

Good Governance Policy

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1. Purpose

As an Article 9 family of funds dedicated to sustainable investments, Climentum Capital (“Climentum”) is committed to working with its portfolio companies (“Companies”) to deliver on Climentum’s impact objective related to carbon emissions reductions.

As part of this commitment, Climentum must ensure that all Companies follow good governance practices in line with responsible business conduct codes and internationally recognised standards, notably the UN Global Compact principles (“UNGC Principles”), the OECD Guidelines for Multinational Enterprises (“OECD Guidelines”) and the UN Guiding Principles for Business and Human Rights (“UNGPs”).

The purpose of the Good Governance Policy (“the Policy”) is to define the governance requirements that apply to Companies that Climentum is invested in.

2. Scope

This Policy applies to all Companies that Climentum is invested in, regardless of ownership stake. It pertains to all personnel and legal entities under the Companies’ control.

Given Climentum’s focus on early-stage ventures, the Policy requirements that refer to so-called Minimum Safeguards (see Section 5) differ according to each Company’s development stage to ensure that the requirements are proportionate to the Company’s size.

Criteria	Micro-enterprises	Small and Medium-sized Enterprises (“SMEs”)	Large companies
Employees	1-10	Small: 11-49	>250

		Medium: 50-250	
Turnover	EUR <2m	Small: EUR 2-9m Medium: EUR 10-40m	EUR >40m
Assets / balance sheet	EUR <2m	Small: EUR 2–10m / Medium: EUR 10–20m	EUR >20m

A Company's classification is determined primarily by employee count. Where turnover or balance sheet total would result in a higher classification, the higher classification applies.

3. Accountability

All Companies that receive funding from Climentum must agree to implement the Good Governance Principles outlined in Section 4 of this Policy at the point of investment and as outlined in the Shareholder's Agreement (SHA).

In addition, all Companies must agree to monitor implementation of this Policy throughout the duration of Climentum's ownership at the highest governing level of their organizations, i.e. the Chief Executive Officer ("CEO") or the Board of Directors ("BoD").

It is thus the responsibility of the Company's CEO or BoD to ensure timely implementation of this Policy, including when additional requirements are introduced as the Company grows. In case of deviations or critical gaps, these must be reported to Climentum (see Section 5).

4. Good Governance Principles (§1-3)

The following Good Governance Principles apply to *all Companies*, regardless of size, with a view to ensuring sound Board and management structures, employee relations, and remuneration and tax compliance.

§1: Board & management structures: All Companies must ensure the following;

- A clear description of the roles and responsibilities of the Board of Directors and Executive Management in relation to sustainability, including Board and Executive oversight responsibilities of material sustainability issues¹
- Formalised Rules & Procedures for the Board of Directors and CEO instructions
- Annual Planning Wheel for Executive Management and Board of Directors, which includes sustainability as a fixed agenda item at least once per year
- A diversity & inclusion policy for the Board of Directors and Executive Management that, at a minimum, considers gender, age and nationality

§2: Employee Relations & Remuneration: All Companies must ensure the following:

- Formal employment contracts must be in place for all personnel, including Executives
- A clear outline of the Company's approach to remuneration, and, where relevant, links to climate impact indicators as well as other material sustainability issues

§3: Tax compliance: All Companies must ensure the following:

- No operations in non-cooperative tax regimes as defined by the EU

5. Minimum Safeguards (§4-6)

In addition to the Good Governance Principles, all Companies must put in place “adequate processes” to monitor compliance with international standards for responsible business conduct as expressed in the UNGC Principles, the OECD Guidelines, and the UNGPs.

To further specify what constitutes adequate processes, Climentum gives regard to the definition of “Minimum Safeguards” under the EU Taxonomy for Sustainable Investments, which requires all sustainable companies to implement procedures on human rights (incl. labor and consumer rights), anti-corruption, responsible taxation. and fair competition - as well as mechanisms to monitor violations.

Given that these standards and guidelines have been developed for larger companies, Climentum's requirements on Minimum Safeguards have been tailored to fit micro-enterprises and SMEs, with higher requirements for larger Companies who are further ahead in their growth journey.

The requirements for Minimum Safeguards are as follows:

§4: Minimum Safeguards for Micro-enterprises: All Micro-enterprises must, at a minimum, have a process in place to track and report Company violations against the following:

- Breaches against human rights, labor rights and/or consumer rights (examples include legal convictions of discrimination, sexual harassment, and privacy violations)

¹ Material sustainability issues refers to environmental, social or governance factors that may present a risk to the Company and/or where the Company's activities may have a negative impact to people and/or the environment.

- Legal convictions of corruption
- Legal convictions of tax evasion
- Breaches of competition law
- Breaches of environmental laws

§5: Small and medium sized enterprises (SMEs), excluding micro-enterprises: All SMEs must meet the same requirements as Micro-enterprises as outlined in §4. In addition, SMEs must, at a minimum, ensure the following:

- Commit to respect human rights via a policy statement signed by the highest governing body of the Company (CEO or BoD). The policy shall, at a minimum, consider labor rights, workplace safety, and any material human rights impacts in the wider supply chain.
- Develop an environmental policy with a view to identify, reduce and prevent any material adverse impacts on environmental factors. The policy must also be signed by the highest governing body of the Company and shall, at a minimum, consider climate change mitigation, climate change adaptation, pollution, water, biodiversity, and circularity.
- Identify human rights and environmental risks in their own business and wider value chain (e.g. suppliers or business partners).
- Take action on identified risks and assign appropriate internal responsibilities, in a manner that is proportionate to the risks identified and the Company's scope of responsibility, size and leverage.
- Ensure that employees, customers and other stakeholders which could be negatively impacted by the business have access to an anonymous complaint mechanism. Companies with 50 or more employees are additionally required to establish a formal whistleblower mechanism in compliance with applicable national legislation implementing the EU Whistleblower Protection Directive (2019/1937/EU).

§6: Large enterprises: All large companies shall fully adhere to the principles and guidelines outlined in UN Guiding Principles for Business and Human Rights and the OECD Guidelines for MNEs. This includes:

- Policy statements and appropriate risk assessment and due diligence procedures for all issue areas covered by the EU Taxonomy Minimum Safeguards, i.e. human rights, anti-corruption, fair competition, and responsible tax.
- Policies and systems to ensure compliance with the environmental Do-No-Significant-Harm (DNSH) requirements under the EU Taxonomy (note: for companies that are *not* eligible with the EU Taxonomy, the general DNSH requirements shall be applied).
- Operational-level grievance mechanism and procedures to report any social or environmental violations and ensure access to remedy. Grievance mechanisms must meet the requirements outlined in the UN Guiding Principles for Business and Human Rights.

- Annual reporting on progress to external stakeholders across all issue areas.

6. Reporting & engagement

Implementation of the Policy will be monitored at least once per year via Climentum's annual reporting cycle.

In case of critical gaps in one or more areas of this Policy, Climentum will engage with the Company in question to identify critical issues and provide access to resources, experts and tools to ensure alignment.

7. Policy approval & review

This Policy will be reviewed by Climentum's Management Board at least once per annum. Changes will be communicated to all Companies via the Company's Board of Directors and/or CEO.