

Hadean Capital I AS / HVentures Capital I AB Website Disclosure

Pursuant to Article 10 of Regulation (EU) 2019/2088 ("SFDR"), cf. Article 8, and Article 25-36 of the Regulatory Technical Standards (the "RTS")

Product name: Hadean Capital I AS / HVentures Capital I AB (referred to as "the Fund")

Legal entity identifier: Hadean Capital I AS LEI 549300QZCIA1RGZE2P94 / HVentures Capital I AB LEI 549300J03MX6GC6VSC13

Hadean Capital I AS and HVentures Capital I AB invest in parallel in accordance with the fund agreements, and it is considered appropriate for the funds to share a common web disclosure.

1. Summary

The investment strategy of the Fund revolves around addressing unmet medical needs in the healthcare sector, with the primary goal of solving global medical challenges, contributing to better health and wellbeing. Environmental, social, and governance (ESG) considerations are integral throughout the investment process and anchored in our internal policies and procedures. In the sourcing phase, we evaluate if investment opportunities align with Hadean's strategy and goal, requiring each investment to address an unmet medical need. During the due diligence (DD) processes, the investment team conducts ESG DD to ensure that the investment opportunity is in alignment with the E/S characteristics that the fund promotes. Post-investment, Hadean engages in active ownership, employing various methods like board participation and voting, dialogue and cooperation, and managing conflicts of interest to positively influence investees. The Manager also monitors principal adverse impact (PAI) indicators and other sustainability indicators to suggest improvements and track progress on an annual basis.

According to the definition outlined in the SFDR regulation, the fund does not have a "sustainable investment objective" but rather promotes environmental and social (E/S) characteristics. Aligned with the UN Sustainable Development Goals (UN SDGs), it focuses on various key E/S factors, including good health and well-being, industry, innovation and infrastructure, responsible consumption and production and gender equality. All investments are committed to achieving these E/S characteristics without a minimum allocation requirement. The Fund's primary geographical area of investment is in European companies, with special focus on the Nordics. The Funds solely engage in direct investments.

The Manager relies on international guidelines and recommendations, emphasizing materiality, data quality, and availability. It implements systematic data collection aligned with international guidelines. While acknowledging methodological and data limitations, the fund remains committed to employing the best available approach and undertakes regular reviews for improvement. The fund does not designate a specific benchmark for attaining E/S, focusing instead on promoting and monitoring the E/S factors mentioned above.

2. No Sustainable Investment Objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

3. Environmental or Social Characteristics of the Financial Product

Hadean's and the Funds' primary goal, and a clear social characteristic, is *"to solve global medical challenges, contributing to better health and increased wellbeing"*. The fund will contribute to this goal by investing in life science companies that develop innovative solutions with the potential to address unmet medical needs. Beyond medical challenges, we are committed to fostering positive change by leveraging our influence as owners. Aligned with the UN SDGs, it focuses on various key E/S factors, including good health and well-being, industry, innovation and infrastructure, responsible consumption and production and gender equality.

4. Investment Strategy

The investment strategy used to meet the E/S characteristics

The Fund invests across all healthcare verticals and stages, in products with the potential to address unmet medical needs. This includes early-stage biotechnology, pharmaceuticals, and medtech. The Fund's primary geographic focus is on companies in Europe, with a particular emphasis on the Nordics.

The investment strategy methodologies used to attain the E/S characteristics promoted by the Fund are outlined in Hadean's ESG Policy and SOP. The investment team applies these policies throughout the investment process to ensure alignment with both the E/S characteristics promoted by the Fund and Hadean's overarching goal.

ESG factors are integral to Hadean's investment process and thoroughly considered both prior to making investment decisions and throughout the ownership period of a portfolio company:

- **The sourcing phase:** All investments must align with Hadean's investment strategy and overarching goal - and address an unmet medical need. If an investment does not meet this criterion, it will be rejected.
- **The due diligence phase:** The investment team conducts ESG due diligence for all potential investments by requiring companies to complete Hadean's ESG questionnaire. Evaluation of impacts, risks and opportunities associated with target company is integrated into the decision-making process.
- **The ownership phase:** We conduct annual ESG reviews and work with each portfolio company to improve their sustainability efforts through engagement, including through board participation, monitoring of PAIs and other sustainability indicators, annual feedback and follow-up on material ESG matters. Dialogue and feedback with each portfolio company are a priority, with the purpose of enhancing positive change.

