

Sustainability-related disclosures

Norselab Meaningful Equity II

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Summary

This document aims to provide information on the sustainable investment objective of Norselab Meaningful Equity II (“the fund”), and how the objective is attained. 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”). All companies undergo an impact due diligence that aims to identify the company’s positive contribution to the SDGs and uncover any significant harm to the sustainable investment objective. Portfolio companies are followed up regularly. As an owner, Norselab works proactively with portfolio companies to promote strategies aligned with the SDGs and implement relevant measuring and reporting schemes for impact.

Table of Contents

<u>No significant harm to the sustainable investment objective</u>	3
<u>Sustainable investment objective of the financial product</u>	3
<u>Investment strategy</u>	4
<u>Proportion of investments</u>	5
<u>Monitoring of the sustainable investment objective</u>	5
<u>Methodologies</u>	6
<u>Data sources and processing</u>	6
<u>Limitations to methodologies and data</u>	7
<u>Due diligence</u>	8
<u>Engagement policies</u>	8
<u>Attainment of the sustainable investment objective</u>	8

No significant harm to the sustainable investment objective

All portfolio companies undergo an impact due diligence that aims to uncover any significant harm to the sustainable investment objective. This includes assessing that:

- Products or services of portfolio companies *do not* have a significant negative impact on any of the SDGs.
- Portfolio companies *do not* cause significant Principal Adverse Impacts benchmarked against industry peers.
- There are *no* known good governance issues concerning the portfolio company.

The due diligence process is described below.

The fund seeks to invest in growth companies where significant adverse impacts rarely arise. 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.

All portfolio companies undergo an impact due diligence that aims to uncover sustainability risks, including Principal Adverse Impacts, and risks related to good governance and compliance with the EU Taxonomy's minimum safeguards.

If risks related to sustainability or good governance are identified in the impact due diligence, the Investment Agreement may include concrete improvements to be implemented. Improvements are followed up through active engagement with companies. 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.

As part of the impact due diligence, the Investment Manager aims to uncover issues or risks related to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This is done by verifying whether policies and processes

relevant to the two guidelines, or have any past issues related to human and labor rights.

The portfolio companies commit to complying with 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 Norselab's "Meaningfulness policy".

Because the fund invests in the early phases of a company, most companies have not implemented all the processes required to comply with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights at the time of the investment. Norselab seeks to encourage and support companies in fully implementing processes aligned with the standards.

Sustainable investment objective of the financial product

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 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.

Furthermore, the fund aligns with Norselab's proprietary impact philosophy, "Meaningfulness", as well as Norselab's "Meaningfulness policy". The policy describes Norselab's principles for meaningful investments. They include using the SDGs as a strategic framework to create a positive impact, adopting long-term investment perspectives, taking active ownership through engagement with companies, and committing portfolio companies to comply with all applicable laws and regulations as well as the ethical principles of the UN Global Compact.

Meaningfulness is built on three core pillars that describe the characteristics of the companies the fund will invest in:

- **Product-driven impact:** creating positive impacts through their revenue-generating products and services.
- **Net-positive impact:** accounting both for the negative and the positive effects of a company.
- **Impact where it matters:** backing companies that accelerate the sustainable transition of their industries.

The fund aims to invest primarily within the following impact themes:

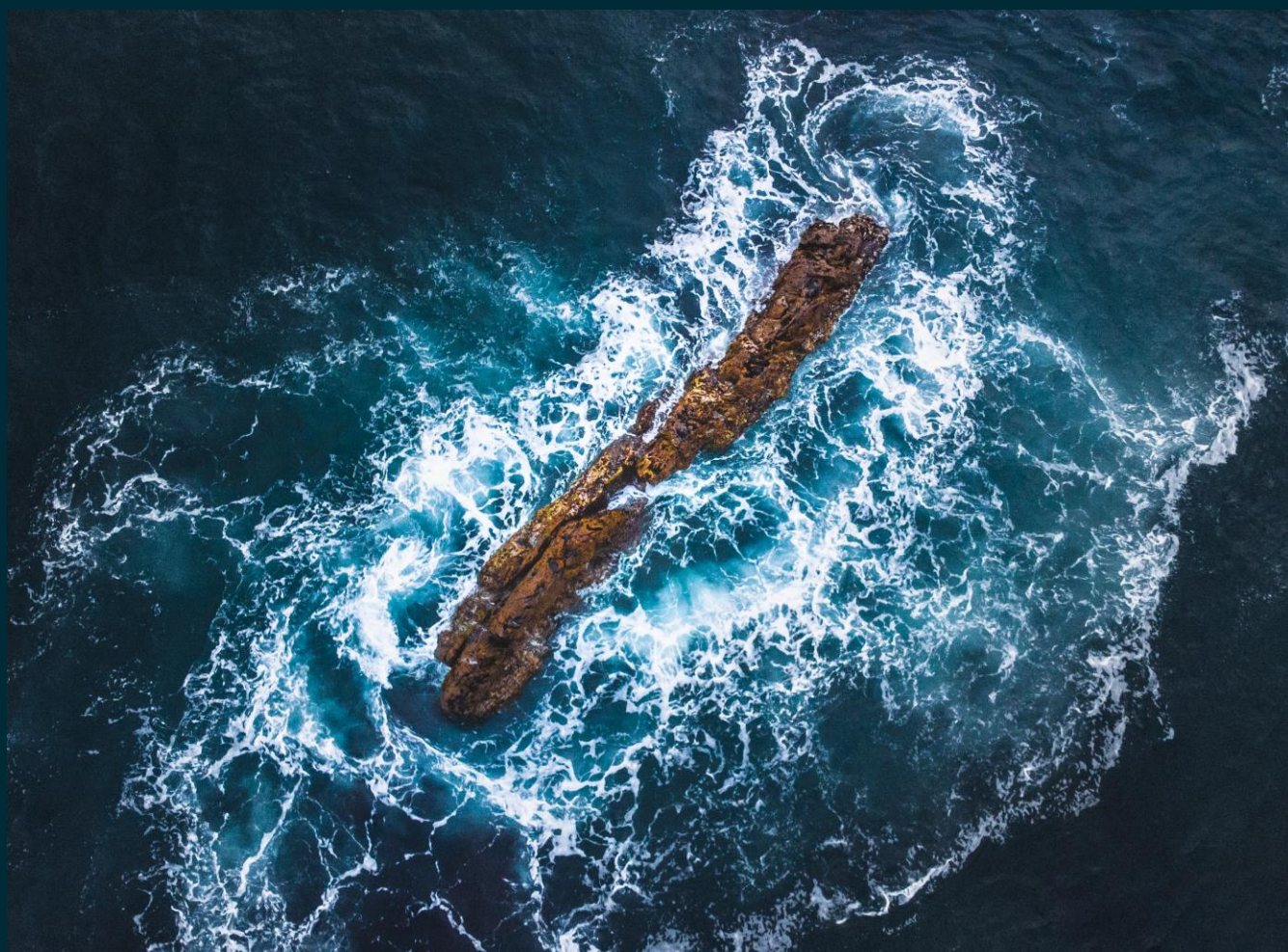
- **Energy transition:** investments that contribute to tackling climate change
- **A circular world:** investments that contribute to making the most of every resource
- **Sustainable food systems:** investments that help close the food gap while protecting the environment

Investment strategy

The fund will primarily allocate capital investments in companies that are identified based on two main theses, which define the investment focus for the fund.

1. **Companies with superior growth potential:** we target companies identified as having potential for rapid growth. Typically, the products of such companies have proven their value to several customers, indicating forthcoming readiness for international scaling
2. **Companies with a net positive impact on people and/or the planet:** we seek to invest in companies whose revenue-generating products or services contribute to one or more SDGs.

All portfolio companies undergo impact due diligence to uncover operational sustainability risks, including Principal Adverse Impacts, good governance, and compliance with the EU



Taxonomy's minimum safeguards. We monitor portfolio companies' good governance practices regularly through Board participation and dialogues with the companies' management. This includes assessing the companies' management structures, employee relations, remuneration policies, and tax compliance.

If risks related to sustainability or good governance are identified, the Investment Agreement may include concrete improvements to be implemented. Improvements are followed up through active engagement with companies. 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.

Proportion of investments

As stated in the Supplement to the Prospectus for the fund, the fund intends to make a minimum of 85% of investments as sustainable investments (“#1 Sustainable” in the illustration below). The fund seeks 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”). Specifically, the portfolio company's product and services must contribute to one or more SDG at target level and be either impact-aligned or

impact-generating (according to Norselab's proprietary impact score). All portfolio companies undergo an impact due diligence.

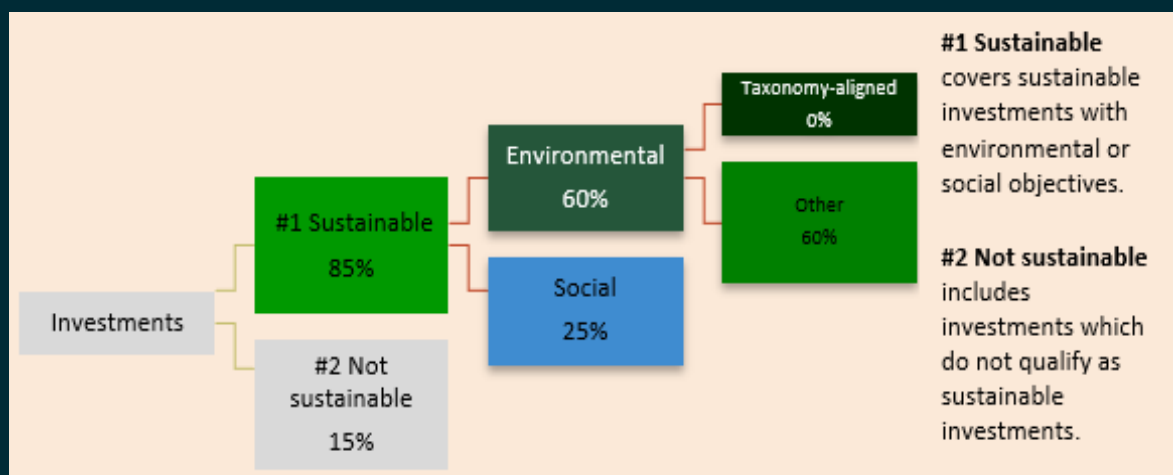
As an Alternative Investment Fund (AIF), the fund may hold cash from time to time. Under the SFDR, cash is not considered a sustainable investment. Up to 15% of the fund is cash balances and is therefore not intended for sustainable investments (“#2 Not sustainable” in the illustration below).

