EUROPEAN
COMMISSION

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ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION (EU) …/...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

ANNEX IV

Template periodic 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Arctic Norwegian Value Creation the "Fund", a sub-fund of Arctic Funds plc
Legal entity identifier: 635400JEZFNRWZ1KFA20

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 83.5% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The following factors were considered in determining whether the Fund attained the environmental and/or social characteristics it promotes:

- Allocation to sustainable investments. A factor contributing to whether the Fund was considered to be attaining the environmental and/or social characteristics it promotes is an assessment of whether the Fund successfully and consistently achieved its minimum investment allocation to "sustainable investments" (as defined in SFDR, details of which are set out below).

- ESG exclusion policy. A further factor contributing to whether the Fund was considered to be attaining the environmental characteristics it promotes is an assessment of whether the Fund successfully and consistently executed its ESG exclusion policy (details of which are set out below).

The sustainable investments of the Fund target an environmental objective which does not qualify as sustainable under the EU Taxonomy. An investment with an environmental objective aligned with the SFDR is considered companies/entities in groups that:

- Have initiatives to reduce their carbon dioxide emissions, through the Science Based Targets initiative (SBTi), or through Net Zero targets, or through Paris-aligned carbon reduction initiatives (as found by our external data providers or own research across the spectrum); and
- Are not in explicit breach of the ten principles of the UN Global Compact on the environment, human rights, labour rights, and anti-corruption (as found by our external data providers or own research across the spectrum).

The Fund applied comprehensive and robust ESG exclusionary screens (set by Norges Bank Investment Management) to prevent the Fund from investing in issuers that did not meet minimum ESG criteria that take into account certain environmental and social considerations. Specifically, companies which were found to produce products like tobacco, land mines, cluster bombs, and nuclear weapons were excluded from investment consideration. Exclusions were also given for companies which commit serious human rights abuses, give high risk of future corruption, contribute to severe environmental damage, or contribute to violating the right of individuals in wars or conflicts. Exclusion were also decided for certain mining companies and power producers which themselves or through entities they control derive 30 per cent or more of their income from thermal coal, or base 30 per cent or more of their operations on thermal coal. It should be noted that the ESG exclusionary screens (set by Norges Bank Investment Management) does not cover Norway. Given the Fund's investment focus geographically, the ESG exclusionary screens may therefore have had a limited impact in terms of restricting the Fund's investment universe.

How did the sustainability indicators perform?

The sustainability indicators of the fund were monitored by data from external data providers and internal research.

On initiatives to reduce carbon dioxide emissions, the list of companies with committed or approved targets from the Science Based Targets initiative (SBTi) is public. The investment manager routinely updated its list of holdings declared on the Science Based targets website through the year. Companies with Net Zero targets or Paris-aligned carbon reduction initiatives were monitored by the Investment Manger through external data providers like MSCI and other external data providers, and internal research across the spectrum. Data from external data providers was updated as it become available (monthly, daily).

The indicator 'initiatives to reduce carbon dioxide emissions' generally performed well, and increased through 2023. Below are the measured percent of the Fund in companies/entities in groups that had initiatives to reduce their carbon dioxide emissions at each quarter-end:

	31.03.2023	30.06.2023	29.09.2023	29.12.2023
Carbon Reduction Initiatives	79,4 %	86,1 %	88,0 %	88,7 %

Companies with no violation of the UN Global Compact were monitored by the Investment Manger through external data providers, like MSCI and other external data providers, and internal research across the spectrum. Data from external data providers was updated as it become available (monthly, daily).

The indicator 'no breach of the UN Global Compact' performed very well in 2023. Below are the measured percent of the Fund in companies/entities in groups that were not in breach of the UN Global Compact at each quarter-end:

	31.03.2023	30.06.2023	29.09.2023	29.12.2023
No Breach of the UN Global Compact	98,6 %	96,7 %	98,6 %	97,5 %

The Fund's exclusions are set by Norges Bank Investment Management. These exclusions are public information. The investment manager's Middle Office function routinely controlled holdings against the NBIM exclusions list in 2023. The Fund fully executed on its ESG exclusion policy in 2023. No investment during the reporting year was excluded by NBIM.

…and compared to previous periods?

For 2022 the sustainability indicators were measured in December 2022. This is because the Fund's Annex II pre-contractual disclosure and hence its commitment to the sustainability indicators was published from January 1st 2023. Consequently, measurement of the sustainability indicators for the Fund was established in late 2022.

