



PUBLIC TRANSPARENCY REPORT

2024

Alder Funds

Generated 25-11-2024

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Our organization engages in responsible investment because we believe that companies driving transformation and building resilience are better positioned to thrive. Long-term value creation must inherently include sustainability principles. Our business model focuses on creating value through both impact and operations to build resilience.

Alder was founded on the conviction that companies that are well positioned with sustainable and resilient offerings will prosper, and that long-term value creation must incorporate the principles of sustainability. We achieve this by acquiring and developing companies that will benefit from the green transition and contribute to the long-term health and sustainability of the environment.

Our sustainable investment objective is to invest in companies that significantly contribute to reducing impacts on the environment through industrial processes or infrastructure, or measurably enhance positive impacts.

Alder was founded on the conviction that sustainable practices are essential for long-term success. We aim to generate attractive returns by owning and developing companies that improve the long-term sustainability of our environment. Our investment focus is on companies likely to be successful in a changing world, particularly those falling under the following four themes:

Care of natural resources

Building efficiency

Intelligent infrastructure

Sustainable industry

We integrate responsible investment into every stage of the investment process, from sourcing new investments to exiting.

We view ESG not as a separate practice but as a fundamental part of our operations. Our portfolio companies are selected based on their potential to address global challenges and offer environmental benefits.

Impact and Operations - Our two-pronged approach

Impact (What they do):

- We focus on the positive environmental outcomes our portfolio companies create through their business models, products, and services.

This includes reducing the use of scarce resources and energy, cutting greenhouse gas emissions, and improving water quality.

- At the pre-investment stage, we assess each company's potential for positive impact. During our ownership, we continue this assessment using the SDGs, EU Taxonomy, and internal measures, ensuring that the positive environmental contributions (handprint) of our companies increase over time.

-Operations (How they do it):

- We emphasize how we run our business and our portfolio companies, including governance systems, policies, and employee development.

- This involves implementing a common Code of Conduct, minimizing negative environmental impacts from our operations, and actively enhancing the competence and satisfaction of our portfolio company employees.

- Throughout our ownership, we aim to decrease the environmental consequences (footprint) of our portfolio companies' operations.

At the end of each company's journey with Alder, we ensure they leave us with improved sustainability performance, making them more attractive and competitive.

This comprehensive approach ensures that our investments not only generate financial returns but also contribute positively to environmental sustainability.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

From the beginning, our unwavering strategy has been to invest in companies that build resilience within their organizations and contribute to a healthy planet. While our conviction remains, the landscape has evolved significantly over our 13-year journey. Notably, the eagerness of investors to support sustainability-focused funds has reached new heights, marking 2023 as a remarkable year.

Our fundraising efforts for Alder III exceeded expectations, and by the end of the year, we were on course to meet our target of SEK 3 billion. This was double the total of Alder II – a considerable feat given the uncertain economic times we are currently living through. The success of Alder III demonstrates a growing recognition of the immense potential and untapped opportunities in financing the green transition, as well as our long track record in sustainable investments. We wasted no time securing Fund III's first two platform investments: Insort, which focuses on hyperspectral imaging technology pivotal for optimizing sorting applications and minimizing food waste, and EWGroup, which provides qualified services and capacity for managing hazardous waste, aligning with our commitment to resource efficiency and creating a circular economy.

2023 also saw two successful exits of Alder I portfolio companies, Aidon and Satel. It has been rewarding to be a part of their journeys. These exits showcase Alder's success and create a compelling story for potential investors and portfolio companies by demonstrating our ability to build companies with a positive impact and strong financial returns.

The work to develop our portfolio companies has continued, focusing on creating tools to better measure and substantiate their sustainability impact.

We have seen significant growth in our portfolio, both financially and in terms of sustainability performance.

Internally, Alder has undergone several noteworthy developments, including recruiting two key positions – Chief Financial Officer and Investment Director. We also finalized and rolled out an updated version of our internal sustainability guidebook, "The Alder Way," to incorporate the latest regulatory requirements and introduce our Impact Toolbox. Together with the new fund and portfolio companies, these initiatives set the stage for positive momentum in the upcoming year.

During the year, we initiated measures to manage and enhance the positive environmental outcomes generated by our portfolio companies.

This included significant reductions in greenhouse gas emissions, improved resource efficiency, and enhanced biodiversity initiatives. We developed measurable impact KPIs and monitored progress using the EU Taxonomy and internal measures, ensuring continuous improvement. Simultaneously, our efforts to implement strategies to minimize the negative impacts of our companies' operations have resulted in a notable decrease in their environmental footprint.

Of course, the year has not been without challenges. Our job will always be about resilience; adapting to, managing, and overcoming hurdles.

Whether it is portfolio companies facing a downturn, instability in the world economy, or the knock-on effects of global conflicts.

The hard work of our portfolio companies, our committed and tight-knit team, our active ownership approach, and robust governance principles mean that we can overcome challenges and come out stronger. In this spirit, we look forward to the year ahead and the opportunities that await us, our portfolio, and our investors.

