



PUBLIC TRANSPARENCY REPORT

2023

Alder Funds

Generated 15-12-2023

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 2023 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

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 2023 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?

We founded Alder on the conviction that companies that drive transformation and build resilience will thrive, and long-term value creation must include sustainability principles. Alder's business model focuses on creating value through both impact and operations to build resilience.

Responsible Investment is integral in our investment belief and our Why - "To generate attractive returns by owning and developing companies that improve the long term sustainability of our environment". We invest in companies that are likely to be successful in a changing world and our investment focus falls under the following four themes: Care of natural resources, Building efficiency, Intelligent infrastructure and Sustainable industry.

In our view, companies that are well positioned and resilient in a changing world are also more likely to provide value growth, at lower risk, to our investors. Our portfolio companies are chosen on the basis that they can contribute to solutions to some of the challenges that we face. When we make our investments, we always look for a value proposition based on an environmental benefit. We approach our investments from two distinct but interconnected angles:

- Impact — what they do, Impact relates to the positive environmental outcomes that our portfolio companies create through their business models, products and services. This could include driving down scarce resources and energy use, reducing greenhouse gas emissions or improving water quality. At the pre-investment stage, we assess the extent to which each company can have a positive impact. Throughout the ownership period, we continue this assessment using the SDGs, EU Taxonomy and internal measures. During our ownership, the positive handprint should increase (Handprint, meaning the tangible and positive environmental contributions made by our portfolio companies products and services).

- Operations — how they do it, Operation is about how we run our business and our portfolio companies with their employees. This includes implementing the appropriate governance systems and policies, such as a common Code of Conduct, minimizing negative environmental impacts from Alder operations, and actively developing competence and satisfaction among portfolio company employees. During our ownership, the footprint of operations should decrease (Footprint, meaning the environmental consequences of the business operations of our portfolio companies).

Our approach is to integrate responsible investment into the entire investment process, from sourcing of new investments, the investment process and through owning and developing to exit. We don't see ESG as a separate practice but as a natural part of everything we do.

At the end of each company's journey with Alder, we ensure they leave us with a more attractive, competitive and a significantly improved sustainability performance than when they joined us.

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

Like many other companies (as well as countries and individuals), our resilience has been tested under the unprecedented circumstances caused first by the pandemic and then the invasion of Ukraine. The impact on the production and movement of parts upon which many of our companies rely, coupled with soaring inflation rates, has created the perfect storm for a downturn. However, we are proud that despite these circumstances, we have remained steady and profitable. Where many sectors and companies have struggled, we have continued to prosper. Our success is a testament to our continued focus on sustainability-led and solution-orientated businesses. Our portfolio companies that provide innovations like smart metering, low voltage electricity control and energy use monitoring have come into their own and been vital to customers struggling with energy costs. Despite the turmoil around us, we have continued to grow, with two investments and one divestment during the year. r2pTracking and 3nine joined our portfolio and Autocirc, which has been in our portfolio for two inspiring years, was successfully sold to Nordic Capital.

We have enhanced our sustainability efforts with precise data derived from SFDR, GHG Protocol, and the EU Taxonomy, bolstered by the introduction of a sustainable data management tool for improved tracking and visualization of our progress. Since the initiation of Fund 3, we have been fully equipped to fulfill the criteria set forth in Article 9 of SFDR. This includes the implementation of environmental handprint Key Performance Indicators (KPIs) to showcase the immediate positive environmental impact.

We are constantly honing and sharpening our focus on the best and most impactful sectors for investment. This year, we have developed a proactive tool for identifying the most promising companies for our portfolio and we defined four key investment themes: Care of natural resources, building efficiency, intelligent infrastructure and sustainable industry.

We have strengthened our internal handbook, the Alder Way, our internal tool to guide our portfolio companies in accelerating sustainability excellence. 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.

We also invited all our portfolio companies to 2022 Executive Training for Resilience Thinking. Representatives from each of our portfolio companies gathered and were inspired by seminars and discussions about how our businesses can shape a more resilient future.

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". We continue to grow, evolve and improve and to drive the growth of the positive environmental impact of our portfolio companies, while also aiming for operational excellence across ESG factors. The transition is not about looking back; it's about looking forward, so it's important to recognise our achievements and focus on the next steps.

Focus areas in the coming years include - Visualize the Impact we create, Roll out of new toolbox to help portfolio companies increase positive impact and create business value, Continue to implement platform to manage all Sustainability Data and Measure, visualize and follow up on common and individual targets.

We are trying to stay focused on value creation and what we want to achieve, seeing all the new and forthcoming EU sustainability reporting policies and regulations as valuable framework for our sustainability efforts.

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

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	2022

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\$ 300,000,000.00

(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%
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(E) Secondaries	0%
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(F) Other	0%
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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%
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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	<input checked="" type="checkbox"/>
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(B) Yes, through service providers	<input type="checkbox"/>
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(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 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>

☒ **(L) Stewardship: Guidelines on engagement with investees**

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.

- 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"/>
(J) Stewardship: Guidelines on engagement with investees	<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)	<input type="radio"/>	<input type="radio"/>

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
- ☐ (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



(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies



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://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

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/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

☐ **(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 allocation

Specify: (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.

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.

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

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):

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-30-juni.pdf>

- ☐ (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

- ☐ (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.

In 2022, we continued our work to describe the environmental contribution of our portfolio of economic activities using the EU Taxonomy. This year, we determined each company's baseline eligibility and alignment for the first two EU Taxonomy objectives — climate change mitigation and climate change adaptation. Some companies also looked into the other four taxonomy objectives, which better reflect their contribution. However, we have not reported this yet as the legislation is not finalised.

(B) Example 2:

Title of stewardship activity:

TCFD 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.