The indicator 'initiatives to reduce carbon dioxide emissions' performed better each quarter in 2023 than in late 2022. Below are the measured percent of the portfolio in companies/entities in groups that had initiatives to reduce their carbon dioxide emissions in December-2022 compared to each quarter-end 2023:

	15.12.2022	31.03.2023	30.06.2023	29.09.2023	29.12.2023
Carbon Reduction Initiatives	77,3 %	79,4 %	86,1 %	88,0 %	88,7 %

The indicator 'no breach of the UN Global Compact' performed very well overall. The indicator performed slightly better at some points during 2023 than in late 2022, and slightly worse at other points. Below are the measured percent of the portfolio in companies/entities in groups that were not in breach of the UN Global Compact in December-2022 compared to each quarter-end 2023:

	15.12.2022	31.03.2023	30.06.2023	29.09.2023	29.12.2023
No Breach of the UN Global Compact	97,8 %	98,6 %	96,7 %	98,6 %	97,5 %

The Fund fully executed on its ESG exclusion policy in 2022 and in 2023. No investment was excluded by NBIM in 2022 or in 2023.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such

In order for an investee company to be considered a sustainable investment, the investee company had to: (i) contribute to an environmental objective as defined by the SFDR Article 2 (17); (ii) do no significant harm ("DNSH") to any other environmental or social objective; and (iii) follow good governance practices.

An investment with an environmental objective aligned with the SFDR is considered companies/entities in groups that:

- Have initiatives to reduce their carbon dioxide emissions, through the Science Based Targets initiative (SBTi), or through Net Zero targets, or through Paris-aligned carbon reduction initiatives (as found by our external data providers or own research across the spectrum); and
- Are not in explicit breach of the ten principles of the UN Global Compact on the environment, human rights, labour rights, and anti-corruption (as found by our external data providers or own research across the spectrum).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The sustainable investments contributed to the environmental objective by having such initiatives to reduce their carbon dioxide emissions and not breaching the UN Global Compact, while doing no significant harm and having good governance practices.

The Fund applied comprehensive and robust ESG exclusionary screens (set by Norges Bank Investment Management) to prevent the Fund from investing in issuers that did not meet minimum ESG criteria that take into account certain environmental and social considerations. Specifically, companies which were found to produce products like tobacco, land mines, cluster bombs, and nuclear weapons were excluded from investment consideration. Exclusions were also given for companies which commit serious human rights abuses, give high risk of future corruption, contribute to severe environmental damage, or contribute to violating the right of individuals in wars or conflicts. Exclusion were also decided for certain mining companies and power producers which themselves or through entities they control derive 30 per cent or more of their income from thermal coal, or base 30 per cent or more of their operations on thermal coal. It should be noted that the ESG exclusionary screens (set by Norges Bank Investment Management) does not cover Norway. Given the Fund's investment focus geographically, the ESG exclusionary screens may therefore have had a limited impact in terms of restricting the Fund's investment universe.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's DNSH assessment involved data provided by one or more of the Investment Manager's external data providers. Examples of information used in this assessment included the following with respect to an investee company: (i) assessment of the company's absolute and relative performance on the Principal

Adverse Impact (“PAI”) indicators, when such indicators were available, reliable, and suitable: (ii) evidence of violations of global norms: (iii) a search for ESG controversies: (iv) its business activities: (v) the absolute amount of, and development in, the company’s GHG emissions: (vi) external data providers’ classification of the company on DNSH: (vii) the company itself reporting they do no significant harm.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Investment Manager’s DNSH assessment with respect to sustainable investments included assessment of the company’s absolute and relative performance on the Principal Adverse Impact (“PAI”) indicators, when such indicators were available, reliable, and suitable. Other elements in the DNSH assessment are outlined above.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Investment Manager relied on data provided by its external data providers to ensure Sustainable investments in the Fund did not fail to meet the OECD Guidelines and the UN principles.

How did this financial product consider principal adverse impacts on sustainability factors?

The financial product had periodic, internal fund-level Principal Adverse Impact (“PAI”) reports through the reference period, using data from the Investment Manager’s internal PAI database.

The portfolio managers have to an increasing degree integrated consideration of the PAIs in their fundamental, bottom-up investment analysis of investee companies.

The Investment Manager’s DNSH assessment with respect to sustainable investments included assessment of the company’s absolute and relative performance on the Principal Adverse Impact (“PAI”) indicators, when such indicators were available, reliable, and suitable.

What were the top investments of this financial product?

