

Website disclosures Priveq Investment VII

Summary - English

This financial product promotes environmental and social characteristics but does not have as its objective to make sustainable investments. Priveq Investment VII (the “Fund”) invests in growth companies across a wide range of sectors, with a focus on the Nordics.

The Fund promotes the following environmental and social characteristics (“E/S characteristics”):

- Diversity and gender equality
- Reduction of climate impact
- Data security and integrity
- Sustainable workplaces
- Anti-corruption and business integrity
- Exclusion of non-sustainable sectors

The binding elements of the investment strategy used to select investments to attain the Fund’s E/S characteristics, consist of three different elements:

- Exclusion list
- ESG checklist
- ESG due diligence

To monitor the fulfillment of the E/S characteristics, potential investments are screened against the Fund’s exclusion list and ESG checklist, and in the later phases an ESG due diligence is conducted. During the investment decision phase, the company’s sustainability profile is considered in the decision to pursue the investment opportunity. Post-investment and during the holding phase, data related to the Fund’s sustainability indicators are collected annually from the investee companies with the assistance of an ESG data collection software, to measure the attainment of the E/S characteristics promoted by the Fund.

From the early evaluation phase of an investment, sustainability risks are analyzed according to a predetermined checklist, which includes among other aspects good governance and a high level screening of the potential investee company’s status in relation to the E/S characteristics. A desktop analysis, combined with information gathering during meetings with the potential investee company, results in an appointed sustainability risk level of the company. This risk level is then taken into consideration in the decision to pursue the investment opportunity.

An investment decision is always preceded by an ESG due diligence assessing the company's sustainability risk profile. The decision to pursue the analysis of a prospective company through a due diligence is taken by the Board of Directors. Depending on the company at hand and the outcome of the ESG checklist assessment, sustainability experts might be hired to perform the due diligence. In the due diligence, good governance is further assessed, and a more detailed comparison of the company to the Fund’s basic requirements and the E/S characteristics of the Fund is undertaken. The result from the due diligence, including the sustainability risks identified, are included in the decision material presented to Priveq's Board of Directors prior to a final investment decision by the Fund.

In the pre-investment phase, the data to screen and assess the company stems from both external data sources, as well as company-specific internal data from the investee company. This information is then processed and analyzed by our investment managers and/or external experts.

During the ownership phase, data for the sustainability indicators is gathered directly from the respective investee companies with the help of an ESG data collection software chosen by the Fund. While it is difficult to provide an exact proportion of estimated data, the aim of the Fund is to use as little estimated data as possible.

As the Fund invests in smaller companies which might not have the necessary processes in place to obtain high quality ESG data there is a risk that the information that is gathered directly from the companies could hold some elements of error. To limit this risk, the data collected both during pre-investment and post-investment phase is taken through an internal scrutinization process and investee companies are educated on the topic of sustainability reporting. Where the data quality is deemed to be unsatisfactory external ESG consultants are used to review the data. This ensures that the existing limitations will not limit the ability to attain the E/S characteristics.

The Fund has implemented ESG guidelines for all our portfolio companies which outline our expectations on them as investee companies. This includes the requirement to have certain steering documents in place based on UN Global Compact's 10 principles, to disclose certain sustainability data and to implement an ESG strategy.

No reference benchmark has been designated for the purpose of attaining the E/S characteristics.

Summary - Swedish

Den finansiella produkten främjar miljömässiga och sociala egenskaper, men har inte som mål att göra hållbara investeringar. Priveq Investment VII ("Fonden") investerar i tillväxtföretag inom en mängd olika branscher, med ett fokus på Norden.

