

ANNEX I
 Template principal adverse sustainability impacts statement
 Table 1
 Statement on principal adverse impacts of investment decisions on sustainability factors

Product name: Nordic Impact Investments ApS
Legal entity identifier: CVR 10140870

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	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	2.9	Not available, 2023 is baseline	100% of portfolio companies covered. Using PCAF methodology for calculating GHG emissions, and basing each company's energy consumption on average energy consumption for a small enterprise in East Africa.	The Fund has become a PCAF member to align GHG emissions reporting with international standards. The Fund will continue to engage with PCAF to further enhance the estimation methodologies to improve relevance for the NIF portfolio, e.g. with an East Africa focus and distinguishing between sustainable and conventional agricultural practices.
		Scope 2 GHG emissions	0.2	Not available, 2023 is baseline	Excluding one portfolio company based in Ethiopia, given lack of access to data.	As above
		Scope 3 GHG emissions	N/A	Not available, 2023 is baseline	Scope 3 emissions data not available for any of the companies invested in. There are limitations on data available from unlisted MSMEs in East Africa	NIF will continue to contribute to scope 3 emission estimations to enable such reporting in the future.
		Total GHG emissions	3.1	Not available, 2023 is baseline		As above
	2. Carbon footprint	Carbon footprint	0.9	Not available, 2023 is baseline	100% of portfolio companies covered. Using PCAF methodology for calculating GHG emissions, and basing each company's energy consumption on average energy consumption for a small enterprise in East Africa.	As above
	3. GHG intensity of investee companies	GHG intensity of investee companies	0.5	Not available, 2023 is baseline	As above	As above
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	Not available, 2023 is baseline	NIF does not invest in companies active in the fossil fuel sector.	N/A
	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, expressed as a percentage of total energy sources	8%	Not available, 2023 is baseline	Estimated based on energy grid data for each country of investment.	NIF will work with portfolio companies to collect relevant data for the next reporting period.
	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	0.0049 GWh per million EUR	Not available, 2023 is baseline	Estimated based on average data for SMEs in East Africa with a small office.	NIF will work with portfolio companies to collect relevant data for the next reporting period.
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%	Not available, 2023 is baseline	NIF does not invest in companies negatively affecting biodiversity sensitive areas.	N/A
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	Not available, 2023 is baseline	NIF does not invest in companies that emit to water.	N/A
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	Not available, 2023 is baseline	NIF does not invest in companies with hazardous waste.	N/A

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%	Not available, 2023 is baseline	NIF does not invest in companies negatively affecting biodiversity sensitive areas.	N/A
	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%	Not available, 2023 is baseline	NIF does not invest in companies negatively affecting biodiversity sensitive areas.	N/A
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	6%	Not available, 2023 is baseline	NIF has only been able to collect data from one investee company before the reporting deadline.	NIF will work with investee companies to collect data before next reporting period.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	44%	Not available, 2023 is baseline	Currently calculated as an average of the female to male ratio in each investee company.	NIF will collect and report the ratio as a percentage of all board members for the next reporting period.

	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%	Not available, 2023 is baseline	NIF does not invest in companies negatively affecting biodiversity sensitive areas.	N/A
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Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A	NIF has not invested in sovereigns and supranationals so this indicator is not applicable.
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	N/A	N/A	N/A	NIF has not invested in sovereigns and supranationals so this indicator is not applicable.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	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	N/A	N/A	N/A	NIF has not invested in sovereigns and supranationals so this indicator is not applicable.
Energy efficiency	18. Exposure to energy inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	NIF has not invested in sovereigns and supranationals so this indicator is not applicable.

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Water, waste and material emissions	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing	0%	Not available, 2023 is baseline	NIF actively screens and work with investee companies to avoid activities that may cause land degradation, desertification or soil sealing	N/A
Human Rights	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	0%	Not available, 2023 is baseline	NIF actively screens and work with investee companies to ensure or set-up relevant policies and practices, including grievance/complaints handling mechanism related to employee matters	N/A

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

The Fund applies an exclusion list aligned with international standards and assesses potential adverse impacts of each investment opportunity to assess sustainability risks and identify appropriate mitigation measures to actively promote the avoidance of harm to environmental and/or social sustainable investment objectives.

The Fund has started to measure and monitor indicators for adverse impacts as outlined in Table 1 of Annex I and selected indicators in Tables 2 and 3 of Annex I. The Fund incorporates these indicators in the annual portfolio review. The Fund is not – at this point in time – exposed to or significantly contributing to any of the adverse impacts outlined in Annex I.

The Fund is committed to improve reporting on PAIs by working with portfolio companies to increase maturity and ability to report on the provided PAIs.

The Fund considers the risk of principle adverse impacts on sustainability factors as part of the investment process and due diligence as well as during the investment period. The Fund measures and monitors the mandatory and selected voluntary PAIs.

Engagement policies

The Fund constantly interacts with its portfolio companies to learn from them and improve their approach towards sustainability.

An extensive review is performed annually, in accordance with NIF's sustainability reporting process. Each portfolio company is assessed on environmental, social and other sustainability indicators to make sure they continue to contribute to the Fund's sustainability objective, that they do not significantly harm any objective, and that they are actively mitigating any adverse sustainability impacts. As part of the annual reporting process, NIF also works with each portfolio company on improvement plans and actions to be taken to improve their sustainability impact.

References to international standards

Nordic Impact Funds aligns its sustainability investment policies with relevant international standards. We adhere to the following internationally recognized standards for impact management and reporting:

- Sustainable Development Goals
- IFC Operating Principles for Impact Management
- Impact Norms (by Impact Frontiers, formerly IMP)
- IRIS (by the Global Impact Investing Network)
- IFC performance standards
- IFC Exclusion list
- UN PRI (United Nations Principles for Responsible Investment)
- EU Taxonomy
- 2X Global (inc. 2X Challenge Criteria)

Historical comparison

N/A, this is the first reporting.