

Sustainable investment objective

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



Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 52,84%* <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

* This represents 52,84% of total assets. Total assets include physical holdings and cash.

To what extent was the sustainable investment objective of this financial product met?

Norselab Meaningful Equity II ("the fund") aims to invest in companies whose revenue-generating products or services create a net positive impact on people and/or the planet, and align with one or several of the UN Sustainable Development Goals (the "SDGs"). The SDGs are a globally recognized framework for designing a future where economic growth does not compromise the safekeeping of the environment and the well-being of people and societies.

For the reference period January 1st – December 31st 2022, the products or services of all portfolio companies in the fund:

- Had a clear impact thesis (theory of change)
- Contributed at a **substantial and concrete** level to at least one SDG at the target level
- Had a net-positive impact score mapped to SDGs based on data modeled by the Upright project, an impact data provider (please see "Upright notice" below)

No sustainability risks were identified for the portfolio companies. Please read more about this under “How did the sustainable investments not cause significant harm to any sustainable investment objective?”

Company in the fund during the reference period	Impact thesis	SDG target(s)	SDG-based net impact score	Significant sustainability risks
Wanda	Yes	8.4, 9.1, 9.4, 12.5	+84%	No

To understand the impact of each investment as described above, the Investment Manager applied a multi-lens approach throughout the investment due diligence process, assessing and documenting the following:

- **Impact thesis (theory of change):** Companies' products or services have a clear impact theory of change, including how their products or services contribute to solving one or more sustainability challenges.
- **Contribution to SDGs:** Companies' products or services contribute at a substantial and concrete level to the achievement of at least one UN Sustainable Development Goal (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 social sustainable investment objective, are excluded.
- **SDG-based net impact score:** Companies' products or services have a net positive impact mapped to SDGs based on data modeled by the Upright project, an impact data provider (please see “Upright notice” below).
- **Sustainability risks:** Companies do not cause significant sustainability risks. Please see more under “How did the sustainable investments not cause significant harm to any sustainable investment objective?”

Upright Notice

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 by permission from Upright, and may not be redistributed without permission from Upright.

● **How did the sustainability indicators perform?**

The fund will report on the following indicators:

- % of investments contributing to the SDGs
- Aggregated SDG-based net impact score based on data modeled by the Upright project, an impact data provider (please see “Upright notice” above).
- % of investments that are eligible under the EU's Taxonomy Regulation
- % of impact-generating investments (as defined by Norselab's proprietary impact framework)
- % of impact-aligned investments (as defined by Norselab's proprietary impact framework)

At the end of the reference period, the indicators were:

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

% contributing to the SDGs	100
Aggregated SDG-based net impact score	+84
% Taxonomy-eligible*	0
% impact-generating	0
% impact-aligned	100

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.

*Based on the EU Taxonomy's first delegated act on sustainable activities for climate change adaptation and mitigation objectives.

All indicators are weighted based on the fair value of the physical holdings of the fund (cash excluded).

● **...and compared to previous periods?**

N/A. There is no previous Annex IV periodic disclosure for this fund.

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

Through the investment due diligence process described above, companies were assessed against several factors to ensure that they did not cause significant harm to the sustainable investment objective. Specifically, the Investment Manager assessed the following factors:

Do no significant harm factor	Performance during the reference period
No significant negative impact on any of the SDGs	The products or services of the portfolio companies invested in did not have a substantial or concrete negative impact on any of the SDGs at a target level.
No significant adverse impacts according to estimated PAI indicators	The estimated PAI indicators of portfolio companies were assessed. Where data is available, the PAI indicators were at par with or better than industry peers.
No issues with good governance practices	Good governance practices (including employee relations, management structure, tax compliance and remuneration) of portfolio companies were assessed. No issues were identified.
No other significant environmental or human rights issues	The Investment Manager did not identify other recent controversies along the company's value chain related to negative environmental or social impacts from the company.

The fund usually invests in the early phases, so most portfolio companies are small with limited risk of significant adverse impact. In their early phases, portfolio companies typically do not have the resources or structure to produce the granular data needed for e.g., Principal Adverse Impact indicators. The Investment Manager, therefore, relies on third-party estimated data to a large extent. As portfolio companies grow, the Investment Manager actively supports

the portfolio companies in implementing sustainability strategies, policies, frameworks, documentation, and data reporting. Where relevant, the Investment Manager encourages portfolio companies to hire professionals with sustainability competence in key positions.

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

Through the investment due diligence process described above, the Investment Manager did not find any reason to believe that the products or services of portfolio companies invested in have a substantial or concrete negative impact on any of the SDGs at a target level. The due diligence process contributed to ensuring that the companies invested in do not significantly harm the PAI indicators.

As described above, the PAI indicators of potential investments were evaluated. Where data is available, the PAI indicators were at par with or better than industry peers.

The Investment Manager will publish a PAI statement for the reference period by June 30th. The statement includes an average of the quarterly indicators based on data modeled by the Upright project, an impact data provider (please see “Upright notice” above).

