



Brussels, 31.10.2022
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ANNEXES 1 to 4

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COMMISSION DELEGATED REGULATION (EU) .../...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Skagerak Venture Capital I AS

Legal entity identifier: 926 178 172

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: ____%

☒ ☐ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 100 % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Skagerak Venture Capital I is a continuation fund of a fund that was raised in 2006. The fund has therefore only contained one investment, Stimline, which was made in 2011. A continuation fund does not make investments. This combined with the age of the fund means that there was limited promotion of environmental characteristics during the fundraising. Skagerak Capital has however always been concerned with strong governance and gender diversity. Through active board engagement these were brought to the table already at this time. Although, ESG issues wasn't the focus during fundraising,

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Skagerak Capital has managed the fund according to the active strategy of Skagerak Capital, and therefore put more focus on the ESG performance of the remaining portfolio companies the last years. For example, Skagerak Capital is a signatory of the Principles for Responsible Investment (PRI). As a PRI signatory, we adhered to six core principles that guided our decision-making and engagement with investee companies:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

The fund is not investing in new portfolio companies, and our main sustainability focus is therefore on helping our portfolio companies improve their ESG performance.

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

During the reference period, the fund complied with its duties as a signatory of the PRI. The fund actively engaged with portfolio companies in ESG issues. As the fund doesn't make investments, using ESG criteria in investment analysis was irrelevant. Moreover, we ensured that all investee companies complied with our anti-corruption policies and worked on maintaining good governance through active board participation.

Our remaining investment in the reference period, Stimline, is a sustainable investment. Stimline is committed to sustainability by revolutionizing well completion and intervention operations through innovative software and products, driving the industry toward a digital and automated future while promoting efficiency and environmental responsibility.

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

A performance comparison will be provided in next year's disclosure covering the period 01.01.2023-31.12.2023 as this report constitutes the first and therefore there is no previous report to compare to.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The sustainable objective of the portfolio company of Skagerak Venture Capital I is to contribute to greater resource efficiency and improved safety. The investment specifically contributed to SDG 8 and 9:

SDG 8: Decent Work and Economic Growth emphasizes the significance of sustainable economic development. We actively seek out companies that promote resource-efficient practices, whether it involves optimizing work processes or implementing energy-efficient production methods. By supporting these companies, we aim to contribute to the creation of decent work opportunities and foster sustainable economic growth.

SDG 9: Industry, Innovation, and Infrastructure underscores the importance of sustainable and resilient infrastructure. As a fund, we actively seek investment opportunities in companies that offer innovative solutions for resource efficiency, sustainable industrialization, and infrastructure development. By supporting these initiatives, we strive to enhance the overall sustainability and resilience of the industries and infrastructure in our target region.

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.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Throughout the fund's lifecycle, Skagerak Capital actively engaged with its portfolio company to ensure both financial and sustainable performance. As part of our board participation, we brought ESG issues to the table and helped the portfolio company address them. To ensure that the investments did not cause significant harm, we gathered the principal adverse impact indicators for 2022.

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

The reporting for the year 2022 marks the first time Skagerak Capital has tracked the indicators for adverse impacts on sustainability factors as part of our commitment to transparency and accountability. While this initial report provides valuable insights, we acknowledge that it is the beginning of an ongoing process that will become an integral part of our investment approach.

We have gathered data for the following PAI indicators:

- **PAI 1, table 1** was considered for scope 1, 2 and 3 Green House Gas emissions through active engagement with portfolio companies.
- **PAI 2, table 1** was considered for scope 1 and 2 carbon footprint through active engagement with portfolio companies.
- **PAI 3, table 1** was considered for scope 1 and 2 Green House Gas intensity of investee companies through active engagement with portfolio companies.
- **PAI 4, table 1** regarding the exposure to companies in the fossil fuel sector was considered through active engagement with portfolio companies.

