

# IDÉKAPITAL

## Idékapital Investment Management AS

### **Sustainability Disclosures at Entity Level Pursuant to SFDR**

*At Idekapital Investment Management AS ("**Idekapital**" or "**we**") we believe that digitalization can accelerate the essential transition to a more sustainable world. We focus our investments in software and artificial intelligence, as we firmly believe that these industries hold the keys to ways to solve environmental and social challenges we as a society face today.*

*The EU has adopted legally binding measures on sustainable finance applicable to alternative investment fund managers such as Idekapital. These measures include Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**"), applicable in both the EU and Norway.*

*The below paragraphs provide specific information required under the SFDR about Idekapital's policies on integration of sustainability risks in its investment decisions, whether principal adverse impacts of Idekapital's investment decisions are considered and how Idekapital's remuneration policies are consistent with the integration of sustainability risks.*

## **Transparency of Sustainability Risk Policies (SFDR Article 3)**

SFDR Article 3 requires fund managers such as Idékapital to publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.

Sustainability risks are defined in the SFDR as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment.

The assessment of sustainability risks form part of our due diligence process when screening for potential investments. We understand that companies in all sectors, including the software and artificial intelligence industry, may to some degree be exposed to sustainability risks.

As we aim to identify long-term investment opportunities, we want to invest in companies that operate in a manner conscience of their exposure to such risks. Through investing in companies that manage, mitigate and adapt to sustainability risks, we aim create long-term real value in our portfolio. This aim necessitates identifying and measuring sustainability risks potential investee companies may be exposed to, so that we reduce our exposure to unacceptable sustainability related risks. If we through this process identify sustainability risks we deem unacceptable, we will not invest in the company. This way, we aim to create a portfolio resilient enough to be able to support the transition to a more sustainable world that we believe to be essential.

## **No Consideration of Principal Adverse Impacts under SFDR Article 4**

Idekapital does at this time not consider adverse impacts ("**PAI**") of its investment decisions on sustainability factors, i.e., environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In this decision, we have taken into consideration the nature and scale of our activities. Our view is that the activities of early-phase software companies generally have a low adverse impact on sustainability factors. Therefore, we believe that our resources are better allocated to other areas, such as ongoing interaction with the management our portfolio companies to improve their sustainability profile and improve their value creation.

We will however, especially in parallel with the scaling of the companies' activities, keep our decision not to consider principal adverse impacts under SFDR article 4 under regular review, and may reevaluate the decision at a later stage.

## **Transparency of Remuneration Policies in Relation to the Integration of Sustainability Risks (SFDR Article 5)**

SFDR article 4 requires financial market participants such as Idékapital to publish on their website information on how their remuneration policies are consistent with the integration of sustainability risks.

We integrate sustainability risks in our investment strategies in order to attain our aim of creating long real value in our portfolio. In order to effectively put these strategies into practice, it is important that the persons making the investment decisions are incentivized in a way that does not counter the aim of considering sustainability risks in their management.

Therefore, a core part of our remuneration policy is that remuneration shall not encourage excessive risk taking with respect to sustainability risks, meaning that no financial incentive should be directly tied to making investment decisions that involve exposing a single company or a combined portfolio under Idékapital's management to sustainability risk deemed unacceptable.

When assessing performance to decide on variable remuneration, current and future risk, including sustainability risks, for the funds under management are taken into account.

Furthermore, we consider the effect that the remuneration scheme may have on conflicts of interest in relation to the integration of sustainability risk, including in relation to activities that involve greenwashing, incorrect presentation of investment strategies or other incorrect marketing.