

## Sustainability related disclosures

### Sustainable Finance Disclosure Regulation (SFDR 2019/2088)

In March 2018 the European Commission initiated the Sustainable Finance Action Plan as a response to the recommendations of the EU's High-level Expert Group on Sustainable Finance, the United Nations Sustainable Development Goals (UN SDGs) and the Paris Agreement. The Action plan supports the goal of the EU Green Deal to reach climate neutrality in Europe and includes ten key action points that can be split into three categories:

1. Reorientation capital flows towards a more sustainable economy
2. Mainstreaming sustainability into risk management
3. Fostering transparency and long-termism.

The Sustainable Finance Disclosure Regulation (SFDR) aims to improve transparency, prevent greenwashing, and create a common language amongst Financial market participants around sustainable investing. Every investor must disclose to what extent they consider sustainability in their investment decisions, and then report accordingly. Each fund must disclose whether they are aligned with article 6, 8 or 9 where:

- Article 6: the fund makes no claim of promoting sustainability in their investment strategy
- Article 8: the fund promotes environmental and/or social characteristics
- Article 9: the fund has sustainable investments as its core investment objective.

A sustainable investment means an investment in an economic activity that can contribute to an environmental and/or social objective, provided that it does not cause any significant harm to any of the objectives, and that the investee company follows good governance practices.

## Katapult Ocean's SFDR Disclosures

Katapult Ocean is committed to adhering to the EU's Sustainable Finance Disclosure Regulation (SFDR) ((EU) 2019/2088) and making available sustainability-related information with respect to our investment process and funds. As an impact investor, sustainability and impact are core to our operations and we would like to enable investors to make informed decisions on sustainable investments. Katapult Ocean is committed to make entity level disclosures aligned with the SFDR. This includes Katapult Ocean's sustainability risk policies, considerations for adverse impacts, and transparency on remuneration policies in regards to sustainability risks.

Disclosures described in this document:

Entity-level sustainability related disclosures	SFDR 2019/288
Transparency of sustainability risk	Article 3
Considerations for Adverse Impacts (entity level)	Article 4
Remuneration policy in regard to sustainability risk	Article 5

## Entity-level sustainability related disclosures

The intention of the SFDR is to increase transparency on sustainability of financial products. Katapult Ocean supports this initiative as we have sustainable investments within the ocean space as our core objective. We're aiming to maximize positive impact on people and/or the planet with every investment we do, while delivering market returns to our investors.

### Transparency on sustainability risk policies (SFDR 2019/2088 Article 3)

SFDR article 3 requires financial market participants such as Katapult Ocean to publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process. In SFDR article 2, sustainability risk is defined as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment". Sustainability risk is also called "outside-in" risk, which describes the risk that external, sustainability-related events may cause lower returns. These risks could influence the investment's reputation, operational results, financial stability, or net assets.

Katapult Ocean assesses sustainability risks as part of the investment screening and due diligence process before an investment is conducted. Katapult Ocean's investment objective is primarily to invest in companies with a positive impact, meaning companies that solve climate and biodiversity challenges, provide food and clean water for people globally. Still for all investments, sustainable or not, sustainability risks could materialise, and if so it may in a negative way influence the value of the investment. Where available, the Principal Adverse Impact (PAI) indicators as defined in Table 1 of Annex I to Commission Delegated Regulation (EU) 2022/1288 are considered during the due diligence phase to indicate any potential climate, environmental, social, or employee matter risks. In addition, our risk screening process includes several critical dimensions including risk of violations to Human Rights, Corruption, Water stress, Modern slavery, Labour rights and Biodiversity. Should such risks materialize, it could cause an actual or a potential negative impact on the value of the company and affect the performance and returns of our products. If the screening or due diligence reveal unmanageable sustainability risks that cannot be resolved or mitigated, Katapult Ocean will abstain from making the investment. Otherwise, the findings from the pre-investment phase will form part of the basis for the ESG and impact strategy, subsequent engagement and follow-up with the company with the aim of identifying, mitigating and handling sustainability risk during Katapult Ocean's ownership period.

## **No consideration of adverse impacts of investments decisions on sustainability factors (SFDR 2019/2088 Article 4)**

As per the SFDR, financial market participants such as Katapult Ocean must disclose whether they on an entity level consider Principal Adverse Impacts (PAI) of their investment decisions on sustainability factors. Where fund managers do not consider adverse impacts of investment decisions on sustainability factors, they shall publish clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.

“Sustainability factors” means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”. To consider PAI, a statement must be published outlining the indicators set out in Table 1 of Annex 1 of the SFDR RTS [Regulation (EU) 2022/1288], as well as optional indicators from Table 2 and 3.

Katapult Ocean does at this time not consider adverse impacts of investment decisions on sustainability factors. The reason for this is that we consider our own ESG policies and procedures to be appropriate, proportional and tailored to the investment strategies of our funds. The companies we invest in are at an early stage and therefore small, meaning that adverse impacts from Katapult Ocean's investment decisions are rarely significant in an absolute sense. In any event, if significant harm is uncovered during the assessment of a potential investment, the company is excluded from investment. We are also currently not in a position to obtain all information from potential investments that is required to consider principal adverse impacts of investment decisions as per Article 4 of the SFDR. We intend to continuously evaluate our position and update accordingly to the extent relevant.

## **Remuneration Policy (SFDR 2019/2088 Article 5)**

SFDR article 5 requires financial market participants such as Katapult Ocean to publish on their website information on how their remuneration policies are consistent with the integration of sustainability risks.

Katapult Ocean practices a remuneration policy where partners and employees receive a fixed remuneration and may in addition receive a discretionary remuneration. The remuneration policies are designed to promote sound and efficient risk management and are in line with Katapult Ocean's strategic objectives and code of conduct, and include incentives to promote long-term commitment and accountability among the employees. The criteria for determining the variable component of the remuneration are linked to risk-adjusted performance and thereby ensure that the remuneration structure does not encourage excessive risk-taking with respect to sustainability risks.

Version 1 - December 2022

Version 2 - April 2024

Version 3 - July 2024

Version 4 - June 2025

This document was last updated on June 3rd 2025 with more information about Katapult Ocean's Remuneration policy, and a clear statement that we do not consider Principal Adverse Impacts of our investment decisions an entity level.