Fonden främjar följande miljömässiga och sociala egenskaper:

- Mångfald och jämlikhet
- Minskad klimatpåverkan
- Datasäkerhet och -integritet
- Hållbara arbetsplatser
- Anti-korruption och företagsintegritet
- Exkludering av icke-hållbara sektorer

De bindande elementen i investeringsstrategin som används för att identifiera investeringar genom vilka de sociala och miljömässiga egenskaperna kan uppnås består av tre element:

- Exkluderingslista
- ESG-checklista
- ESG-due diligence

För att kontrollera uppfyllandet av de miljömässiga och sociala egenskaperna screenas potentiella investeringar mot Fondens exkluderingslista och ESG-checklista samt i de efterföljande investeringsfaserna genomförs en due diligence. Under investeringsbeslutsfasen beaktas företagets hållbarhetsprofil av styrelsen i dess beslut att fortsätta undersöka investeringsmöjligheten. Efter investeringen genomförts och under innehavsfasen samlas årligen data in från portföljbolagen kopplat till Fondens hållbarhetsindikatorer. Detta görs med hjälp av en programvara för ESG-datainsamling för att mäta uppfyllandet av de miljömässiga och sociala egenskaper som främjas av Fonden.

Från den tidiga utvärderingsfasen av en investering analyseras hållbarhetsrisker enligt en förutbestämd checklista, som inkluderar bland annat god styrning och på övergripande nivå det potentiella bolagets status relaterat till valda sociala och miljömässiga egenskaper. En skrivbordsanalys i kombination med informationsinsamling under möten med det potentiella investeringsobjektet, resulterar i att en hållbarhetsrisknivå fastställs för företaget. Denna risknivå beaktas sedan i beslutet att fortsätta undersöka investeringsmöjligheten.

Ett investeringsbeslut föregås alltid av en ESG-due diligence som analyserar företagets riskprofil kopplat till hållbarhet. Beslutet att fortsätta analysen av ett prospektivt företag genom en due diligence fattas av styrelsen. Beroende på det aktuella företaget anlitas hållbarhetsexperter för att utföra denna due diligence. I due diligencen analyseras god styrning ytterligare och en mer detaljerad jämförelse av företaget och Fondens hållbarhetskrav och sociala och miljömässiga egenskaper genomförs. Resultatet från due diligencen, inkluderat de hållbarhetsrisker som identifieras, ingår sedan i det beslutsunderlag som presenteras för Priveqs styrelse inför ett slutgiltigt investeringsbeslut.

Data som används för att screena och bedöma företaget innan investering består både av information från externa datakällor samt företagsspecifik intern data från det potentiella investeringsobjektet. Denna information bearbetas och analyseras sedan av Fondens investeringsteam och/eller externa experter.

Under ägarfasen samlas data över hållbarhetsindikatorerna in direkt från respektive investeringsbolag genom en programvara för ESG-datainsamling. Det är svårt att tillhandahålla en exakt procentandel estimerad data, men Fondens mål är att använda så lite estimerad data som möjligt.

Eftersom Fonden investerar i mindre företag, vilka i vissa fall inte har alla nödvändiga processer på plats för att inhämta högkvalitativ ESG-data, finns en risk att den data som samlas in direkt från portföljbolagen kan innehålla vissa mindre felberäkningar. För att minska denna risk utförs en intern granskningsprocess på all insamlad data, och portföljbolagen utbildas i hållbarhetsrapportering. Om datakvaliteten bedöms som otillfredsställande används externa ESG-konsulter för att granska denna data. Detta säkerställer att de potentiella datariskerna inte kommer att begränsa möjligheten att uppnå de miljömässiga och sociala egenskaperna.

Fonden har implementerat ESG-riktlinjer för alla portföljbolag som beskriver våra förväntningar på bolagen. Detta inkluderar krav på att ha vissa styrdokument på plats som täcker UN Global Compacts tio principer, att tillhandahålla viss hållbarhetsdata samt att implementera en ESG strategi.

Inget referensindex har utsetts för att nå de miljömässiga och sociala egenskaperna.

No sustainable investment objective

This financial product promotes environmental and social characteristics but does not have as its objective to make sustainable investments.

Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics (“E/S characteristics”):

- Diversity and gender equality: the Fund aims at increasing diversity and gender equality in board and management.
- Reduction of climate impact: the Fund aims at enabling the reduction of climate impact.
- Data security and integrity: the Fund aims at ensuring data security and integrity.
- Sustainable workplaces: the Fund aims at improving workplace sustainability.
- Anti-corruption and business integrity: the Fund aims at promoting anti-corruption and business integrity.
- Exclusion of non-sustainable sectors: the Fund will not invest in companies active in sectors defined as non-sustainable by Priveq.

Investment strategy

The investment strategy of the Fund seeks to combine responsible investments and optimal financial returns. The Fund invests in growth companies across a wide range of sectors, with a focus on the Nordics. By integrating sustainability factors, such as environmental, social and corporate governance factors, into the decision making, the Fund aims at capturing the opportunities created in an evolving industrial landscape and reducing the risks from regulatory changes and altered consumer preferences.

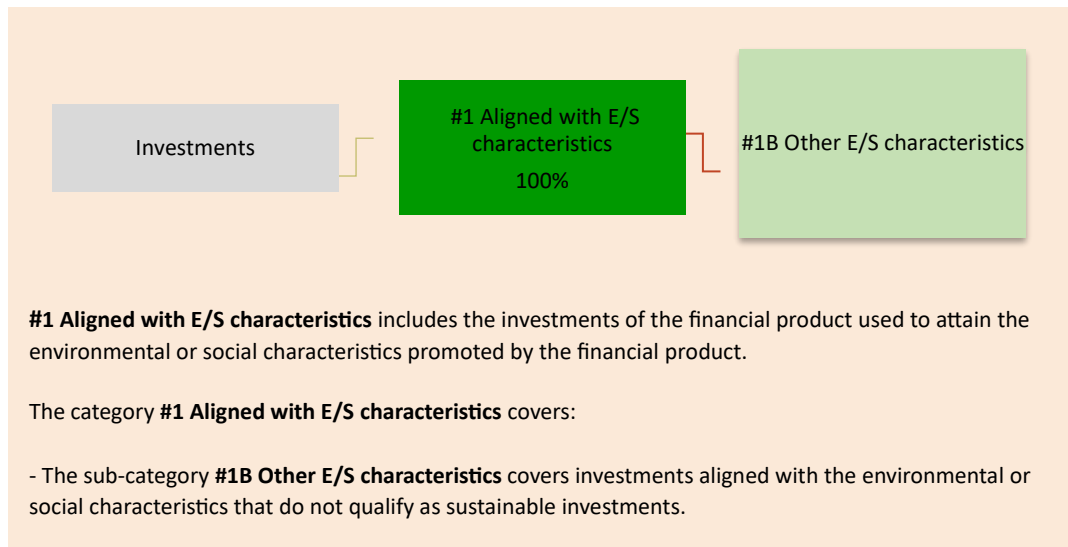
The binding elements of the investment strategy, used to select the investments to attain the E/S characteristics promoted by the Fund, consists of three elements: the ESG checklist, the ESG due diligence, and the exclusion list. Please refer to the sections below for more information about these elements.

During the pre-investment phase, the Fund ensures that every investment follows good governance practices. The investee companies’ governance practices are initially assessed through the ESG-checklist, used as part of the initial prospect PM in the early evaluation phase of a prospect company. A complementary assessment is then done during the due diligence. This assessment of good governance includes sound management structures, employee relations, remuneration of staff, and tax compliance. The Fund will only proceed with an investment if the company is considered to have good governance practices in place.

Proportion of investments

All investments of the Fund are aligned with the E/S characteristics promoted by the Fund, follow good governance practices, and are in accordance with the binding elements of the Fund’s investment strategy.

