



SFDR Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Selected Waste-to-Life Fund I S.C.A. SICAV-RAIF

For the year ending 31 December 2024

2025-04-28



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1. SUMMARY

1.1. Financial market participant

This statement regarding principal adverse impacts (PAIs) on sustainability factors applies to Selected Waste-to-Life Fund I S.C.A. SICAV-RAIF (the “Fund”) and covers the reference period from January 1 to December 31, 2024. The Fund is committed to transparent reporting on how its investments affect various sustainability factors, in accordance with the Sustainable Finance Disclosure Regulation (SFDR) requirements. This commitment includes detailed disclosures on principal adverse impacts at both the entity and product levels. In compliance with Article 9 of the SFDR, the Fund ensures that its sustainable investments do not significantly harm (DNSH) any environmental or social objectives by integrating Environmental, Social, and Governance (ESG) factors into its investment decision-making processes.

This document serves as the consolidated statement on principal adverse impacts on sustainability factors at the product level. Legal entity identifier **X**

1.2. Summary of the Fund and principal adverse impacts

The Fund aims to achieve its sustainable investment objective by using waste heat from industrial processes, thereby reducing the demand for primary energy sources and overall energy consumption. This aligns with the EU's climate neutrality goals by 2050, in line with the Paris Agreement. The Fund's investment strategy includes investments in generating heating or cooling from industrial waste heat and in the construction or acquisition of industrial buildings designed to utilize this waste heat effectively.

During 2024 (current year), 96% of the Fund's investments were directed towards activities that qualify as environmentally sustainable under the EU Taxonomy Regulation (TR), with a substantial contribution to climate change mitigation. This included the transfer of industrial real estate assets, such as waste heat infrastructure and industrial buildings that effectively utilize waste heat. EU Taxonomy alignment is used as the benchmark for sustainable investments under the SFDR, as per the latest recommendations of the EU Commission (“safe harbor”).

More details about the Fund's alignment with the EU Taxonomy can be found in Section 2, “*Description of the Principal Adverse Impacts on Sustainability Factors.*”

This statement has been prepared in accordance with the requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”) and Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR (the “SFDR RTS”). In line with the requirements of the SFDR and the SFDR RTS, this statement includes quantitative disclosure of the impacts associated with investments made by the Fund. These impacts are measured by reference to the 18 mandatory PAI indicators at product level, which are disclosed in tables 1 to 4 in this report.

The SFDR RTS also requires disclosure of two additional PAI indicators, which must be selected from a list of additional PAI indicators detailed in the SFDR RTS. The additional PAI indicators associated with investments made by the Fund are disclosed in table 3 and 4.

2. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

All of the economic activities are deemed sustainable under Article 3 of Regulation (EU) 2020/852 and have been evaluated for compliance with the EU Taxonomy, meaning they do not cause significant harm to any other environmental objectives, comply with the Minimum Safeguards (MS), and adhere to the Technical Screening Criteria (TSC).

In accordance with Article 9 of the EU Sustainable Finance Disclosure Regulation, the Fund ensures that sustainable investments do not cause significant harm to any environmental or social objectives by integrating ESG factors into investment decision-making processes. The Private Placement Memorandum (PPM), Sustainability Policy (SP), and Risk Policy (RP) outline the approach to managing sustainability risks and disclosing PAIs on sustainability factors through ESG risk integration.



ESG risks are systematically incorporated into investment decisions and are part of the Risk Profiling exercise. This involves disclosing the Fund's objectives and restrictions as outlined in its documentation, ensuring compliance with its environmental objective, and implementing both internal and external controls for monitoring these factors. Sustainability indicators are used throughout the Fund's lifecycle for this purpose. The Risk Profile details the data sources used to monitor the ESG performance of underlying assets, measures taken to ensure data quality, and the proportion of estimated data. Additionally, the Fund conducts a Sustainability Risk Assessment for each Sub-Fund, listing all applicable criteria. Transparent reporting on potential sustainability risks is provided as part of the Fund's decision-making processes, highlighting that materialization of these risks could negatively affect investment returns.

Implementing procedures and responsibilities to ensure effective risk management is described in section 3. *"Description of policies to identify and prioritise principal adverse impacts on sustainability factors."*

The 18 mandatory PAI indicators for both the current year and the prior year are presented as follows:

- Table 1 presents the PAI indicators associated with investments in investee companies. PAI indicators 1 to 9 are climate and other environmental-related indicators, and PAI indicators 10 to 14 are indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery matters. The PAI indicators that apply to investments in sovereigns and supranational are not relevant.
- Table 2 presents the PAI indicators applicable to investments in real estate assets.