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

As part of the impact due diligence, the Investment Manager sought to uncover issues or risks related to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Portfolio companies invested in commit to following the ethical principles of the UN Global Compact, including the principle of supporting and respecting the protection of internationally proclaimed human rights, and ensuring they are not complicit in human rights abuses. This is underpinned by the Investment Manager’s “Meaningfulness policy”.

Because the fund invests in the early phases, most portfolio companies have not implemented the required processes to comply with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights at the time of the investment. The Investment Manager actively supports portfolio companies in implementing their own due diligence processes aligned with the standards. Furthermore, the Investment Manager monitored the portfolio companies in the fund regularly through Board participation and dialogues with the company’s management. This gives the Investment Manager a regular overview of business developments that may influence alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.



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

Through the investment due diligence process described above, the Investment Manager did not find any reason to believe that the products or services of portfolio companies invested in have a substantial or concrete negative impact on any of the SDGs at a target level. The due diligence process contributed to ensuring that the portfolio companies invested in do not significantly harm the PAI indicators.

As described above, the PAI indicators of potential investments were evaluated. Where data is available, the PAI indicators were at par with or better than industry peers.

During the reference period, the Investment Manager downloaded the data regularly, and at least quarterly, to monitor developments in the indicators over time. The data on indicators is based on data modeled by the Upright project, an impact data provider (please see “Upright notice” above).

Furthermore, the Investment Manager monitored the portfolio companies in the fund regularly through Board participation and dialogues with the company’s management. This gives the Investment Manager a regular overview of business developments that may influence the PAI indicators.

The Investment Manager will publish a PAI statement for the reference period by June 30th. The statement includes an average of the quarterly indicators based on data modeled by the Upright project, an impact data provider (please see “Upright notice” above).

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: January 1st – December 31st 2022



What were the top investments of this financial product?

The list of largest investments has been calculated based on the average fair value holdings of each quarter through the reference period. The list is based on the total assets in the fund, including physical holdings and cash. The fair value is based on the most recent market value data point in the latest fundraising round. For more information about valuation, please see the annual financial statements.

The sector categories are based on the Nomenclature of Economic Activities (NACE) defined in EC Regulation 1893/2006. NACE is the European statistical classification of economic activities used by the EU.

Asset allocation describes the share of investments in specific assets.

Largest investments	Sector	% Assets	Country
Wanda	H - Transportation & Storage	52,84%	Norway
Cash		47,16%	

What was the proportion of sustainability-related investments?

On average, based on the fund’s fair value holdings at the end of each quarter through the reference period, **52,84% of the fund had a sustainable investment objective**. The fund aims to invest in companies whose revenue-generating products or services create a net positive impact on people and/or the planet, and align with one or several of the SDGs.

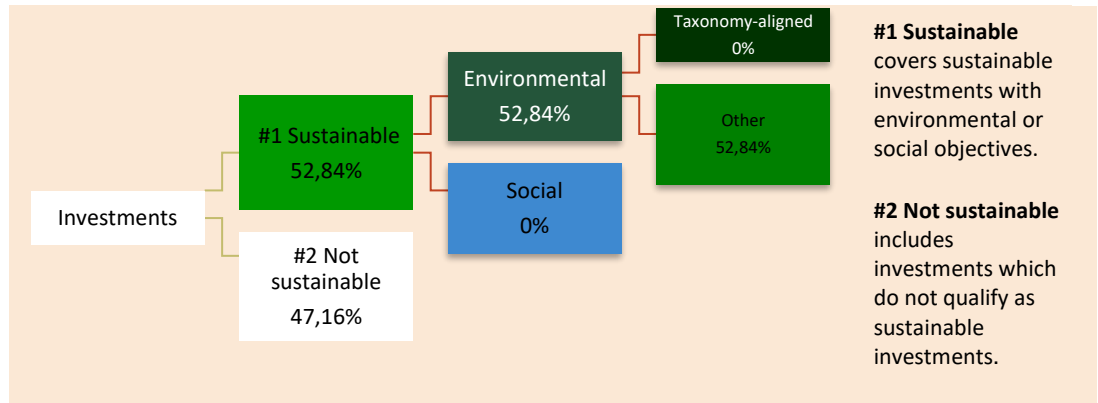


The fair value is based on the most recent market value data point in the latest fundraising round. For more information about valuation, please see the annual financial statements.

On average, based on the fund’s holdings at the end of each quarter through the reference period, **47,16% of the fund was held in cash balances that do not have a sustainable investment objective**. This is illustrated under “Not sustainable” in the figure below.

In the pre-contractual disclosure of this fund, the Investment Manager estimated that ca. 15% could be included under “Not sustainable”. The main reason for the high allocation to “Not sustainable” during the reference period is in preparation for new investments. In general, the fund holds cash pending investments or to fund anticipated expenses of the fund. The cash balances were mostly held in bank deposits.

