

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Spintop Investment Partners, IV AB 559307-3728

Summary

Spintop Investment Partners IV AB, 559307-3728 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Spintop Ventures.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022.

The summary of the principle adverse impacts is displayed below.

Spintop Investment Partners IV AB, 559307-3728 beaktar huvudsakliga negativa påverkan av sina investeringsbeslut på hållbarhetsfaktorer. Detta uttalande är den sammanfattade redogörelsen för huvudsakliga negativa påverkningar på hållbarhetsfaktorer av Spintop Ventures.

Denna redogörelse om huvudsakliga negativa påverkningar på hållbarhetsfaktorer täcker referensperioden från 1 januari till 31 december 2022.

Sammanfattningen av de huvudsakliga negativa påverkningarna visas nedan.

Description of the principal adverse impacts on sustainability factors

On 2021-01-01, Spintop Ventures approved the PAI indicators, which are intended to assess the principal adverse impacts of the firm's investment decisions on sustainability factors. The responsibility for implementing the PAI and reporting on them lies with the investment professionals, general partners, and portfolio companies.

Regarding responsibility, each Spintop Partner is responsible for the portfolio companies where sustainability is reviewed as an integrated part of the bi-annual portfolio reviews. Further, the sustainability management of the portfolio companies is facilitated by using an open information platform where the collected information is reviewed on a continuous basis by the Partners. Overall, the Spintop team is very committed to actively work to improve on KPIs and address findings from the sustainability assessments.

To select the indicators required by Article 6(1), Spintop has adopted a methodology based on its classification as an Article 8 "light-green" fund. This classification requires the reporting of 14 indicators from Table 1, as well as one additional indicator from both Table 2 and Table 3.

Spintop is using Worldfavor's software to collect, benchmark, and store the PAI data, which ensures data accuracy and allows portfolio companies to access the information filed. This platform also enables portfolio companies to publish their sustainability KPIs externally and respond to sustainability audits from other parties.

The methodology employed by Spintop is highly accurate since all data is directly reported by the investee company without being estimated, thereby minimizing the margin of error.

⁽¹⁶⁾ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13).

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	536 kg CO ₂			
		Scope 2 GHG emissions	11,340 kg CO ₂			
		Scope 3 GHG emissions	56,454 kg CO ₂			
		Total GHG emissions	68,411 kg CO ₂			
	2. Carbon footprint	Carbon footprint	178 kg CO ₂ /MSEK capital			
	3. GHG intensity of investee companies	GHG intensity of investee companies	3,986 kg CO ₂ /MSEK revenue			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0 %				
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	83 %				
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	47 kWh/MEUR revenue				
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0 %			

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	20 kg/MSEK revenue			
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 kg/MSEK revenue			

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %			
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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	0 %			
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	3 %			
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	23 %			
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0 %			

Indicators applicable to investments in sovereigns and suprationals

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries				
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law				

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels				
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets				

Other indicators for principal adverse impacts on sustainability factors

The additional PAI indicator from Table 2 has been chosen as “4. Investments in companies without carbon emission

reduction initiatives” and was during the impact year of 2022 equal to 100%.

The additional PAI indicator from Table 3 is “4. Lack of a supplier code of conduct”, and was during the impact year 2022 equal to 25%.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The responsibility for implementing the PAI and reporting on them lies with the investment professionals, general partners, and portfolio companies.

Engagement policies

Spintop is convinced that sustainable companies are the future business winners, in addition to the positive impact they have. Hence, we integrate a sustainability mindset in as many as possible of our interactions with our portfolio companies. Spintop will drive a sustainability agenda integrated into the general processes of setting business objectives and financial targets for the portfolio companies:

- Vision, mission, company values, and culture
- Business planning, identification, and target setting of sustainability KPIs that drives value creation, in the same way as other operational and financial KPIs
- Tracking and follow-up as an integrated part of board reporting

Post-investment our portfolio companies are required to quarterly report sustainability, in the same way as mandatory financial reporting. Spintop will provide the companies with a written report with general conclusions and peer comparison quarterly based on such reporting. Deviations for a specific portfolio company shall be discussed and where applicable be raised with the board.

Transparency is key as it will by itself drive change.

References to international standards

Not applicable.

Historical comparison

Not applicable.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
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	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies

	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	14. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species
		2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas
	15. Deforestation	Share of investments in companies without a policy to address deforestation
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds

Indicators applicable to investments in sovereigns and supranationals

Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds
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Indicators applicable to investments in real estate assets

Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions generated by real estate assets

Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average

	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	<ol style="list-style-type: none"> 1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts

	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation
14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies

Indicators applicable to investments in sovereigns and supranationals

Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column