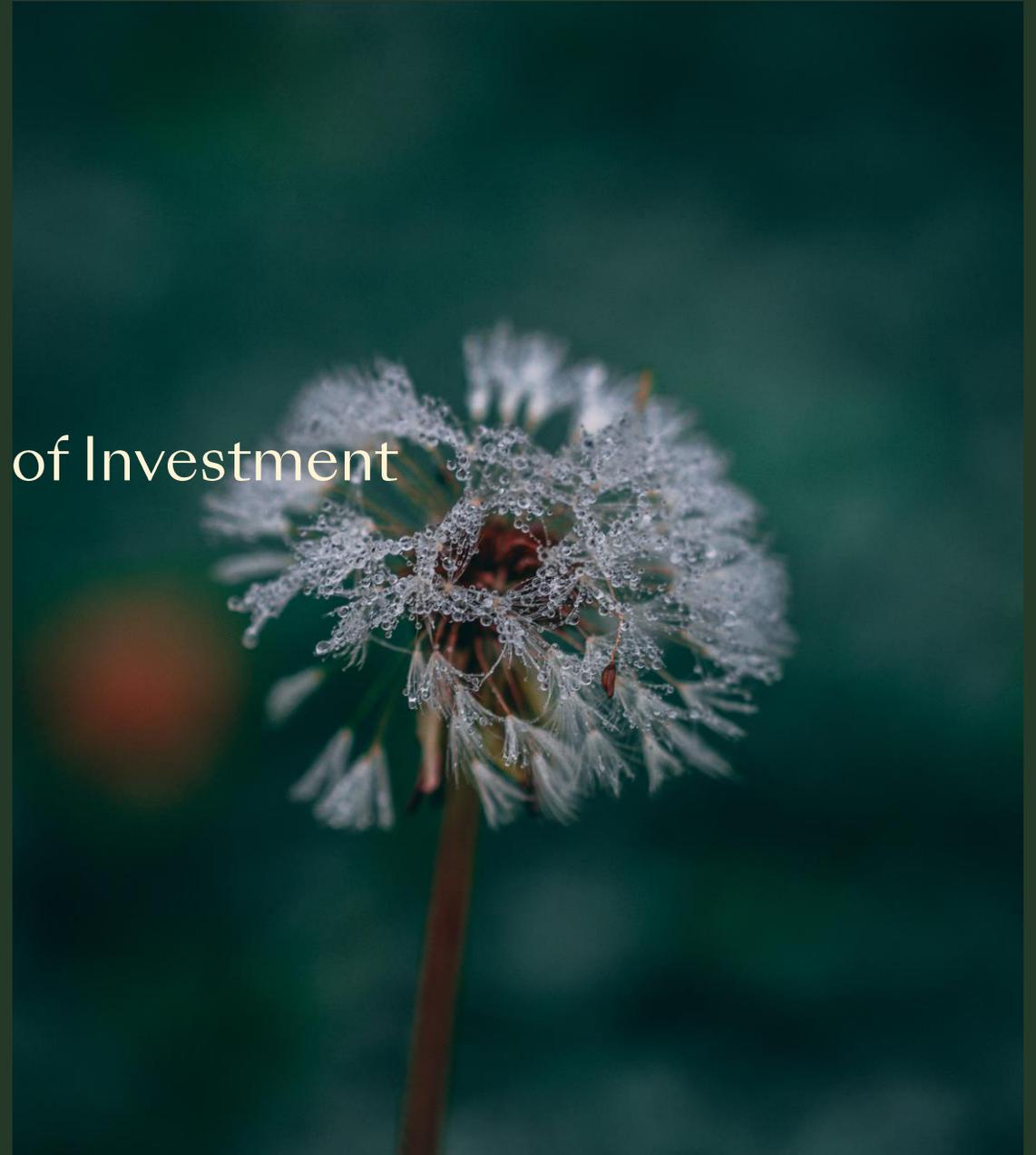


Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

2022



Summary

Norselab Meaningful Equity I (LEI: 635400CAD1GUYI7TID29) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Norselab Meaningful Equity I. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

As part of Norselab's investment process and regular reporting from companies, Norselab Meaningful Equity I considers the 16 mandatory Principle Adverse Indicators set out by SFDR (Sustainable Finance Disclosure Regulation). The mandatory indicators for investments in sovereigns and supranationals, as well as real estate assets, do not apply to Norselab Meaningful Equity I.

