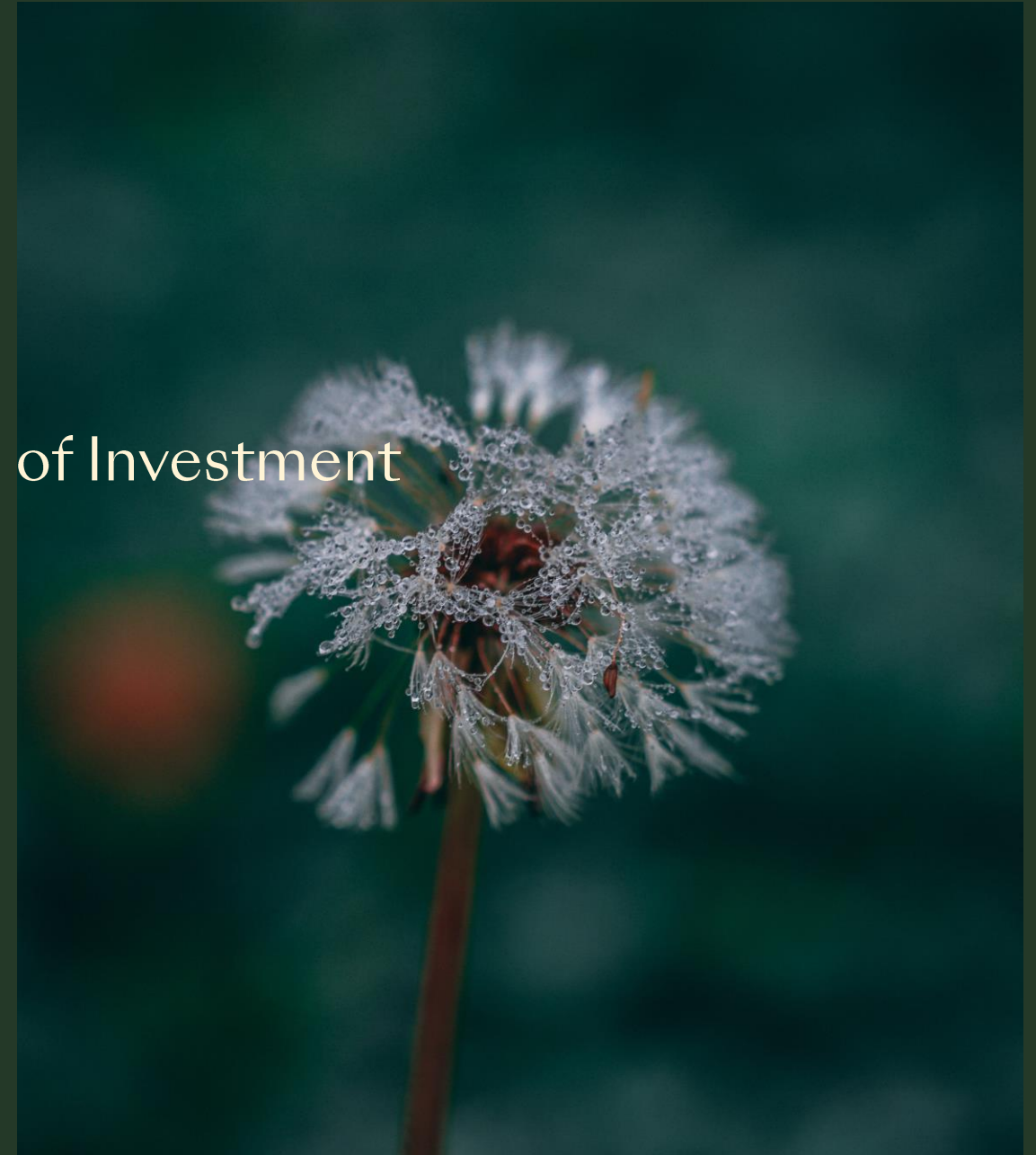


Norselab Meaningful Equity I – LEI: 635400CAD1GUYI7TID29

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

2023



Summary

Norselab Meaningful Equity I (LEI: 635400CAD1GUYI7TID29) considers the 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 January 1st to December 31st 2023.