The SFDR RTS requires that the Fund disclose at least one additional climate and other-environmental related indicator, and one additional social indicator. The Fund has chosen to report on the following two optional PAI indicators:

- Additional Environmental PAI 4: Investments in companies that do not have initiatives for reducing carbon emissions.
- Additional Social PAI 15: Lack of anti-corruption and anti-bribery policies.

The process by which the Fund has selected the additional PAI indicators is detailed in section 3.3 *"Methodologies to select the additional PAI indicators"*.

The specific metric used to assess each PAI indicator is disclosed in the "metric" column of each table, and the measurement outcome is disclosed in the "impact" column. The column "explanation" covers some necessary explanations to the impact for each indicator. The last column for tables 1 to 4 refers to the Fund's actions planned, and targets set for the next reference period, as needed.

The changes in the PAI indicators from the prior year to the current year are influenced by various economic activities. Many PAI indicators were not applicable in 2023 due to a lack of economic activity. Consequently, there is no straightforward relationship between the years for some PAI indicators, and these indicators cannot be aggregated.

2.1. Investment coverage

Investment coverage indicates how much of a portfolio, or assets are evaluated against adverse impact factors. For the current year, the investment coverage is detailed in the "explanation" column for specific PAI indicators. The coverage percentage represents the proportion of assets managed by the Fund for which data has been collected to calculate the corresponding PAI indicator. A higher coverage percentage provides stakeholders with a clearer understanding of ESG risks. The remaining percentage (100% - Coverage) reflects the assets that have not been assessed due to data gaps or exclusions.

Table 1: Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
Greenhouse gas emissions	1.GHG emissions	Scope 1 GHG emissions (tons CO2e)	2 471.46	594	Data source: LCA result Coverage: 90 % Scope 1 GHG emissions are direct emissions from sources that the investee companies owns or controls. Energy consumption from industrial waste heat does not increase emissions as its climate impact is already accounted for in the original industrial process of other products.	Actions taken: Engaged with investee companies to make an LCA Level 2 according to the Taxonomy, on real estate assets.
		Scope 2 GHG emissions (tons CO2e)	2 459.29	24	Data source: Fuel and electricity use Coverage: 90% Scope 2 GHG emissions are indirect emissions that investee companies causes from the generation of energy that it purchases or uses.	
		Scope 3 GHG emissions (tons CO2e)	10 594.59	8 857	Data source: LCA result Coverage: 90 % Scope 3 GHG emissions are emissions produced by other companies or parties involved in the investee companies' value chain.	

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
		Total GHG emissions (tons CO2e)	15 525.34	9 475	Sum of above (Scope 1, 2 and 3).	
	2. Carbon footprint	Carbon footprint (tons CO2e/mEUR AUM)	1.04	221.12	Data source: LCA result Coverage: 100%	
	3. GHG intensity of investee companies	GHG intensity of investee companies (tons CO2e/mEUR revenue)	0	N/A	Data source: Fuel use, electricity usage, and LCA result Coverage: 100 % N/A means no data availability.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	0%	0%	Data source: Exclusion lists Coverage: 100%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy	13%	88%	Data source: monitoring of energy consumption and utility bills Coverage: 100% Energy consumption from industrial waste heat is included in renewable energy consumption reporting. As waste heat is utilized without adding more energy to the original process, it is neither fossil nor renewable and it does not increase emissions. Additionally, it	

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
		sources, expressed as a percentage of total energy sources (%)			promotes more efficient use of primary energy and supports the energy objectives outlined in Article 26 of Directive (EU) 2023/1791. ¹	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per mEUR of revenue of investee companies, per high impact climate sector	0	N/A	Data source: monitoring of energy consumption and utility bills Coverage: 100% N/A means no data availability. This metric is calculated based on all high impact climate sectors that are disclosed individually below.	
		Energy consumption intensity per high impact climate sector F (GWh/mEUR rev)	0	N/A	Data source: monitoring of energy consumption and utility bills Coverage: 100% Sector F refers to construction. N/A means no data availability.	
		Energy consumption intensity per high impact climate sector L (GWh/mEUR rev)	0	N/A	Data source: monitoring of energy consumption and utility bills Coverage: 100% Sector L refers to real estate activities. N/A means no data availability.	

¹ European Union, Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast), [2023], p. 61, Art. 26, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL_2023_231_R_0001&qid=1695186598766 [Accessed 15 April 2025].