If risks of adverse impacts related to the Principle Adverse Impact indicators, good governance, or other additional environmental and social matters, are identified, we include concrete improvements to be implemented and followed up through active engagement with portfolio companies. We expect the company to mitigate the risk as quickly as possible, and we may, in many cases, assist the company in doing so.

In the table below under *Description of the principal adverse impacts on sustainability factors*, we've included actions related to Principle Adverse Impacts indicators that we have prioritized to have the most considerable impact at the fund level. We will continue to improve our approach.

In 2022, there were 16 companies in the Norselab Meaningful Equity I portfolio. Compared to 2021, the PAI indicators related to greenhouse gas emissions and share of non - renewable energy consumption and production seem to have

improved. However, there were no considerable changes to the portfolio, nor changes to the portfolio companies that would affect these indicators. As such, we note that most of the indicators are estimated by a third-party data provider because the bottom-up data are unavailable. The changes are therefore mostly due to significant model enhancements driving discrepancies in the estimated data. Despite limited greenhouse gas emissions, we still aim to establish a framework for a net-zero portfolio.

While energy consumption intensity is low, we note that two high impact climate sectors were added. As with greenhouse gas emissions, this change is also due to significant model enhancements.

The unadjusted gender pay gap increased marginally but remained low relative to Norselab's other funds. While board gender diversity has increased slightly, we recognize that improvements can be made for Norselab Meaningful Equity I.

Norselab Meaningful Equity I invests in the early stages of a company. Most early-stage companies have not fully implemented the due diligence processes and grievance mechanism required under the OECD Guidelines for Multinational Enterprises. As portfolio companies grow, Norselab actively encourages and supports portfolio companies in implementing documentation and due diligence processes.

Description of the principal adverse impacts on sustainability factors

About the indicators reported

The indicators have been gathered using different sources that are listed in the table below. The latest available indicator as of fiscal year end has been used for each investment. The value of Enterprise Value is fixed at fiscal year end.

Notice from The Upright Project

This report contains impact-related and sustainability-related indicators that are based on data produced by Upright Oy (Upright). Due to the limited availability of underlying information and the nature of the indicators, the produced information intrinsically includes some inaccuracy. Upright continuously seeks to improve the accuracy of its indicators by using the best available information and the best available statistical methods for integrating information from different sources. Upright does not warrant the accuracy of the information, and shall not be liable for any direct or indirect damages related to the information it provides. The information in this report is reproduced with permission from Upright, and may not be redistributed without permission from Upright.

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	34,3 tons CO2-eq	206,3 tons CO2-eq	Data source: estimated data from the Upright Project. The 2021 indicators were preliminary ("beta") estimated data from the Upright Project. There have been significant model enhancements driving discrepancies in the estimated data.	We are continuing the work to identify GHG emissions data providers with the goal of improving the precision of our reporting and providing us with more accurate data that we can act on. In 2022, we assessed several providers and narrowed down a list of final contenders.
		Scope 2 GHG emissions	57,8 tons CO2-eq	99,1 tons CO2-eq		
		Scope 3 GHG emissions	959,3 tons CO2-eq	1011,7 tons CO2-eq		
		Total GHG emissions	1051,4 tons CO2-eq	1317,1 tons CO2-eq		
	Carbon footprint	Carbon footprint	1,7 tons CO2-eq/M€ Invested	2,5 tons CO2-eq/M€ invested		
GHG intensity of investee companies	GHG intensity of investee companies	14 tons CO2-eq/M€ revenue	265,5 tons CO2-eq/M€ revenue	With more precise data in place, we aim to establish a framework for a net-zero portfolio.		