- **PAI 5, table 1** regarding the share of energy consumption from non-renewable sources was considered via active engagement with portfolio companies. Skagerak Capital is committed to contributing to the goals of the Paris Agreement and engages with portfolio companies to ensure sustainable energy use.
- **PAI 6, table 1** regarding Energy consumption per High Impact Climate sector was considered via active engagement with portfolio companies. Skagerak Capital is committed to contributing to the goals of the Paris Agreement and engages with portfolio companies to ensure sustainable energy use.
- **PAI 7, table 1** regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. We work with portfolio companies to ensure that they comply with biodiversity policies.
- **PAI 8, table 1** regarding Water was considered via engagement. We work with portfolio companies to ensure that they comply with water policies.
- **PAI 9, table 1** regarding hazardous waste and radioactive waste ratio was considered via engagement. We actively engage with companies, and address potential waste issues.
- **PAI 10, table 1** regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement. Skagerak Capital adheres to internationally recognized standards and assesses company behavior based on these standards.
- **PAI 11, table 1**, regarding the lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, was considered via engagement. Skagerak Capital adheres to internationally recognized standards and assesses company behavior based on these standards. We engage with portfolio companies through board participation to ensure that the companies are compliant with human rights frameworks and anti-corruption policies.
- **PAI 12, table 1** regarding the unadjusted gender pay-gap was considered via engagement. Skagerak Capital is committed to promoting gender diversity and equality within its portfolio companies. Through our engagement efforts, we encourage portfolio companies to implement practices that foster diversity, equality, and fair compensation for all genders.
- **PAI 13, table 1** regarding board gender diversity was considered via engagement. Skagerak Capital is committed to promoting gender diversity and equality within its portfolio companies. Through our engagement efforts, we encourage portfolio companies to implement practices that foster diversity, equality, and fair compensation for all genders.
- **PAI 14, table 1** regarding exposure to controversial weapons was considered via engagement.
- **PAI 4, table 2** regarding investments in companies without carbon emission reduction initiatives was considered via engagement. We work with the portfolio companies through board participation to discuss possible implementations of carbon emission reduction initiatives.
- **PAI 10, table 3** regarding due diligence processes for identifying, preventing, mitigating, and addressing adverse human rights impacts was considered via engagement. We actively engage with the company to address the lack of processes for due diligence of adverse human rights impacts.

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

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human. We ensure that companies follow human rights framework and our anti-corruption policy. Further Skagerak Venture Capital I has not made any investments in companies involved in the production of controversial weapons.

The EU taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria. The “do no significant harm” principle applies only to those investments underlying financial products that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities. Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

Skagerak Capital utilized the PAIs as part of the evaluation of the “do not significant harm” principle to be able to classify investments as sustainable.

Below, we report the PAIs for 2022. Please note that the data is self-reported by the portfolio companies. Skagerak Capital cannot guarantee the accuracy of the data.

- **PAI 1, table 1, GHG emissions:**
 - Scope 1 GHG emissions were 0 tco2e
 - Scope 2 GHG emissions were 0.3900 tco2e
 - Scope 3 GHG emissions were 4.9153 tco2e
- **PAI 2, table 1:** The carbon footprint was 0.0898 tCO2e/€M
- **PAI 3, table 1:** The GHG intensity of the investee companies was 3.3504 tCO2e/€M
- **PAI 4, table 1:** The share of investments in companies active in the fossil fuel sector was 0%
- **PAI 5, table 1**
 - The share of and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources was 0%

- The share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources was 0%
- **PAI 6, table 1:** The energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector was 0 GWh/€M
- **PAI 7, table 1:** The share of investments in investee companies with sites/operations located in or near to biodiversitysensitive areas where activities of those investee companies negatively affect those areas was 0%
- **PAI 8, table 1:** The Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average was 0 t/€M
- **PAI 9, table 1:** The Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average was 0 t/€M
- **PAI 10, table 1:** The share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises was 0%
- **PAI 11, table 1:** The 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 was 100%
- **PAI 12, table 1:** The average unadjsuted gender pay gap of investee companies was 0%
- **PAI 13, table 1:** The average ratio of female to male board members in investee companies was 0%
- **PAI 14, table 1:** The share of investments in investee companies involved in the manufacture or selling of controversial weapons was 0%
- **PAI 4, table 2:** The share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement was 100%
- **PAI 10, table 3:** The share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts was 0%

