

# Sustainability-related disclosures

This website disclosure is made in accordance with the EU Disclosure Regulation (2019/2088) regarding sustainability-related disclosures in the financial sector (the “**SFDR**”) and its Delegated Regulation 2022/1288.

## LV II Conopus AB

Legal entity identifier: N/A

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### a) Summary

Luminar Ventures Management Company AB (the “**Manager**”) considers LV II Conopus AB (the “**Fund**”) an article 8-type fund under the SFDR, meaning that the Fund promotes, amongst other characteristics, environmental or social characteristics and that the companies in which investments are made follow good corporate governance practices.

#### No sustainable investment objective

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

#### Environmental or social characteristics of the financial product

The environmental and social characteristics are the following:

- The Fund will only make investments in companies that pass the ESG and SDG screening criterias in the due diligence phase.
- The fund will only make investments in companies that commit to a sustainability onboarding workshop.
- The fund will only make investments in companies that contractually commit to annual reporting and strategy considering metrics mentioned further below in the document
- The fund will invest a minimum of its capital in companies that, according to Luminar’s internal sustainability analysis, has a positive impact on at least one of the six areas mentioned further below in the document.
- Exclusion of companies based on exclusion list provided further below in the document.

#### Investment strategy

The Fund primary focus is to invest in technology driven, early-stage SMEs, with high global growth potential. Sector focuses will include ICT, e-commerce, industry disruptors, SaaS for B2B and B2C, IOT, smart energy and other emerging and enabling technologies such as AI, machine learning, VR and AR.

The majority of the portfolio companies must meet the following criteria:

- Technology-based
- Significant growth potential
- Scalability
- Ambitious team of entrepreneurs
- All E/S characteristics mentioned above

### Proportion of investments

100% promotes E/S characteristics.

### Monitoring of environmental or social characteristics

The focus shall be on follow-up of the Fund's portfolio companies and how they take sustainability into consideration. Such close follow-up enables the Fund to analyze and influence the companies included in the portfolio. Concrete monitoring includes:

- Annual reporting on sustainability metrics. Described more in depth under point (f).
- Monthly financial and diversity reporting
- Annual evaluation of good governance, including ethical matters and responsible operations, conducted via screening and continuous feedback via active portfolio engagement and board meetings.

### Methodologies, data sources and processing and limitations to methodologies and data

The Manager's applied methodologies to measure how the environmental and social characteristics promoted by the Fund are met are described below.

- The pre-investment analysis of the potential portfolio company includes an assessment of how the company meets the social and environmental characteristics set out above, including any sustainability risks.
- Post-investment, the Fund will work towards obtaining the following ESG information with the following tools;
  - The mentioned above ESG metrics via Rundit and carbon footprint via Normative Business Carbon Calculator; and
  - the status of key criteria of good governance; sound management structures, employee relations, staff remuneration and tax compliance via annual screening process based of financial reporting, ESG reporting, and complementary reporting in Typeform, as well as continuous board work.

The main source of data used to attain the environmental and social characteristics is primary data from the portfolio companies. However, since the data used to attain the promoted characteristics are supplied by the portfolio companies, the quality of the data provided cannot be guaranteed to be fully complete and accurate. Other data sources are used to supplement, verify and ensure data quality of the information provided by the portfolio companies, as well as an active engagement and close collaboration with key people at the companies.

### Due diligence

Sustainability factors are integrated into the due diligence process as follows:

- The portfolio companies are screened based on an ESG questionnaire securing ethical matters and responsible operations.
- Assessment of the potential portfolio company's compliance with the key criteria of good governance
- Assessment of potential portfolio company's compliance with the funds exclusion list

### Engagement policies

The Fund aims to take an active ownership role by working through the board of directors of each portfolio company (as board member, observer, or advisor).

### Designated reference benchmark

No index has been designated as a reference benchmark.

**b) No sustainable investment objective**

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

**c) Environmental or social characteristics of the Fund**

The environmental and social characteristics are the following:

- The Fund will only make investments in companies that pass the ESG and SDG screening criteria's in the due diligence phase.
- The fund will only make investments in companies that commit to a sustainability onboarding workshop.
- The fund will only make investments in companies that contractually commit to annual reporting and strategy considering the following metrics;
  - Three KPIs linked to relevant UN SDGs
  - Carbon footprint, ie CO2-emissions per company
  - Employee NPS
  - Diversity
    - % of women in founding team
    - % of women in full organization
    - % women in management team
- Including ESG risks and opportunities in investment screenings. Evaluating ESG factors is integral to the investment screening process.
- The fund will invest a minimum of its capital in companies that, according to Luminar's internal sustainability analysis, has a positive impact on at least one of the following six areas, 1) limiting climate change, 2) climate change adaptation, 3) sustainable use and protection of water and marine resources, 4) transition to a circular economy, 5) prevention and control of pollution, and 6) protection and restoration of biodiversity and ecosystems.
- Exclusion of companies based on the following exclusion list:

In furtherance of the foregoing, and with particular aim on furthering sustainable investing, the Company shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities whose business activity consists of:

- a) The decommissioning or the construction of nuclear power stations;
- b) Investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
- c) The manufacturing, processing and marketing of tobacco and tobacco products;
- d) Undertakings in difficulty, as defined under European Union State aid rules;
- e) Investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact;
- f) The share of an investment that is dedicated to the purchase of land cannot exceed 10% of the principal amount;
- g) The investment shall not be used to pre-finance a grant;
- h) The investment shall not be affected by an irregularity or a fraud;
- i) Activities within exploration and extraction of fossil fuels.

