

Sustainability Risk Policy

CATACAP

BEYOND CAPITAL

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SUSTAINABILITY RISK POLICY

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1 BACKGROUND AND PURPOSE

CataCap Management A/S (“CCM”) manages private equity funds that invest in small and medium-sized companies in Denmark and adjacent markets. Through its investment approach, CCM seeks to create long-term value by combining operational transformation with responsible ownership.

This sustainability risk policy (the “**Policy**”) has been established to describe how CCM integrates sustainability risks into its investment decision-making process in line with Article 3 of Regulation (EU) 2019/2088 dated 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**Disclosure Regulation**” or “**SFDR**”). In this context, sustainability risks are considered financial risks that, if materialised, may negatively impact the value of an investment.

The purpose of the Policy is to ensure a consistent and transparent approach to identifying, assessing, and managing ESG risks that could materially affect CCM’s investments. The Policy should be read together with CCM’s Responsible Investment Policy, which provide further detail on CCM’s principles for responsible ownership and its operational approach to ESG value creation.

2 DEFINITIONS

Unless the context requires otherwise, the following definitions shall have the meanings ascribed thereto:

“AIFs”	means the alternative investment funds managed by CCM from time to time;
“Board of Directors”	means the board of directors of CCM as registered with the Danish Business Authority from time-to-time;
“Board of Management”	means the board of management of CCM as registered with the Danish Business Authority from time-to-time;
“CCM”	means CataCap Management A/S, CVR no. 33589913;
“Deal Team”	means a team consisting of sufficient resources from the Investment Team, including at least one Partner, assigned to execute a potential investment (from initial assessment to completion of the transaction) and be responsible for the investment/portfolio company in the ownership period as well as the exit of the investment/portfolio company;
“Disclosure Regulation” or “SFDR”	means Regulation (EU) 2019/2088 of the European Parliament and the European Council of 27 November 2019 on sustainability related disclosures in the financial services sector;
“ESG Framework”	means CCM’s internal framework for integrating ESG risks and opportunities across the investment cycle

“ESG Minimum Requirements”	means the baseline ESG requirements defined by CCM that all portfolio companies must meet within 12 months of acquisition
“Investment Committee”	means the investment committee of CCM comprised by the partners appointed to the Investment Committee, which shall consider CCM’s proposals and in its sole and absolute discretion decide whether to approve or reject an investment proposal by the higher of simple majority or three members of the investment committee in accordance with the LPA for each AIF;
“Investment Team”	means the investment professionals at CCM;
“Partner”	means any of the partners of CCM; and
“Sustainability Risk”	has the meaning set out in Article 2(22) of SFDR: an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment .

3 PRINCIPLES FOR INTEGRATION OF SUSTAINABILITY RISKS

3.1 Sustainability risks considered

The AIFs invest in a wide variety of sectors, and the types and severity of sustainability risks considered will depend on the sector, industry, and specific company that is the target of the investment. Examples of relevant risks include:

- A. Environmental: Physical climate events (e.g. floods, storms), transition risks such as carbon pricing or regulatory changes, remediation costs, biodiversity loss, or pollution liabilities.
- B. Social: Supply chain disruption from poor labour practices, reduced productivity or high turnover due to weak workplace safety or low employee engagement, reputational damage from human rights violations, or challenges in attracting and retaining talent.
- C. Governance: Legal liabilities from corruption or non-compliance, weak oversight structures, investor concerns about transparency, or poor ESG data quality.

Such risks are assessed for their potential to affect revenues, costs, asset values, access to capital, or exit valuations. CCM considers sustainability risks in terms of their potential financial materiality to investments.

3.2 Integration of sustainability risks into the investment process

CCM integrates sustainability risks systematically throughout the investment lifecycle in line with its ESG Framework and the investment lifecycle described in the Investment and Due Diligence Policy. This integration is applied proportionately, considering the nature, scale, and complexity of each investment, as well as sector- and company-specific risk exposures.

- A. In the screening phase, the Investment Team assesses potential targets against CCM’s exclusion list and evaluates ESG exposures using recognised frameworks such as the SASB Materiality Map. Exclusion criteria are applied to prevent investment in sectors or activities deemed inconsistent with CCM’s values, regulatory

obligations, or investor commitments.

- B. In the due diligence phase, the Investment Team ensures that ESG due diligence is conducted, internally or with external experts, to identify material risks, assess compliance with CCM's ESG Minimum Requirements, and define potential mitigation measures.
- C. At the investment decision, ESG findings are presented to the Investment Committee (IC), which is accountable for ensuring that no investment is approved without appropriate consideration of sustainability risks. Where relevant, binding ESG requirements may be included in investment agreements.
- D. During the ownership phase, the Deal Team supports portfolio company management in applying CCM's ESG Framework and ensures that ESG Minimum Requirements are met within 12 months of acquisition. Portfolio company boards are expected to integrate ESG into their agendas as part of good corporate governance, and significant ESG risk initiatives are overseen at board level on par with other transformational initiatives and by the Deal Team.
- E. At exit, ESG risk management and progress achieved during ownership are documented and included in exit materials to support transparency and valuation.

While CCM actively integrates and manages sustainability risks, it cannot eliminate such risks entirely, and the value of investments may still potentially be negatively affected by ESG factors.

4 GOVERNANCE

The Investment Team is responsible for ensuring that sustainability risks are integrated into all phases of the investment process. In the pre-investment phase, this includes screening and due diligence in accordance with CCM's ESG Framework. The Investment Committee is accountable for ensuring that all investments made follow this Policy and that sustainability risks are adequately considered before approval.

In the ownership phase, responsibility for managing sustainability risks lies with the portfolio companies supported by the Deal Team. The chairmanship and the board of directors of each company are accountable for overseeing that management addresses ESG risks. The Deal Team, led by the Partner representing CCM on the board, supports management in applying the ESG Framework, setting KPIs, and mitigating risks. Board oversight of significant ESG initiatives is treated on par with other transformational initiatives.

At AIF level, the Investment Committee holds ultimate responsibility for overseeing the implementation of this Policy and handling of sustainability risks across all funds and investments.

5 REVIEW AND APPROVAL

CCM acknowledges that ESG and corporate sustainability is swiftly evolving as a business-critical area as well the corresponding regulation.

This Policy shall be reviewed on a regular basis, and at least annually, by the ESG Responsible and the Board of Management. This Policy shall be reviewed and approved by the Board of Directors on an annual basis.

This Policy was approved by the Board of Directors on 28 August 2025.

Approval history:

Version:	Effective from:	Changes:	Edited by:	Approved by:
1	28 August 2025		ESG Manager and Head of ESG	Board of Directors