In conclusion, Alder remains committed to generating attractive returns by owning and developing companies that improve the long-term sustainability of our environment. Our achievements in 2023, from successful fundraisings to strategic acquisitions and team expansions, demonstrate our progress and reinforce our position as a leader in responsible investment.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Our commitment remains strong and is integrated in our overall investment belief and "why". To advance our strategy and impact over the next two years we aim to enhance our sustainability practices, improve our portfolio companies' performance, and solidify our position as a leader in responsible investment. Here are some key initiatives we plan to implement:

Enhanced ESG integration and analysis in the deal flow:

We will continue to refine our ESG analysis and due diligence processes, incorporating the latest guidelines from the Sustainable Finance Disclosure Regulation (SFDR) and the Organisation for Economic Cooperation and Development (OECD) minimum safeguards.

This will ensure that all potential investments are rigorously assessed for their sustainability impact, aligning with the EU Taxonomy classifications and our sustainable investment objectives.

Continued implementation of the Impact toolbox:

Building on the positive results of "The Alder Way," we will further develop the integration of our Impact Toolbox. This will include integration of forward looking sustainable strategies, tools for measuring and managing the positive environmental outcomes generated by our portfolio companies. We aim to set new benchmarks for impact KPIs and track progress using the EU Taxonomy and internal measures to ensure continuous improvement.

Targeted investments in our Key themes:

Our investment strategy will continue to focus on the key investment themes identified: natural resources, building efficiency, intelligent infrastructure and sustainable industry.

We will seek out and invest in companies that offer innovative solutions in these areas, contributing to the green transition and creating long-term value for our stakeholders.

Continued Focus on Reducing Negative Impacts:

Alongside our efforts to enhance positive environmental impacts, we will implement strategies to further reduce the negative impacts of our operations. This will involve ongoing improvements in resource efficiency, waste management, and emissions reduction across our portfolio companies.

By taking these steps, Alder aims to strengthen our commitment to responsible investment, deliver attractive returns, and contribute to the long-term sustainability of our environment. We are confident that these initiatives will drive positive change and create value for our investors, portfolio companies, and the broader community.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Henrik Flygar

Position

Partner

Organisation's Name

Alder Funds

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

Section 5. Additional Organisation Statements (Voluntary)

If you wish to do so, provide a document or link including information about any relevant legal or regulatory restrictions that apply to your responsible investment activities and how you comply with them.

<https://reporting.unpri.org/file/D879AD8C-61BD-45DB-BF47-B8D243948DB4/>

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 375,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	0%	0%
(C) Private equity	>75%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

Provide a further breakdown of your internally managed private equity AUM.

(A) Venture capital 0%

(B) Growth capital 0%

(C) (Leveraged) buy-out >75%

(D) Distressed, turnaround or
special situations 0%

(E) Secondaries 0%

(F) Other 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(F) Private equity (1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(5) Private equity

(A) Yes, through internal staff

(B) Yes, through service providers

(C) Yes, through external managers

(D) We do not conduct stewardship

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(I) Private equity

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional information: (Voluntary)

Alder was founded on the conviction that companies that are well positioned with sustainable and resilient offerings will prosper, and that long term value creation must incorporate the principles of sustainability. Generating attractive returns by developing companies that improve the long term sustainability of our environment is what we do.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>75%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation

- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code
- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- (AE) People's Bank of China green bond guidelines
- (AF) RIAA (Australia)
- (AG) Towards Sustainability label (Belgium)
- (AH) Other

Specify:

SFDR, Article 9

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

OTHER ASSET BREAKDOWNS

PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- (A) Energy
- (B) Materials
- (C) Industrials
- (D) Consumer discretionary
- (E) Consumer staples
- (F) Healthcare
- (G) Financials
- (H) Information technology
- (I) Communication services
- (J) Utilities
- (K) Real estate

PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

(A) A majority stake (more than 50%)

Select from the list:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%

(4) >75%

- (B) A significant minority stake (between 10–50%)
- (C) A limited minority stake (less than 10%)

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

In our Responsible investment policy, we refer to our ESG Due Diligence guidelines and ESG DD evaluation tool, which covers environmental, social and governance topics to identify sustainability related risks and opportunities across the company's value chain, from raw materials sourcing to customers' use of the product or service. This structured approach includes OECD Guidelines and UNGP on Business and Human Rights, SFDR's PAI indicators and Alders own additional questions.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(B) Guidelines on environmental factors

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(C) Guidelines on social factors

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(D) Guidelines on governance factors

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(E) Guidelines on sustainability outcomes

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(G) Specific guidelines on human rights (may be part of guidelines on social factors)

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(H) Specific guidelines on other systematic sustainability issues

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(J) Guidelines on exclusions

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(K) Guidelines on managing conflicts of interest related to responsible investment

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

(M) Stewardship: Guidelines on overall political engagement

Add link:

<https://alder.se/wp-content/uploads/Responsible-investment-2023.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

Our commitment to sustainability is strong. We have a dedicated sustainability manager, who leads the portfolio wide sustainability efforts by supporting our investment teams in entry-and exit phase sustainability assessments, providing our portfolio companies with tools and guidance, monitoring progress, and aggregating and reporting on portfolio wide sustainability to our stakeholders.

These are some of the processes that help us to put words into action:

- Our partner group regularly reviews the sustainability performance of the entire portfolio.
- Sustainability targets & roadmaps are integrated into the standard Board of Directors' agenda.
- We report on our sustainability efforts in an annual Sustainability Report, in our quarterly reports and in investor meetings.
- We report annually to the UNPRI regarding our commitments and progress.
- We have created a Sustainability Ambassador network of representatives from all of our portfolio companies, that meets bimonthly and shares information about relevant sustainability topics and best practices.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other

Specify:

We have a Sustainability Handbook - The Alder Way, explaining in further detail expectations, ownership, process and key sustainability tools and policies, shared with all employees and all portfolio company boards and management teams.

- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

- (C) Private equity
 - (1) Percentage of AUM covered
 - (1) >0% to 10%
 - (2) >10% to 20%
 - (3) >20% to 30%
 - (4) >30% to 40%
 - (5) >40% to 50%
 - (6) >50% to 60%
 - (7) >60% to 70%
 - (8) >70% to 80%
 - (9) >80% to 90%
 - (10) >90% to <100%
 - (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent
 - Specify:
 - Partners, Sustainability Manager
- (C) Investment committee, or equivalent
 - Specify:
 - Partner Team, Investment committee
- (D) Head of department, or equivalent
- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

- (A) Yes
- (B) No
- (C) **Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) **Internal role(s)**

Specify:

Board, Deal Teams, Partners, Board members, Sustainability Manager, Investment Committee, Portfolio Manager, CEOs

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

(A) **Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

Contribution to overall ESG knowledge development - Contribution to identifying and pursuing investment opportunities identified to drive environmental impact - ESG performance in portfolio companies where the professional has been active in investment team, board or otherwise - Implementation of RI policy through area of responsibility

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

● (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

● (1) KPIs are linked to compensation

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

We have potential bonus which is linked to objectives on ESG incorporation in investment activities, for contributing to the development of the organisation's ESG incorporation approach, for contributing to the organisation's stewardship activities and for ESG performance.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input type="checkbox"/>	<input type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
 - (B) Yes, including all strategy-related recommended disclosures
 - (C) Yes, including all risk management-related recommended disclosures
 - (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Add link(s):

<https://reporting.unpri.org/file/D879AD8C-61BD-45DB-BF47-B8D243948DB4/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://alder.se/en/hallbarhet/#sfd>

(B) Disclosures against the European Union's Taxonomy

Link to example of public disclosures

<https://alder.se/hallbarhetsrapport-2023/>

(C) Disclosures against the CFA's ESG Disclosures Standard

(D) Disclosures against other international standards, frameworks or regulations

Specify:

Our Code of Conduct is inspired by the UN declaration of Human Rights, the ILO conventions about fair working conditions and the UN and EU conventions against corruption.

Link to example of public disclosures

<https://alder.se/wp-content/uploads/2022/06/CODE-OF-CONDUCT-210429.pdf>

(E) Disclosures against other international standards, frameworks or regulations

(F) Disclosures against other international standards, frameworks or regulations

(G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

(C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocation
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
Select from dropdown list:
 - (1) for all of our AUM subject to strategic asset allocation
 - (2) for a majority of our AUM subject to strategic asset allocation
 - (3) for a minority of our AUM subject to strategic asset allocationSpecify: (Voluntary)

The starting point of our process for identifying investment opportunities is to focus on sustainable industries or sub-industries, with technologies or solutions which can contribute to environmental benefits. By defining four key areas, we have developed a proactive tool for identifying the most promising companies for our portfolio.; Care of natural resources, Building efficiency, Intelligent infrastructure and Sustainable industry.

At each stage of the relationship with our portfolio companies, from entry to ownership and exit, creating environmental and stakeholder value is a constant that guides our decision-making and development.

We work systematically with risk and opportunity assessments to leverage and to create positive impact, and proactively identify risks.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(3) Private equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

○

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

●

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

Alder was founded on the conviction that companies that are well positioned with sustainable and resilient offerings will prosper, and that long term value creation must incorporate the principles of sustainability. Our mission is to generate attractive returns by developing companies that improve the long term sustainability of our environment. Everyone working with Alder are introduced to this and are expected to live it.

Our investment objective is to own and develop companies that contribute to the sustainable development of our environment. We invest in companies that deliver a positive environmental impact through their business model, such as reduced consumption of energy and resources, reduced emissions to air and water and reduced waste.

We are investing with >50% ownership to be able to work as active owners, being able to lead our portfolio companies according to our "The Alder Way" where our focus and guidance is clear.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff
 - Select from the list:
 - 1
 - 4
 - 5
- (B) External investment managers, third-party operators and/or external property managers, if applicable
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers
 - Select from the list:
 - 3
 - 4
 - 5
- (D) Informal or unstructured collaborations with investors or other entities
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar
 - Select from the list:
 - 2
 - 4
 - 5
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Alder has consistently applied a well-proven ownership model including; majority ownership, active ownership, joint business plans, professional governance and a clear approach to sustainability - The Alder Way. The handbook provides hands-on strategic guiding tools for portfolio companies on how to increase positive impact and create business value, and reduce footprint of operations.

Our investment objective is to own and develop companies that contribute to the sustainable development of our environment. We invest in companies that deliver a positive environmental impact through their business model, such as reduced consumption of energy and resources, reduced emissions to air and water and reduced waste.

All our company's are expected to follow the Alder way, which will take them from Setting the infrastructure to Integrating sustainability into strategy.

Every year, we create development targets for the Alder Group and set a roadmap for the portfolio companies and for Alder development. This is shared with the companies. Every company is being asked to set up their own targets and roadmap for the year and share with us.