The Company shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

- a) whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Company or the relevant company or entity, including without limitation, human cloning for reproduction purposes; or
- b) which substantially focus on the financing of:

- (i) the production of and trade in tobacco and distilled alcoholic beverages and related products;
- (ii) the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- (iii) casinos and equivalent enterprises;
- (iv) the research, development or technical applications relating to electronic data programs or solutions, which
  - a. aim specifically at:
    - supporting any activity referred to under items (i) to (iv) above;
    - internet gambling and online casinos; or
    - pornography,
  - or
  - b. are intended to enable to illegally:
    - enter into electronic data networks; or
    - download electronic data.
- (v) fossil fuel-based energy production and related activities, as follows:
  - a. Coal mining, processing, transport and storage;
  - b. Oil exploration & production, refining, transport, distribution and storage;
  - c. Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
  - d. Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO2e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.
- (vi) energy-intensive and/or high CO2-emitting industries, as follows:
  - a. Manufacture of other inorganic basic chemicals (NACE 20.13);
  - b. Manufacture of other organic basic chemicals (NACE 20.14);
  - c. Manufacture of fertilizers and nitrogen compounds (NACE 20.15);
  - d. Manufacture of plastics in primary forms (NACE 20.16);
  - e. Manufacture of cement (NACE 23.51);
  - f. Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10);
  - g. Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20);
  - h. Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34);
  - i. Aluminum production (NACE 24.42);
  - j. Manufacture of conventionally fueled aircraft and related machinery conventionally fueled.
  - k. Conventionally fueled air transport and airports and service activities incidental to conventionally fueled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23); or

c) Notwithstanding the above, investments in industries mentioned in section (vi) items a) – k) included, shall be allowed if Luminar Management confirms that the specific final recipient transaction either (i) qualifies as environmentally sustainable investments as defined in the “EU taxonomy for sustainable activities” (Regulation (EU) 2020/852, as amended from time to time) as supplemented by the technical criteria established under the “EU Taxonomy Delegated Acts” (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, as amended from time to time, respectively), or (ii) is eligible under EIF’s Climate Action & Environmental Sustainability (CA&ES) criteria for green financing .

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (GMOs), the Company shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

#### d) Investment strategy

The Fund primary focus is to invest in technology driven, early-stage SMEs, with high global growth potential. Sector focuses will include ICT, e-commerce, industry disruptors, SaaS for B2B and B2C, IOT, smart energy and other emerging and enabling technologies such as AI, machine learning, VR and AR.

The majority of the portfolio companies must meet the following criteria:

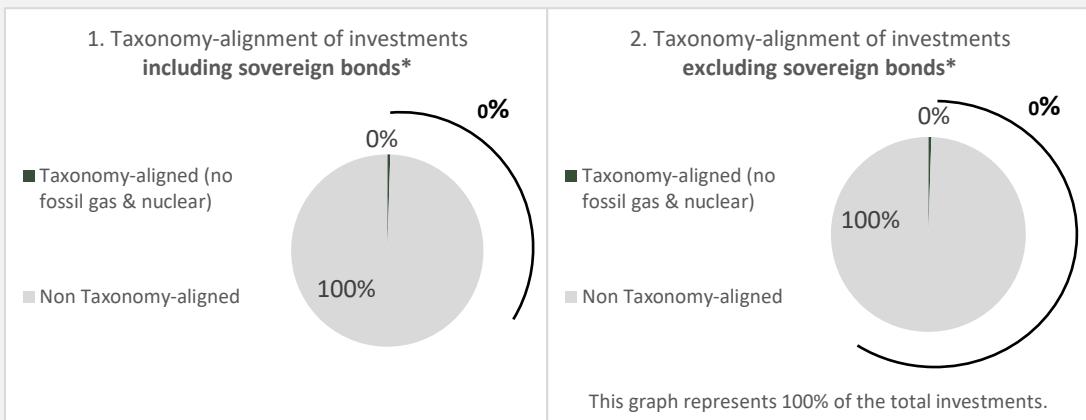
- Technology-based
- Significant growth potential
- Scalability
- Ambitious team of entrepreneurs
- All E/S characteristics, including;
  - Passing the ESG and SDG screening criteria's in the due diligence phase.
  - Committing to a sustainability onboarding workshop.
  - Committing to annual reporting and strategy considering the following metrics;
    - Three KPIs linked to relevant UN SDGs
    - Carbon footprint, i.e. CO2-emissions per company
    - Employee NPS
    - Diversity
      - % of women in founding team
      - % of women in full organization
      - % women in management team
  - Including ESG risks and opportunities in investment screenings. Evaluating ESG factors is integral to the investment screening process.
- Exclusion of companies based on the funds exclusion list

e) Proportion of investments

Does this financial product have a sustainable investment objective?			
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes		<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> No	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <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>		<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <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>	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>		<input checked="" type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments.</b>	