Additional details about our engagement activities are provided in the “Engagement policies” section below.

Good Governance Practices

The Fund is committed to ensuring good governance practices among its investees. This commitment has been solidified through a formalized policy. The Fund applies a systematic process for engaging with portfolio companies on good governance practices, which includes gathering annual data about board composition and independence, as well as assessing the existence and adequacy of written policies on privacy of employees & customers, anti-corruption and bribery, employee remuneration, anti-discrimination and equal opportunities, health and safety, human rights, among others. These are considered important topics that relate to a company’s integrity and resilience, and also protect investments from exposure to legal and reputational risks. If governance mechanisms are considered insufficient, Hadean will address this in our engagement with the companies.

5. Proportion of investments

The Fund exclusively targets companies dedicated to solving unmet medical needs. This ensures that every investment contributes to achieving E/S characteristics, without any minimum allocation requirement. None of the investments fall under the sustainable investment definition outlined in Article 2 of the SFDR. Moreover, the Fund will solely engage in direct investments in portfolio companies.

6. Monitoring of Environmental or Social Characteristics

Hadean has established internal procedures and control mechanisms to ensure compliance with the Fund’s investment mandate, including exclusion lists, geography and capital deployment. All investments are subject to approval by both the internal investment committee and the compliance committee. As such, the Fund Manager closely monitors adherence to the investment strategy and our policies prior to making any investment decision. Action is taken in the event of any breach or potential breach with these guidelines.

As an active owner, we work with each portfolio company to improve their sustainability efforts, including internal governance mechanisms to ensure sound management and effective oversight. The fund considers principal adverse impacts on sustainability factors (PAIs), which involve identifying and monitoring PAI indicators annually with a commitment to minimizing the adverse impacts of our investments. Additionally, we have identified areas where we believe we can contribute to positive change. Based on this, we have identified four areas where we will prioritize our efforts. These include:

- 1) Better health and well-being by investing in innovative companies addressing unmet medical needs
- 2) Proper handling of hazardous waste through well-established routines and procedures

- 3) Climate change mitigation through reduction of GHG emissions
- 4) Gender equality and diversity reflected in recruitment processes and pay gap absence.

Please find below the prioritized sustainability indicators used to measure the achievement of our overarching goal and E/S characteristics, linked to the relevant SDGs and targets:

E/S Characteristics	Sustainability Indicators	Sustainable Development Goal and Target
Better health and well-being	Proportion of companies that successfully advance to clinical trials or regulatory approval stages	SDG 3 Good health and well-being, target 3.8 and 3b SDG 9 Industry, Innovation and Infrastructure, target 9.5
Hazardous waste	Proportion of companies reporting hazardous waste	SDG 12 Responsible Consumption and Production, target 12.2, 12.4 and 12.5
Climate change combat	Proportion of companies that has implemented initiatives to limit carbon footprint	
Gender equality and diversity	Board gender diversity Gender pay gap Gender diversity at management level	SDG 5 Gender Equality, target 5.5

7. Methodologies for Environmental or Social Characteristics

Hadean’s methodology to ensure that the E/S characteristics of the Fund are met throughout the investment process is outlined in our internal policies and procedures. These guidelines outline our overarching approach, ensuring that ESG considerations are addressed prior to and post investment.

PAIs and the above indicators are collected on an annual basis and used to measure how the E/S characteristics are met. These insights are then used when engaging with our portfolio companies. Based on the portfolio company’s performance, the Fund provides feedback and suggests improvements on material ESG matters specific to its industry, size, and maturity. The portfolio companies' ESG performance is presented in our annual ESG report to all investors.

8. Data sources and Processing

The Fund primarily relies on data provided by companies in the due diligence process, as well as during the ownership phase through ongoing dialogue and reporting. Our approach emphasizes materiality, measurability, data quality and availability.