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 have 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 2023, there were 14 companies in the Norselab Meaningful Equity I portfolio. The fund's absolute GHG emissions seemingly increased in 2023 compared to 2022, though they remain lower than in 2021. While energy consumption intensity is low,

we note that one high impact climate sector was added. Board gender diversity has increased slightly, however, we recognize that improvements can be made for Norselab Meaningful Equity I.

There were no considerable changes to the portfolio other than increased portfolio company growth. It should be noted that most of the indicators are estimated by a third-party data provider because the bottom-up data are unavailable. Large changes are, therefore, mostly due to significant model enhancements driving discrepancies in the estimated data.

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 either directly reported on by portfolio companies or gathered using the third-party provider listed in the table below. The latest available indicator has been used for each investment. The value of Enterprise Value is fixed at fiscal year end. We have assessed the fund’s share of ownership of the investee companies’ indicators considering shares and debt.

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 2023 ²	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	132.2 tons CO2-eq	34.3 tons CO2-eq	206.3 tons CO2-eq	Data source: estimated data from the Upright Project. There have been significant model enhancements driving discrepancies in the estimated data.	We exclude companies with any tie to industries that have lasting negative impacts on one or more SDGs. As further explained in the next section, all investee companies undergo in-depth due diligence to uncover any significant and/or lasting negative impacts. In 2024, we are exploring a partnership with a GHG emissions data provider, with the goal of improving the precision of our reporting and providing us with more accurate data that we can act on. In 2023, we assessed several providers that we have now chosen from.
		Scope 2 GHG emissions	77.1 tons CO2-eq	57.8 tons CO2-eq	99.1 tons CO2-eq		
		Scope 3 GHG emissions	1851.5 tons CO2-eq	959.3 tons CO2-eq	1011.7 tons CO2-eq		
		Total GHG emissions	2060.7 tons CO2-eq	1051.4 tons CO2-eq	1317.1 tons CO2-eq		
	Carbon footprint	Carbon footprint	33.9 tons CO2-eq/M€ Invested	1.7 tons CO2-eq/M€ Invested	2.5 tons CO2-eq/M€ Invested		
	GHG intensity of investee companies	GHG intensity of investee companies	205.0 tons CO2-eq/M€ revenue	14 tons CO2-eq/M€ revenue	265.5 tons CO2-eq/M€ revenue		

² ESMA only provides guidance on how to calculate a financial participant’s share of ownership of a company’s PAI indicator for indicators expressed in absolute terms (e.g., GHG emissions). We have therefore, to the best of our abilities and with the objective of accurately representing the fund’s indicator, calculated the indicators expressed as ratios (for instance, “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.”)

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Adverse sustainability indicator		Metric	Impact 2023 ²	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%	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>	<p>We exclude companies with any tie to industries that have lasting negative impacts on one or more SDGs.</p> <p>As further explained in the next section, all investee companies undergo in-depth due diligence to uncover any significant and/or lasting negative impacts.</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	50.2%	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	0.0 GWh/€M revenue (A) 0.0 GWh/€M revenue (C) 0.1 GWh/€M revenue (D) 0.1 GWh/€M revenue (G)	0,4 GWh/€M revenue (A) 0,1 GWh/€M revenue (D) 0,1 GWh/€M revenue (G)	0,1 GWh/€M revenue (D)		
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%	0%	0%		
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.0 tons/M€ invested	0 tons/M€ invested	0 tons/M€ invested		
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	0.1 tons/M€ invested	0 tons/M€ invested	0 tons/M€ invested		

² ESMA only provides guidance on how to calculate a financial participant's share of ownership of a company's PAI indicator for indicators expressed in absolute terms (e.g., GHG emissions). We have therefore, to the best of our abilities and with the objective of accurately representing the fund's indicator, calculated the indicators expressed as ratios (for instance, "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.")