Asset allocation	
<pre> graph LR     Investments[Investments] --&gt; Aligned["#1 Aligned with E/S characteristics 100%"]     Investments --&gt; Other["#2 Other 0%"]   </pre>	<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

## f) Monitoring of environmental or social characteristics

Monitoring of the environmental or social characteristics promoted by the fund happens through a few different processes. To ensure that the Fund's portfolio companies take sustainability into consideration we ensure that the companies contractually commit to;

- Annual reporting on;
  - Three KPIs linked to relevant UN SDGs
  - Carbon footprint, ie CO2-emissions per company
  - Employee NPS
  - Diversity
    - % of women in founding team
    - % of women in full organization
    - % women in management team
- Monthly financial and diversity reporting
- Annual evaluation of good governance, including ethical matters and responsible operations, conducted via screening and continuous feedback via active portfolio engagement and board meetings.

Collecting this data and monitoring performance works as an input to the active engagement we have with portfolio companies and allows us to provide relevant support throughout the ownership period. It's also a way to identify red flags or trends that need reversing.

To monitor the following fund characteristics;

- The Fund will only make investments in companies that pass the ESG and SDG screening criterias in the due diligence phase.
- The fund will only make investments in companies that commit to a sustainability onboarding workshop.
- Including ESG risks and opportunities in investment screenings. Evaluating ESG factors is integral to the investment screening process.

, we have mandatory checkboxes and documents that must be sent in and saved prior to making an investment. The fund does rolling checks to ensure compliance.

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Fund:

- % of investments that passed the ESG and SDG screening
- % of companies that have committed to the sustainability onboarding workshop
- % of companies having contractually committed to perform the annual sustainability reporting
- % of capital invested in companies that according to Luminar's sustainability analysis have a positive impact on the climate
- % of investments that were not on the exclusion list

### g) Methodologies

The Manager's applied methodologies to measure how the environmental and social characteristics promoted by the Fund are met are described below.

- The pre-investment analysis of the potential portfolio company includes an assessment of how the company meets the social and environmental characteristics set out above, including any sustainability risks.
- Post-investment, the Fund will work towards obtaining the following ESG information with the following tools;
  - The mentioned above ESG metrics via Rundit and carbon footprint via Normative Business Carbon Calculator; and
  - the status of key criteria of good governance; sound management structures, employee relations, staff remuneration and tax compliance via annual screening process based of financial reporting, ESG reporting, and complementary reporting in Typeform, as well as continuous board work.

### h) Data sources and processing

The main source of data used to attain the environmental and social characteristics is primary data from the portfolio companies. Other data sources that are used to supplement, verify and ensure data quality of the information provided by the portfolio companies includes internal benchmarking data based on primary data from other portfolio companies, data regarding sustainability-related controversies provided by third-parties, data obtained from research such as peer-reviewed articles, and data from other sources of information.

The need to estimate data varies as this is dependent on the quality and availability of the data provided by each company. Thus, it is not possible to provide a proportion of estimated data. However, estimates are always based on fact-based, conservative assumptions, and estimates are only used when no actual data is reasonably available.

### i) Limitations to methodologies and data

The methodologies and data used to attain the promoted environmental and social characteristics are dependent on the quality of data provided by the portfolio companies, which cannot be guaranteed to be fully complete and accurate. To prevent and identify the use of any incomplete or false data early on, several data sources may be used to supplement and verify the information provided by the portfolio companies.

With regards to external data, the Fund strives to only use sources that are credible, widely used and quality checked by other independent parties.

To further ensure reliability of data we work closely with our portfolio companies and have an active conversation regarding sustainability, governance, and diversity within board discussions and ad-hoc communication.

**j) Due diligence**

Sustainability factors are integrated into the due diligence process as follows:

- The portfolio companies are screened based on an ESG and SDG questionnaire.
- The portfolio companies are screened for potential conflicts with the fund's exclusion list

The due diligence process also includes an assessment of the potential portfolio company's compliance with the key criteria of good governance. The key criteria of good governance are sound management structures, employee relations, remuneration of staff and tax compliance.

Any observed discrepancies may lead to the investment opportunity being aborted or tasks and targets to be defined with relevant mitigative actions to rectify and improve the area of observed weakness.

**k) Engagement policies**

The Fund aims to take an active ownership role by working through the board of directors of each portfolio company (as board member, observer, or advisor). The ownership role may be dependent on the ownership stake in each portfolio company. The Fund also expects to cooperate and communicate with the management and other shareholders of each portfolio company.

**l) Designated reference benchmark**

No index has been designated as a reference benchmark.