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	0%	0%	Data source: zoning plan, building permit, and relevant maps on the <u>Swedish EPA</u> and <u>UNESCO</u> websites, investee companies EU Taxonomy assessments. Coverage: 100 % The investee companies and their economic activities do not involve real estate assets listed as World Heritage in Danger or located within the Natura 2000 network of protected areas. However, real estate assets are located in areas previously forested (production forest) which hosted some redlisted species. The metric is calculated as zero (0) following the interpretation guidance from the <u>Swedish Property Federation</u>.	Actions planned: Engage with investee companies to continuously enhance EU Taxonomy alignment.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per m EUR invested, expressed as a weighted average (t/mEUR EVIC)	N/A	N/A	Data source: N/A Coverage: N/A N/A means no data availability.	Actions planned: Engage with investee companies to increase data collection on emissions to water. Target: 80% coverage

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t/mEUR EVIC)	N/A	N/A	Data source: supplier invoices Coverage: N/A N/A means low data availability.	Actions planned: Engage with investee companies to enhance data collection of hazardous and radioactive waste. Target: 80% coverage
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	0%	0%	Data source: Code of Conduct, governance documentation, and internal policy records. Coverage: 100 % The Fund has implemented policies, such as its Sustainability Policy and Risk Policy, which are regularly reassessed. These measures integrate the application of Minimum Safeguards in accordance with Articles 3 and 18 of the Taxonomy Regulation.	Actions planned: Engage with investee companies to enhance integration of MS.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact	Share of investments in investee companies without policies to monitor compliance	0%	0%	Data source: Corporate governance documentation and internal policy records Coverage: 100 %	

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
	principles and OECD Guidelines for Multinational Enterprises	with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)			The Fund has implemented policies, such as its Sustainability Policy and Risk Policy, which are regularly reassessed. These measures integrate the application of Minimum Safeguards in accordance with Articles 3 and 18 of the Taxonomy Regulation.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	Data source: N/A Coverage: N/A N/A means no employees in investee companies	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33%	33%	Data source: Swedish Companies registration Office Coverage: 100%	

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken during 2024, and actions planned and targets set for 2025
	14.Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Data source: Exclusion lists Coverage: 100%	

Table 2: Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	Data source: Exclusion lists Coverage: 100%	

Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	Data source: N/A Coverage: N/A N/A means investments are not in-scope to abide by EPC and NZEB rules as per Swedish National Board of Housing, Building and Planning ² .	
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Table 3: Additional climate and other environment-related indicators

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0%	N/A	Data source: LCA result Coverage: 100% N/A means no investments in investee companies. Life Cycle Assessment (LCA) in accordance with EU Level 2 and the Taxonomy of invested real estate assets indicates a carbon emission reduction initiative.	Actions planned: Engage with investee companies to benchmark decarbonization pathways of real estate assets.

² Boverket, *Dessa byggnader behöver inte energideklarerar* (2025) <https://www.boverket.se/sv/energideklaration/energideklaration/dessa-byggnader-behoover-inte-energideklareras/> [Accessed 14 April 2025]

Table 4: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0	N/A	Data source: internal policy records Coverage: 100% N/A means no investments in entities. The Fund ensures that its investments adhere to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through its established policies and procedures.	Actions planned: Engage with investee companies to enhance integration of MS.

3. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

The Fund integrates the indicators specified in Table 1 of Annex I of the Delegated Regulation regarding investments in “investee companies” and “real estate assets”, along with relevant indicators from Tables 2 and 3, into its investment decision-making process, as described in the PPM. All indicators are continuously monitored and reported through the Fund’s Periodic Disclosure. The Fund's procedures, in accordance with Chapter II and Annex I of the Delegated Regulation, include the following steps:

1. Identification, Integration, and Monitoring: The Fund identifies and prioritizes PAIs by assessing material ESG risks for all investments. PAIs are integrated into the investment process through pre-investment screening, due diligence, and ongoing monitoring.
2. Engagement and Reporting: The Fund actively engages with investee companies to mitigate adverse impacts and regularly report on these impacts. The Fund actively engages with investee companies to mitigate adverse impacts and regularly report on these impacts. The main objectives of the Fund’s engagement strategy are to: i) thoroughly screen all potential investments thoroughly prior to investment decisions, ii) build strong relationships with suppliers, operators, and other investment partners, and iii) ensure that all necessary routines, processes, and frameworks are in place, so investments and relevant stakeholders uphold international, national, and local laws.

Actions planned and targets set for the next reporting period

For the next reporting period, we will continue to actively engage with investee companies to improve procedures, enhance data collection, and boost data quality through five key actions. This is essential for improving accuracy. The planned actions are as follows:

1. Emissions to water: Engage with investee companies to increase data collection on emissions to water, targeting 80% coverage.
2. Hazardous and radioactive waste: Engage with investee companies to enhance data collection regarding hazardous and radioactive waste, aiming for 80% coverage.
3. Integration of MS: Engage with investee companies to strengthen integration of MS.
4. Decarbonization pathways: Engage with investee companies to benchmark decarbonization pathways of real estate assets.
5. SFDR and TR alignment: Provide continuous support for the better application of screening criteria for alignment with the SFDR and the TR.

