

Website disclosures of **NordicNinja Fund II SCSp** in line with Article 10 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”)

### **Summary**

NordicNinja Fund II SCSp (the “**Fund**”) is considered by Aztec AIFM Services S.A, as alternative investment fund manager of the Fund, together with NordicNinja VC Limited (“**NordicNinja**”) to fall within the scope of Article 8 of SFDR, as a fund that promotes environmental and/or social characteristics.

This disclosure sets out the Fund’s approach to sustainable investing and the ways in which sustainability risks and factors are integrated into the investment decisions process and how environmental and/or social characteristics are promoted by the Fund. This includes:

- A summary of the environmental and social characteristics promoted by the Fund, while it is not making any sustainable investment, such as: climate change, energy transition and green technology and innovation. The investments underlying the Fund also take into account social indicators to promote employees and workforce well-being and engagement against unlawful tracking and abuse of Internet users’ personal data in compliance with international standards.
- Investment Strategy: the Fund only consider the investment opportunities:
  - o that are not excluded by application of the exclusion criteria of the Fund
  - o that put in place an Environmental, Social and Governance (“**ESG**”) policy.
  - o that put in place Diversity and Inclusion policy.
- Although sustainability risks are assessed throughout the investment process, the Fund does not take into consideration principal adverse impacts.
- 70% of the asset allocation of the Fund is intended to be aligned with the E/S characteristics promoted by the Fund and are directed fully to “#1B Other E/S characteristics”.
- The attainment of the E/S characteristics promoted by the Fund are regularly measured and monitored by NordicNinja through the application of an ongoing monitoring and engagement process, namely by way of regular surveys sent to the portfolio companies.
- Methodologies: there is a methodology applied for each step of the investment process, including with control documents (ESG risk assessment, identification of ESG metrics relevant to each of the portfolio companies, ESG targets)
- Data sources and processing: the data is obtained directly from the portfolio companies. To mitigate the limits of a gathering of information via portfolio companies, the Fund will rely on the continuous improvement and evolution of NordicNinja’s measurement methodology.
- Engagement policies: the Fund directly engages with the portfolio companies. Where possible and appropriate, the Fund works with the investor syndicate to influence portfolio companies at the board level to measure and address key ESG issues,

### **No sustainable investment objective**

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

### **Environmental or social characteristics of the financial product**

The Fund promotes environmental and social characteristic (“**E/S Characteristics**”) as follows:

- **Environmental characteristics:** the Fund promotes and invests in climate change impacts, energy transition and green technology and innovation.

▪ **Social characteristics:** the Fund promotes and invests in human capital development, diversity and inclusion, employee engagement (including part-time employees and sub-contractors), employee wellbeing, responsible AI and community.

To measure and promoted E/S Characteristics the Fund uses the following environmental and social indicators:

▪ **Environmental characteristics:** measuring and monitoring GHG emissions and carbon footprint, transitioning to renewable energy consumption and investing in green technologies.

▪ **Social characteristics:** measuring and monitoring new hires and attrition metrics, board independence and diversity metrics including percent of female, minority representation and LGBTQs on the board of directors, unadjusted gender pay gap, work-related injuries and wellness, conducting employee engagement surveys, excluding investments which operate in the Ad-tech space and is involved in unlawful tracking and abuse of Internet users' personal data or has lack of controls over user data protection, compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

### ***Investment Strategy***

The Fund's investment strategy involves investing in early-stage, deep-tech companies and primarily invest in Europe.

Material ESG factors are integrated during the investment process of the Fund, from screening and sourcing potential opportunities through to the exit.

