

## PAI Statement

Last updated: April 2024

Article 4 of the SFDR requires: “Financial market participants which consider the principal adverse impacts (PAI) of investment decisions on sustainability factors should disclose in the pre-contractual information for each financial product, concisely in qualitative or quantitative terms, how such impacts are considered as well as a statement that information on the principal adverse impacts on sustainability factors is available in the ongoing reporting. Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.”

Nordian considers potential negative effects of investment decisions on sustainability factors and has integrated PAI analysis in its entire investment process:

- During selection we assess whether the target has potential adverse impacts on sustainability indicators;
- During our due diligence, we establish sustainability risks and opportunities and material indicators are defined for the particular company;
- At the start of our investment period Nordian develops and implements an ESG strategy and action plan together with company management to improve the portfolio companies’ performance on selected indicators;
- Nordian reports on progress on ESG indicators and on PAIs at fund level, by taking into consideration data from our portfolio companies. Nordian’s ESG team collects this data from portfolio companies through a questionnaire, which is integrated in the ESG reporting platform.

### Principle Adverse Impact sustainability indicator

Greenhouse gas emissions	1. GHG emissions (Scope 1, 2, 3 and total)
	2. Carbon footprint
	3. GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production
	6. Energy consumption intensity per high impact climate sector
Biodiversity	7. Activities negatively affecting bio-diversity-sensitive areas
Water	8. Emissions to water
Waste	9. Hazardous waste and radioactive waste ratio
Social	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap
	13. Board gender diversity
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

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Additional environmental indicator	15. Investment in companies without carbon emission reduction initiatives
Additional social indicator	16. Lack of anti-corruption and anti-bribery policies