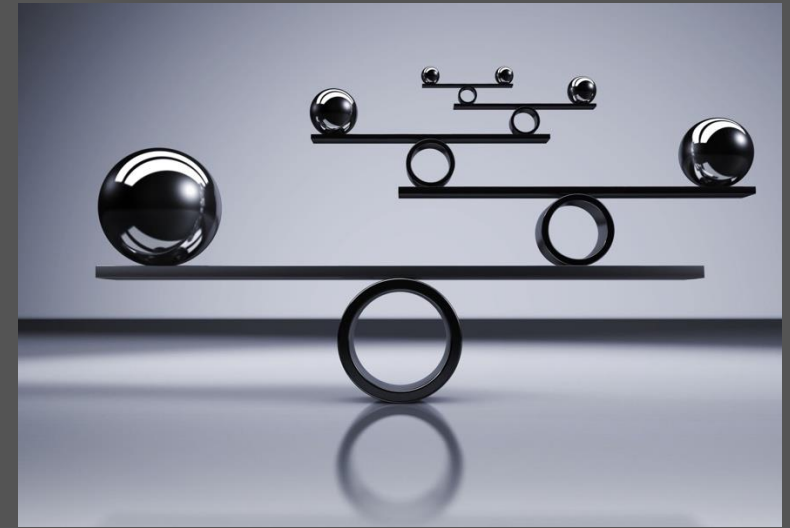
The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

## Alder Way – Transparency

Alder ensures transparency by annually disclosing its alignment with the Impact Principles as part of the Annual Sustainability Report.

### Related procedures & documents

- PRI Public report
- Annual Sustainability Report
- SFDR Principal Adverse Impact Statement (PAI)



### PRINCIPLE 9 - Public Reporting and Verification

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

## IMPORTANT INFORMATION

This Disclosure Statement ("Statement") reflects Alder's ongoing commitment to creating meaningful and measurable impact through its investments, while upholding the highest standards of accountability and transparency.

- The Statement provides an overview of how Alder integrates the Operating Principles for Impact Management ("Impact Principles") into its investment process. The information is intended for informational purposes only and should not be considered investment advice or an offer to sell or purchase any securities.
- While Alder strives to align its investments with sustainability frameworks and best practices, impact outcomes may vary due to various factors. This Statement is not endorsed by any regulatory authority and has not been externally audited.
- For more information, please contact Alder's Sustainability Officer.

**Alder Fund**  
30 April 2025