Adverse sustainability indicator		Metric	Impact 2023 ²	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%	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.	As portfolio companies grow, Norselab actively encourages and supports portfolio companies in implementing documentation and due diligence processes.
	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%	100%			We provided training and support on sustainability governance for the portfolio companies. We aim to continue to support the portfolio companies with templates, guidance and training.
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.2%	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	14.7%	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%	0%	0%	Data source: estimated data from the Upright Project.	We exclude companies with any tie to industries that have lasting negative impacts on one or more SDGs. As further explained in the next section, all investee companies undergo in-depth due diligence to uncover any significant and/or lasting negative impacts.

² ESMA only provides guidance on how to calculate a financial participant's share of ownership of a company's PAI indicator for indicators expressed in absolute terms (e.g., GHG emissions). We have therefore, to the best of our abilities and with the objective of accurately representing the fund's indicator, calculated the indicators expressed as ratios (for instance, "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.")

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Adverse sustainability indicator		Metric	Impact 2023 ²	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%	100%	Data source: data collected by Norselab.	In 2024, we are exploring a partnership with a GHG emissions data provider, with the goal of improving the precision of our reporting and providing us with more accurate data that we can act on. In 2023, we assessed several providers that we have now chosen from.
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	0		We exclude companies with any tie to industries that have lasting negative impacts on one or more SDGs. As further explained in the next section, all investee companies undergo in-depth due diligence to uncover any significant and/or lasting negative impacts.

² ESMA only provides guidance on how to calculate a financial participant's share of ownership of a company's PAI indicator for indicators expressed in absolute terms (e.g., GHG emissions). We have therefore, to the best of our abilities and with the objective of accurately representing the fund's indicator, calculated the indicators expressed as ratios (for instance, "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.")

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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

Norselab's Meaningfulness Policy describes our overarching impact approach and outlines the guiding principles for all investment activity at Norselab, hereunder the commitment to refrain from investing in companies with a significant negative impact on any of the SDGs (latest edition: January 2023, 3rd edition).

Norselab's impact and sustainability due diligence in the investment process is fully reflective of the principles in the policy. A team of sustainability professionals (within the Investment Manager but independent of the portfolio management team) conducts a structured and thorough due diligence assessment on all potential investments following our policy and method. Additionally, the Investment Manager's independent Product Governance Committee conducts reviews of all the fund's investments to ensure compliance with the fund's mandate and sustainability-related commitments.

Pre-investment

To understand the impact of each investment, we apply a multi-lens approach throughout the investment due diligence process, assessing and documenting the following:

- **Impact theory of change:** Companies' products or services have a clear impact theory of change, meaning a company must have a clear and scientifically supported articulation of the sustainability challenge(s) it contributes to solving, and a concrete explanation of how a product or service is expected to produce the desired impact.
- **Contribution to SDGs:** Companies' products or services contribute at a substantial and concrete level to the achievement of at least one SDG, as defined at the target level of the SDGs. Products or services with a significant negative impact on any of the SDGs, or that cause significant harm to any environmental or socially sustainable investment objective, are excluded. Our experience is that such negative impacts are in general closely linked to inferior PAI indicators.

- **SDG-based net positive impact:** Companies' products or services have a net positive impact based on data modeled by the Upright Project, mapped to SDGs.
- **Sustainability risks:** Companies do not cause significant sustainability risks and Principal Adverse Impacts are benchmarked against industry peers. In any event, if significant harm is uncovered in the assessment of the Principal Adverse Impacts indicators of a company, the company is excluded from investment.

Monitoring

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

We also monitor the development of the PAI indicators over time based on data modeled and provided by the Upright Project.

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.

Data sources

We use both company-reported data, and estimated data from third-party data providers.

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 is a solid impact case and that processes are in place for them to 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). Norselab Group AS, as well as its subsidiaries, is a certified B Corp.

Historical comparison

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

The first indicators for 2021 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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