

Sustainability Risks Integration Policy

Statement about the integration of sustainability risks in investment and portfolio monitoring activities, and transparency of remuneration policies in relation to the integration of sustainability risks

Pursuant to Article 3 and Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ([Disclosure Regulation or SFDR](#)).

Product name: Climentum Capital Fund I K/S (referred to as “the Fund”)

Legal entity identifier: Business Registration Number (CVR) 42662372

The Fund invests in early-stage companies (referred to as “Investments”) that provide low-carbon solutions to the highest-emitting industries.

1. Purpose

Climentum Capital Fund I K/S (referred to as “the Fund”) integrates relevant sustainability risks in all of its activities.

A “Sustainability Risk” is an environmental, social or governance (ESG) event or situation which, if it occurs, could have an actual or potential material adverse impact on the value of an investment.

An “Investment” is a company (public or private) that the Firm owns equity in.

The purpose of this Sustainability Risks Integration Policy (hereafter “Policy”) is to define the framework by which the Fund will manage Sustainability Risks in its activities.

This Policy aims at fostering an operating culture that promotes sustainable and ethical behavior in conducting the Fund’s business. It also aims at ensuring that the Fund’s Investments are protected from or can cope with material sustainability risks which may have negative impacts on the financial performance and reputation of the Fund and/or its Investments.

2. Scope

This Policy applies to the Fund. It includes all the Fund’s business operations and investment decision-making processes under its control.

3. Sustainability Risks Integration into Investment Decisions

Sustainability Risk considerations are integrated into the Fund's investment decision framework as an integrated part of the due diligence process.

The stages at which sustainability risks are integrated into the investment decision-making process are as follows:

1. **Screening:** The Fund checks all potential Investments against its Exclusion Policy, which includes sectors and activities deemed as carrying high inherent levels of sustainability risk and/or high inherent risks of causing significant harm to social or environmental objectives. The Exclusion Policy is available at www.climentum.com.
2. **Due Diligence:** The Fund engages with third-party experts to conduct a double materiality assessment to identify and prioritize potential adverse impacts as well as material sustainability risks relevant to the specific Investment. For more information see the Fund's 1) Principal Adverse Sustainability Impacts Statement and 2) Do No Significant Harm Thresholds, both of which are available at www.climentum.com.
3. **Ownership:** The Fund requires all Investments to implement its Good Governance Policy, which includes requirements related to the continued oversight and monitoring of material sustainability risks at Board of Directors level. The Good Governance Policy is available at www.climentum.com.

4. Sustainability Risks Assessment Approach

Sustainability risks are considered in the investment decision process together with traditional investment risks (for example market, credit, or liquidity risk).

Sustainability risks cover a broad range of factors, including (but not limited to):

- Environmental factors: climate change vulnerability, biodiversity, water, waste management, pollution, resource scarcities, etc.
- Social factors: lack of compliance with recognized labor standards, lack of compliance with employment safety and health protection, poor working conditions, lack of diversity, low retention / high turnover, product safety, customer welfare issues, etc.
- Governance factors: risk and business continuity management, unethical behavior, information security and data breaches, excessive remuneration, regulatory and tax compliance issues, etc.

To inform the evaluation of sustainability risks during the due diligence process, the Fund considers a combination of Investment-specific data/materials, industry research and, where

relevant, one or more sector-specific materiality standards by the Sustainability Accounting Standards Board (SASB).

In cases where one or more sustainability factors are believed to pose a potential risk to the value of the Investment, these risks will be discussed in greater detail with the prospective Investment in a joint workshop to assess if adequate controls and measures are in place to mitigate the identified risks.

Where additional controls are required to effectively mitigate material sustainability risks, concrete actions will be included in a Sustainability Action Plan (SAP) for year one of ownership, which is attached to the Shareholder's Agreement.

5. Sustainability Risks Related Remuneration Policy

The Fund's remuneration policy is consistent with its commitment to integrate sustainability risks into its investment decisions. The consideration of sustainability risks is integrated in the Fund's annual performance evaluation and variable compensation framework, whereby all investment professionals are assessed according to their adherence to the Fund's Sustainability Model and supporting policies and procedures. In addition to sustainability risks, the performance evaluation also considers the contribution of investment professionals to delivering on the Fund's overarching climate change mitigation objective.

6. Policy approval & review

A General Partner at Climentum Capital is assigned responsibility for implementation of the Policy and application of related procedures. The Policy will be reviewed by Climentum's Management Board at least once per annum.

The Policy is communicated on an annual basis to all employees via the normal Fund channels and is introduced to all new staff at induction.

This Policy was approved on 30 June 2022