We follow up on:

- >The integration of Setting the infrastructure
- >Setting company targets and roadmaps
- >How they follow the Alder roadmap
- >How they follow their own Company roadmap
- >If and what kind of support they need.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

As a Private Equity firm with majority holdings in our portfolio companies, our stewardship is closely linked to our overall responsible investment policy, as we have a high level of influence in all portfolio companies we work with them, through both tools and requirements, to ensure that ESG factors are managed in line with our requirements and expectations.

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative
- (E) Other methods

Describe:

We contributed as a reviewer to Climate Solutions Framework which was developed by Exponential Roadmap Initiative.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

- o (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

EU Taxonomy journey

(1) Led by

- o (1) Internally led
- o (2) **External service provider led**
- o (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) **Governance factors**

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) **Private equity**
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

At Alder, Taxonomy alignment is used, alongside other measures of progress, as a tool for measuring and identifying positive impacts whilst simultaneously checking for potential risks. This helps ensure responsible business practices are implemented as the companies grow and their operations scale.

During 2023, Alder supported portfolio companies in working with the EU Taxonomy in two ways:

By identifying where each company significantly contributes to or enables their customers to significantly contribute to the Taxonomy objectives not yet covered. We mapped the long-term potential

of companies to contribute to these areas.

They used The Alder Way to define the journey towards alignment for Taxonomy-eligible economic activities.

(B) Example 2:

Title of stewardship activity:

SFDR update

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have used the SFDR guidelines as part of our investment policy since 2021, and funds I, II and III were classified as Article 9. This means that 100% of our investments have a sustainable objective to actively contribute to climate change mitigation and address resource scarcity. During 2023, we updated our processes to include

the new SFDR Regulatory Technical Standards

(RTS), through which we will provide disclosures

on our sustainability-related financial products.

We follow the SFDR key reporting requirements:

Publish our PAI statement.

Disclose what we are intending to do to mitigate negative impact.

Reflect on how we performed in relation to intensions.

Communicate the results to our investors.

(C) Example 3:

Title of stewardship activity:

CSRD

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have started to prepare some of our larger portfolio companies, which will be in the first wave of compliant companies for reporting in 2025, to meet the CSRD requirements. We see the Double Materiality process as a valuable tool for assessing impact regardless of the need to comply and it is well aligned with The Alder Way.

(D) Example 4:

Title of stewardship activity:

Annual Board wheel

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have launched an Annual Board wheel to set the tone from the board to create a resilient company that helps drive transformation in a changing world. To ensure the implementation of a robust infrastructure and align sustainability with the company's strategy, which over time should increase the positive handprint of the company and decrease the negative footprint, fostering long-term value creation.

(E) Example 5:

Title of stewardship activity:

Active interaction with Sustainability ambassadors

(1) Led by

- (1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
 - (1) Environmental factors
 - (2) Social factors
 - (3) Governance factors
- (3) Asset class(es)
 - (1) Listed equity
 - (2) Fixed income
 - (3) Private equity
 - (4) Real estate
 - (5) Infrastructure
 - (6) Hedge funds
 - (7) Forestry
 - (8) Farmland
 - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

ESG Ambassadors have a bi-monthly meeting on Learn&Share prepared and conducted by Alder's Head of Sustainability.
 ESG Ambassadors have bi-monthly one-to-one follow-ups with Alder's Head of Sustainability.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Our 2 largest risks based on the 1.5° warming are: 1. Awareness of the need to respond to climate change increases demand – and thus cost- for low carbon raw materials and energy, also increases the costs of transport and any remaining embedded carbon in the supply chain 2. Weather events and climate changes such as rising temperatures and sea levels may impact value chains in the short and long term, for example due to work force health issues, suppliers or transport solutions impacted by such risks. It is likely that, especially in a warmer scenario, value chain disruptions become more frequent in coming years.

The financial risks associated with climate change governance and strategy, together with the transitional risks from legislation and shifting customer expectations, are exceptionally low. However, we are working to confirm some assumptions related to physical risks in the supply chains of our portfolio companies. the COVID-19 pandemic and the supply chain challenges that followed served as a potential material risk in global supply chains. The new EU legislation and energy price increases following the invasion of Ukraine were similarly informative for future scenarios. In summary, companies sense that the transitional risks of a 1.5-degree scenario are already at play. Our 2022 disclosure reflects these experiences and assumes that the challenges seen today progress further in the near to mid-term. However, Alder considers that due to the increasing pace of climate change and forthcoming policy responses, market and physical changes should be expected in the longer term, requiring the impact of a 3-degrees scenario to be examined more closely.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Companies sense that the transitional risks of a 1.5-degree scenario are already at play. Our 2022 disclosure reflects these experiences and assumes that the challenges seen today progress further in the near to mid-term. However, Alder considers that due to the increasing pace of climate change and forthcoming policy responses, market and physical changes should be expected in the longer term, requiring the impact of a 3-degrees scenario to be examined more closely.