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	<p>Data source: estimated data from the Upright Project.</p> <p>The 2021 indicators were preliminary (“beta”) estimated data from the Upright Project. There have been significant model enhancements driving discrepancies in the estimated data.</p>	
	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 sources, expressed as a percentage of total energy sources	45,5%	84,8%		
	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Sectors listed in section A: 0,4 GWh/€M revenue</p> <p>Sectors listed in section D: 0,1 GWh/€M revenue</p> <p>Sectors listed in section G: 0,1 GWh/€M revenue</p>	<p>Sectors listed in section D: 0,1 GWh/€M revenue</p>		
Biodiversity	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%		
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tons/M€ revenue	0 tons/M€ revenue		
Waste	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	0 tons/M€ revenue	0 tons/M€ revenue		

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	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: estimated data from the Upright Project. The 2021 indicators were preliminary ("beta") estimated data from the Upright Project. There have been significant model enhancements driving discrepancies in the estimated data.	We provided training and support on sustainability governance, including on the UNGC principles and OECD guidelines, for the portfolio companies. We aim to continue to support the portfolio companies with templates, guidance and training.
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance 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	100%			
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9,9%	7,8%	Data source: reported by company.	
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	12,3%	8,9%		
	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: estimated data from the Upright Project.	

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period	
OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS						
Climate/environment	Investments in companies without carbon emission reduction initiative	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	100%	100%	Data source: reported by Norselab based on information derived from Norselab's board participation in the portfolio companies.	We are continuing the work to identify GHG emissions data providers with the goal of improving the precision of our reporting and providing us with more accurate data that we can act on. In 2022, we assessed several providers and narrowed down a list of final contenders. With more precise data in place, we aim to establish a framework for a net-zero portfolio.
Social	Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0	0		

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

We integrate principal adverse impacts on sustainability factors in our investment decisions and monitoring

Pre-investment

To assess the impact of each investment, the Investment Manager mapped companies' contributions to the SDGs. Companies' products or services should contribute at a substantial and concrete level to the achievement of at least one SDG, as defined at the target level of SDGs. Products or services with a significant negative impact on any of the SDGs may be excluded. Our experience is that such negative impacts are in general closely linked to inferior PAI indicators. If new investments are made, the PAI indicators will be assessed as part of the investment due diligence process.

If risks of adverse impacts related to the PAI indicators, good governance, or other additional environmental and social matters, are identified, we seek improvements to be implemented and followed up through active engagement with the portfolio company. We expect the company to mitigate the risk as quickly as possible, and may, in many cases, assist the company in doing so.

Monitoring

We monitor the portfolio companies regularly through board participation and dialogues with the company's management. This gives us a regular overview of business developments that may influence the PAI indicators.

We also monitor the development of the PAI indicators based on data modeled and provided by the Upright Project. We downloaded the data regularly, and at least quarterly, to monitor developments in the indicators over time.

Engagement policies

To deliver on our impact commitments, we work closely with portfolio companies through active ownership.

When we invest in a company, we already know that it's a solid impact case, and they will report quarterly on their impact KPIs. However, it's our role as investors to help companies enhance and deepen their impact. This work starts already before we invest. As we perform our impact due diligence, we aim to identify possible areas where the company could increase its positive contributions. When looking at a company's operational aspects, we also uncover potential discrepancies and make recommendations for policies, strategies, and processes to implement in the field of sustainability.

After we invest, we put our resources at the disposal of our portfolio companies to keep them up to date on sustainability-related trends and regulations and help them produce the documentation they need for reporting and/or fundraising purposes. At the demand of companies, we can also be hands-on resources in strategic projects where sustainability is core. Where relevant, we encourage portfolio companies to hire professionals with solid sustainability competence into key positions.

References to international standards

We define impact as a significant contribution to the achievement of the focus areas set forth in the UN Sustainable Development Goals (SDGs). We adhere to the ethical principles of the UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. We also subscribe to the UN's Principles on Responsible Investment (PRI).

Historical comparison

This is the second PAI statement for Norselab Meaningful Equity I. A historical comparison with the previous reference period is included in the table under *Description of the principal adverse impacts on sustainability factors*.

The 2021 indicators were preliminary ("beta") estimated data from the Upright Project. There have been significant model enhancements driving discrepancies in the estimated data.

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