Overall, our investee company demonstrated compliance with most of the principal adversary impact indicators, exhibiting low emissions, no use of fossil fuels, and adherence to human rights policies. However, one concerning indicator is PAI 13, which reflects the average ratio of female to male board members in our investee companies, currently standing at 0%. Skagerak Capital acknowledges this disparity and commits to addressing it through future engagements with investee companies, focusing on increasing the representation of women on corporate boards. We do not consider this to do “significant harm” as the company is small, but continuously work towards recruiting female board members.

Additionally, PAI 11 indicates our portfolio company does not have sufficient policies in place to effectively monitor compliance with the United Nations Global Compact (UNGC) principles or the OECD Guidelines for Multinational Enterprises. We do not consider the lack of sufficient policies as doing “significant harm” as we already engage with portfolio companies on anti-corruption and human rights issues. Already at fundraising, good governance was an important investment criteria for the fund. Future work will be undertaken to ensure that the company implement the sufficient policies and procedures.

The company also lacks carbon emission reduction initiatives (PAI 4, table 2). This is in large parts due to its position as a software company with limited emissions, and therefore relatively small impact from carbon emission reduction initiatives. Due to the small impact we do not consider the lack of initiatives as doing “significant harm”, but will strive for ensuring the company implements such measures in the future.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.02.2022-31.12.2023



What were the top investments of this financial product?

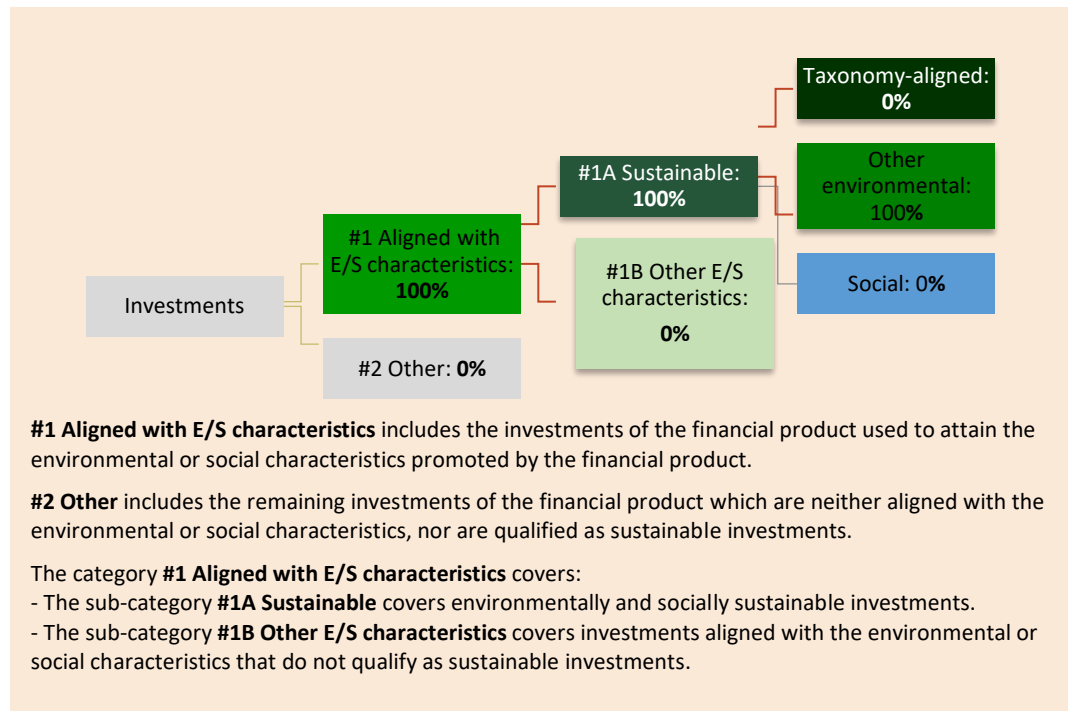
Largest investments	Sector	% Assets	Country
<i>Stimline</i>	<i>IT</i>	<i>100%</i>	<i>Norway</i>

What was the proportion of sustainability-related investments?