During 2023 we have prepared a material for a workshop and during 2024 we expect all of our portfolio companies to hold the workshop on their own or with external guidance and support.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Climate-related risks and opportunities are embedded into our investment belief and strategy as we only invest in companies with a positive impact on the environment. ALL of our portfolio companies have a positive impact on climate change, most of them through enabling technology such as smart meters, gas detection or recycling technology and others through operational benefits, saving resources and energy for their customers. The Alder responsible investment policy ensures that 100% of company assets are aligned with climate opportunities. Alder explicitly sets goals for the management of climate-related risks and opportunities to the boards of the portfolio companies. Targets are set for emissions reductions of 50% for scope 1 & 2, and 15% for scope 3 emissions after 5 years of ownership for all portfolio companies. Climate-related financial risk per portfolio company are assessed based on transitional and physical risks.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities
- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather

- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

Used in scenario analysis and TCFD reporting, see sustainability report 2023 available on our website <https://alder.se/en/hallbarhetsrapport-2023/>

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Alder has invested in companies that will benefit from the transition to a sustainable economy from the outset. As part of the investment process and strategy development, future assumptions and plans are evaluated in the light of different scenarios and sensitivities, including climate-related risks and opportunities. This is always included in investment process and future scenarios for strategy development in portfolio companies. Not a separate process but integrated into the overall way of working, as this is our main focus and what we do.

Alder views the TCFD framework as an important step forward in understanding and communicating the risks and opportunities associated with the transition.

This attitude, together with the sustainability tools Alder has developed, means the financial risks associated with climate change governance and strategy, together with the transitional risks from legislation and shifting customer expectations, are exceptionally low. However, we are working to confirm some assumptions related to physical risks in the supply chains of our portfolio companies.

The TCFD update process during 2022 consisted of interviews with portfolio company CEOs and Board Chairs. Read about the result in our sustainability report 2023, <https://alder.se/en/hallbarhetsrapport-2023/>

During 2023 we have prepared a material for a Climate assessment workshop which has been presented to the Alder representatives in the Boards and to all portfolio companies sustainability ambassadors. All portfolio companies are expected to perform the workshop during 2024.

(2) Describe how this process is integrated into your overall risk management

This is integrated in our Responsible investment policy and procedures and through our The Alder Way
 Pre-Investment - future assumptions and plans are evaluated in the light of different scenarios and sensitivities, including climate-related risks and opportunities
 During our ownership - Climate-related financial risks per portfolio company are assessed based on transitional and physical risks.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Governance - Climate-related risks and opportunity are discussed at every Portfolio company board meeting
 Strategy - The Alder responsible investment policy ensures that 100% of company assets are aligned with climate opportunities.
 Targets for emissions reductions of 50% for scope 1 & 2, and 15% for scope 3 emissions after 5 years of ownership for all portfolio companies.

(2) Describe how this process is integrated into your overall risk management

This is integrated in the Strategy process and through our The Alder Way

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

(A) Exposure to physical risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2023.pdf>

(B) Exposure to transition risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2023.pdf>

(C) Internal carbon price

(D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2023.pdf>

(E) Weighted average carbon intensity

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed**
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

(F) Avoided emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed**
 - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2023.pdf>

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

Specify:

Grow positive environmental impact

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology

(K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://reporting.unpri.org/file/D879AD8C-61BD-45DB-BF47-B8D243948DB4/>
<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-240324.pdf>

(B) Scope 2 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://reporting.unpri.org/file/D879AD8C-61BD-45DB-BF47-B8D243948DB4/>
<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-240324.pdf>

(C) Scope 3 emissions (including financed emissions)

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
Specify:
GHG Protocol, TCFD, Race to Zero
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

(A) Corporate disclosures

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(B) Media reports

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(C) Reports and other information from NGOs and human rights institutions

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(E) Data provider scores or benchmarks

(F) Human rights violation alerts

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(G) Sell-side research

(H) Investor networks or other investors

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(I) Information provided directly by affected stakeholders or their representatives

Provide further detail on how your organisation used these information sources:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

(J) Social media analysis

Specify:

We keep up to date on matters that are related to our deal source and future sectors and the type of companies and sectors that we have invested in.

Provide further detail on how your organisation used these information sources:

(K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

(A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

Explain why:

Alders investments mainly in the Nordic countries and we have not found and large risks in our portfolio companies value chains during the period affecting negative human rights.

PRIVATE EQUITY (PE)

POLICY

INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment screening
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines

FUNDRAISING

COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

PRE-INVESTMENT

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- (A) We assessed ESG materiality at the portfolio company level, as each case is unique
 - Select from dropdown list
 - (1) for all of our potential private equity investments
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
 - (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
 - (C) We assessed ESG materiality at the industry level only
 - (D) We did not conduct ESG materiality analyses for our potential private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- (I) Other
 - Specify:

EU Taxonomy Compass

DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your private equity investments?

- (A) Material ESG factors were used to identify risks**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (D) Material ESG factors were used to identify opportunities for value creation**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for the majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (G) Material ESG factors did not influence the selection of our private equity investments**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?

- (A) We do a high-level or desktop review using an ESG checklist for initial red flags**
 - Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments

- (3) for a minority of our potential private equity investments
- (B) We send detailed ESG questionnaires to target companies**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**
Select from dropdown list
 - (1) for all of our potential private equity investments
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments**
- (D) We conduct site visits**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (E) We conduct in-depth interviews with management and/or personnel**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (F) We conduct detailed external stakeholder analyses and/or engagement**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal**
Select from dropdown list
 - (1) for all of our potential private equity investments**
 - (2) for a majority of our potential private equity investments
 - (3) for a minority of our potential private equity investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential private equity investments

POST-INVESTMENT

MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

- (A) Yes, we tracked KPIs on environmental factors**
Percentage of portfolio companies this applies to:
 - (1) >0 to 10%
 - (2) >10 to 50%
 - (3) >50 to 75%
 - (4) >75 to 95%

(5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

(5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

(5) >95%

- (D) We did not track KPIs on material ESG factors across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.