● **What was the asset allocation?**



The allocations above are based on the **fair value**. The fair value is based on the most recent market value data point in the latest fundraising round. For more information about valuation, please see the annual financial statements.

● **In which economic sectors were the investments made?**

During the reference period, the fund invested in the transportation and storage sector through a company that offers circular logistics services. The sector categories are based on the Nomenclature of Economic Activities (NACE) defined in EC Regulation 1893/2006. NACE is the European statistical classification of economic activities used by the EU.

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

The share of investments with an environmental objective aligned with the EU Taxonomy that generates a net positive contribution, through their core products and services, to one or more of the SDGs associated with environmental goals was 0% during the reference period.

This share of investments is based on data modeled by the Upright project, an impact data provider (please see “Upright notice” above).

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

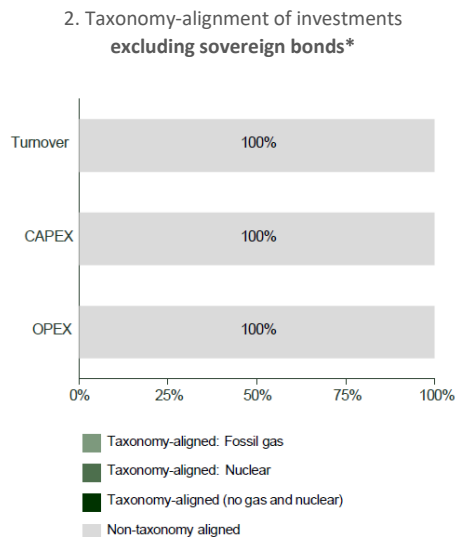
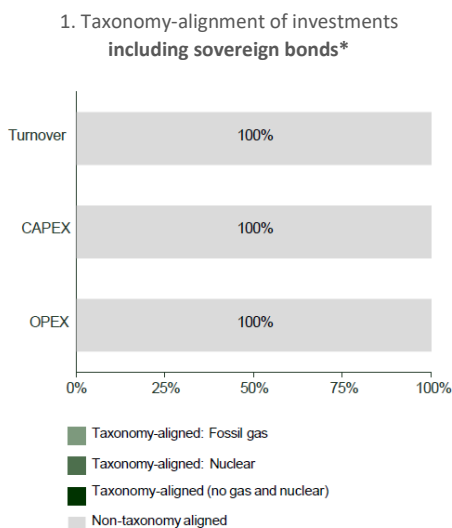
Yes: [specify below, and details in the graphs of the box]

In fossil gas In nuclear energy

No

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 no significant harm to 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.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



This graph represents 52,84% of the total investments.

* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

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

During the reference period, the fund did not make any investments with an environmental objective aligned with the EU Taxonomy.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

N/A. There is no previous Annex IV periodic disclosure for this fund.



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

The share of investments with an environmental objective that generates a net positive contribution, through their core products and services, to one or more of the SDGs associated with environmental goals was **on average 52,84%***, based on the fund's fair value holdings at the end of each quarter through the reference period. While the investment primarily targets environmental objectives, it may also at the same time target social objectives.

The fair value is based on the most recent market value data point in the latest fundraising round. For more information about valuation, please see the annual financial statements.

* This represents 52,84% of total investments. Total investments include physical holdings and cash.



What was the share of socially sustainable investments?

The share of investments with an environmental objective that generates a net positive contribution, through their core products and services, to one or more of the SDGs associated with environmental goals was **on average 0% during the reference period**.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The fund held cash balances during the reference period. On average, based on the fund's holdings at the end of each quarter through the reference period, **47,16%* of the fund was held in cash balances**. The fund held cash pending investments or to fund anticipated expenses of the fund. The cash balances were mostly held in bank deposits, and as such, no minimum safeguards were applied.

In the pre-contractual disclosure of this fund, the Investment Manager estimated that ca. 15% could be included under “Not sustainable”. The main reason for the high allocation to “Not sustainable” during the reference period is in preparation for new investments.

* This represents 47,16% of total investments. Total investments include physical holdings and cash.



What actions have been taken to attain the sustainable investment objective during the reference period?

The investments made during the reference period underwent the investment due diligence process described under “To what extent was the sustainable investment objective of this financial product met?”.

To ensure that the portfolio companies in the fund continue to meet the sustainable objectives of the fund, the Investment Manager monitored the portfolio companies in the fund regularly through Board participation and dialogues with the company’s management.

The Investment Manager also supported the portfolio company’s business development to deepen its positive impact and improve its sustainability governance:

- Supporting the development of circular logistic and tech platform
- Defining impact KPIs aligned with the SDGs, and implementing reporting routines for these KPIs
- Fundraising



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

The fund did not use a designated index to reference benchmark its investments.

● **How did the reference benchmark differ from a broad market index?**

The fund did not use a designated index to reference benchmark its investments.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

The fund did not use a designated index to reference benchmark its investments.

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

The fund did not use a designated index to reference benchmark its investments.

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

The fund did not use a designated index to reference benchmark its investments.