Monitoring of environmental or social characteristics



Pre-investment and during the investment phase, both positive and negative screening are used to ensure that the Fund's E/S characteristics are met. In the sourcing phase, the investment is screened against the Fund's exclusion list and ESG checklist. In the following due diligence phase, the investment is subject to an ESG due diligence conducted by Priveq or external experts to understand the company's sustainability risk profile and alignment with the E/S characteristics promoted by the Fund. The inclusion of external experts works as an external control mechanism. Due diligences are only done internally if the ESG risks can be assessed to be very limited. During the investment decision phase, the company's sustainability profile is considered by the Board of Directors in their decision to pursue the investment opportunity, thus providing an internal control mechanism.

Post-investment and during the holding phase, data related to the Fund's sustainability indicators are collected annually from the investee companies to measure the attainment of the E/S characteristics promoted by the Fund. These indicators are then analyzed by Priveq to inform the Fund management's understanding of the development of the sustainability work within the portfolio, and to ensure the Fund's E/S characteristics are attained, providing an internal control mechanism. Should the indicators show dissatisfactory levels or trends, Priveq analyzes the cause of this, and initiates a discussion with the relevant investee companies to ensure that appropriate actions are taken. The external platform used to collect the sustainability data works as an external control mechanism ensuring the collection of all relevant data.

Methodologies

In the pre-investment phase, Priveq screens and assesses the prospective investments using the Fund's binding elements to select investments attaining the E/S characteristics. The binding elements of the investment strategy consist of three different elements:

- Exclusion list: The Fund's exclusion list defines a number of non-sustainable sectors. The Fund does not invest in companies which are covered by the exclusion list. That is, companies with significant operations within weapons, betting, tobacco, alcohol,

recreational drugs or pornography. Additionally, the Fund does not invest in companies that have a major negative impact on the environment.

- ESG checklist: The ESG checklist is a part of the early evaluation phase and includes among other parts analysis of the industry, geography, and sustainability management of the company. The checklist also covers a high level screening of the potential investee company's status in relation to the E/S characteristics promoted by the Fund.
- ESG due diligence: The ESG due diligence assesses the company's sustainability risk profile, as well as analyzes in more depth the prospective investment's alignment with the E/S characteristics promoted by the Fund.

During the post-investment phase, the Fund collects data for the sustainability indicators annually directly from the respective investee companies with the help of an ESG data collection software. The following sustainability indicators are used to measure the attainment of the E/S characteristics promoted by the Fund:

- Diversity and gender equality:
 - Board gender diversity
 - Management team gender diversity
 - Gender equality and diversity policy in place
- Reduction of climate impact:
 - GHG intensity
 - ESG strategy in place including carbon emission reduction initiatives
- Data security and integrity
 - Information/data security policy in place
 - Number of data breaches
- Sustainable workplaces:
 - Health and safety policy in place
 - Sick leave
 - Number of workplace injuries
- Anti-corruption and business integrity
 - Anti-corruption policy in place
 - Number of anti-corruption incidents
- Exclusion of non-sustainable sectors
 - Number of investee companies active in sectors listed on Priveq's exclusion list.

Data sources and processing

During the pre-investment phase, the data to screen and assess the company stems from both external data sources, as well as company-specific internal data from the investee company. Priveq gathers data directly from the potential investee company through getting access to internal documents, and through performing interviews with relevant executives and employees at the company. To complement this internal view, external data sources used are for example Transparency International, Human Development Index, Environmental Performance Index, SP Global ESG Risk Atlas, Corp Watch and SASB. This information is then processed and analyzed by our investment managers and/or external experts.

During the ownership phase, data for the sustainability indicators is gathered directly from the respective investee companies with the help of an ESG data collection software chosen by the Fund.

This data is then processed and analyzed by the Fund, to identify trends in the data to be used to further specify action plans going forward.