(A) ESG KPI #1

GHG Emission, Scope 1, Scope 2, Scope 3

(B) ESG KPI #2

Energy use

(C) ESG KPI #3

Waste recycling

(D) ESG KPI #4

EU Taxonomy Alignment

(E) ESG KPI #5

Diversity

(F) ESG KPI #6

Employee satisfaction

(G) ESG KPI #7

Customer satisfaction

(H) ESG KPI #8

CoC implementation

(I) ESG KPI #9

Management system implementation

(J) ESG KPI #10

Whistle blowing process implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2

What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?

(A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(C) We implement certified environmental and social management systems across our portfolio

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(D) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments**
- (3) for a minority of our private equity investments

(G) We implement 100-day plans, ESG roadmaps and similar processes

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(H) Other

Specify:

We provide portfolio companies with regular training, meetings, coaching, follow up, support, relevant guidelines with a network among portfolio company sustainability ambassadors.

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments
- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7.1	PLUS	PE 7	N/A	PUBLIC	Monitoring	1, 2

Describe up to two processes you have put in place during the reporting year to help meet your targets on material ESG factors.

(A) Process one

Our internal sustainability guidebook, the Alder Way, helps guide our portfolio companies in a two-dimensional approach to building resilience, where value is created through both impact (what we do) and operations (how we do it). The first step is to get the necessary ESG infrastructure in place: people, systems and data measurement tools. Then we provide hands-on, strategic guiding tools on how to increase the positive impact and create business value. In 2022, we took the next step in supporting our portfolio companies' sustainability journey. In collaboration with Material Economics/ McKinsey, we developed a what we call a "Toolbox" to accelerate transformation. The Toolbox is a hands-on, strategic process for increasing positive impact and creating business value while reducing the environmental footprint of operations. During 2023 we relaunched the Alder Way and have added a clear connection to reporting of progress and the Annual Board wheel.

(B) Process two

During 2023, we initiated and developed a theoretical impact measurement framework with all our companies. For our new companies, this process begins during the Dealflow and Impact Assessment phase.

To address this, we often developed example cases based on specific projects or customer interactions. By comparing these cases with scenarios where we were not involved, we generated example data. We then converted this data to reflect the impact of specific machines or solutions and began tracking sales and implementation.

While the chosen measurements are not always perfect, they are closely aligned with the activities and goals each company wants to achieve. We believe it is more important to start measuring and improving over time rather than waiting for a perfect system.

Our approach involves

- >Individualized dashboards for every company
- >Tracking of progress on a monthly/quarterly basis

The primary KPIs include:

- Avoided CO2e,
- Pollution Prevention,
- Avoided Landfill,
- Growth of Green Turnover

The progress is being followed up:

- >in our Sustainable Data Management system
- >at board meetings
- >bi-monthly meetings between company sustainability Ambassador and Alder Sustainability manager.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe material ESG risks and ESG opportunities that you integrate into your 100-day plans, including those accountable for their successful completion and how the process is monitored.

Risks and opportunities that are identified during investment process and ESG Due Diligence will be added to the value creation plan. The CEO is accountable for implementation and the Board for oversight. Progress is monitored in board meetings, together with other value creation plan elements.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments**

(D) We engage with the board to manage ESG risks and ESG opportunities post-investment

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) Other

Specify:

We provide ongoing training, support and monitor progress through regular meetings, scorecards and regular board follow-up.

Select from dropdown list

- (1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments
- (F) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 10	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

Describe how you ensure that material ESG risks are adequately addressed in the private equity investments in which you hold a minority stake.

We do not invest in companies as a minority investor but aim to always hold >50% in order to be an active owner.

To ensure that material ESG risks and opportunities are adequately addressed, we:

- plans and creates common learning sessions, e.g. Executive training in resilience thinking that was held together with its portfolio companies and the Stockholm Resilience Centre.
- holds bi-monthly Learn&Share meetings with the Sustainability Ambassadors.
- supports its portfolio companies with tools and guidance through The Alder Way, where a materiality analysis is a must-use tool in order for the companies to understand and focus on impact that creates most value.
- evaluates and uses common tools and consultants within specific areas such as the Taxonomy, GHG protocol, and platform for sustainability data.
- has coaching calls bi-monthly with the Sustainability Ambassadors to follow up on progress, guide on direction and initiate support if needed.
- steps in and facilitates workshops and discussions with the Management teams when asked for.
- expects the Boards to schedule regular reviews of the progress, with sustainability on the Boards' agendas

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 11	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.

Portfolio company ESG action plans are based on materiality. A materiality assessment is conducted, with input from key relevant stakeholders, including customers, employees, suppliers, owners. Based on this assessment, sustainability topics are prioritised and a sustainability plan is developed with objectives, goals, strategies, measures and owners. This plan is integrated into the company's overall business plan. The Alder Way and Alder's sustainability manager supports portfolio companies in this process. The implementation is owned by the CEO and management of the company, often coordinated by the sustainability ambassador but the action steps are often owned by functional management, such as the sales/marketing, purchasing or Human Resource functions of the company. The Board oversees progress with regular intervals.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2

How do you ensure that adequate ESG-related competence exists at the portfolio company level?

