



Brussels, 31.10.2022  
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ANNEXES 1 to 4

## ANNEXES

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**COMMISSION DELEGATED REGULATION (EU) .../...**

**amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities**

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Credo II**

Legal entity identifier: **826 434 392**

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> <b>Yes</b></p> <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: ___%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective</b>: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund focuses on four sustainability topics founded on four of the UN Sustainable Development Goals.

- Energy - Stop climate change (SDG 13)

- Raw material, i.e. responsible consumption and production (SDG 12)
- People, equality and diversity (SDG 5)
- Sustainable economic growth (SDG 8)

Each portfolio company must develop a sustainability strategy integrated with the business strategy, and define, measure and report on company specific sustainability Key Performance Indicators included in their integrated management reporting.

The sustainability KPIs are followed up by the the company board, and through active engagement by our investment teams.

The fund has defined the following common sustainability KPIs to be monitored across the portfolio.

Environmental objectives:

Climate Change Mitigation

1. Carbon efficiency (Emissions/revenue)

Social objectives:

Gender Equality (Balance)

2. % female employees

● ***How did the sustainability indicators perform?***

1. Carbon efficiency: 14.5 M tons/MNOK
2. % Female employees: 32 %

● ***...and compared to previous periods?***

1. Carbon efficiency: change over previous year: -41%
2. %Female employees: change over previous year: +10%

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The intention is that most of the investments will be aligned against one or more of the environmental and/or social characteristics outlined above.

The investment policy does not include a minimum proportion.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

All the fund's investments must comply with a minimum standards on environmental and social objectives.

— — — *How were the indicators for adverse impacts on sustainability factors taken into account?*

Credo does not consider any adverse impacts of its investment decisions on sustainability factors. The reason for this is that it considers its existing ESG policies and procedures to be appropriate, proportional and tailored to the investment strategies of its funds. Credo does not collect all information needed from its portfolio companies in order to disclose adverse impacts on investment decisions in full. Credo intends to make a new assessment in due course.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

All the fund's investments complies with the Norwegian transparency act on fundamental human rights and decent working conditions, that are aligned with the OECD guidelines.



**How did this financial product consider principal adverse impacts on sustainability factors?**

Credo does not consider any adverse impacts of its investment decisions on sustainability factors. The reason for this is that it considers its existing ESG policies and procedures to be appropriate, proportional and tailored to the investment strategies of its funds. Credo does not collect all information needed from its portfolio companies in order to disclose adverse impacts on investment decisions in full. Credo intends to make a new assessment in due course.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
<i>Mova</i>	<i>Fitness centre group</i>	<i>25%</i>	<i>Norway</i>
<i>Vivify</i>	<i>Specialised construction activities</i>	<i>20%</i>	<i>Norway</i>
<i>Evidi</i>	<i>Information and communication</i>	<i>25%</i>	<i>Norway</i>
<i>Koble</i>	<i>Electrical installation</i>	<i>22%</i>	<i>Denmark</i>
<i>Q-light</i>	<i>Lightning products</i>	<i>9%</i>	<i>Norway</i>

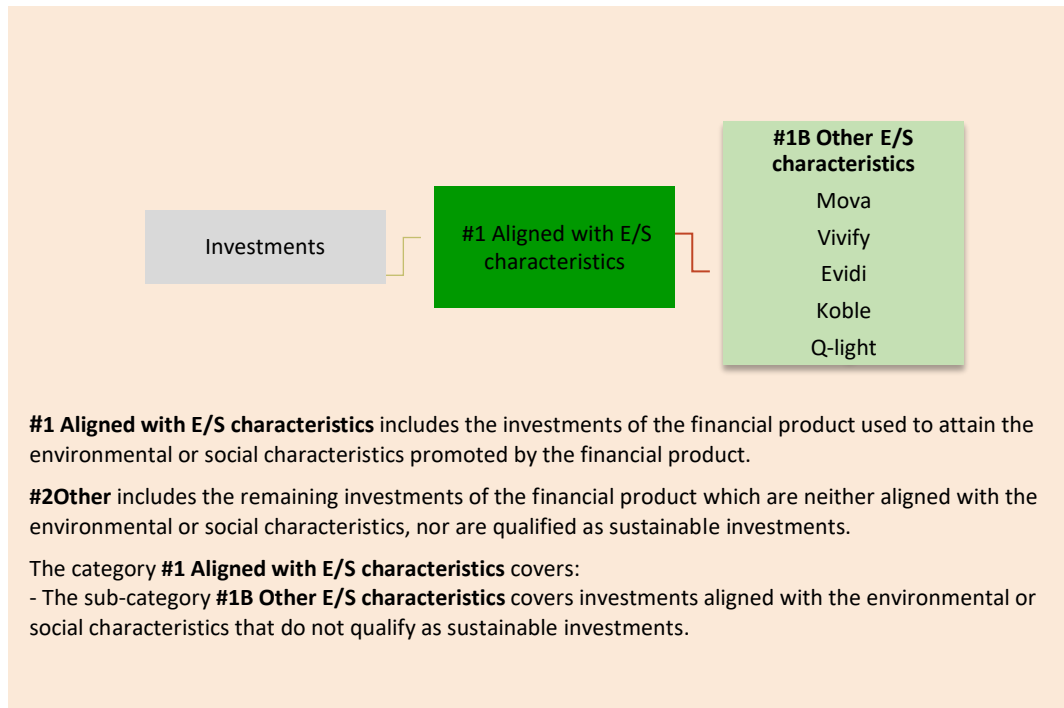
### What was the proportion of sustainability-related investments?

The fund has 0% sustainability-related investments



### ● What was the asset allocation?

100% in private equity investments



● ***In which economic sectors were the investments made?***

Business services, Industrials, Consumer



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

There are no sustainable investments aligned with the EU Taxonomy

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

**No**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***What was the share of investments made in transitional and enabling activities?***

0% in transitional and enabling activities

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

Not applicable (See explanations above)



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

100% of the investments are aligned with Credo's other environmental objectives.



**What was the share of socially sustainable investments?**

100% of the investments are aligned with Credo's social objectives.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Not applicable



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

- Included ESG risks and opportunities in investment screening
- Pre-investment ESG due diligence and assessment of company specific ESG opportunities
- Developed and implemented company specific ESG-strategies
- The board of directors in each portfolio company being responsible for implementation of Credo's minimum responsible investment requirements, including:
  - Compliance with relevant local and international environmental conventions and legislations.
  - Fair treatment of all employees and contractors including respect for international labor and human rights standards, safe and healthy working conditions, avoidance

of discrimination or harassment, responsible labor management and no tolerance for child labor.

- iii. Compliance with relevant anti-corruption laws and regulations.
  - iv. High standards of business ethics and work against corruption in all its forms, including extortion and bribery.
  - v. Compliance with applicable antitrust and competition laws.
  - vi. Each portfolio company shall commit to contributing substantially to at least two UN SDGs.
- e) Implemented portfolio wide tools to facilitate annual reporting to investors on ESG progress



**How did this financial product perform compared to the reference benchmark?**

Emission intensity on a par with MSCI all country world index.