

Sustainability-related disclosures

Norselab Meaningful Structured Equity I

LEI: 635400YNILMEXOLIPQ47



Summary

This document aims to provide information on the sustainable investment objective of Norselab Meaningful Structured Equity I ("the fund"), and how the fund intends to meet the objective. The fund aims to invest in companies that generate a net positive contribution, through their core products and services, to the UN Sustainable Development Goals (the "UN 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. Furthermore, the fund seeks to engage with companies to drive progress where possible.

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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.

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, improvements are followed up through constructive 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.

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 that generate a net positive contribution, through their core products and services, to the UN Sustainable Development Goals (the "UN 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.

Investment strategy

The investment policy is to provide companies with customized structured equity financing complementary to capital provided already by existing investors. The investment structure will primarily consist of Preferred Equity, Preference Protection Warrants and Investor Warrants (each as described in the Supplement) to produce capital appreciation and downside protection.

The Investment Manager performs extensive research and analysis in selecting and identifying potential portfolio companies globally, but with a particular focus in the Nordics and Europe. Investment decisions, and the assessment of the fund's desired exposure to each potential portfolio company, will be made by the Investment Manager based on a robust and disciplined process. The framework for this process is based primarily on rigorous deal flow screening where companies are evaluated against the defined Norselab investment scope and portfolio suitability.

All portfolio companies undergo an 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 documentation and dialogue. This includes assessing the companies' management structures, employee relations, remuneration policies, and tax compliance.

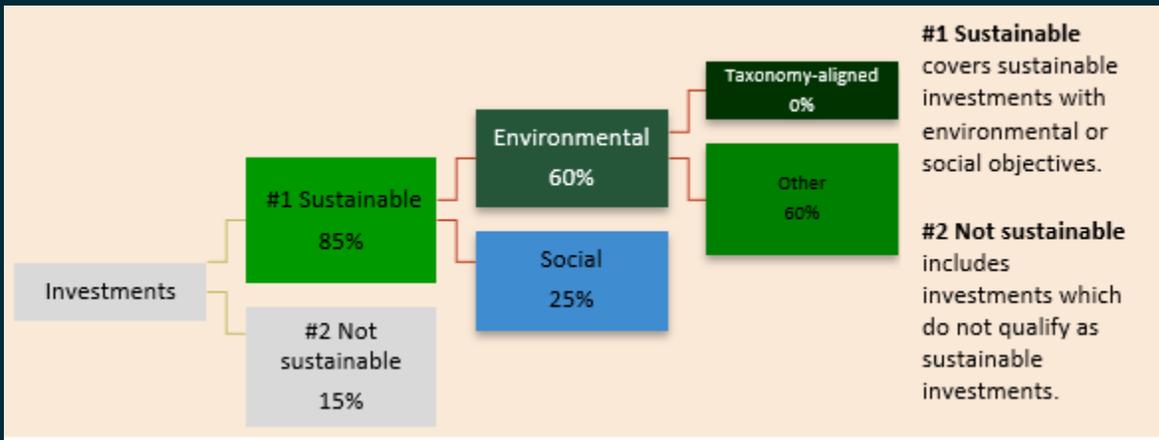
If risks related to sustainability or good governance are identified in the impact due diligence, improvements are followed up through engagement with companies. In any event, if significant harm is uncovered in the assessment of the Principal Adverse Impacts indicators of a company, the company is excluded 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% sustainable investments (“#1 Sustainable” in the illustration below). The fund aims to invest in companies that generate a net positive contribution, through their core products and services, to the UN Sustainable Development Goals (the “UN SDGs”). Specifically, the portfolio company's products and services must contribute to one or more SDG at the target level and be either impact-aligned or impact-generating (according to Norselab's proprietary impact scorecard). All portfolio companies undergo an impact due diligence.

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).

As an Alternative Investment Fund (AIF), the fund may hold cash or invest its cash balances when necessary. Holding cash may be deemed appropriate pending investment, or to fund anticipated expenses of the fund, or otherwise at our discretion. These investments will be liquid assets, such as investment grade, short-term debt securities that are listed, traded or dealt in on organized exchanges and/or cash and cash equivalents (including money market funds, passive, index tracking ETFs, and cash deposits and near cash instruments, such as bank certificates of deposit or bank deposits with credit institutions).



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 on an annual basis and on sustainability risks on a quarterly basis. Furthermore, we monitor companies regularly through board documentation and dialogue. We aim to have an observer seat on the board. Specifically:

- We engage with companies to drive progress where possible.
- 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 consider 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 due diligence processes required 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 seeks to encourage and support companies in fully implementing due diligence processes aligned with the standards. This makes some of 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”. Additionally, the fund seeks to conduct constructive engagement with companies to drive progress where possible.

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 SDG-based net positive impact according to 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

We monitor companies regularly through board documentation and dialogue. We aim to have an observer seat on the board and to engage with companies to drive progress where possible.

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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