### **Screening**

During the screening phase, the Fund applies an exclusion strategy, making sure that no direct investments are knowingly made in businesses:

- which directly manufacture, distribute or sell:
  - anti-personnel landmines,
  - nuclear, chemical or biological weapons, or
  - cluster bombs or munitions;
- whose principal activity is the direct manufacturing/service of arms, ammunition, radioactive materials, alcohol, tobacco or gambling;
- which systematically use harmful or exploitative forms of forced or child labour;
- which has exposure to sale, distribution, exhibition or circulation of any obscene picture, painting, writing, book, pamphlet, drawing or video in physical or electronic form which is lustful or lewd;
- which operates in the Ad-tech space and is involved in unlawful tracking and abuse of Internet users' personal data or has lack of controls over user data protection resulting in manipulation of user behaviour and attention;
- which is in non-compliance of the regulations and/or has investigations or regulatory proceedings commenced against it in the past 5 years; or
- where the company has been (A) sanctioned by the United Nations Security Council pursuant to any resolution issued under Chapter VII (Action with Respect to Threats to the Peace, Breaches of the Peace, and Acts of Aggression) of the United Nations Charter; or (B) debarred by the World Bank Group (see the World Bank Listing of Ineligible Firms and Individuals at Any investment opportunity meeting the above set criteria will not be taken further into the diligence stage.

### **Due Diligence**

After the screening phase, any material ESG issues are identified during the due diligence phase, further described in the section “Due diligence” below, reflected namely by way of a survey conducted by the Fund and completed by the portfolio companies. This will allow to identify the specific indicators which are material to each of the investment from an ESG perspective.

#### Closing and holding phase

At the time of the investment, any ESG material issues will be documented to ensure an appropriate monitoring and, where applicable, value creation of the portfolio companies’ ESG performance during the ownership period.

Where relevant, ESG-related term sheet clauses will be agreed with portfolio companies notably to require the portfolio companies to adopt an ESG and Diversity and Inclusion (“D&I”) policy within 12 months (if not available at the time of the investment) following the signing and completing of the annual survey sent to the portfolio companies on selected ESG metrics. Such policies and metrics shall be discussed, and the progress reported to the company’s board annually.

During the holding phase, the Fund will engage with portfolio companies to monitor their ESG performance and, when required, take actions to reduce ESG-related risks that have occurred in relation to a specific investment.

#### Exit

Finally, the progress on ESG factors made during the ownership of the Fund will be made available at exit as part of any information pack or online data room pertaining to the relevant company’s future fundraising, sale or IPO process.

#### Binding elements

The binding elements of the investment strategy used to select the investments and ensure the intended investments attain each of the environmental or social characteristics promoted by this financial product are:

- the adoption of an ESG policy or the commitment to do so within a period of 12 months in accordance with a term-sheet clause agreed by the portfolio company; and
- the adoption of a D&I policy or the commitment to do so within a period of 12 months in accordance with a term-sheet clause agreed by the portfolio company.

The Fund will continue to evaluate and update the binding elements, as and when we seem fit.

As NordicNinja intends to become signatory of the United Nations Principles for Responsible Investments (“PRI”), NordicNinja will make sure to apply the PRI through the Fund and use the PRI as guiding blocks during the ESG due diligence, stewardship and monitoring, and reporting process for potential and actual investments made through the Fund. The PRI are as follows:

- **Principle 1:** Incorporating ESG issues into investment analysis and decision-making processes;
- **Principle 2:** Being active owners and incorporating ESG issues into ownership policies and practices;
- **Principle 3:** Seeking appropriate disclosure on ESG issues by the entities in which investments are completed;
- **Principle 4:** Promoting acceptance and implementation of the principles within the investment industry;
- **Principle 5:** Working together to enhance effectiveness in implementing the principles; and
- **Principle 6:** Reporting on the activities and progress towards implementing the principles.

#### Good governance policy

The Fund aims to make investments in companies which follow good governance practices including ensuring compliance with anti-bribery and anti-corruption regulations, practising a non-discrimination policy, maintaining the highest code of ethics and business conduct, and complying with data privacy

and protection. In cases where the above are not in place, the relevant NordicNinja deal team will help the portfolio companies prepare and maintain the same.

For every portfolio company/opportunity, the relevant NordicNinja deal team will employ a standardised set of questions as part of the due diligence process. In addition, since each potential investment is different in its sector, business model and execution, the deal team may add additional ESG criteria to the check-list guided by the Sustainability Accounting Standards Board Principles (**SASB**). The results of this process are recorded in the investment memo, so that the investment committee relating to the relevant NordicNinja Fund can confirm that ESG-related issues have been explicitly assessed and ensure they are considered when making the investment decision.

