

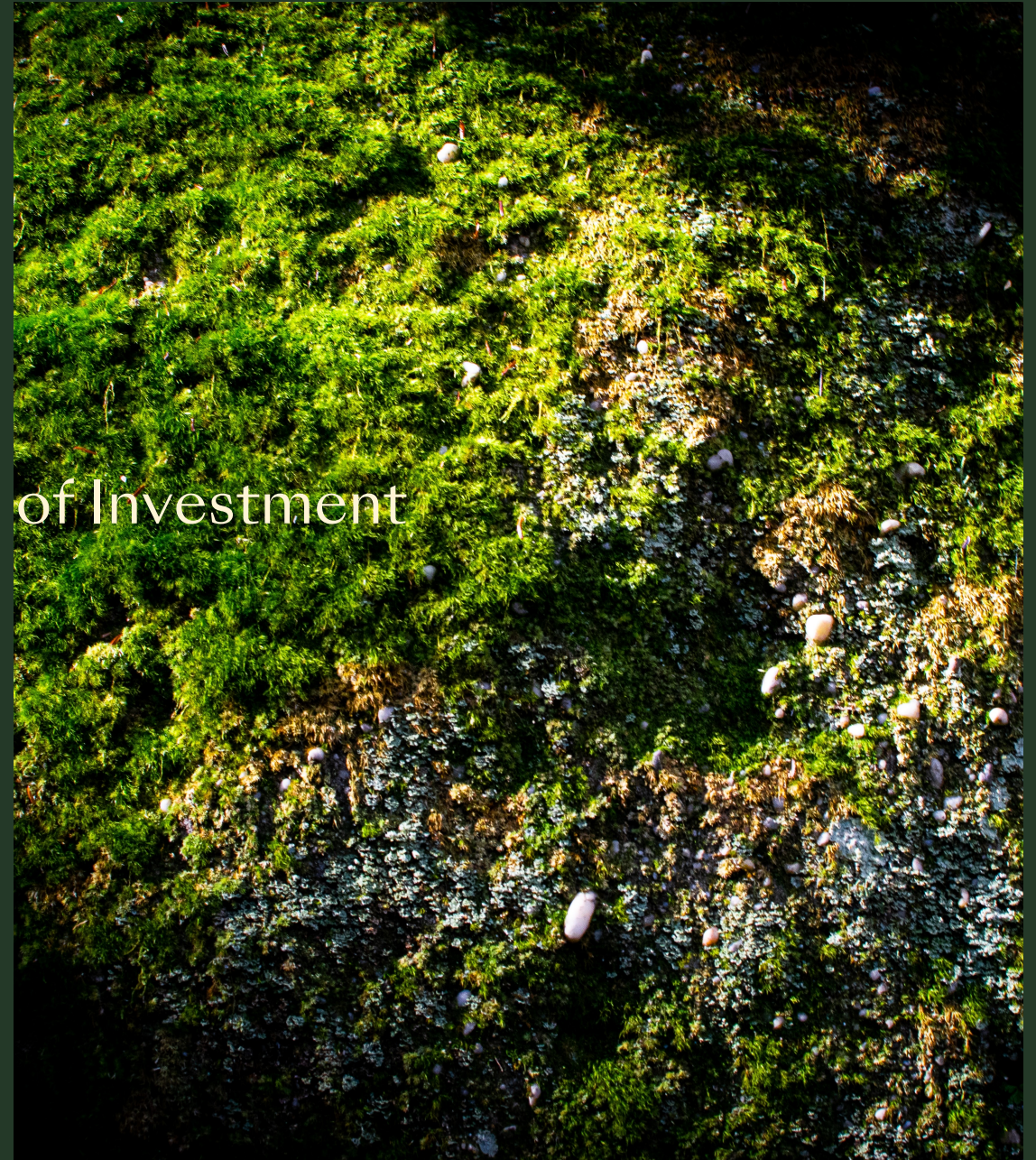
Norselab Investment Management AS – LEI: 984500X54D00F5EE8F24

Longhouse ICAV – LEI: 635400FCUKRNXR9YXY98

Norselab Meaningful Equity I – LEI: 635400CAD1GUYI7TID29

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

2021



Summary

Norselab 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 Investment Management AS and its subsidiaries, notably Longhouse ICAV and Norselab Meaningful Equity I. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2021.

We invest capital and competence in net-positive companies that spark radical change in resource-intensive, global industries through their core products and services. Norselab has a proprietary impact philosophy that we call “Meaningfulness”, described in our [“Meaningfulness Policy”](#). The approach consists of three core pillars for what we consider to be meaningful companies: we invest in companies with a product-driven impact, with a net-positive impact, and with an impact where it’s most urgent. We consider impact through multiple dimensions to understand both positive and adverse impacts on people and the planet generated by our portfolio companies.