Monitoring of the sustainable investment objective

The fund will monitor and report on the following indicators:

- % of investments contributing to the SDGs
- Aggregated SDG-based net impact (based on data modeled by the Upright Project, read more below)
- % 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)

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



Companies report to Norselab on impact-related metrics and sustainability risks on a quarterly basis. Furthermore, we monitor companies regularly through Board participation and dialogues with the company's management.

Specifically:

- As an owner, we work proactively with portfolio companies to promote strategies aligned with the SDGs and implement relevant measuring and reporting schemes for impact.
- We track Principal Adverse Impact indicators quarterly.
- We track good governance practices, including companies' management structures, employee relations, remuneration policies, and tax compliance.

Methodologies

Norselab's Meaningfulness Policy describes our overarching impact philosophy and approach. This provides guidance on how Norselab identifies and measures impacts and risks.

We define impact as a significant contribution to achieving the SDGs. 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 companies through Norselab's various funds.

To ensure a solid foundation for investment decisions, our approach aims to build the most complete picture of a company's impacts, as well as risks. This means using multiple lenses in our assessments of companies. To date, our approach consists of the following lenses, including the SDGs:

- **Fundamental research:** Our team of sustainability specialists perform fundamental research based on available peer reviewed academic and industry research to document the potential impact thesis of assessed companies.

- **SDGs:** The contributions of companies' products and services are mapped to the underlying targets and indicators of the SDGs. We consider both positive and negative contributions.
- **Net impact quantification:** We quantify both positive and negative impacts of companies' products and services to provide a net impact score.
- **EU regulatory assessments:** We screen and assess companies based on the Principal Adverse Impact indicators defined by the SFDR, and perform assessments for potential eligibility and alignment with the EU Taxonomy.
- **Operational risk assessments:** We seek to uncover operational risks and strengths, to ensure that companies operate responsibly and sustainably. This includes mapping potential gaps to fill.



As of today, these lenses provide satisfactory insights into a company's impacts and risks. We are, however, constantly considering adding new data layers that could enhance our approach and hence our understanding of companies' impacts from various perspectives.

Data sources and processing

We use multiple information sources through the due diligence process (the due diligence process for the fund is described below):

- For the fundamental research, good governance and contribution to SDGs, we use company information and insights, peer-reviewed and industry research, as well as external sources on the products and services' impacts.

- For the SDG-based net-positive impact, we use data modeled by the Upright Project, a third-party impact data provider. The Upright Project quantifies the net impact of products and services, considering their upstream and downstream value chains.
- For sustainability risks and Principal Adverse Impact indicators, we use company information and insights, and data modeled by the Upright Project.

We use one third-party data source in our assessment: the Upright Project. The SDG-based net-positive impact and the Principal Adverse Impact indicators are mainly modeled and estimated by the Upright Project. However, some of the Principal Adverse Impact indicators are reported directly to the fund by the portfolio companies. We will clearly state what is estimated data in the Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors.



The data modeled by the Upright Project is reviewed by our in-house specialists. Data is downloaded and stored monthly to track developments over time. We continuously seek to enhance our data processes, and explore automation that may minimize operational risk.

All third-party data providers, including the Upright Project, have been chosen based on a data provider review. We carry out reviews of our third-party data providers regularly. Key quality criteria we look at in our reviews include data coverage, transparency of data source (e.g., how an

estimation has been calculated, company-reported data), and data metrics provided.

Limitations to methodologies and data

As with most data sources, the data modeled by the Upright Project has some inherent limitations. 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 provided in our reporting is reproduced with permission from Upright, and may not be redistributed without permission from Upright.

Because the fund invests in the early phases of a company, most companies have not implemented the required due diligence processes to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights at the time of the investment. Norselab actively supports companies in implementing their own due diligence processes aligned with the standards. This makes the Principal Adverse Impact indicators more difficult to estimate.

To mitigate limitations, we use a multi-lens approach to our investment decisions, as described under “Methodologies”. We also monitor the companies closely so that we’re up to date on their developments and sustainability risks. And, we help them implement processes to better align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and we help them grow in line with sustainability-related trends and regulations.

Due diligence

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 thesis:** Companies' products or services have a clear impact theory of change, including how their product or service contributes 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 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.
- **SDG-based net positive impact:** Companies' products or services have a net positive impact mapped to SDGs based on data modeled by the Upright Project.
- **Sustainability risks:** Companies do not cause significant sustainability risks and Principal Adverse Impacts 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.

Engagement policies

When we invest in a company, we already know that it's a solid impact case based on the impact due diligence. 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.

Attainment of the sustainable investment objective

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

Let's create a meaningful future for all!

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