

## ANNEX II

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** NRP Anaxo Nordic m2

**Legal entity identifier:** 926077422

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



**Yes**



**No**



It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

NRP Anaxo Nordic m2 ("the Fund") is an actively managed Fund investing in listed real estate companies primarily in the Nordics. ESG is an integrated part of the investment process.

The characteristics promoted by this financial product consists of investing in listed and non-listed real estate companies with solid environmental, social and governance policies, working towards making the real estate and construction sector more sustainable. The fund promote these characteristics by:

- Inclusion
- Exclusion

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Influence
- Compliance with international norms and standards

The Fund will promote environmental and social characteristics by **including** companies that are viewed to promote sustainable attributes, such as building sustainable houses, take use of green financing options, or companies that manage to prove a gradual improvement in their sustainability efforts.

The Fund will promote environmental and social characteristics by **excluding** companies that:

- Have revenues from illegal weapons
- Have revenues for nuclear and biological weapons
- Have more than 5% of their revenues from tenants working primarily with controversial weapons, gambling, adult entertainment, alcohol, tobacco and production of fossil fuels
- Are fined for bribery or corruption
- Are in breach with the standards of UN Global Compact and OCED's guidelines for multinational enterprises

The fund also excludes companies that do not meet the Fund's criteria for responsibility, in accordance with the NRP ESG and Responsible Investment Policy and Ness, Risan & Partners Sustainability – our approach, accounting for materiality limits.

The Fund will also seek to **influence** the portfolio companies in a positive and more sustainable direction through active ownership. This will be done by direct dialogue with the companies and their management, by clearly expressing our sustainability and ESG-standards when meeting the companies, through dialogue with other investors in the company, and participating with votes relating to specific topics on General Meetings.

### ● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Fund will use the following indicators to measure the environmental and social characteristics promoted by the fund:

- Share of revenue from:
  - Controversial weapons
  - Nuclear and biological weapons
  - Gambling
  - Adult entertainment
  - Alcohol
  - Tobacco
  - Production from fossil fuels
- Breach with the standards of UN Global Compact and OCED's guidelines for multinational enterprises

The indicators used to measure this is derived from an annual questionnaire sent by NRP Anaxo Management AS to the companies where questions regarding how their work on sustainability is developing and concrete data points such as how big part of their financing portfolio is within a sustainable framework (e.g., green bonds or loans).

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

The fund does not have sustainable investment objectives

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** *[include a description for the financial product that partially intends to make sustainable investments]*

The fund does not have sustainable investment objectives

*How have the indicators for adverse impacts on sustainability factors been taken into account? [include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account]*

The fund does not have sustainable investment objectives

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

The fund does not have sustainable investment objectives

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

*[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*



Yes, this Fund consider principal adverse impacts (PAI) on sustainability factors, through the investment policies set out for the fund, such as exclusion of certain companies associated with e.g. controversial weapons, alcohol, tobacco and gambling. In addition, the Fund will seek to influence the companies in which it invests. The information on principal adverse impacts on sustainability factors will be available in the Fund's annual report



### What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The Fund is an actively managed Fund investing in listed real estate companies primarily in the Nordics. ESG is an integrated part of the investment process. The Fund's ambition is that by owning a portfolio of companies focusing on sustainability, the Fund can contribute to a more sustainable society through a gradual improvement. To ensure that the portfolio has a high standard in terms of ESG:

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- The Fund uses its position to apply active ownership in the portfolio companies to promote a sustainable development. The Fund will monitor this throughout the ownership by sending ESG-related questionnaires to each of the individual companies amongst other actions.
- Exclude and avoid companies with certain exposures mentioned above. Our investment decisions are based on the outcome of the questionnaires and a “negative” screening process.
- The investment process includes a collection of company-specific data through a “positive” screening process. The screening process includes company-specific scores regarding the amount of ESG data reported publicly and the amount of green gas emissions.

Mapping of to what extent the companies have internal policies in place regarding governance issues such as anti-bribery, human rights and child labour.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In addition to being subject to a financial analysis and other forms of due diligence, each investment is contingent upon an ESG analysis and ESG due diligence to determine the risks associated with investing in the company. The due diligences may lead to the exclusion of certain investments, as outlined in the section “*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product*”.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy? [include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]***

No such commitment has been made by the Fund.