During the pre-investment phase, key data sources include dialogue with the company and Hadean's ESG questionnaire. The questionnaire includes selected PAI indicators and references to international guidelines and recommendations, while also considering the nature of the company, such as industry, size and maturity. In the ownership phase, we have established a systematic data collection procedure conducted through our ESG software provider Apiday. We require all our portfolio companies to complete a mandatory annual ESG questionnaire, aligned with international guidelines, such as the Greenhouse Gas Protocol and OECD guidelines. It also includes the fourteen mandatory and two additional PAI indicators.

The Hadean questionnaires are distributed and processed through our ESG software solution, Apiday. Apiday provides companies with guidance to ensure accurate responses, and assistance from Hadean or Apiday is available to the portfolio companies when needed. However, due to inherent limitations associated with early-stage companies, providing the data can be challenging. In cases where data is missing, Hadean may resort to using estimates or making reasonable assumptions, in cooperation with Apiday or external experts.

9. Limitations to Methodologies and Data

As with most data and methodologies, inherent limitations exist. The primary limitation is the availability and quality of data from our portfolio companies. While the annual ESG reporting by portfolio companies aims to address data availability limitations, it's important to note that the data is self-reported, which means that the quality of the data is difficult to verify. Additionally, data availability may still be limited due to the maturity of each single portfolio company.

Although the data is subject to review by Apiday, Apiday does not provide any guarantees regarding quality. However, Apiday monitors consistency and ensure that the data falls within expected ranges. Unusual findings are highlighted and double-checked with the relevant portfolio company.

The limitations mentioned above are either unavoidable or too complex to mitigate with the resources available to the Fund. The chosen methodology and data sources are considered the best available option, and the limitations are not believed to impact the Fund's ability to meet the E/S characteristics promoted by the financial product.

The Fund will regularly review the methodologies and data used to assess the attainment of the E/S characteristics being promoted to ensure the most up-to-date approach possible. When severe limitations are identified, immediate actions will be taken to overcome them.

10. Due Diligence

All investments must align with Hadean's investment strategy and overarching goal and address an unmet medical need. If an investment does not meet this criterion, it is rejected. For potential investments opportunities, the investment team conducts ESG due diligence by requiring

companies to complete Hadean's ESG questionnaire. The aim is to identify and assess any risks, controversies, or issues related to ESG matters, as well as opportunities. If companies are unable to answer all questions due to inherent limitations associated with early-stage companies, we engage in discussions with company representatives and third-party experts. The findings are then summarized, presented to the investment committee, and taken into consideration in the investment decision-making process. In cases of positive investment decisions, the ESG DD findings are incorporated into the post-investment process, ensuring that key material findings are appropriately addressed.

11. Engagement Policies

Hadean engages with its portfolio companies as part of its active ownership approach. Engagement policies are outlined in Hadean's ESG Policy and SOP. Key aspects include:

1. **Data collection and monitoring:** We collect ESG data (including PAI indicators) and monitor progress at least annually. Hadean is committed to supporting portfolio companies with access to experts, tools and resources including support with implementing internal governance mechanisms and policy frameworks to ensure effective oversight. The aim is to gradually increase overall ESG consciousness and knowledge.
- **Board participation and voting:** In cases where we hold a Board seat, we formally express approval or disapproval by voting on resolutions and propose shareholder resolutions on specific ESG considerations.
- **Dialogue and cooperation:** Based on the company's ESG performance, we provide feedback and suggest improvements on material ESG matters. When necessary, we cooperate with other shareholders to exert influence over how ESG issues should be considered by the portfolio company.
- **Management of conflicts of interest:** We identify, manage and, where necessary, prohibit any action or transaction that could pose a conflict between the manager and the portfolio company in accordance with Hadean's conflict of Interest Policy. Hadean strives to manage any conflicts in a manner consistent with the highest standards of integrity.

For engagement activities that are conducted in response to an incident or identification of an actual or potential significant adverse impact, portfolio companies will be given the opportunity and support to improve. The main objective of our engagement activities is to reduce the principal adverse impacts of our investments and foster positive change.

12. Designated Reference Benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Fund.