The Fund's portfolio companies should maintain a zero tolerance for all forms of corruption and follow the highest standards of business and ethical conduct. NordicNinja expects them to have and seek compliance with the ESG and D&I policies. In cases where such policies are not in place at the time of the investment, NordicNinja would seek to work with the portfolio company to implement these within 12 months after investment.

### ***Proportion of investments***

70% of the Fund's investments are directed to the category "#1 aligned with E/S Characteristics". Under category (#1), the Fund's investments only include the sub-category "#1B Other E/S Characteristics" which covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments. The Fund does not intend to invest in sustainable investments.

The Fund will invest a minimum 70% of the Fund in "#1B Other E/S Characteristics" and at most 30% in "#2 Other". The use of the investments under "#2 Other" relates to, but is not limited to, cash management and obtaining exposure to investment opportunities where no suitable ESG opportunities are available.

The Fund does not intend to make any sustainable investments as defined under Article 2(17) SFDR.

The investments underlying the Fund are direct exposures in portfolio entities.

### ***Monitoring of environmental or social characteristics***

The Fund will leverage external ESG reporting service providers to collect data from portfolio companies and monitor their performance.

As mentioned above, the Fund uses the following environmental and social indicators to measure the attainment of the E/S Characteristics promoted by the Fund:

- **Environmental characteristics:** measuring and monitoring GHG emissions and carbon footprint, transitioning to renewable energy consumption and investing in green technologies.
- **Social characteristics:** measuring and monitoring new hires and attrition metrics, board independence and diversity metrics including percent of female, minority representation and LGBTQs on the board of directors, unadjusted gender pay gap, work-related injuries and wellness, conducting employee engagement surveys, excluding investments which operate in the Ad-tech space and is involved in unlawful tracking and abuse of Internet users' personal data or has lack of controls over user data protection, compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

Amongst these indicators, the most relevant ones are chosen for each of the portfolio companies to assess whether the E/S Characteristics are met. In that respect the Fund sends an annual ESG survey to all portfolio companies to report on the chosen ESG metrics, that the portfolio companies are required

to fill out. NordicNinja also monitors these ESG metrics quarterly and collaborate with all the stakeholders to identify future course of action.

The Fund does not refer to external control mechanisms at the time of these disclosures.

### **Methodologies**

NordicNinja continuously monitors the E/S Characteristics of the Fund. Portfolio companies report on the agreed metrics to the Fund which aggregates and reports onward to the Fund's investors.

The Fund (or its delegated portfolio manager) insists on the companies it invests in to be genuinely focused on giving back to all the stakeholders including its own employees, customers, suppliers, shareholders, the environment and the wider world at large. In that respect, the Fund takes an active interest in how the portfolio companies manage ESG issues and actively encourages, supports and stretches them to strive for the very best ESG standards.

In that respect, controls are put in place to make sure that each of the steps of the ESG embodiment into the strategy is complied with:

ITEMS	CONTROL DOCUMENTS	Responsibility
<b>INVESTMENT PROCESS / PORTFOLIO MONITORING</b>		
ESG risks have been assessed at the pre-investment phase for all potential investment opportunities	DDQ checklists and investment proposal	ALL of the NordicNinja staff
All portfolio companies have reported on their ESG metrics on a quarterly basis as per NordicNinja's questionnaire	Worldfavor	ALL of the NordicNinja staff
All portfolios strive to establish ESG policy/ESG targets and KPIs and to add ESG to the agenda of annual board meetings, where NordicNinja has a board seat	ESG Policy	Managing Partners
<b>FUND MANAGEMENT</b>		
ESG Policy is reviewed and approved by all Managing Partners on a yearly basis	NordicNinja's ESG Policy	The Chief Sustainability officer

### **Data sources and processing**

The Fund relied on the ESG data collected from the portfolio companies to measure the attainment of its the E/S Characteristics promoted, namely through the annual ESG survey sent to the portfolio companies.

