

Utoft Plantation, 561 hectares owned by  
Kirk Kapital

# Sustainability Report 2021

✂  
Kirk Kapital



**Kirk Kapital A/S**  
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# We Invest, Collaborate & Create

## Kirk Kapital

Although established in 2007, Kirk Kapital's history stretches back to 1932, when Ole Kirk Christiansen started making wooden toys in his workshop. In 1934, Ole Kirk Christiansen began selling them under the now world-famous name: LEGO. Today, almost 90 years later, our legacy of imagination and ingenuity forms the very foundation of Kirk Kapital's unique business. Kirk Kapital's shareholders, the Kirk Johansen family, are Ole Kirk Christiansen's descendants.

Beyond managing the family office services for our shareholders, we specialise in financial investments and strategic minority investments in companies under the motto: We invest, collaborate and create.

We manage and grow family-owned capital based on strong family values. These values inspire a strong team spirit: not just internally, but also among the companies and individuals with whom we partner. Every one of our partnerships is built on trust, responsibility and a long-term commitment.

By the end of 2021, the equity capital of Kirk Kapital was DKKbn 6.7 and total assets under management constituted DKKbn 12.9.

### Executive board

Kim Gulstad, CEO

### Board of Directors

Casper Kirk Johansen, Chairman

Anders Kirk Johansen

Birgitte Nielsen

Jens Moberg

Peter Beske Nielsen



# Letter from the CEO



**Sustainability is part of our DNA**  
Kirk Kapital’s purpose is to create long-term prosperity for our shareholders, partners, and employees. Prosperity, in our view, is about much more than wealth creation. It is also about ensuring well-being in a broader context. In this light, our ambition is to do our part in helping to build a better world.

Our heritage and legacy from LEGO, and a solid set of family-based values, have ensured that Kirk Kapital always has acted with a high degree of integrity, responsibility, and orderliness. Today, these values can be categorized within sustainability.

In the past years, Kirk Kapital’s work with sustainability has become more formalized and our ambitions have been formally defined. This sustainability report is an important step in our strong commitment to sustainability.

**We want to inspire**  
Kirk Kapital intends to showcase responsible behavior in everything we do, both when it comes to investing our capital and within our own organization.

With our capital, we want to exhibit responsible sustainability behavior with the objective of increasing risk-

adjusted investment returns. Due to our defined investment strategy, and limited size in a global context, Kirk Kapital cannot dictate a sustainability agenda within our investments. However, we can positively select investments, and we can encourage and inspire to act responsibly.

Our sustainability voice is more convincing if we also apply our sustainability principles internally. Hence, Kirk Kapital wants to lead by example, and proactively inspire external stakeholders to develop sustainable change.

**Our sustainability commitment**  
Kirk Kapital was founded on a heritage of integrity, responsibility, and orderliness. Although these values reflect those of sustainability, our specific commitment to a concrete framework is new.

Kirk Kapital joined the UN Global Compact this year, and we are committed to doing business responsibly and according to the ten principles on human rights, labor, environment and anti-corruption. With this letter, we are expressing our continued support for the UN Global Compact and renewing our ongoing commitment to the initiative.

Along with the UN Global Compact, we have also engaged in the 17 UN Sustainable Development Goals. The UN SDGs comprise the UN’s blueprint on addressing key global sustainability challenges. We consider the SDGs as an important part of our approach because it is a globally recognized framework and it can accelerate economic growth which is a key factor in solving global challenges. Finally, it represents a framework for assessing risks and continuously serves to challenge our investment strategy as we look to identify global growth trends.

Currently, we have selected four goals that we will prioritize internally. These are: 5. Gender equality; 8. Decent work and economic growth; 13. Climate action; and finally 16: Peace, justice and strong institutions.

**The structured approach: Kirk Kapital ESG Compass**  
The UN Global Compact and the four SDGs highlight the themes we will focus on. To do so, we have devised a tool that we call the Kirk Kapital ESG Compass, which helps determine how we will work with sustainability. The reason for the structured framework is to ensure that our work with sustainability favors social and governance sustainability just as well as environmental sustainability. Our understanding of the sustainability term must be broader to match the needs of our community. And so, our ESG Compass consists of four pillars: Screening and Alignment; ESG Integration; Active Ownership; and Engagement, Sustainable Development and Impact.

Through our ESG Compass and our commitment to both the UN Global Compact and the four chosen SDGs, we want to inspire companies to take responsibility. Not just because it is a part of our legacy and heritage, but also because it is the core of Kirk Kapital’s values and purpose.

**The Sustainability Report 2021**  
This report serves as our annual communication on progress (CoP) as signatory to the UN Global Compact.

  
Kim Gulstad  
CEO

## Our Sustainability Framework





# Strategic Investments

Kirk Kapital is a trusted leader in larger minority investments with an active ownership agenda. Our scope is Scandinavian medium and larger-sized companies holding market-leading positions in long-term growth industries.

Our minority equity portfolio currently includes a range of thirteen business-to-business companies within business services and light manufacturing. We aim to expand this portfolio.

# Active minority investments

**Active minority investments**

Kirk Kapital focuses on acquiring minority positions in well-run high-quality Scandinavian companies. Kirk Kapital’s unique model for active minority investment ensures the independence of our partners while supplying the best possible conditions for their lasting success. We achieve this by providing active board representation, the benefits of our toolbox, and shared best practice across our portfolio. Common to all cases is a tailored approach, closely calibrated with our partners’ requirements and precise needs. Altogether, this creates the best conditions for each company’s long-term successful development.

We are a dedicated and true minority investor. The core of our business is forming successful partnerships and supporting these businesses. Kirk Kapital has thirteen active partnerships across Scandinavia. In 2021, we added two companies to our portfolio: VivoMega and Ellepot. Further, in January we added our second Norwegian company, Promon to our portfolio and in March, we added the Danish company Cookie Information, to our portfolio.