To drive net positive impact and take action on adverse impact, we use all touchpoints with our portfolio companies (investee companies). We communicate our expectations clearly and have integrated an impact assessment into our investment process. The Partner in charge of impact has veto rights in the pre-trade approvals stage to ensure that we only invest in companies that are consistent with our fund mandate and our Meaningfulness Policy. When we invest in a company, we work with them to deepen their positive impacts and address adverse operational aspects. We strive to invest in companies that do the right thing, and we support them in doing it the right way.

As part of Norselab’s investment process and regular reporting from companies, Norselab considers the 16 mandatory Principle Adverse Indicators set out by SFDR (Sustainable Finance Disclosure Regulation). In 2021, this applied to Norselab’s fund Meaningful Equity I. The mandatory indicators for investments in sovereigns and supranationals, as well as real estate assets do not apply to Norselab.

Description of the principal adverse impacts on sustainability factors

The data below is based on company reported data overlaid with Upright Principal Adverse Impacts preliminary (“beta”) estimated data.

Notice on the data from The Upright Project

This table 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 2021	Impact 2020	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	206,3 tons CO2-eq	N/A		We are performing due diligence on GHG emissions data providers with the goal of presenting the Most accurate and reliable GHG data in the market, and hence improve the precision of our reporting.
		Scope 2 GHG emissions	99,1 tons CO2-eq	N/A		
		Scope 3 GHG emissions	1011,7 tons CO2-eq	N/A		
		Total GHG emissions	1317,1 tons CO2-eq	N/A		
	Carbon footprint	Carbon footprint	2,5 tons CO2-eq/M€ invested	N/A	Scope 1, 2, 3	
	GHG intensity of investee companies	GHG intensity of investee companies	265,5 tons CO2-eq/M€ revenue	N/A	Scope 1, 2, 3	

Adverse sustainability indicator		Metric	Impact 2021	Impact 2020	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%	N/A		
	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	84,8%	N/A		
	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	Sectors listed in section D: 0,1 GWh/€M revenue	N/A		
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%	N/A		
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	N/A		
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	N/A		

Adverse sustainability indicator	Metric	Impact 2021	Impact 2020	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%		To further our companies' impact and improve their competence within sustainability, our team will support them in developing sustainability-related strategies, processes, and documentation, including improvements to social matters.
	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			
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	7,8%	N/A	
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	8,9%	N/A	
	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%	N/A	

Adverse sustainability indicator		Metric	Impact 2021	Impact 2020	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%	N/A		We are performing due diligence on GHG emissions data providers to support portfolio companies with carbon emission reduction initiatives, among other things, where relevant.
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	N/A		

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

Norselab's Meaningfulness Policy sets out our overarching philosophy.

Our starting point: We invest in net-positive growth companies, guided by the UN Sustainable Development Goals

We define positive impact as a significant contribution to the achievement of the focus areas set forth in the UN Sustainable Development Goals (SDGs). The SDGs are a globally recognized roadmap for designing a future where economic growth does not compromise the safekeeping of our planet and the well-being of people and societies. They provide a comprehensive map of risk and opportunity - and thus a solid strategic prism through which we can meaningfully and successfully invest in new, growing, and established businesses. We map companies to the SDGs by focusing on how their products and services contribute – at a substantial and concrete level – to achieving the underlying targets. We do not include potential contributions of products in the pipeline, or contributions that may be deemed marginal. Finally, we define impact KPIs for the companies that link to the SDG indicators.

Working with adverse impact

All companies have some form of adverse impact. As stated in our [Meaningfulness Policy](#), we refrain from investing in companies with a significant negative impact on

any of the SDGs. The risks of adverse impacts are assessed in our investment process for all companies we consider. We assess the operations of companies to ensure that they operate in a responsible manner and in accordance with business best practices, and map potential gaps to fill in the companies we choose to invest in. We also quantify both positive and adverse impacts of companies' products to provide a net impact score using [The Upright Project Net Impact Quantification](#). This includes understanding the impact related to the 16 mandatory Principle Adverse Indicators set out by SFDR.

We have included actions for the Principle Adverse Impacts indicators we have prioritized to have the most considerable impact at Norselab level. Going forward, we will define a more detailed framework to prioritize the 16 different indicators based on thresholds.

Engagement policies

To deliver on our impact commitments, we work closely with portfolio companies. We engage on impact in at least three different ways:

During dealflow

We make it clear to stakeholders how we commit to impact in order to build awareness and knowledge. It tells investors what they can expect from our approach and future portfolio companies what we expect from them.

Veto-rights for impact during due diligence process

We have implemented an original stage gate in our investment process: the Product Governance Committee. Composed by the CEO, the Partner in charge of impact, and the Head of Compliance, the committee performs pre-trade approvals of investments to ensure compliance with the fund's mandate. This means that Norselab cannot invest without the formal approval of the case from the impact perspective. In practice, this means that the Partner in charge of impact has a veto right in the process.

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

Not applicable this year.

Norselab

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