

Statement on principal adverse impacts of investment decisions on sustainability factors

Pursuant to Article 4 of Regulation (EU) 2019/2088 ("SFDR") and Annex I of the Regulatory Technical Standards (the "RTS")

Financial market participant: Hadean Ventures AS and HVentures AB

Legal entity identifier: Hadean Ventures LEI 984500D6F6E6FE0V5F90 – LEI is not issued for HVentures AB

Summary

Hadean Ventures AS (LEI 984500D6F6E6FE0V5F90) and *HVentures AB* (LEI not issued) (Collectively referred to as "*Hadean*" or "*the Manager*") consider principal adverse impacts (PAIs) of their investment decisions on sustainability factors. The present statement is the consolidated statement on PAIs on sustainability factors for Hadean.

This statement on PAIs on sustainability factors covers the reference period from 1 January to 31 December 2023. We will report this information on an annual basis. Information compared to the previous year will be initially reported by 30 June 2025, and thereafter on an annual basis.

The Manager considers the following indicators:

- The 14 mandatory environmental, social and governance indicators
- Investments in companies without carbon emission reduction initiatives
- Number of days lost to injuries, accidents, fatalities or illness

The indicators are set out in Table 1-3 of this statement, along with the percentage of companies that have reported information, the quality of that information, and a description of actions taken, actions planned, and targets set to avoid or reduce the PAIs of our investments. This statement also provides information on Hadean's policies to identify and prioritize PAIs on sustainability factors, engagement activities and references to international standards. Hadean only has direct investments and data is mainly reported directly by the portfolio companies, supported by external service providers. If data is missing, we may use estimates. It is important to consider that the data may contain margins of error, which can vary depending on the specific indicator being measured.

In general, Hadean's portfolio companies, which are characterized by early-stage R&D companies within healthcare and life sciences, have no or limited production and operate within well-regulated countries in the Western hemisphere, mainly the Nordics. As a result, they have a quite limited potential for adverse sustainability impacts. Nevertheless, we consider it important to reduce any adverse impacts and identify areas where we can positively influence the portfolio companies. We have identified hazardous waste as the principal adverse environmental impact and gender balance as the principal adverse social impact where we will prioritize our efforts. Additionally, given that climate change poses a significant threat to society, the companies' carbon footprints are also identified as an adverse impact. We will reevaluate this assessment annually.

Sammendrag

Hadean Ventures AS (LEI 984500D6F6E6FE0V5F90) and HVentures AB (LEI not issued) (Referert til som "Hadean" eller "the Manager") tar hensyn til de viktigste negative påvirkninger på bærekraftsfaktorer, kjent som «Principal Adverse Impact Indicators» (PAI-indikatorer) knyttet til våre investeringer. Dette er den konsoliderte erklæringen om negative påvirkninger på bærekraftsfaktorer for Hadean.

Erklæringen gjelder for referanseperioden fra 1. januar til 31. desember 2023, og vil oppdateres årlig. Informasjon sammenlignet med tidligere referanseperioder vil rapporteres for første gang innen 30. juni 2025, og årlig deretter.

Hadean tar hensyn til følgende indikatorer:

- De 14 obligatoriske miljømessige, sosiale og styringsmessige indikatorene
- Investeringer i selskaper uten initiativer for redusere klimautslipp
- Antall dager tapt på grunn av arbeidsrelaterte skader, ulykker, dødsfall eller dårlig helse

Indikatorene nevnt ovenfor rapporteres om i Tabell 1-3 i denne erklæringen, sammen med prosentandelen selskaper som har rapportert informasjon, kvaliteten på informasjonen, og en beskrivelse av tiltak, planlagte tiltak og mål for å unngå eller redusere de negative påvirkningene av våre investeringer. Erklæringen gir også informasjon om Hadeans retningslinjer for å identifisere og prioritere PAI, bruk av eierskapsutøvelse, og referanser til internasjonale standarder. Hadean investerer kun direkte i selskaper, og data rapporteres hovedsakelig direkte av porteføljeselskapene ved hjelp av en ekstern tjenesteleverandør. Ved behov brukes også estimater. Det er viktig å være oppmerksom på at dataene som presenteres kan inneholde feil, og at disse kan variere avhengig av den spesifikke indikatoren som måles.

Hadeans porteføljeselskaper kjennetegnes av å drive med tidlig fase R&D innen helse og livsvitenskap, med ingen eller begrenset produksjon. De opererer i svært regulerte land på den vestlige halvkule, hovedsakelig i Norden. Som et resultat er deres negative påvirkning på bærekraftsfaktorer ansett å være begrenset. Likevel anser vi det som viktig å redusere negativ påvirkning der det er relevant, samt identifisere områder der vi kan påvirke selskapene positivt. Vi har identifisert farlig avfall som den viktigste negative miljøpåvirkningen og kjønnsbalanse som den viktigste negative sosiale påvirkningen. I tillegg, på bakgrunn av at klimaendringer representerer en betydelig utfordring for samfunnet, har vi identifisert selskapenes fotavtrykk som en negativ påvirkning. Vi vil årlig revidere denne vurderingen.

Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Data coverage	Data quality	Action taken, action planned and targets set for the next reference period
Greenhouse gas emissions						
1. GHG emissions	Scope 1 GHG emissions	3.77 tCO ₂ e	N/A	100%	13% reported directly by portfolio companies, 87% estimated	In 2023, we initiated our first assessment of GHG emissions by asking portfolio companies to provide emissions data in our annual ESG questionnaire. For companies that did not have this data available, we performed estimates based on location, FTEs, and sector. Moving forward, Hadean's objective is to raise awareness among our investees and ensure that all portfolio companies have implemented initiatives to reduce emissions.
	Scope 2 GHG emissions	3.04 tCO ₂ e	N/A	100%	20% reported directly by portfolio companies, 80% estimated	
	Scope 3 GHG emissions	91.6 tCO ₂ e	N/A	100%	20% reported directly by portfolio companies, 80% estimated	
	Total GHG emissions	98.4 tCO ₂ e	N/A	100%	27% reported directly, 73% estimated	
2. Carbon footprint	Carbon footprint	tCO ₂ e/M€	N/A	100%	27% reported directly, 73% estimated	
3. GHG intensity of investee companies	GHG intensity of investee companies	tCO ₂ e/M€	N/A	100%	27% reported directly, 73% estimated	
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	N/A	100%	N/A	Hadean has no investments active in the fossil fuel sector.
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	0%	N/A	100%	The data is self-reported by the portfolio companies. All portfolio companies reported this indicator as "Not Applicable".	Hadean has no actions or targets associated with this indicator.

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 MWh/€M	N/A	100%	N/A	Hadean has no investments in high impact climate sectors.
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%	N/A	100%	The data is self-reported by the portfolio companies. All portfolio companies reported this indicator as "Not Applicable".	Hadean has no actions or targets associated with this indicator.
Water							
8.	Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 ton/€M	N/A	100%	The data is self-reported by the portfolio companies. Two portfolio companies reported this indicator as "Not Applicable".	Hadean has no actions or targets associated with this indicator.
Waste							
9.	Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 ton/€M	N/A	67%	The data is self-reported by the portfolio companies. Five portfolio companies reported this indicator as "Not Available".	While the total amount of hazardous and radioactive waste generated by portfolio companies is low, Hadean's goal is to minimize production. Hadean aims to assist companies that have not yet provided data in obtaining an overview of their hazardous and radioactive waste. Additionally, Hadean will work with portfolio companies to establish proper substitution policies and procedures for waste handling where relevant.
Social and employee matters							
10.	Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	N/A	87%	The data is self-reported by the portfolio companies. Two portfolio companies reported this indicator as "Not Available".	Hadean aims to avoid investing in companies associated with significant or ongoing breaches. If breaches.

Enterprises						
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	100%	N/A	100%	The data is self-reported by the portfolio companies.	Hadean will collaborate with our portfolio companies to implement governance policies aligned with international standards.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	28%	N/A	75%	The data is self-reported by the portfolio companies. Four portfolio companies reported this indicator as "Not Available".	Headen will work with its portfolio companies to establish fair compensation policies and fostering cultures of equality. The goal is to minimize the gap.
13. Board gender diversity	Average ratio of female to male board members in investee companies expressed as a percentage of all board members	23%	N/A	100%	The data is self-reported by the portfolio companies.	The goal is to increase board diversity, by focusing on diversity and equal opportunities in recruitment processes.
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%	N/A	100%	The data is self-reported by the portfolio companies.	Hadean has no actions or targets associated with this indicator, as no company is exposed to controversial weapons.
Additional indicators						
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	35%	N/A	100%	The data is self-reported by the portfolio companies.	Hadean's objective is to ensure that all portfolio companies have implement initiatives to reduce emissions by working with the companies that currently lack such initiatives.

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.	29	N/A	87%	The data is self-reported by the portfolio companies. Two portfolio companies reported this indicator as "Not Available".	Hadean will work with our portfolio companies to establish robust workplace health and safety measures and policies. The goal is to minimize this number while fostering cultures that prioritizes employee well-being.
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Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Hadean considers the fourteen mandatory adverse sustainability indicators and two additional indicators defined by the Sustainable Finance Disclosure Regulation (SFDR). The additional indicators have been selected based on relevance in terms of industry and size. Hadean collects data on sustainability indicators from its portfolio companies on an annual basis, including, but not limited to, the adverse indicators listed in the table above. The Manager will reevaluate the scope of PAI indicators at least once per year with the aim of identifying the most relevant indicators.