While it is difficult to provide an exact proportion of estimated data as it may vary on a case-by-case basis, the aim of the Fund is to use as little estimated data as possible. In the pre-investment phase, this is enabled by hiring sustainability experts in cases where the data quality provided by the company is deemed unsatisfactory. In the post-investment phase, this is enabled by close interaction between the Fund as owners and the portfolio companies, providing the possibility to promote such data standards.

Limitations to methodologies and data

As the Fund invests in smaller companies which might not have the necessary processes in place to provide high quality ESG data there is a risk that the information gathered directly from the companies hold some elements of error due to the used measuring techniques by the investee companies, or a failure of collecting all relevant data. To limit this risk, the data collected both during pre-investment and post-investment phase is scrutinized and compared with our knowledge of the company, and in instances where the data quality is deemed to be unsatisfactory external ESG consultants are used to review the data. Priveq supports the investee companies through a continuous dialogue to ensure that the required data can be delivered. Additionally, we have created a process of internal correction to identify irregularities in data and act on these. Priveq is also arranging webinars with sustainability experts on the topic of sustainability reporting for all our investee companies to participate in, to further improve the level of reporting. The actions taken to decrease the limitations ensure that the existing limitations will not limit the ability to attain the E/S characteristics.

Due diligence

When evaluating possible investments to be made by the Fund, the Fund takes into account the target companies' values, principles and its business operations. From the early evaluation phase sustainability risks are analyzed according to a predetermined checklist, which includes among other parts industry, geographical location, sustainability management, good governance and also the alignment with the E/S characteristics. A complementary assessment of good governance is then done during the due diligence. If the company passes this assessment, it is further examined. In the initial prospect PM, the investment team conducts a desktop analysis, combined with information gathering during meetings with the potential investee company. The result is an assessment of the sustainability risk level of the company and its overall ESG maturity. An initial risk level is then appointed to the company within these areas. This risk level is then taken into consideration in the decision to pursue the investment opportunity.

An investment decision is always preceded by an ESG due diligence assessing the company's sustainability risk profile. The decision to pursue the analysis of a prospective company through a due diligence is taken by the Board of Directors. The Board of Directors thus work as an internal control mechanism, and their approval is required for the company to be evaluated further. In the due diligence, good governance is further assessed, and a more detailed comparison of the company to the Fund's basic requirements and the E/S characteristics of the Fund is undertaken. Depending on the complexity of the industry, the nature of the company, and the potential risks, sustainability experts are hired to perform the due diligence, effectively working as an external control mechanism. Internal and external documents are analyzed and the review is complemented by interview(s) with the company. The interview(s) cover(s) environmental and social aspects, as well as governance. The outcome of the due diligence, including the sustainability risks identified is included in the decision material presented to Priveq's Board of Directors prior to a final investment decision by the Fund.

Engagement policies

Priveq has implemented ESG guidelines, which outline its expectations of the Fund's investee companies. These guidelines include the requirement for the companies to have certain steering documents in place, but also cover the topic of monitoring. The ESG guidelines require the Fund's investee companies to disclose sustainability data to the Fund on a regular basis, including the principal adverse impact indicators on sustainability factors and the Fund's sustainability indicators.

The ESG guidelines also require the investee companies to create and implement additional policies connected to their ESG efforts. These are:

- Code of conduct
 - o The code of conduct should be based on the UN Global Compact's 10 principles including human rights, work environment, environmental impact and anti-corruption.
- Supplier code of conduct
 - o This supplier code of conduct should also be based on the UN Global Compact's 10 principles.
- A whistleblower function
 - o A process for handling whistleblowing matters should be in place.

Additionally, the ESG Guidelines requires all portfolio companies to put in place procedures for reporting incidents. This relates both to incidents being reported through a communication channel within the company, as well as Priveq is being notified at occurrence should there be any material incidents such as physical accidents, corruption or other occurrences which could imply a risk to an individual, the company or the public. This management procedure strengthens the ability to handle potential sustainability-related controversies.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the E/S characteristics.