Lessons learned

The lessons learned from the current year highlight that establishing data collection procedures through investee companies requires time and effort.

3.1. Governance & accountability

The Oversight team continuously monitors the Investment Manager, ensuring that due diligence practices for underlying assets and relevant internal and external controls are verified. The PPM emphasizes clear, standardized disclosures to enhance transparency and accountability in sustainable investing, in alignment with the SFDR objectives of improving the comparability and reliability of sustainability-related information.

3.2. Methodologies to identify and assess principal adverse impacts

In accordance with the SFDR RTS, and as outlined in section 2 above, the Fund provides disclosures at the product level regarding principal adverse impacts related to 18 mandatory indicators. This includes one additional environmental indicator and one additional social indicator, which are presented in Tables 1 to 4.

Data Sources Used

Data is systematically collected, stored, and presented by the Investment Manager, while the Oversight team controls it to ensure both integrity and transparency. A variety of data sources were utilized to ensure a comprehensive and accurate analysis of the PAI indicator performance.

Life Cycle Assessment (LCA) studies, conducted in accordance with EU Level 2 and Taxonomy standards, were performed on investments in real estate assets. These assessments provided insights into carbon emissions and resource usage throughout the properties' lifecycles. The results of the LCA are critical for informing key environmental indicators related to the carbon footprint.

Additionally, operational performance data for 2024 was gathered through monitoring systems that track energy and water consumption. Verified supplier invoices, collected on a monthly and annual basis, offered supplementary data regarding waste generation, energy, and water management. This ensures that the reported data accurately reflects actual usage and disposal patterns.

For social and governance-related indicators, the Fund assessed relevant sustainability governance documents and policies along with the Code of Conduct and ESG disclosures, to evaluate compliance with labour rights, procurement ethics, and overall ESG governance.

PAI Calculation assumptions and approaches

The Fund calculates each PAI indicator by aggregating company-level data. PAI indicators are calculated annually, using data from the previous calendar year. The reporting period covers a full calendar year, and seasonal adjustments are made where necessary to reflect operational cycles. All calculations are subject to internal validation.

The percentage of portfolio coverage, indicating data availability, is disclosed alongside each PAI metric. While the target for data coverage is 100%, a minimum coverage of 50% is maintained and disclosed in cases where documentation is unavailable or insufficient.

Data deficiencies are unlikely to affect the achievement of the sustainable investment objective but might affect operational understanding.

3.3. Methodologies to select the additional PAI indicators

The selection of additional PAI indicators, as disclosed in table 3 and 4 above, was influenced by available information from the Fund, availability of inputs provided by primary sources, and degree of interpretation associated with calculation / derivation of metric. The Fund selected two additional PAI indicators with the reasoning as follows:

1. Environmental indicator: *Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.*

The Fund acknowledges the importance of tracking and reporting the percentage of investee companies that lack carbon reduction initiatives. This aligns with the Fund's sustainable investment objective to utilize energy that would otherwise be wasted, reducing the demand for primary energy sources and ultimately leading to lower overall energy consumption.

2. Social indicator: *Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption.*

The Fund approaches human rights as a critical responsibility in managing material risks to client portfolios. This includes engaging with investee companies regarding their negative impacts on human rights. By reporting this indicator, the Fund demonstrates regulatory compliance and adherence to best practices in responsible investing.

4. ENGAGEMENT POLICIES

The Fund actively engages with investee companies to mitigate adverse impacts and regularly report on these impacts. The main objectives of the Fund's engagement strategy are to:

- thoroughly screen all potential investments thoroughly prior to investment decisions
- build strong relationships with suppliers, operators, and other investment partners
- ensure that all necessary routines, processes, and frameworks are in place, so investments and relevant stakeholders uphold international, national, and local laws

4.1. References to international standards

The Fund takes into account potential adverse impacts on sustainability factors associated with all investments, adhering to various international standards. In line with Article 9 of the SFDR, the Fund ensures that its sustainable investments do not significantly harm any environmental or social objectives by incorporating ESG factors into its investment decision-making process.

Sector-specific DNSH criteria are applied to assess the alignment with the six environmental objectives outlined in the EU Taxonomy. Additionally, the Fund ensures that its sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These guidelines set forth principles and standards for responsible business conduct in areas such as human rights, labour relations, anti-corruption, and disclosure.