The assessment of principal adverse impacts is among other things based on the indicators set out in the table above. However, sustainability factors, i.e. environmental, social, governance (ESG) matters, are integral to Hadean's investment process:

- **The sourcing phase:** All investments must align with Hadean's investment strategy and overarching goal - *solving global medical challenges, contributing to better health and increased wellbeing* - and address an unmet medical need. If an investment does not meet this criterion, it is rejected.
- **The due diligence phase:** The investment team conducts ESG due diligence for all potential investments by requiring companies to complete Hadean's ESG questionnaire, which includes selected PAI indicators. If companies are unable to answer all questions due to inherent limitations associated with early-stage companies, we engage in discussions with company representatives and third-party experts. The findings are then summarized and presented to the investment committee. All investments are subject to approval by both the internal investment committee and the compliance committee. As such, the Fund Manager closely monitors adherence to the investment strategy and our policies prior to making any investment decision.
- **The ownership phase:** As an active owner, we conduct annual ESG reviews and work with each portfolio company to improve their sustainability efforts through engagement. Additional details about our engagement activities are provided in the "Engagement policies" section below.

Hadean has partnered with Apiday, an external service and data provider, to streamline the collection and management of ESG and PAI data. Leveraging Apiday's software solution, both Hadean and our portfolio companies can efficiently gather and report on PAI and other sustainability indicators. This data is directly reported by the portfolio companies through Apiday's solution. However, due to inherent limitations associated with early-stage companies, providing the data can be challenging. The portfolio companies have the option to select "Not applicable" or/either "Not available" when providing the data. If a portfolio company reports an indicator as "Not applicable," Hadean will assume that the indicator is non-material and does not contribute to the corresponding PAI indicator. In cases where data is reported as "Not available," Hadean cannot provide the information and may resort to using estimates or making reasonable assumptions, in cooperation with Apiday or external experts. We acknowledge that this approach may result in a certain margin of error, information gaps and inaccuracies in the reporting. In any case, such limitations will be communicated with full transparency, by disclosing both the data coverage – i.e., the percentage of companies for which we have data - and the quality of that information, alongside the reported impacts. Data reported to the Fund is aggregated to provide portfolio level data.

Policies and procedures to identify, prioritize and avoid principal adverse sustainability impacts of its investments is outlined in Hadean Venture's ESG Policy and

SOP, and is ultimately the responsibility of the Board of the Manager. Hadean will continue to evolve and refine the approach to identifying and prioritizing PAIs of investments. The policy was last revised in March 2024.

Engagement policies

Hadean engages with its portfolio companies as part of its active ownership approach. Hadean strongly believes that by engaging with investee companies, significant adverse impacts can be avoided, positive change can be contributed, and investment results can be improved. Key aspects of Hadean's engagement include:

- **Data collection and monitoring:** We collect ESG data (including PAI indicators) and monitor progress at least annually. Hadean is committed to supporting portfolio companies with access to experts, tools and resources including support with implementing internal governance mechanisms and policy frameworks to ensure effective oversight. The aim is to gradually increase overall ESG consciousness and knowledge.
- **Board participation and voting:** In cases where we hold a Board seat, we formally express approval or disapproval by voting on resolutions and propose shareholder resolutions on specific ESG considerations.
- **Dialogue and cooperation:** Based on the company's ESG performance, we provide feedback and suggest improvements on material ESG matters. When necessary, we cooperate with other shareholders to exert influence over how ESG issues should be considered by the portfolio company.
- **Management of conflicts of interest:** We identify, manage and, where necessary, prohibit any action or transaction that could pose a conflict between the portfolio manager and the portfolio company. Hadean strives to manage any conflicts in a manner consistent with the highest standards of integrity.

For engagement activities that are conducted in response to an incident or where we have identified an actual or potential adverse impact, portfolio companies will be given the opportunity and support to improve. The main objective of our engagement activities is to reduce the principal adverse impacts of our investments and foster positive change in the operations of our portfolio companies. However, if there is no willingness to mitigate principal adverse impacts, insufficient progress over time, or repeated violations, the ultimate consequence may be divestment from the investment.

References to international standards

Hadean's and the Fund's commitments to ESG are anchored in the following international standards and guidelines:

- Principles for Responsible Investments (PRI)
- The United Nations Sustainable Development Goals (SDGs)
- The Ten Principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The Greenhouse Gas Protocol

To measure adherence to the standards, we use the PAI indicators and specific sustainability indicators, which can be found in the respective website disclosures for each fund. For a description of the methodology and data used, please refer to the section on policies to identify and prioritize principal adverse impacts above, as well as the fund specific documents.

In addition to the listed standards above, we have participated in and organized several events to promote diversity, in collaboration with Level20 and the Women in Finance Charter.

Regarding alignment with the Paris Agreement, we have included a PAI indicator that tracks the share of investments in investee companies without carbon emission reduction initiatives. The Manager and the Fund work closely with our portfolio companies to contribute positively to climate change mitigation by monitoring and encouraging such efforts. Moving forward, we will focus more on setting specific targets. Currently, the Manager and the Fund do not develop forward-looking climate change scenarios due to insufficient resources and because climate risk is generally considered low, given the sector and early-stage nature of the companies.

Historical comparison

Hadean will report on PAI indicators for the first time in June 2024 for FY 2023. The first historical comparison will be presented in the PAI statement, provided no later than June 2025 for FY 2024.