Our portfolio companies work within a variety of sectors and have customers and partners spanning the world. Collectively, the companies employ more than 3,200 people and they are in regular contact with thousands of customers.

Our investment result in 2021 was DKKm 1,273, or around a 40% annual return, and the asset base at the end of the year was DKKm 4,408.

**Shared values and a committed partner**

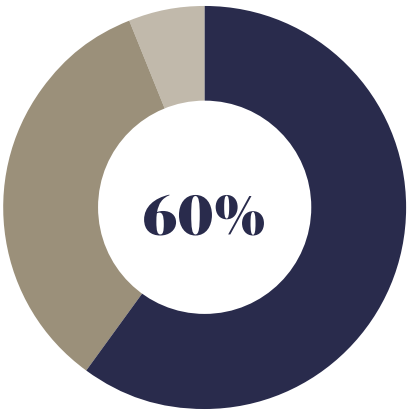
Kirk Kapital’s values are built in a heritage of integrity, responsibility, and orderliness, or as we like to call it “family DNA”. Entering into a partnership with Kirk Kapital requires that our partners share a similar set of values. In this context it is important that the parties establish a common set of expectations and goals. We believe that an open and honest dialogue is vital to ensuring fruitful and long-term collaboration.

Shared values are also important when focusing specifically on sustainability. Kirk Kapital wants to inspire our partners and portfolio companies to focus on sustainability in a structured and formalised manner. We can help facilitate that journey with our knowledge, our tools, and our internal commitment to sustainability.

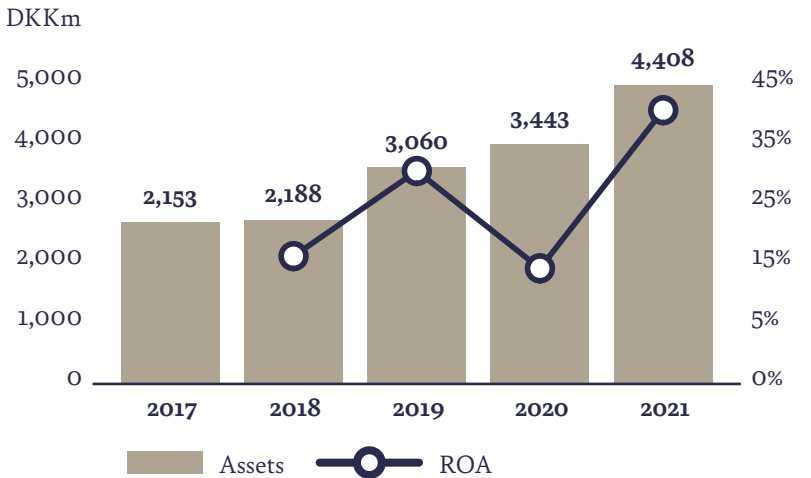
Our due diligence process conducted prior to an investment determines each company’s current level of sustainability and formalised structures, as well as the company’s possibility to undertake a defined set of activities in order to undergo a positive sustainability journey.

**Share of assets**

December 2021



**Development in assets and return**





# Portfolio

## Headquarters

Norway 1

Sweden 1

Denmark 10

UK 1



13  
Portfolio companies

+ 8,050  
Total revenue  
DKKm

3  
companies are signatories to  
the UN Global Compact

+ 3,200  
Total number of  
employees

## Year invested | % ownership



2014 | 27%



2016 | 30%



2017 | 33%



2018 | 25%



2018 | 35%



2018 | 40%



2019 | 40%



2019 | 26%



2019 | 30%



2020 | 40%



2020 | 45%



2021 | 32%

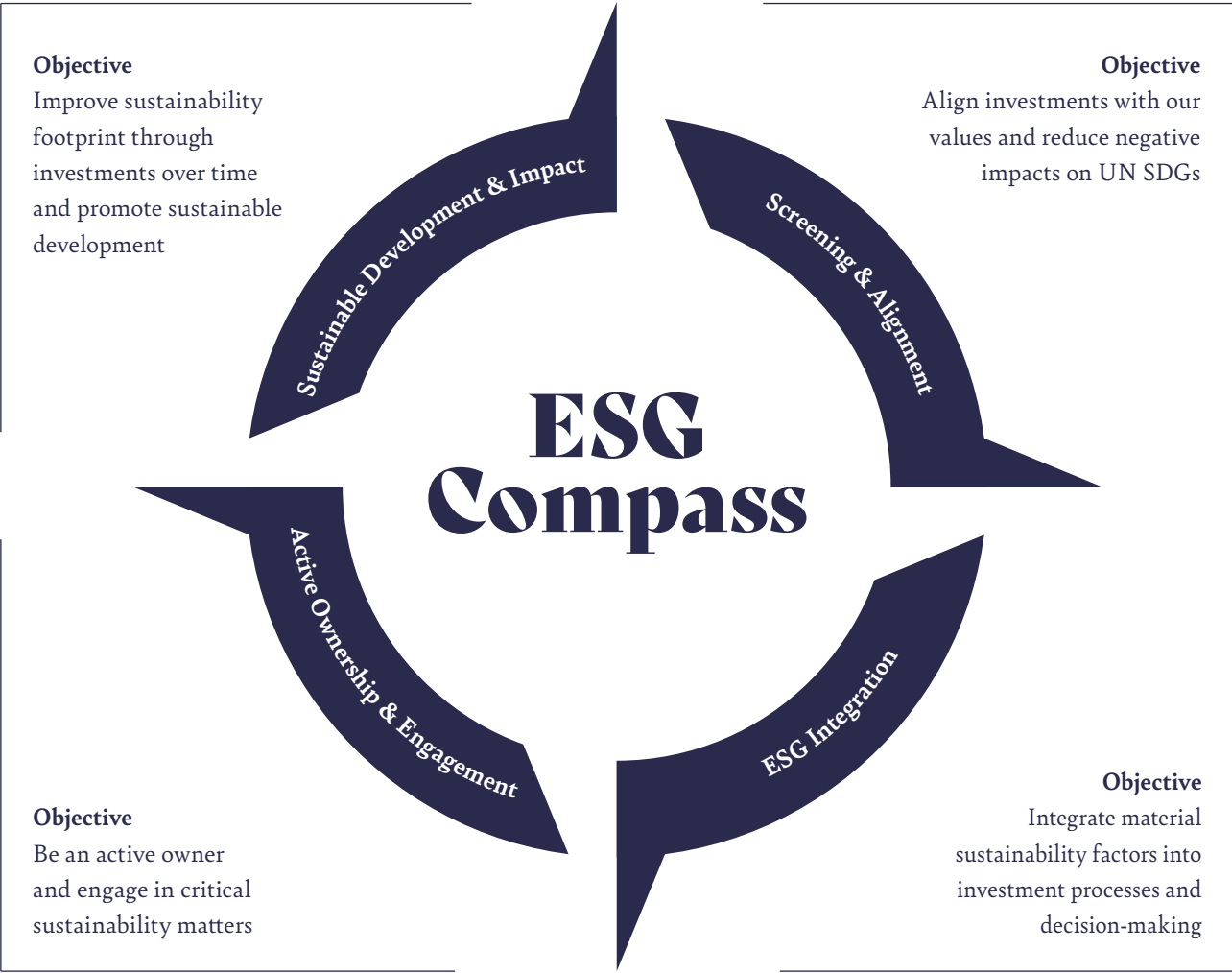


2021 | 48%



# Approach and tools

To ensure that Kirk Kapital’s commitment to sustainability is structured and impactful, we have developed our own, tailored method. Our ESG Compass strategy is the main framework for our sustainability approach across the organization. For Strategic Investments, the ESG Compass guides our work through four main focus areas:



Living up to our role as a responsible owner, and fulfilling the objectives presented in the ESG Compass strategy, is paramount. We have devised several additional tools that will serve to guide and structure our work in fulfilling our purpose.

**Sustainability is an integral part of the due diligence process**  
In connection with the due diligence carried out prior to an investment, a specific sustainability due diligence is completed. Sustainability due diligence is a standard requirement for all new potential investments. We adopt a dynamic sustainability materiality framework in order to assess key sustainability factors relevant to the company and the industry in which it operates.

Our sustainability due diligence process consists of four steps: 1. Identify material ESG topics; 2. Request ESG information and documentation from the target; 3. Q&A session; and 4. ESG Due Diligence Report.

**Investment criteria and sustainability criteria**  
Five sustainability criteria have been defined. These will be assessed, and a score will be concluded, which will lead to an overall Sustainability Score. The overall Sustainability Score is included in our overall recommendation provided to the Board of Directors of Kirk Kapital for approval.

For each sustainability investment criteria, a method description has been defined to support the rating of each criterion.

**Sustainability Board Engagement policy**  
The objective of the Sustainability Board Engagement Policy is to govern how Kirk Kapital representatives take an active role on the Boards of our strategic investment portfolio companies.

Knowledge of best practice ESG and a sound understanding of ongoing ESG regulatory initiatives is part of the expected skillset of our investment professionals. As board members in our portfolio companies, they can inspire from the top and stress the importance of ambitious sustainability management.

We are committed to using our influence to encourage companies to improve their management of sustainability issues. We believe that such an approach can deliver benefits in several ways, not least in obtaining better information on sustainability risks. We also believe that engagement on sustainability issues with our portfolio companies forms part of our wider responsibility to fulfil Kirk Kapital’s overall purpose and values.

## Sustainability criteria

- 1 Well defined sustainability management and resources
- 2 Alignment with UN Global Compact principles
- 3 Implemented material sustainability initiatives & KPIs
- 4 Contribution to UN SDGs
- 5 Limited sustainability risk exposure

= Sustainability Score



# Financial Investments

Kirk Kapital's Financial Investment activities are carried out in Kirk Kapital Fondsmæglerselskab, a 100% owned subsidiary of Kirk Kapital. Kirk Kapital Fondsmæglerselskab is regulated by the Danish financial Supervisory authorities.

Kirk Kapital Fondsmæglerselskab manages multiple individual financial-investment portfolios, totalling a value of more than DKKbn 8.2. The portfolios are tailored to our partners' precise needs, consisting of a wide range of investments, including listed equities, fixed income, and alternatives. The specific investments are mainly conducted through external managers or ETF products.

# Responsible investments

At Kirk Kapital Fondsmæglerselskab we believe that responsible investment behavior can create sound long-term risk-adjusted returns while contributing to societal progress on critical sustainability matters. This goes hand in hand with Kirk Kapital's purpose of delivering prosperity to the families of our shareholders, employees, and partners.

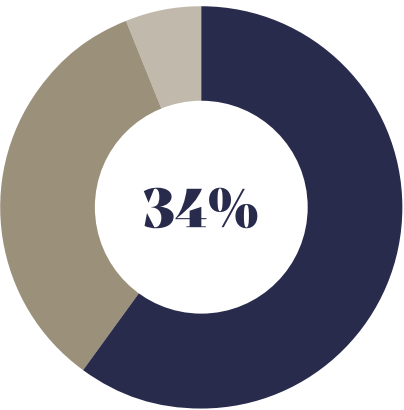
We also believe in the power of investor impact. While we cannot, singlehandedly, instruct our external managers to act in specific sustainable ways, we can challenge them and inform them of our views and opinions. Our responsible considerations and initiatives are structured within a sustainability framework.

Kirk Kapital's values are built on a heritage of integrity, responsibility, and orderliness, or as we like to call it "family DNA". Hence, the values of sustainable investments have implicitly and informally been a way of acting since our inception. However, in 2021, we formalized our sus-

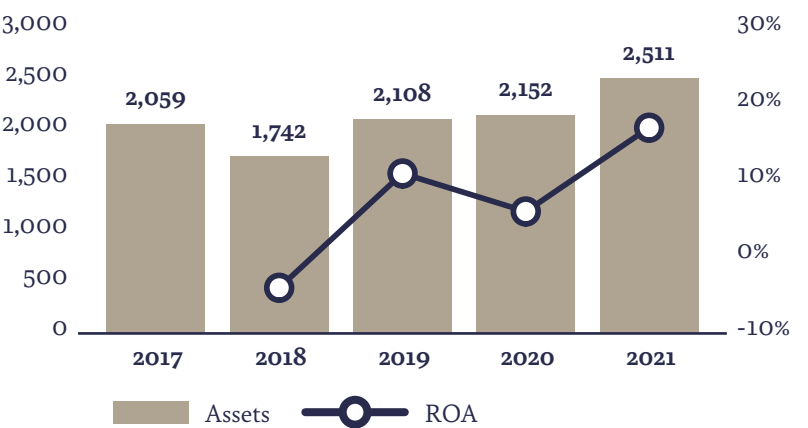
tainability strategy by incorporating material sustainability issues directly into our investment strategy, letting these guide our everyday actions.

**Overview of financial investments**  
All managed portfolios consist of a wide range of investments, spanning from listed equities, fixed income, to alternatives. In total, the portfolios represent a value exceeding DKKbn 8.2. The largest portfolio is Kirk Kapital's own Financial Investments portfolio, and it represents 34% of Kirk Kapital's own asset base. Kirk Kapital's own Financial Investments portfolio generates a result in 2021 of DKK 358 million, or a 17% return, and the asset base at the year end was DKKm 2,511. We benefitted from the development in the general markets, and the private markets contributed particularly well in 2021, with a return above the general stock market. In summary, we have delivered a result better than our expectations.

Share of assets  
December 2021



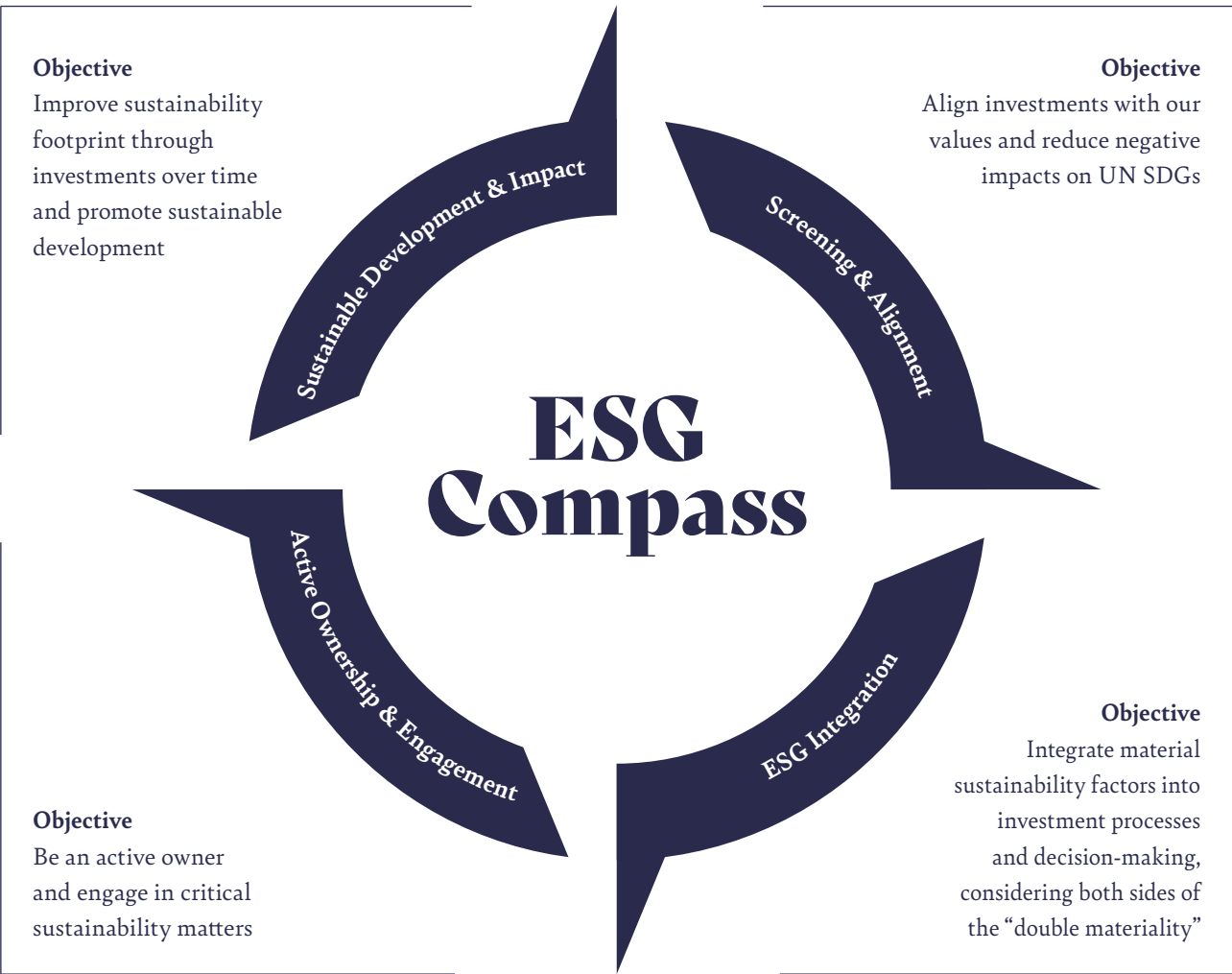
Development in assets and return  
DKKm





# Approach and tools

To ensure that Kirk Kapital’s commitment to sustainability is structured and impactful, we have developed our own, tailored method. Our ESG Compass strategy is the main framework for our sustainability approach across the organization. Within Kirk Kapital Fondsmæglerselskab, the ESG Compass guides our work through four main focus areas:



Living up to our role as a responsible investor, and fulfilling the objectives presented in the ESG Compass strategy, is paramount. We have engaged in initiatives and devised several additional tools that will serve to guide and structure our work in fulfilling our purpose.

**Responsible Investment Policy**  
Kirk Kapital Fondsmæglerselskab adopted the Responsible Investment Policy (RI Policy) in April 2021. The RI Policy will serve as a framework to guide our investment decisions for years to come – ultimately influencing our investment strategy.

We recognize that the field of sustainable investment is constantly changing. An essential part of our RI Policy is that we are inspired by the surrounding community and that we adapt our policy accordingly.

**UN PRI**  
Kirk Kapital Fondsmæglerselskab adopted the UN PRI in January 2021. The UN Principles for Responsible Investment is the world’s leading proponent for responsible investment. It is a network comprised of investors (signatories), who are committed to adopting six principles of operation. The PRI works to achieve a sustainable global financial system by encouraging adoption of its principles and collaboration on implementation; by fostering good governance, integrity, and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures, and regulation.

**ESG Committee**  
Kirk Kapital Fondsmæglerselskab has established an ESG Committee to support our journey towards more responsible and sustainable financial investments. The ESG Committee meets three times a year and draws on internal as well as external resources to ensure a wider range of insight, competencies, and perspectives in the sustainability field. The committee continuously defines and challenges

our level of ambition on sustainable investments to make sure we stay ahead of the curve. It will monitor our surrounding community and the sustainability field and review our RI Policy. The committee also has practical responsibilities such as evaluating external managers on sustainability performance.

**Managing ESG evaluation framework**  
As Kirk Kapital Fondsmæglerselskab predominantly invests through funds managed by external managers, the impact we can have through our focus on sustainable investment activities is primarily expressed through these managers. Hence, it is crucial that we evaluate their sustainability policies and actions continuously. Our external managers are expected to be co-signatories of the UN PRI and to have strong and/or improving sustainability practices in place. For us to monitor their work systematically, we have developed a framework for evaluating their performance on sustainability. The evaluation framework mixes feedback, reviews, and classic assessment within five focus areas with an annual questionnaire customized to fit listed equities, credit, sovereign bonds, liquid alternatives, and private markets. The questionnaires have been designed for each of these asset classes to best reflect sustainability practices informed by leading sustainability bodies such as the UN PRI.

There are different options and levels of transparency in our managers’ sustainability performance across asset classes. More and more sustainability data are becoming available for listed companies in very different shapes and sizes, allowing us to complement our own due diligence framework with quantitative sustainability data from the market itself. However, this requires that we can navigate the available data and focus on solid data from standardized options. With unlisted companies, this kind of insight is more limited, emphasizing the need for an even more thorough dialogue with the managers regarding decision-making and tools.



# Highlights and figures

We joined ambitious sustainability networks



We reviewed our external managers on sustainability performance

Data from review in July 2021

83%

are UN PRI signatories

97%

have an ESG policy

17%

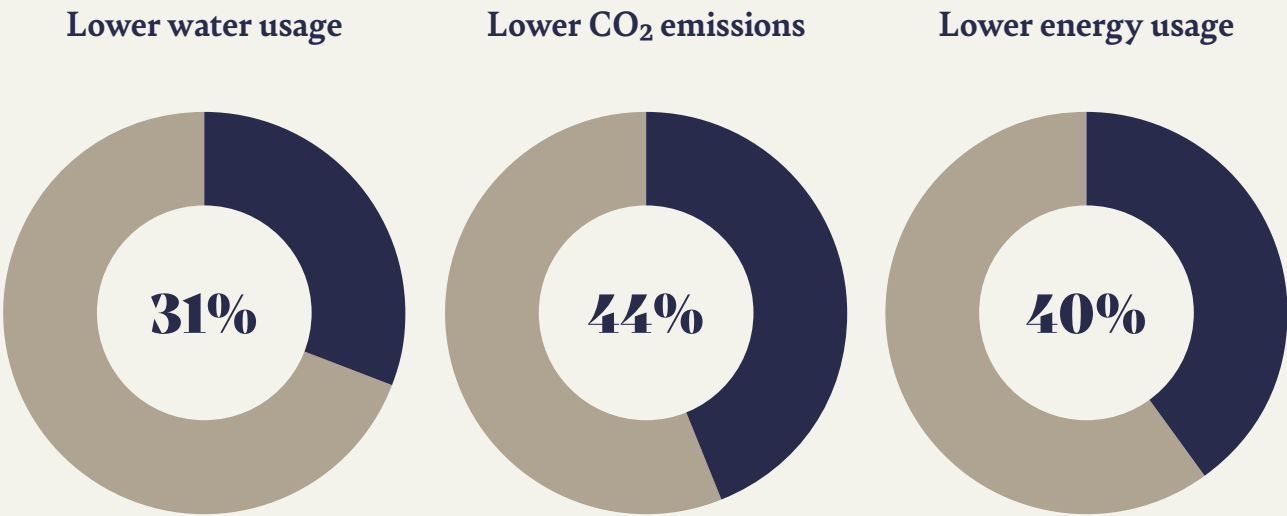
are SFDR Article 8 managers

6%

are SFDR Article 9 managers

## We mapped our environmental footprint

ESG impact of listed equity portfolio p.a. relative to MSCI ACWI per USD 1 mill. revenue:



Equity holdings data from December 31 2021. CO<sub>2</sub> emissions have been calculated as CO<sub>2</sub> and other gases, and have been converted to CO<sub>2</sub> equivalents.. This calculation is within scope 1 + 2. Environmental data comes from external sources. Source: LGT CP and Refinitiv

## We seek to inspire

We continuously seek to get our key stakeholders to focus on sustainability within financial investments. This is done by being a part of relevant forums and sharing our views publicly when deemed meaningful and relevant.

“  
LGT Capital Partners are proud to have been selected as a strategic sustainability partner by Kirk Kapital and to be a permanent member of their ESG Committee. It has been highly interesting and very fruitful to be working together on sustainability and impact-related topics. We are very impressed by Kirk Kapital's commitment and dedication to constantly develop and fine-tune their sustainability approach and we are looking forward to continuing the sustainability partnership for many years to come.”

LGT Capital Partners joined the Kirk Kapital ESG Committee

Tycho Sneyers, Managing Partner, LGT Capital Partners, Chair ESG Committee, Hanna Edström, Executive Director, LGT Capital Partners, Chair ESG Liquid Markets sub-committee

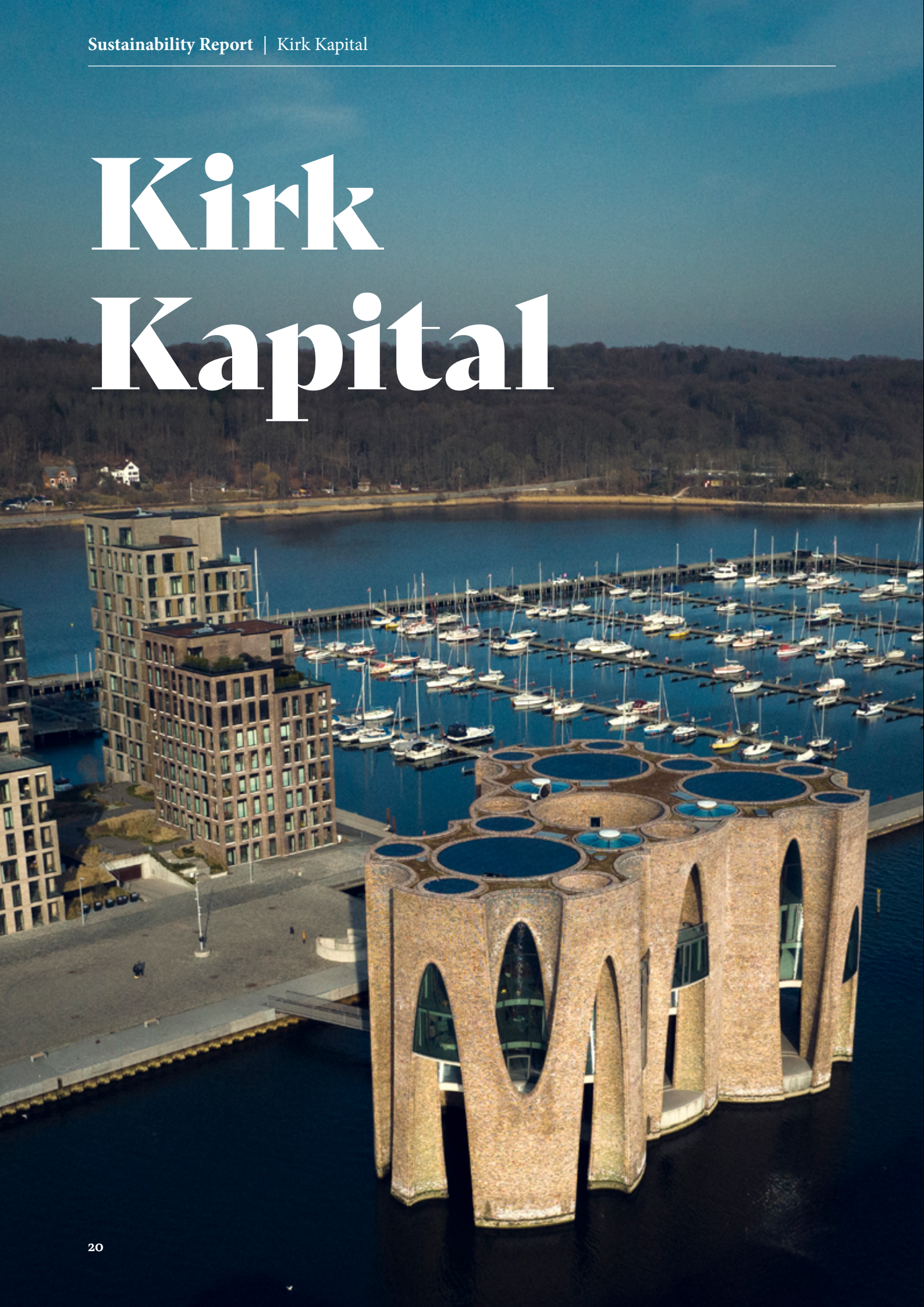
“  
We have been very pleased with the support from Kirk Kapital and find their ways of working to be highly professional and characterized by high integrity. We trust the setup and team, and we see few players in the Nordics with similar private markets capabilities – in particular their dedication to ESG is noteworthy and we have benefited from their guidance in both our investment committee and ESG advisory board.”

We joined NIO's ESG and Investment Advisory Boards

Ashvind Kumar Guiness, Chief Investment Officer (CIO) at NIO



# Kirk Kapital



# Lead by example

At Kirk Kapital, we are well aware of the fact that our biggest impact on society is the impact and influence we can have externally with the “voice of our capital”. Hence, this is mainly through our strategic minority company ownerships and through us challenging our external financial managers. However, we would – also internally – very much like to lead by example and serve as an inspiration to our surroundings and stakeholders.

Our organization consists of around 25 people working in our offices in Vejle and Copenhagen.

We are a signatory to the UN Global Compact, the world’s largest voluntary initiative within corporate responsibility. With this step, we committed to aligning our business strategy and operations with ten universally accepted principles within human rights, labor, environment, and anti-corruption and to taking action to advance broader societal goals.

## We have identified four SDGs that we prioritize

5

GENDER  
EQUALITY

8

DECENT WORK AND  
ECONOMIC GROWTH

13

CLIMATE  
ACTION

16

PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



# Kirk Kapital in 2021

In 2021, we formulated our first sustainability strategy which helps direct our strategic and financial investments as well as initiatives within our own organization.

In the following, we will describe the four areas of the UN Global Compact in our own operations in 2021: human rights, environment, anti-corruption, and employees.

**Human rights**

We conduct our business under Danish law, which is highly regulated in relation to human rights. The risk of violating human rights is therefore considered low. A review of our activities in 2021 shows that no events have violated any human rights. Kirk Kapital remains very conscious of our human rights responsibilities to employees, suppliers, and broader stakeholders, in line with our commitments under the UN Global Compact. In this light, we will, in 2022, be implementing an ESG policy with human rights in focus.

**Environment**

Kirk Kapital, and its directly controlled subsidiaries, have little risk of abnormal, negative environmental impact, since Kirk Kapital, and its directly controlled subsidiaries, conduct their main activities in Denmark where legislation provides guidelines and restrictions on good environmental practices.

A review of our activities in 2021 shows that no events have had an abnormal, negative environmental impact.

In 2021, we undertook several initiatives to promote greater environmental responsibility – specifically focusing on climate action:

- ♦ We established charging stations for electric vehicles at our carparks for our employees.

- ♦ We reduced air travel and transport in general – partly due to COVID-19 and partly due to a strategic shift towards more online meetings.
- ♦ We have, to a large extent, eliminated the usage of plastic bottles for water, and implemented reusable solutions.
- ♦ We have started to CO<sub>2</sub> compensate for our air travel, to the extent possible and encourage our employees to generally consider CO<sub>2</sub> friendly means of travel.

**Anti-corruption**

Kirk Kapital, and its directly controlled subsidiaries, have a limited number of business partners, and we always comply with current legislation regarding anti-corruption issues. We will be implementing an ESG policy in 2022, and anti-bribery and corruption will be part of the policy to ensure employees are aware of their responsibilities to act in accordance with the highest standards.

A review of the activities in 2021 shows that no events have violated legislation and guidelines regarding anti-corruption issues. In 2022, we will continue to promote responsible behavior by our employees and in our interactions with others, to minimize the risk of unethical and corrupt behavior.

**Data ethics**

Through its IT policy, Kirk Kapital has communicated to its employees how to ensure Kirk Kapital’s credibility in data handling of any sort by ensuring complete, accurate, timely and confidential use of all electronic data and personal information. These principles also cover our Data Ethics policy, adding specific guidelines to our employees covering the key principles for potential automation or repurposing of data that Kirk Kapital manages through daily operations. The data ethics guidelines are tailored to address the current use of systems where no decisions are au-

tomated and it formulates the principles to be considered in any case that Kirk Kapital wants to extend its use of data. The data ethics guidelines will be further implemented through our IT policy during 2022.

**Employees**

Our purpose is to create prosperity, not only for our shareholders and partners, but also for our employees. At Kirk Kapital, prosperity also means welfare. Since the establishment of Kirk Kapital in 2007, employee welfare has been at the core of our business, resembling a family-like and trust-based working environment.

Our employee handbook is the manifestation of our policy and is available to all employees. It provides practical guidance and rules on various relevant topics such as workplace environment and professional development. We have established a thorough feedback system and have keen focus on the continued development of the individual employee. Access to further education for employees is a priority, and employees are encouraged to seek options.

Our 2021 employee survey concluded that employees were very satisfied overall. We scored 95.6 out of a 100 on overall satisfaction, and we received an average score of 93.7 across all questions. This is an improvement of last year’s result, and we will strive to keep a high level going forward.

We are proud to have created a workplace with satisfied employees who can balance an ambitious career with a life outside the workplace. We keep a close eye on signs of employees being overworked. In a small and flat organizational structure such as ours, management is able to observe the risks on a continuous basis, and we consider this among the most important of management tasks.

With less than 50 employees we are not required to establish a policy on equality, but we consider equality one of the main management priorities. That is why we do our utmost to treat employees equally and always select candidates solely based on qualifications and suitability. The distribution of female/male members on the parent company’s Board of Directors should be 40%/60% (with 5 persons), as defined as equal distribution of gender according to guidelines issued by the Danish Business Authority. We will strive to reach this goal before 2025, as the split today is 20%/80%.

The distribution of female/male employees in the company is 42%/58%. At Kirk Kapital, we want to keep an eye on equal opportunity as well as see the individual and help everyone grow on their own terms through sparring at work. This has always been the case in Kirk Kapital in the past, and it always will be the case in the future.



# Playing a part in society

Kirk Kapital has a strong focus on the four areas outlined in the UN Global Compact framework, but it is our ambition to play an expansive part in the society we are a part of. We do this in a variety of ways, and in the following, we present some of our core contributions and activities in 2021.

## Supporting the Foundation

Kirk Kapital manages capital on behalf of the charitable foundation, Edith & Godtfred Kirk Christiansen's Foundation, on a pro bono basis. The foundation was established in 1979 by Gunhild Kirk Johansen and Kjeld Kirk Christiansen's parents. The foundation's values are social responsibility, compassion and tolerance, and the foundation supports projects that help children and families in need.

## Stand up to Cancer

Kirk Kapital supported the Danish Cancer Society with DKKm 10 in 2021. This contribution supports work within prevention, research and patient support. The contribution from Kirk Kapital was given as part of the national "Stand Up To Cancer" campaign.

## Utoft Plantation – biodiversity and carbon storage

Kirk Kapital owns Utoft Plantation, located near Grindsted, Denmark. The plantation covers 561 hectares, of which 355 are overgrown. In total, the plantation contains 60,538 tonnes of stored CO<sub>2</sub> and in 2021 we stored an additional 2,812 tonnes.

60,538

Carbon storage

Tonnes



## Fjordenhus – a contribution to Vejle

The shareholders of Kirk Kapital, the Kirk Johansen family, have strong and long-standing ties to the Danish city of Vejle. This is one of the reasons why Kirk Kapital built its headquarters in Vejle in 2018. The building, Fjordenhus, is one of the few buildings in the world that were originally conceptualized as a work of art, and only thereafter conceptualized as a building with all the necessary practical functions. This work of art was created by the Danish-Icelandic artist Olafur Eliasson and his studio.

There is free access to the ground floor of the building. Since the completion of the building in 2018, around 500,000 people have visited Fjordenhus. In 2021, our estimate is that around 100,000 people visited Fjordenhus.

Fjordenhus is first and foremost a work of art. However, sustainability is also a key part of the development and operation of the building. The building is A2010 energy certified and was built using sustainable materials, LED lighting, solar power, groundwater cooling and other sustainable solutions.

### Solar plants in Fjordenhus

Energy production

2021	2020
35.4 MWh	34.2 MWh

38.3

tonnes of CO<sub>2</sub> saved in 2020

### Groundwater cooling

CO<sub>2</sub> savings

2021	2020	2019
3.2 tonnes	3.1 tonnes	2.6 tonnes



# 2022 and beyond

In 2022 and beyond, Kirk Kapital will continue to focus on how we develop our business and develop our organization with respect for the UN Global Compact and with focus on the four prioritized SDGs. In our Kirk Kapital 2025 Strategic Ambition plan, succeeding with our sustainability strategy and implementation is a key success factor.

Within our investment activities, we will increasingly make the “voice of our capital” heard. As our sustainability strategy and our formalized sustainability processes are new, we will continue to have a focus on embedding the processes within our organization. The goal is to have our sustainability processes as an integral part of how we manage Kirk Kapital on a daily basis. Within our Strategic Investments, we will specifically encourage portfolio companies to become signatories to the UN Global Compact. Within Financial Investments, we will seek to expand on active ownership and engagement, and focus on mitigating ESG risks, pursuing ESG opportunities and focusing on measurable high-impact solutions whenever possible and relevant.

Internally, we will also have focus on our four prioritized SDGs. Gender equality: we will seek to maintain a diverse employee base at all levels of the organization. Decent work and economic growth we will seek to maintain a high level of employee satisfaction. Climate action: we will increasingly examine and implement ways of reducing our CO<sub>2</sub> emissions. Specifically, in the coming years, we will explore how we can measure CO<sub>2</sub> emissions using the GHG protocol, to ensure reductions in a structured approach. Peace, justice and strong institutions: we will formalize our policies, further reducing risk of compliance breaches.

In summary, Kirk Kapital is just getting started and we look forward to working with, and fulfilling, our sustainability goals for the years to come.

## UN Global Compact Index

At Kirk Kapital we have chosen to support the UN Global Compact. This report serves as our communication on progress in implementing the ten principles of UNGC. The index below explains where the report describes information on our approach and performance in relation to each principle.

	Our approach and tools
<b>Human Rights</b>	
<i>Principle 1:</i> Businesses should support and respect the protection of internationally proclaimed human rights.	<i>Strategic Investments</i> Approach and tools, page 12 Investment criteria and sustainability score, page 13
<i>Principle 2:</i> Make sure that they are not complicit in human rights abuses.	<i>Financial Investments</i> Approach and tools, page 16 Responsible Investment Policy, page 17 Highlights and figures, page 18
	<i>Kirk Kapital</i> Kirk Kapital Human Rights, page 22
<b>Labor</b>	
<i>Principle 3:</i> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<i>Strategic Investments</i> Approach and tools, page 12 Investment criteria and sustainability score, page 13
<i>Principle 4:</i> The elimination of all forms of forced and compulsory labor.	<i>Financial Investments</i> Approach and tools, page 16 Responsible Investment Policy, page 17
<i>Principle 5:</i> The effective abolition of child labour.	<i>Kirk Kapital</i> Employees, page 22
<i>Principle 6:</i> The elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	
<i>Principle 7:</i> Businesses should support a precautionary approach to environmental challenges.	<i>Strategic Investments</i> Approach and tools, page 12 Investment criteria and sustainability score, page 13
<i>Principle 8:</i> Undertake initiatives to promote greater environmental responsibility.	<i>Financial Investments</i> Approach and tools, page 16 Highlights and figures, page 18 We mapped our environmental footprint, page 19
<i>Principle 9:</i> Encourage the development and diffusion of environmentally friendly technologies.	<i>Kirk Kapital</i> Environment, page 22 Playing a part in society, page 24 Fjordenhus – a contribution to Vejle, page 25
<b>Anti-corruption</b>	
<i>Principle 10:</i> Businesses should work against corruption in all its forms, including extortion and bribery.	<i>Strategic Investments</i> Approach and tools, page 12 Investment criteria and sustainability score, page 13
	<i>Financial Investments</i> Approach and tools, page 16
	<i>Kirk Kapital</i> Anti-corruption, page 22