

Sustainability related disclosures

CC Capital AS and Såkorn 1 Midt AS

CC Capital is 85% owned by CoFounder Management AS.

CC Capital (the "Manager") is registered as an alternative investment fund ("AIFs") manager under the Norwegian Act on Alternative Investment Fund Managers § 1-4 (2) regarding Såkorn 1 Midt (the "fund").

The Manager invests in pre-seed and seed technology companies with the key objective of achieving the highest possible return on investments. CC Capital is committed to comply with the measures on sustainable finance and disclosures adopted by the EU and follows procedures for ESG and sustainability assessments in its investment management activities.

The Manager is subject to the regulations laid down in regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") and is covered by article 8 of the regulation.

1 Entity-level: Disclosures related to CC Capital AS

Principal Adverse Impact (PAI)

The Manager continuously evaluates the negative impact that its activities and portfolio may have on environmental and social factors. However, the Manager will not commit to considering PAIs at the entity level due to the nature of its activities, which involve investing in small and young companies with limited resources to ensure adequate data quality. The costs related to monitoring PAI indicators outweigh the benefits of the limited information generated. Therefore, while we recognize that all forms of activity will have an impact on PAI indicators, we focus on supporting investee companies in managing relevant PAIs.

Remuneration policies

The Manager has implemented a remuneration policy that promotes effective risk management. This policy ensures that the remuneration is in line with the business strategy, overall goals, and long-term interests of the company and the funds it manages. The policy discourages excessive risk-taking, including sustainability risks.

2 Product-level: Disclosures related to Såkorn 1 Midt

Summary

Såkorn 1 Midt AS promotes social and environmental characteristics and is covered by article 8 of SFDR. All investee companies will be assessed on environmental and social impact. Companies with a positive social and environmental impact, especially companies that contribute to the UN SDGs 3, 12 and 14, will be given a positive weight in the investment assessment. The Manager will continuously work to promote sustainable actions in our portfolio companies, in line with our sustainability policy that will be available upon request.

The fund has no sustainable investment objective.

Investment strategy

The investment strategy of the fund is to invest in pre-seed and seed companies in Central Norway with a scalable business model and international growth potential. As one of several investment criteria the contribution to the UN SDGs will be weighted positively in the investment decision process, particularly companies directly contributing to goal 3, 12 or 14.

The fund will avoid investments within sectors defined by our exclusion policy. Through active ownership, we will monitor the achievement of sustainability goals and particularly set requirements around cross-cutting objectives.

The fund adapts a broad definition of sustainability in its assessments but will especially promote the following social and environmental characteristics based on the UNs Sustainability goals:

1. Good Health and Well-being (SDG 3)

- Companies contributing to solutions that improve health and quality of life, or increase effectiveness and quality in healthcare through early diagnosis and resource efficiency
- Companies reducing the need for manual follow-up in healthcare systems
- Companies creating quality health services reaching more people

2. Responsible Consumption and Production (SDG 12)

- Companies developing solutions making production technology more efficient
- Companies enabling product care over longer periods
- Companies developing solutions enabling less emissions and littering during production

- Companies enabling less waste of resources during production and supply chains

3. Life Below Water (SDG 14)

- Companies developing solutions for sustainable fishing and farming, and ecosystem protection
- Companies preventing/reducing marine pollution
- Companies enabling efficient and sustainable harvesting of underwater resources

Proportion of investments

Sustainable investment objective: No sustainable investments.

The fund does not commit to making a minimum proportion of sustainable investments as defined by the SFDR and the EU Taxonomy Regulation. CoFounder made no commitments on the proportion of sustainable investments aligned with SFDR in the marketing and communication with LPs under the establishing of the management company (CC Capital) or the fund (Såkorn 1 Midt).

However, an ambition is that a minimum of 50 % of the invested capital will be in accordance with the social and environmental characteristics promoted by the fund as described above.

Monitoring of social or environmental characteristics

The social or environmental characteristics of the individual investments and the portfolio will be monitored on a regular basis. The characteristics will be documented and disclosed to LPs on an annual basis through the annual report.

Principal Adverse Impact

The Manager continuously evaluates the negative impact that its activities and portfolio may have on environmental and social factors. However, the Manager will not commit to considering PAIs at the product-level (Såkorn 1 Midt) due to the nature of its activities, which involve investing in small and young companies with limited resources to ensure adequate data quality. The costs related to monitoring PAI indicators outweigh the benefits of the limited information generated. Therefore, while we recognize that all forms of activity will have an impact on PAI indicators, we focus on supporting investee companies in managing relevant PAIs.

Transparency

We maintain transparency with our investors through regular reports on ESG and impact performance. This includes annual reports in compliance with SFDR disclosure requirements.

Methodologies for Assessment of Environmental or Social Characteristics

- **Impact Assessment:** We evaluate the company's potential positive impact by:
 - Mapping the specific UN Sustainable Development Goals (SDGs) and sub-targets the company contributes to and understanding the nature of this contribution.
 - Conducting a qualitative "impact scoring" that considers factors such as:
 - Direct or indirect impact
 - Level of contribution (low/high)
 - Scale (impacting few or many)
 - Geographical reach (local/global)
 - Time to achieve impact (quick/slow)
 - Duration of impact (short-term/lasting)

Data Sources and Processing

Our primary data sources include available market information, business plans, and management assessments. Data quality is ensured through discussions with investee companies and expert support.

Limitations to Methodologies and Data

Data availability may be limited for certain characteristics because the Fund primarily invests in young and small companies, and the field of impact measurement still have few established international standards. Nevertheless, most of the data is directly collected from investee companies. When estimates are necessary, we consult with experts and co-investors to ensure that these estimates do not compromise the environmental characteristics promoted by the Fund.

Due Diligence Process

Our due diligence process is conducted either internally by our investment team, in collaboration with external experts, or co-investors, and includes the following steps:

- 1. Initial Screening:** A preliminary assessment to identify potential investee companies that meet our basic investment criteria.

2. **Detailed Assessment:** An in-depth evaluation of prospective investee companies to ensure compliance with our pre-defined investment criteria.
3. **Ongoing Engagement:** Continuous interaction with portfolio companies to monitor compliance with investment criteria and address any necessary remedial actions to ensure sustained alignment with our goals and standards.

Engagement Policies

Engagement is a key component of the Fund's environmental strategy. Although the Fund typically holds minority positions, it takes an active ownership role to influence investee companies. We will particularly work to promote development in line with the SDG-goals 5, 8 and 13, through:

- Regularly including ESG topics in the Board of Directors' agenda.
- Working with management to ensure ESG opportunities and risks, including sustainability risks, are incorporated into business planning and strategy.
- Requiring all portfolio companies to establish their own core environmental and social policies, in compliance with our policies.
- The Fund seeks to avoid sustainability-related controversies within investee companies through its exclusion policy, which is designed to prevent investments with unmanageable sustainability risks. If any sustainability-related issues arise, we will engage in discussions at the board and management levels and exercise our shareholder voting rights to oppose any undesirable initiatives.