

Lodbrok Capital LLP

Entity level website disclosures pursuant to Articles 3, 4 and 5 of the EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR)

Sustainability-related disclosures

As Lodbrok Capital LLP ("Lodbrok") manages certain alternative investment funds (the "Funds") that have been registered for marketing under the Alternative Investment Fund Managers Directive (2011/61/EU) (the "AIFMD") in one or more member states of the European Economic Area ("EEA"), Lodbrok is required by the Sustainable Finance Disclosure Regulation (Regulation 2019/2088) (the "SFDR") to make certain disclosures on its website, including information about the AIFM's policies on the integration of sustainability risks into its investment decision-making process; its approach to adverse sustainability impacts; and the consistency of its remuneration policies with the integration of sustainability risks. For these purposes, sustainability risk means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. In addition, Lodbrok is the "sponsor" of certain alternative investment funds that are managed by external alternative investment fund managers and to which Lodbrok has been appointed as a delegate portfolio manager. The disclosures set out herein also reflect the approach taken by Lodbrok in the performance of its duties as a delegated portfolio manager.

Policies on the integration of sustainability risks into the investment decision-making process

Sustainability risks can be relevant to a variety of sectors and can directly impact the rates of return of investment of the Funds managed by Lodbrok.

When considering an investment, Lodbrok will consider the potential impact of sustainability risks on the prospective financial performance of a proposed investment. Lodbrok aims to identify the matters that have or have the potential to have a direct substantial impact on an organisation's ability to create, preserve or erode economic value for itself and its stakeholders (*e.g.* sustainability risks). Sustainability risks consist of one category of risk among others taken into account by Lodbrok including market, liquidity, counterparty and operational risks as well as all other relevant material risks in line with its risk management policy, when making investment decisions. Once identified, sustainability risks are analysed on a case-by-case basis as part of the overall decision-making process supplementing, where appropriate, fundamental financial analysis.

Lodbrok's investment team and Chief Investment Officer (CIO) are responsible for evaluating financial and non-financial factors, including sustainability risks, where they believe those to be relevant for the long-term value of the relevant investment. Subject to Lodbrok's focus on maximizing returns for its investors, a review of ESG factors is a key consideration in the development of the initial investment thesis by each investment analyst in the investment team. Where appropriate during the due diligence process, the investment team may also refer to a leading ESG analysis product and other market data providers which provide access to information on sustainability matters such as human rights, labour rights, environmental impact, corruption, governance, and health and safety on a company basis. Each member of Lodbrok's investment team and Risk Committee has access to relevant information from the

ESG analysis product and other market data, including, among other things, in respect of the following:

- Controversies - identifying companies involved in incidents that may negatively impact stakeholders, the environment or the company's operations;
- ESG Risk Weighting-measuring the degree to which a company's economic value is at risk driven by sustainability risks or the magnitude of a company's unmanaged sustainability risks;
- Global Standards Screening - identifying companies that are violating or are at risk of violating international norms as enshrined in the UN Global Compact Principles.

Additionally, if necessary, Lodbrok may engage subject matter experts with ESG related competence to carry out further assessments. Where material sustainability risks are identified, or when their consideration is not feasible, they will be included in discussions of Lodbrok's CIO and the Risk Committee.

Where an investment is deemed to be inconsistent with Lodbrok's ESG objectives, the Risk Manager will work with the CIO towards the reduction of the exposure to such investment in a manner so as to minimise the impact on the relevant portfolio.

Following the decision to invest, Lodbrok receives ESG reporting based on current portfolio holdings. Such matters are taken into account when determining whether and how to engage with issuers and other counterparties in relation to ESG matters.

No consideration of sustainability adverse impacts

Lodbrok acknowledges that the pursuit of the Funds' and portfolios' objectives may, in some circumstances, have an adverse impact on sustainability factors. However, taking into account the size, nature and scale of its activities, and as the Funds and portfolios managed by Lodbrok are not designed to be ESG-focused products, Lodbrok does not currently intend to disclose information on the principal adverse impacts of investment decisions on sustainability factors for the purposes of the SFDR. Lodbrok's primary focus is achieving superior risk-adjusted rates of return through investing in complex European situations with a focus on credit investments, with an aim to identify situations where risk is mispriced due to some form of complexity. As noted above, the Investment Manager takes into account sustainability risks as part of its investment decision-making process.

Consistency of remuneration policies

Lodbrok's remuneration policies are consistent with its approach to the integration of sustainability risks into the investment decision-making process. As sustainability risks are a type of financial risk, Lodbrok acknowledges that failure to consider such risks could have an adverse impact on the performance of investments and the performance of the Funds and portfolios managed by Lodbrok. Pursuant to Lodbrok's remuneration policies, Lodbrok awards fixed and variable remuneration to staff. Variable remuneration is awarded on a discretionary basis and takes into account the performance of an individual employee, the performance of the Funds and/or portfolios, and the overall financial performance of the Lodbrok group. Accordingly, to the extent that sustainability risks have an adverse impact on performance of

the Funds or the portfolios, this is likely to be reflected in the overall level of variable remuneration awarded to staff.