Average for the calendar year 2023 (31.12.2022 to 31.12.2023)

Largest Investments	Sector	% Assets	Country
AKER BP ASA	Energy	7,4	NO
KONGSBERG GRUPPEN ASA	Industrials	6,5	NO
SCHIBSTED ASA-B SHS	Communication Services	4,8	NO
ORKLA ASA	Consumer Staples	4,4	NO
YARA INTERNATIONAL ASA	Materials	4,2	NO
BORREGAARD ASA	Materials	3,9	NO
LEROY SEAFOOD GROUP ASA	Consumer Staples	3,8	NO
EUROPRIS ASA	Consumer Discretionary	3,8	NO
STOREBRAND ASA	Financials	3,2	NO
DNB BANK ASA	Financials	2,8	NO
MOWI ASA	Consumer Staples	2,7	NO
GJENSIDIGE FORSIKRING ASA	Financials	2,6	NO
NORDEA BANK ABP	Financials	2,6	FI
TELENOR ASA	Communication Services	2,5	NO
VAR ENERGI ASA	Energy	2,4	NO

The list includes the investments

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the proportion of sustainability-related investments?

The Fund had 83.5% Sustainable Investments in 2023. This is the average of daily measured sustainable investments in the calendar year 2023 (31.12.2022 to 31.12.2023).

In order for an investee company to be considered a sustainable investment, the investee company had to: (i) contribute to an environmental objective as defined by the SFDR Article 2 (17); (ii) do no significant harm ("DNSH") to any other environmental or social objective; and (iii) follow good governance practices.

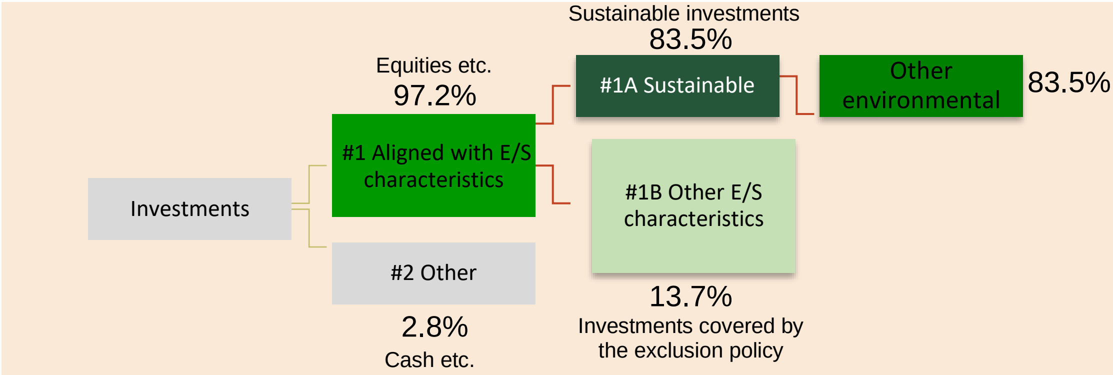
The proportion Sustainable investments was calculated each business day, using data from external data providers and internal research, and taking into account the Investment Manager's assessment of Significant Harm and governance practises. In the calculation, portfolio holdings were updated daily. Data from external data providers was updated as it became available (monthly, daily).

What was the asset allocation?

The Fund was mainly invested in equities listed or traded on markets in Norway.

Average for the calendar year 2023 (daily average 31.12.2022 to 31.12.2023):

- Cash in the Fund was 2.8%
- The 97.2% invested portion of the Fund was aligned with the environmental and social characteristics the Fund promotes (in investments which follows its exclusion policy).
- The Fund had a 83.5% allocation to Sustainable Investments.

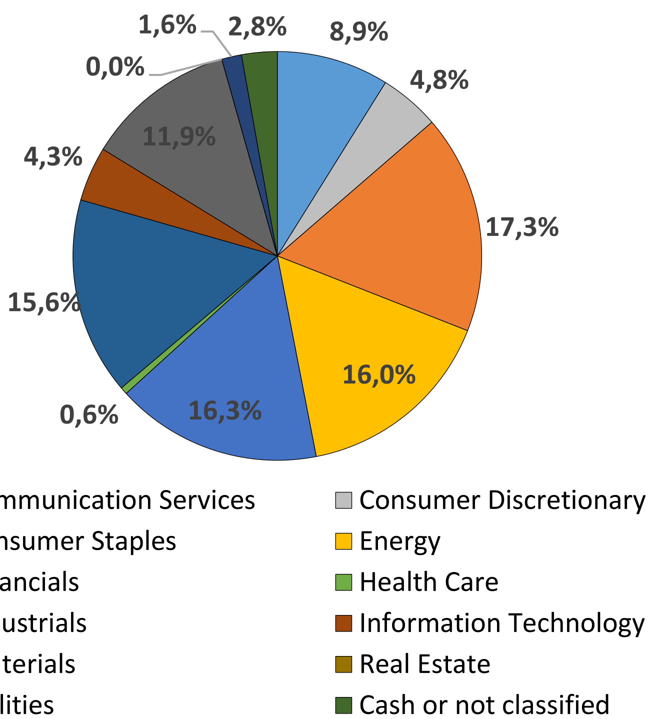


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#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.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?



Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

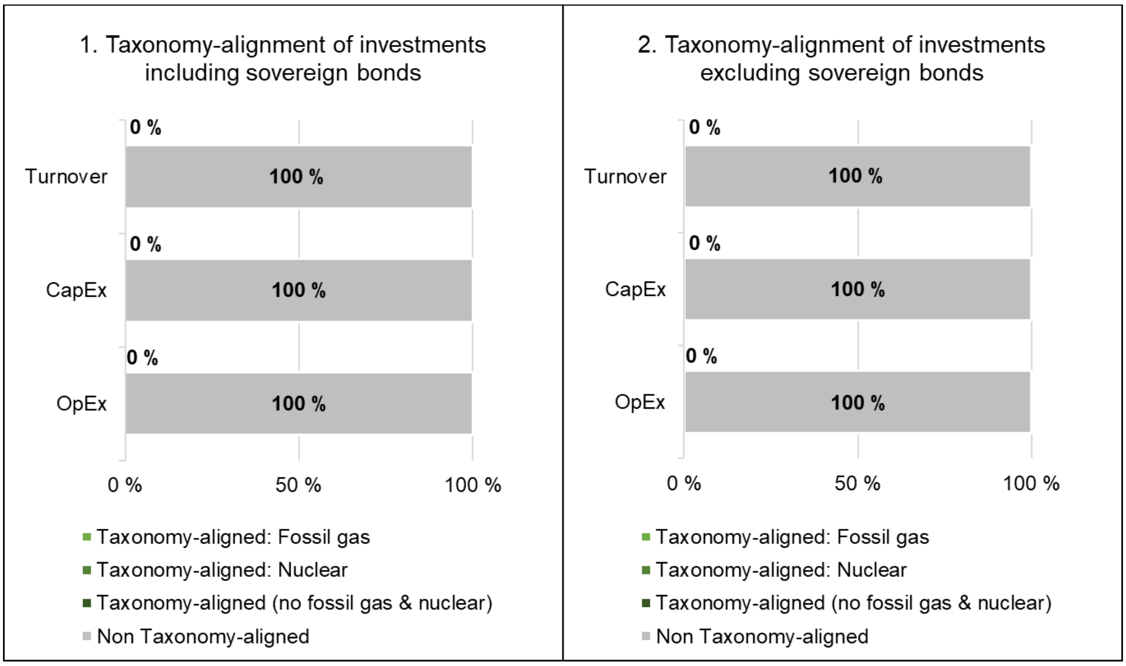
The Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of EU Taxonomy-aligned investments were zero per cent (0%).

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No



What was the share of investments made in transitional and enabling activities?

0%. There were zero taxonomy-aligned minimum investments.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

0% for 2023 and 0% for 2022. There were zero taxonomy-aligned minimum investments.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

83.5% were sustainable investments with an environmental objective not aligned with the EU Taxonomy in 2023.

What was the share of socially sustainable investments?

The share of socially sustainable investments was 0%.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under “other” were in cash or other holdings retained for example for liquidity, hedging and/or cash management purposes. No minimum environmental or social safeguards were in place in relation to such holdings.

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

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2023 the Investment Manager in established an ESG Expectations document, with the aim to clarify its views and expectations to investee companies. The document includes an expectation for companies to have carbon reduction initiatives and adhere to the principles of the UN Global Compact.

In 2023 like in previous years, the Investment Manager was a signatory to the CDPs non-disclosure campaign, as disclosure of carbon emissions is a vital step to have carbon reduction initiatives.

The Fund’s exclusions list is set by Norges Bank Investment Management. The investment manager’s Middle Office function routinely controls holdings against the NBIM exclusions list, to make sure the Fund meets these environmental and social characteristics.

How did this financial product perform compared to the reference benchmark?

The Fund had not designated a specific index as a reference benchmark to determine whether it was aligned with the environmental and social characteristics that it promotes.

How does the reference benchmark differ from a broad market index?

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  In 2023 Arctic Norwegian Value Creation Class B returned 8.0% versus 11.2% for its benchmark Oslo Funds index (OSEFX), which is a broad Norwegian market index.