● ***What is the policy to assess good governance practices of the investee companies? [include a short description of the policy to assess good governance practices of the investee companies]***

The Fund manager issues a questionnaire to all the companies in the portfolio following up on the governance practices in the respective companies. Furthermore, the manager tracks the development in the portfolio companies on a selection of parameters including

- As far as possible, the Fund chooses to invest in companies that have an annual sustainable report or guidelines/policies that are officially disclosed and approved by the board/management team.
- that have one or more clear goals in order to improve regarding sustainability.
- that report their outcomes vs. these goals.

The Fund will not invest in companies that are breaching or failing to comply with international norms and conventions, such as UN Global Compact and OECD’s guidelines for multinational enterprises. In addition, the Management company, on behalf of the fund, is using its ownership to influence its portfolio companies on a continuous basis to promote good governance, for example when meeting the management of the companies.

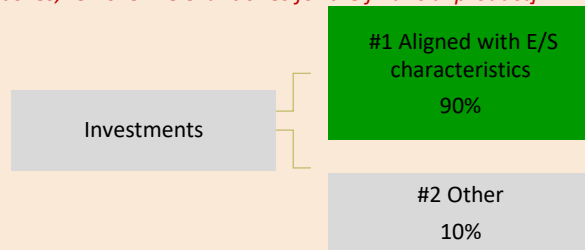


**What is the asset allocation planned for this financial product? [include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]**

The Fund invests in listed and unlisted real estate companies and promotes environmental or social characteristics but does not have as its objective to make sustainable investments.

**Asset allocation** describes the share of investments in specific assets.

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

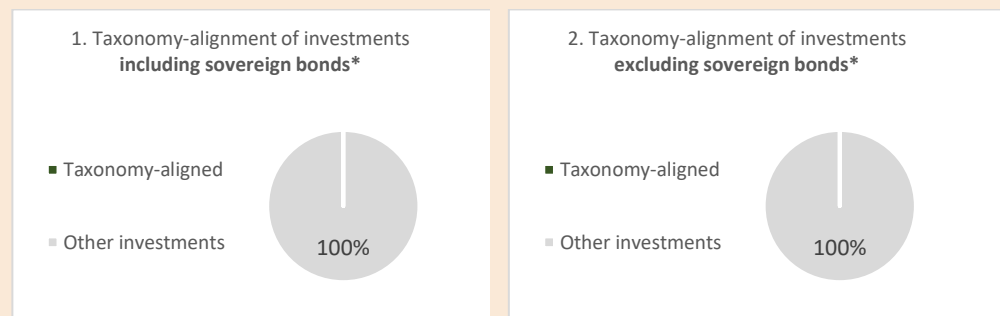
***promoted by the financial product?*** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*



**objective aligned with the EU Taxonomy?** *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

The Fund does not have any sustainable investment objective.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

The Fund does not have any objective for minimum share of investments in transitional and enabling activities.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

The Fund does not have any sustainable investment objective.



- **What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

The Fund does not have any sustainable investment objective.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund does not have any sustainable investment objective, hence the investments under “#2 Other” is the investments outlined in the investment mandate.



- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

This product has currently no designated index to use as a reference benchmark with regards to the environmental and social characteristics it promotes, as there is no such relevant index available. The Fund Manager will monitor this on a continuous basis and add a reference index if it and applicable would become available

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A. See above.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

N/A. See above.

- **How does the designated index differ from a relevant broad market index?**

N/A. See above.

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **Where can the methodology used for the calculation of the designated index be found?**

N/A. See above.



### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

This product is marketed towards professional and non-professional investors in Norway and professional investors in Sweden. Investors and potential investors may find more information on NRP Anaxo Nordic m2, NRP Anaxo Management and the ESG initiatives of the NRP Group on NRP's website: <https://www.nrp.no/ESG/>

### **Version history of this document**

<b>Version</b>	<b>Date of publication</b>
Version 1 (original publication)	09.12.22