The TCFD update process during 2022 consisted of interviews with portfolio company CEOs and Board Chairs.

(C) Example 3:

Title of stewardship activity:

Executive Training in Resilience Thinking

(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.

In May 2022, we synthesised this approach into a two-day Executive Training in Resilience Thinking, created in collaboration with the Stockholm Resilience Centre. We invited the CEO, Board Chairperson and ESG Ambassador from each of our portfolio companies to participate in seminars, workshops and discussions with top scholars, thought leaders and business frontrunners in sustainability, technology and innovation. The training focused on providing our companies and Alder employees with a science-based understanding of current and future planetary scenarios and identifying opportunities to thrive and create business value while contributing to a prosperous planet.

(D) Example 4:

Title of stewardship activity:

Active Sustainability focus in Boards

(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.

Active board members, ongoing support to the portfolio companies, clear expectation setting, integrating sustainability into strategy, guidelines, monitoring through scorecard reporting.

(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.

- (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 2022 available on our website <https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

- (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 2022 <https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

(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 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-2022.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-2022.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-2022.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

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>

☒ **(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-2022.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 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 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://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>
<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-30-juni.pdf>
<https://ghgprotocol.org/>

☒ **(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://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>
<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-30-juni.pdf>
<https://ghgprotocol.org/>

☒ **(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

<https://alder.se/wp-content/uploads/Alder-Sustainability-Report-2022.pdf>
<https://alder.se/wp-content/uploads/Alder-principle-adverse-impact-statement-30-juni.pdf>
<https://ghgprotocol.org/>

○ (D) Our organisation did not 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
- ☐ (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 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.

(B) Process two

We aim to continuously improve how we gather and analyse our portfolio's sustainability data to be as accurate and transparent as possible. This is a prerequisite that comes from Alder's core values but also from increasing regulative demand. In 2022, we decided to make our data management even more robust with the help of external experts, SustainLab. SustainLab's AI-powered SaaS sustainability management platform collects and processes sustainability data and outputs actionable impact insights that can be updated, tracked and followed up. We have begun implementing the platform for each portfolio company and we are using the data in our sustainability report 2022 for the first time.

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

In May 2022, we performed a two-day Executive Training in Resilience Thinking, created in collaboration with the Stockholm Resilience Centre. We invited the CEO, Board Chairperson and ESG Ambassador from each of our portfolio companies to participate in seminars, workshops and discussions with top scholars, thought leaders and business frontrunners in sustainability, technology and innovation. The training focused on providing our companies and Alder employees with a science-based understanding of current and future planetary scenarios and identifying opportunities to thrive and create business value while contributing to a prosperous planet. We heard from speakers including Carl Folke, Co-Founder and Chairman of the Stockholm Resilience Centre and Director of the Beijer Institute, Royal Swedish Academy of Sciences; Johan Kuylensstierna, former Chairman of the Climate Policy Council; Per-Anders Enkvist, Founder and CEO of Material Economics; Henrik Henriksson, CEO of H2 Green Steel, former CEO of Scania; Lisen Schultz, Director of Training at Stockholm Resilience Centre, and Hans Beyer, Sustainability Manager at SEB. Resilience is the capacity to prosper because of and despite change. At Alder, we believe that resilient companies that help drive transformation in a changing world will thrive and that long-term value creation must incorporate the principles of sustainability.

(B) Initiative 2

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)	kgCO ₂ e/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, the portfolio company set target on Alignment towards the most important eligible economic activity. They set a targets to grow this economic activity during our ownership.
(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?

(E2) Sustainability Outcome #5: Target details

(E2) 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?	<p>(2) No</p> <p>Explain why not:</p> <p>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.</p>
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(C1) Sustainability outcome #3:

(C1) Sustainability outcome #3:	100% growth of "Green Turnover"
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Target name:	Grow our Green economic activities
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Does your organisation track progress against your nearest-term sustainability outcome targets?	<p>(2) No</p> <p>Explain why not:</p> <p>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.</p>
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(D1) Sustainability outcome #4:

(D1) Sustainability outcome #4:	Diversity in teams and Board
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Target name:	Gender diversity among board members
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Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes
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(E1) Sustainability outcome #5:

(E1) Sustainability outcome #5:	Implementing the infrastructure to support an organisation that operates in a sustainable and responsible way
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Target name:	Infrastructure in place
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Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes
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(E2) Sustainability outcome #5:

(E2) 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): kgCO₂e/m€

(4) Current level or amount (if relevant): Alders investor companies Carbon intensity for 2022 is 33 Tons CO₂e/M€ revenue

(5) Other qualitative or quantitative progress: During 2022 we added 2 portfolio companies, we have achieved to progress with planned activities:
 - Aligned our way to measure GHG scope 3 according with GhG protocol supported by external consultant company, Ramboll
 - implemented a platform for managing all Sustainability Data, SustainLab.

(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)

kgCO₂e/m€

(4) Current level or amount (if relevant)

We have collected data and measured the 2 new portfolio companies for Scope 3 according to GHG Protocol

(5) Other qualitative or quantitative progress

During 2022 we added 2 portfolio companies, we have achieved to progress with planned activities:
- Aligned our way to measure GHG scope 3 according with GhG protocol supported by external consultant company, Ramboll
- implemented a platform for managing all Sustainability Data, SustainLab.

(6) Methodology for tracking progress

(D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:

Diversity in teams and Board

(1) Target name

Gender diversity among board members

(2) Target to be met by

(3) Metric used (if relevant)

% female board member

(4) Current level or amount (if relevant)

17%

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

(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) Target to be met by

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

(4) Current level or amount (if relevant) 90%

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

(E2) Sustainability Outcome #5: Target details

(E2) 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) Target to be met by

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

(4) Current level or amount (if relevant) 90%

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

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

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