The Fund also refers to the data collected through the Upright Platform to measure the net impact as well as other impact data of the portfolio companies. The Fund benefits from a preferential relationship with Upright Platform, allowing it to internally monitor and assess the impact of its portfolio companies. The disclosed data is used as a reference and is shared with the investors for marketing purposes. More information on data sources and methodologies of the Upright Platform can be found [here](#)

### **Limitations to methodologies and data**

Due to the nature of the Fund's investment scope, focusing on early-stage companies using innovative technologies to generate impact, established methodologies and historical data for measuring positive

impact are many times lacking. Also, the Fund relies on data collected from the portfolio companies to measure the attainment of the E/S Characteristics which the portfolio companies are not always in possession of. For instance, some of the portfolio companies have about twenty employees which limit the relevance of the data provided.

The Fund is aware that this may mean that the actual positive impact may differ from the estimated. However, the Fund believes that the measurements are directionally right and that the Fund's high ambition level in terms of impact means that even if assuming that the actual impact generated is lower than the estimated, the portfolio companies would still attain the sustainable investment objectives. To mitigate the limitations of the measurement methodologies, the Fund seeks to continuously improve and develop its measurement methodology and implement new and improved standards, data sources and methodologies as they become available.

Additionally, the Fund is aware that there are intrinsic limitations to the accuracy of the impact numbers from the Upright Platform since there is limited availability of the Upright Platform's underlying dataset and the nature of the indicators especially when it comes to private company data compared public company data. Their theoretical approach also does not consider individual differences of each company and uses an algorithm to estimate the range of impact it could have.

### ***Due diligence***

The Fund follow a screening process, which includes a check list that incorporates the IFC Exclusion List and Principles of the UN Global Compact, in order to identify potential material ESG issues. The ESG risks and opportunities of the potential investments are assessed through an ESG assessment checklist. This checklist consists of a standardized set of questions, across environmental, social and governance themes.

In addition to these internal standards, the Fund refers to external control and standards. In this respect, since each potential investment is different in its sector, business model and execution, the deal team may add additional ESG criteria to the checklist guided by the SASB. May also be appointed external experts to perform additional ESG due diligence. Where material issues are identified, the Investment Committee may request further action to be taken to ensure that these issues are properly investigated, before proceeding to investment.

The conclusion of the findings regarding the ESG due diligence, ESG risks and opportunities must be presented in an investment memoranda for the Investment Committee.

### ***Engagement policies***

The Fund aims to participate to NordicNinja approach of responsible investing and promotion of E/S Characteristics in its daily portfolio management, to help the portfolio companies deliver high levels of sustainable performance. Where possible and appropriate, the Fund works with the investor syndicate to influence portfolio companies at the board level to measure and address key ESG issues, including by:

- Collaborate with the management and co-investors to identify key ESG issues that are relevant to the business or that may be relevant in the future, discussing how to manage the issues, and how to take account of the issues in business planning and strategy.
- Collaborate with the management and lead investor and co-investors to set company-specific ESG targets and KPIs and monitor and track quarterly.
- Send an annual ESG survey to all portfolio companies to report on the Fund's chosen ESG metrics, which will require to share with us key information pertaining to the ESG metrics identified. And monitor these ESG metrics quarterly and collaborate with all the stakeholders to identify future course of action.
- Strive to add ESG to the agenda of annual board meetings, where the Fund has a board seat.
- Where the portfolio company does not have an established ESG policy, or where there are gaps in ESG practice and/or issues with ability to collate data, the Fund strives to help address such gaps, either directly or by reference to external experts.

- Where possible, the Fund seeks to provide portfolio companies with access to ESG training and materials.
- If ESG-related incidents occur at portfolio companies, the Fund strives to assess and take actions quickly to reduce such risks in the future.

***Designated reference benchmark***

The Fund does not use any reference benchmark as NordicNinja is not aware of any benchmarks aligned with the Fund's strategy.