- *What was the asset allocation?*



Asset allocation describes the share of investments in specific assets.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

The fund made 100% of its investments within the IT sector.



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

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

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

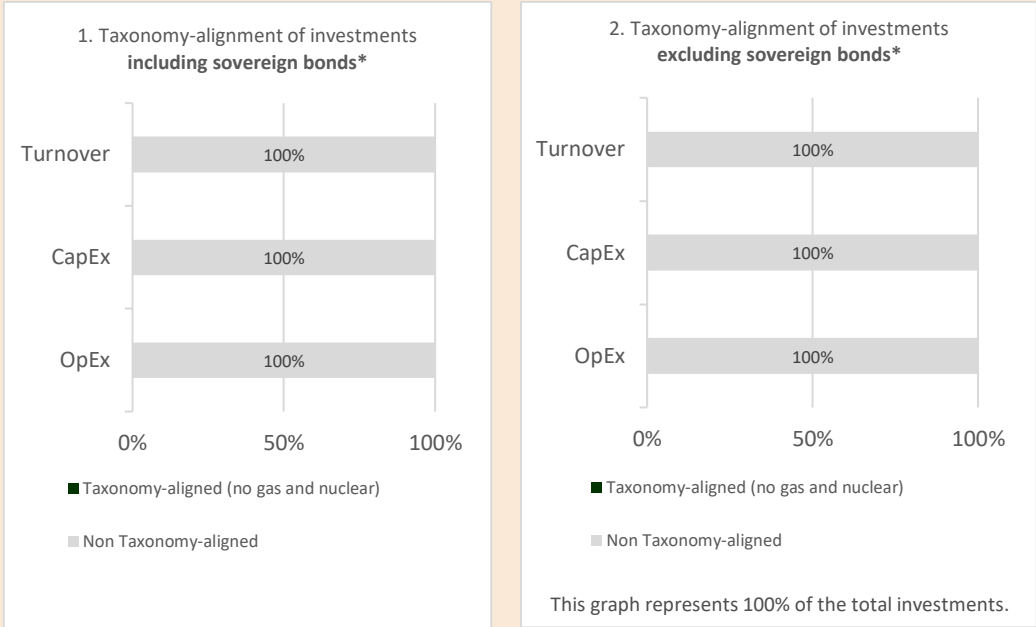
☒ No

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 not significantly harm 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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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.



* 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?**

None of the investments (0%) are aligned with the EU taxonomy criteria for transitional or enabling activities.

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

A performance comparison will be provided in next year’s disclosure covering the period 01.01.2023-31.12.2023 as this report constitutes the first and therefore there is no previous report to compared to.



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

The share of sustainable investments with an environmental objective not aligned with the EU taxonomy was 100%.



What was the share of socially sustainable investments?

The share of socially sustainable investments was 0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

No investments are included under “other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Over the past year, Skagerak Capital and our portfolio companies have taken significant actions to advance environmental and social characteristics in our investment approach. We have placed a strong emphasis on aligning our activities with the UN's 17 Sustainable Development Goals (SDGs), ensuring that our investments contribute positively to these global sustainability targets. To promote ESG awareness and knowledge, we have fostered a culture where all employees in Skagerak Capital and portfolio companies are well-versed in the SDGs and understand the specific goals our company and portfolio companies are working towards. This shared understanding enables us to align our efforts and drive meaningful impact.

We have also emphasized the importance of active board engagement in ESG matters. ESG considerations are integrated into board meetings, ensuring that discussions around environmental and social topics take place regularly. This engagement fosters a deeper understanding of ESG issues and enables us to make informed decisions that drive positive change.

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

A reference benchmark has not been defined for this product.

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

Not applicable as a reference benchmark has not been defined for this product.

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable as a reference benchmark has not been defined for this product.

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

Not applicable as a reference benchmark has not been defined for this product.

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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable as a reference benchmark has not been defined for this produc