- (A) We assign the board responsibility for ESG matters**
Select from dropdown list
 - (1) for all of our private equity investments**
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (B) We ensure that material ESG matters are discussed by the board at least yearly**
Select from dropdown list
 - (1) for all of our private equity investments**
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments

(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) We support the portfolio company in developing and implementing its ESG strategy

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(H) We include penalties or incentives to improve ESG performance in management remuneration schemes

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(I) Other

(J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2

Describe up to two initiatives taken as part of your ESG competence-building efforts at the portfolio company level during the reporting year.

(A) Initiative 1

We are an active owner and we have at least 2 persons in every Board. We continuously train and educate our internal team. During the last 12 months we have had training on:

Alder and SFDR, by Ramboll

Walk the talk - Sustainability @Alder, by Alder

Enable scaling solutions for Race to Zero, by Exponential Roadmap

Relaunch - The Alder Way, by Alder

Inspiration - Learnings from rollouts in innovation tech, by Imogen Campbell-Gray

Persistent Organic Pollutants (PFOA, PFOS mm.), by Cindy de Witt

Climate assessment briefing, by Purple IVY

We continuously train, educate and coach our portfolio company's sustainability ambassadors on relevant topics and tools through a bi-monthly Ambassador Learn&Share session, e.g. CSRD, EU Taxonomy, The Alder Way, GHG protocol, Climate assessment, Race to Zero, Targets & roadmaps, Management system, Risk management, Inspiration.

(B) Initiative 2

EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (F) Key ESG performance data on the asset or portfolio company being sold
Select from dropdown list
 - (1) for all of our private equity investments
 - (2) for a majority of our private equity investments
 - (3) for a minority of our private equity investments
- (G) Other

- (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We used a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the portfolio company level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Reduction of CO2 emissions

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Portfolio companies shall have tailored impact targets to track

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(C) Sustainability outcome #3

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

100% growth of "Green Turnover"

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(D) Sustainability outcome #4

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Diversity in teams and Board

(4) Number of targets set for this outcome

- (1) No target
- **(2) One target**
- (3) Two or more targets

(E) Sustainability outcome #5

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related**
- (4) Other

(3) Sustainability outcome name

Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way

(4) Number of targets set for this outcome

- (1) No target
- **(2) One target**
- (3) Two or more targets

- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Reduction of CO2 emissions

(1) Target name: Reduce Scope 1&2 by 50% after 5 years ownership

(2) Baseline year

(3) Target to be met by

(4) Methodology

During the first year of ownership the portfolio company collect and measure relevant data and set as a baseline according to GHG protocol.. The company set a target on 5 years to reduce the baseline by 50%. The company creates a Roadmap to support the target. The Roadmap and targets are followed up on quarterly and yearly basis.

(5) Metric used (if relevant)

kgCO₂e/m€

(6) Absolute or intensity-based (if relevant)

(2) Intensity-based

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

100%

(10) Do you also have a longer-term target for this?

(1) Yes

(A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1:

Reduction of CO₂ emissions

(1) Target name

Reduce Scope 3 by 15% after 5 years ownership

(2) Baseline year

(3) Target to be met by

(4) Methodology

During the first year of ownership the portfolio company collect and measure relevant data and set as a baseline according to GHG protocol. The company set a target on 5 years to reduce the baseline by 15%. The company creates a Roadmap to support the target. The Roadmap and its activities are followed up on quarterly and yearly basis. The target is followed up every 3rd year.

(5) Metric used (if relevant)

kgCO₂e/m€

(6) Absolute or intensity-based (if relevant)

(2) Intensity-based

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (1) Yes

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2: Portfolio companies shall have tailored impact targets to track

(1) Target name Company specific Impact target

(2) Baseline year

(3) Target to be met by

(4) Methodology During the sourcing process and business planning phase we support the company to highlight and develop impact KPI(s) to be able to measure their products/services most material environmental impact - handprint

(5) Metric used (if relevant) Vary from company to company but could be e.g. Reduced waste per year / acid recovery per year / avoided emissions etc

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this?

(C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3:	100% growth of "Green Turnover"
(1) Target name	Grow our Green economic activities
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	Based on the EU Taxonomy and the Alder framework, the portfolio company set target driving the positiv environmental impact by growing the green economic activities.
(5) Metric used (if relevant)	
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Diversity in teams and Board
(1) Target name	Gender diversity among board members
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	We value diversity and the different perspectives that are added from team members with differences in backgrounds, interests, age, culture and gender. We measure the % of female board members.
(5) Metric used (if relevant)	% female board member

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this?

(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5: Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way

(1) Target name Infrastructure in place

(2) Baseline year

(3) Target to be met by

(4) Methodology During the first year of ownership, the portfolio company is expected to get the infrastructure in place; people, systems and data measurement tools according to The Alder Way. This is being followed up regularly according to a checklist.

(5) Metric used (if relevant) % achieved.

