



# byWiT's Sustainability Policy

## Background and Purpose

This policy lays the foundation for byWiT's sustainability pursuits. Our beliefs are represented in the companies we invest in. Making a positive impact and creating new solutions should be both profitable and sustainable. We seek to achieve this through technology and innovation together with our extraordinary entrepreneurs.

byWiT's greatest impact comes from the companies we invest in and from our active ownership. We seek to include sustainability aspects both in our due diligence process and during our time as active owners. Since byWiT was founded, we have worked to invest in smart digital innovations and prioritized social sustainability, and we seek to continuously improve and contribute to a positive impact on environmental, social and governance (ESG) areas.

This policy serves as a live document which develops as we do. This policy applies to all byWiT's operations, encompassing our stakeholders including but not limited to employees and portfolio companies.

## Our Approach

We strive to invest in a manner where we take social responsibility, demonstrate environmental consideration, and adhere to ethical principles. We comply with national and international regulations affecting our business. Although byWiT is not currently in scope for the EU's Sustainable Finance Disclosure Regulation (SFDR), we are preparing to meet its disclosure requirements, including how we consider the Principal Adverse Impacts (PAI) indicators (see appendix for the PAI indicators). byWiT also supports voluntary frameworks such as the UN Global Compact (UNGC), the UN Sustainable Development Goals (SDG), and the Paris Agreement (see annex 1, 2 and 3 for more information on these frameworks).

Regarding the UN Sustainable Development Goals (SDG), byWiT has identified three goals of particular relevance to byWiT and its core values, where we strive for diversity and inclusion, and we invest in smart solutions that can create a more sustainable society:

- Goal 5 – Gender Equality
- Goal 8 – Decent Work and Economic Growth
- Goal 9 – Industry, Innovation and Infrastructure

byWiT believes that the companies within our investment portfolio hold significant potential to contribute positively within the areas addressed by our sustainability policy. Within our investment process:

- we evaluate potential investments regarding their ability to work, as much as possible, in accordance with this policy
- we evaluate the company's potential positive or negative impact on any of the Environmental, Social or Governance (ESG) areas stated in this policy
- we work actively with the companies we invest in to support their growth and development including a positive contribution to sustainability goals.

The primary sustainability factors byWiT evaluate during the investment process are:

**1. The company Solution(s)**

Is the company solving a problem which can have a positive impact on any of the ESG areas stated in this policy?

**2. Diversity**

How diverse is the workforce as well as in leading positions? Is the company actively working to improve diversity?

**3. Job creation and democratization**

Is the company enabling job creation and democratization?

**4. Work-Life balance**

Is the company working to promote work-life balance by enabling hybrid workdays or other flexible working arrangements?

byWiT does not invest in sectors or companies which are active in, but not limited to alcohol, arms, fossil fuel, gambling, or pornography.

### **Changes and adoption - Governance & Control**

This sustainability policy will be continuously reviewed by byWiT's management to ensure its ongoing relevance and effectiveness. The policy is adopted by byWiT's board.

### **Reporting & Transparency**

In our pursuit of good governance, we strive to maintain transparency and communicate our sustainability agenda and its progress. This is partly done through our annual sustainability report where we measure and communicate the sustainability progress. We publish our sustainability report and provide sustainability-related information on our website.

# Appendix

## Annex 1: SFDR

### Mandatory SFDR PAI indicators

1. GHG emissions (scope 1, 2 and 3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Share of investment in companies active in the fossil fuel sector
5. Share on non-renewable energy consumption and production
6. Energy consumption intensity per high-impact climate sector
7. Activities negatively affecting biodiversity - sensitive areas
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact Principles and Organizations for Economic Cooperation and Development (OECD) guidelines for multinational enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with IJN Global Compact Principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted general pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

### Voluntary SFDR PAI indicators

1. Investments in companies without workplace accident prevention policies
2. Incidents of discrimination

## Annex 2: UN Global Compact Principles

### Human Rights

Principle 1: to the best of byWiT's abilities, byWiT supports and respects the protection of internationally proclaimed human rights;

Principle 2: to the best of byWiT's abilities, byWiT works to ensure they are not complicit in human rights abuses; and

Principle 3: to the best of byWiT's abilities, should any human rights be violated, byWiT endeavors to rectify this.

### Labor

Principle 4: to the best of byWiT's abilities, byWiT seeks to uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 5: to the best of byWiT's abilities, byWiT supports the elimination of all forms of forced labor;

Principle 6: to the best of byWiT's abilities, byWiT supports the elimination of child labor; and

Principle 7: to the best of byWiT’s abilities, byWiT seeks to eliminate discrimination in employment and occupation.

### Environment

Principle 8: to the best of byWiT’s abilities, byWiT supports a precautionary approach to environmental challenges;

Principle 9: to the best of byWiT’s abilities, byWiT takes initiatives to promote greater environmental responsibility; and

Principle 10: byWiT encourages the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 11: to the best of byWiT’s abilities, byWiT works against corruption in all its forms, including extortion and bribery.

## Annex 3: UN Sustainable Development Goals



## Annex 4: The Paris Agreement

The Agreement sets long-term goals to guide all nations to:

- substantially reduce global greenhouse gas emissions to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change
- periodically assess the collective progress towards achieving the purpose of this agreement and its long-term goals
- provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts.