

SET Fund I, II and III - Article 8 SFDR Disclosure

The investments of SET Fund I, SET Fund II (including two side funds) and SET Fund III ('the Funds') are qualified as sustainable investments as meant in article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector ('SFDR').

Investment strategy and sustainable investment objective

The purpose of the Funds is to realize long-term capital appreciation through making equity and/or quasi-equity venture capital investments in early stage, development-stage and growth-stage European businesses that positively impact the energy system transition, with special attention to companies providing smart and/or technology solutions (software and services). The Funds only invest in such start-up companies that contribute to the energy system transition towards a net-zero energy system. Based on this sustainable investment objective, all investments support a net zero future energy system as defined in the Paris Agreement.

We apply the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as part of our investment policy. The latter is accessible via our website: <https://www.setventures.com/site/wp-content/uploads/2023/02/SET-Ventures-Investment-Policy-.pdf>

Do No Significant Harm

By their nature, all of our companies are start-ups with limited revenues and market share, hence typically falling below under the threshold for "significant harm" in their industry or geography. However, we actively screen ESG risk factors already during the investment due diligence based on a questionnaire that covers all aspects of principal adverse sustainability impacts (PAI) and factor the results into our investment decision. We have also applied an exclusion list of areas where we do not invest at all, for example in the area of fossil-fuel based business models.

SET Venture's investment policy requires an active screening of principal adverse impacts during the investment process, as well as an ongoing monitoring of potential negative impacts during the holding period. For the investment focus of the Funds, some PAIs such as potential negative impacts on biodiversity, emissions to water or hazardous waste are typically not applicable, given the focus on digital and software-driven companies. Often, the climate-related indicators, such as the GHG emissions of a company or its products and services are relevant.

Integration of sustainability risks (ESG) & Impact

All investments go through an initial screening of whether they "positively impact the future of energy". In addition to the screening and monitoring of ESG risk (or 'internal' sustainability risk), this process ensures that any external sustainability vulnerabilities at companies are identified and considered. Sustainability risk, both internal and external, is therefore integrated from the beginning of the investment decision process by means of the positive and negative screening process as described. It is also incorporated into the individual valuations of SET Ventures products.

We perform a quarterly ESG assessment of our portfolio companies to identify potential ESG risks. This is based on an interview with the company and/or the respective investment manager at SET, and focusing on any changes in the companies' business and operations relative to the previous

assessment. The results are actively discussed with our portfolio companies, and potential mitigation measures identified where required.

SET publishes an annual impact report detailing the environmental impact of its SET Fund II and III portfolio. SET reviews the ESG performance of its portfolio companies on a quarterly basis and reports the results to its investors during quarterly investor meetings.

At the level of individual portfolio companies, SET regularly takes part in Board or Advisory Board Meetings and puts the management of social and governance topics on Board agendas, e.g. by promoting transparency on diversity and inclusion at its portfolio companies, and pro-active company policies on hiring, anti-harassment and similar topics. SET also engages with its portfolio companies on improving key ESG risk metrics by agreeing on annual ESG action plans as well as regularly monitoring of ESG risks at each company.

EU Taxonomy alignment

Our current assessment is that 0% of the portfolio companies are aligned with the EU Taxonomy. This is primarily due to a lack data at individual company level, and we will use our best efforts going forward to validate the alignment of investments with the EU Taxonomy.

Sustainability risk linked to remuneration

SET Ventures employees receive an annual bonus based on objectives determined by the Management Board of SET Ventures that reflect the success of the company along multiple parameters, including the implementation of the ESG Investment Policy. Additionally, the carry of SET Fund III is linked to Environmental Impact achievements of each portfolio company, the specific targets of each being established at investment and in consultation with the Limited Partner Advisory Committee. These objectives and targets cannot be met without adequate management of sustainability risks performed in accordance with the SET Investment Policy.

Principle Adverse Impacts

SET has a long history of ESG integration and the use of ESG data in its investment processes and has due diligence policies in place to identify and prioritize relevant adverse impacts and indicators on sustainability factors. The requirements under the SFDR Level 2 RTS are detailed and require additional ESG data, predominantly on asset-level, that are currently not fully available. Once the relevant data is available, the methodologies to measure principal adverse sustainability impacts can be finalized and will be added to this statement.