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Reduction of CO2 emissions	Reduce Scope 1&2 by 50% after 5 years ownership	2050	zero emission on Scope 1&2 by 2050
(A2) Sustainability Outcome #1: Reduction of CO2 emissions	Reduce Scope 3 by 15% after 5 years ownership	2050	Reduction by 30% emission on scope 3 by 2050

FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Reduction of CO2 emissions

Target name: Reduce Scope 1&2 by 50% after 5 years ownership

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(A2) Sustainability outcome #1:

(A2) Sustainability outcome #1: Reduction of CO2 emissions

Target name: Reduce Scope 3 by 15% after 5 years ownership

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Portfolio companies shall have tailored impact targets to track

Target name: Company specific Impact target

Does your organisation track progress against your nearest-term sustainability outcome targets? (2) No
 Explain why not:
 We are in the process of establishing these targets with all of our existing portfolio companies and has included this in our investment process with all new portfolio companies.

(C1) Sustainability outcome #3:

(C1) Sustainability outcome #3: 100% growth of "Green Turnover"

Target name: Grow our Green economic activities

Does your organisation track progress against your nearest-term sustainability outcome targets? (2) No
Explain why not:
We are in the process of establishing these targets with all of our existing portfolio companies and has included this in our investment process with all new portfolio companies.

(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4: Diversity in teams and Board

Target name: Gender diversity among board members

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

(E1) Sustainability outcome #5:

(E1) Sustainability outcome #5: Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way

Target name: Infrastructure in place

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	Reduction of CO2 emissions
(1) Target name	Reduce Scope 1&2 by 50% after 5 years ownership
(2) Target to be met by	
(3) Metric used (if relevant)	kgCO ² e/m€
(4) Current level or amount (if relevant)	Alders investor companies Carbon intensity for 2023 is 56 Tons CO ₂ e/M€ revenue
(5) Other qualitative or quantitative progress	<p>During 2023 we added 2 portfolio companies. We have achieved good progress with results and planned activities:</p> <ul style="list-style-type: none"> - Setting up clear targets and roadmaps per company. - Using common platform for managing all Sustainability Data, SustainLab is being used for all portfolio companies - Following up on targets and roadmaps via data management system
(6) Methodology for tracking progress	We are using a platform for managing all Sustainability Data, SustainLab.

(A2) Sustainability outcome #1: Target details

(A2) Sustainability outcome #1:	Reduction of CO2 emissions
(1) Target name	Reduce Scope 3 by 15% after 5 years ownership
(2) Target to be met by	
(3) Metric used (if relevant)	kgCO ² e/m€
(4) Current level or amount (if relevant)	We have collected data and measured 3 new portfolio companies for Scope 3 according to GHG Protocol

(5) Other qualitative or quantitative progress	<p>During 2022 we added 2 portfolio companies, we have achieved to progress with planned activities:</p> <ul style="list-style-type: none"> - Aligned our way to measure GHG scope 3 according with GhG protocol supported by external consultant company, Ramboll - Using common platform for managing all Sustainability Data, SustainLab is being used for all portfolio companies - Following up on targets and roadmaps via data management system
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(6) Methodology for tracking progress	We are using a platform for managing all Sustainability Data, SustainLab.
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(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Diversity in teams and Board
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(1) Target name	Gender diversity among board members
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(2) Target to be met by	
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(3) Metric used (if relevant)	% female board member
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(4) Current level or amount (if relevant)	16%
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(5) Other qualitative or quantitative progress	
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(6) Methodology for tracking progress	We are using a platform for managing all Sustainability Data, SustainLab.
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(E1) Sustainability Outcome #5: Target details

(E1) Sustainability Outcome #5:	Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way
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(1) Target name	Infrastructure in place
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(2) Target to be met by	
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(3) Metric used (if relevant)	% achieved.
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(4) Current level or amount (if relevant)	85%
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(5) Other qualitative or quantitative progress	
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INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
 - Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
 - Select from drop down list:
 - (1) Individually
 - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers
- (D) Stewardship: engagement with other key stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach	We are majority holders in portfolio companies so work closely with the companies and in the boards to advance sustainability outcomes. We also follow up, guide and support the portfolio companies via one-to-one follow-up meetings with the sustainability ambassador every 2nd month. We support our portfolio companies with tools, guidelines and coaching to grow sustainability outcomes.
(2) Stewardship tools or activities used	(1) Engagement (6) Taking roles on investee boards (7) Working directly with portfolio companies and/or real asset management teams (9) Other
(3) Example	We have a guidance and expectation described in "The Alder Way".

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Reduction of CO2 emissions
(1) Describe your approach	
(2) Stewardship tools or activities used	
(3) Example	

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:	Portfolio companies shall have tailored impact targets to track
(1) Describe your approach	
(2) Stewardship tools or activities used	

(3) Example

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3: 100% growth of "Green Turnover"

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(E) Sustainability Outcome #4:

(E) Sustainability Outcome #4: Diversity in teams and Board

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

(F) Sustainability Outcome #5:

(F) Sustainability Outcome #5: Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

Select from the list:

2

- (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

Describe how you do this:

Select from the list:

3

- (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

Select from the list:

4

- (D) Other

Describe:

We work closely with all of our portfolio companies. We are an active owner with 2 persons from Alder engaged in every Board.

Select from the list:

1

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited
- (E) Private equity
 - Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Internal review of the information provided by both the head of sustainability and investment team members.

In order to ensure that Alder complies with SFDR article 9 demands, an external auditor was also used, Ramboll Sustainability Consulting.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

(A) Board, trustees, or equivalent

(B) Senior executive-level staff, investment committee, head of department, or equivalent

Sections of PRI report reviewed

(1) the entire report

(2) selected sections of the report

(C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year