



ESG Policy

July 2023



Our Values

The scope of this policy covers Greenlight Group (“Greenlight”) and any of the funds managed. Greenlight recognizes the critical role that the energy transition plays in building a sustainable future. As an asset management firm focused on energy transition technology investments, we acknowledge the unique responsibility we have in shaping a cleaner and more environmentally conscious world.

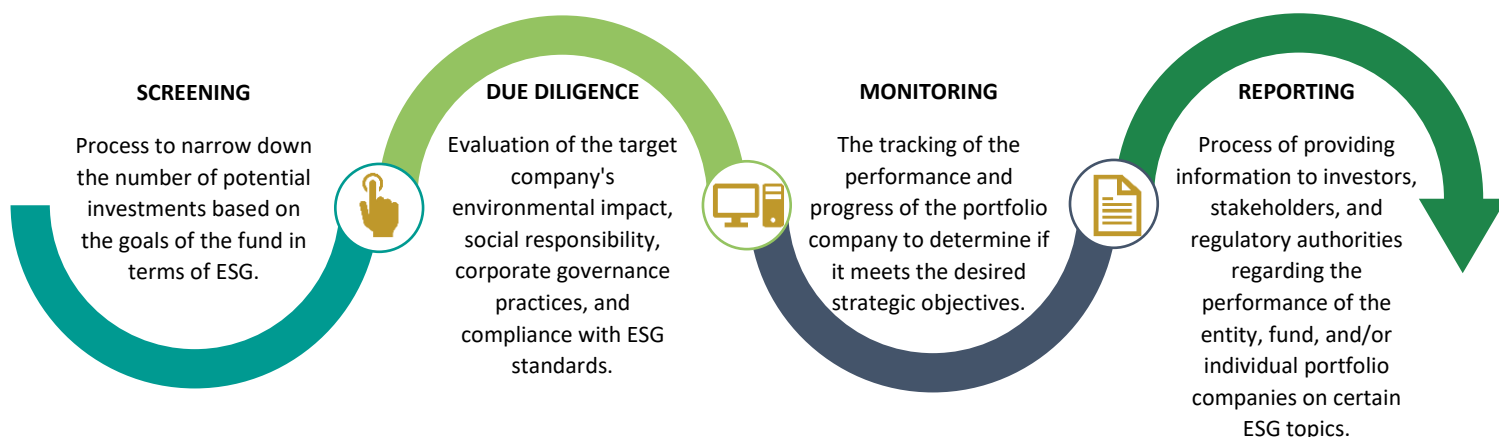
The energy transition is defined as the global energy sector’s shift from fossil-based systems of energy to renewable or distributed-based energy production. Greenlight ensures to invest in the technologies that are facilitating the reduction of carbon emissions. Our firm specializes in Nordic technology that is involved in distributed power, e-mobility, and industrial sectors and looks to expand to new geographies. With the rise of renewables and technology to support the transition, we look to pave the way for continued growth.

We center our values around sustainability, responsibility, and ethical conduct. Our investments are evaluated based on the contributions to the environment and society as a whole. By being transparent about our ESG criteria, our investors are provided the opportunity to align their investments with values that prioritize environmental protection, social responsibility, and sound governance.

Our Process

As part of our commitment to transparency, this Policy simplifies our strategy which ensures our investments make meaningful contributions to our goals, without adverse consequences.

Figure 1: ESG integration in Greenlight's investment processes



Screening

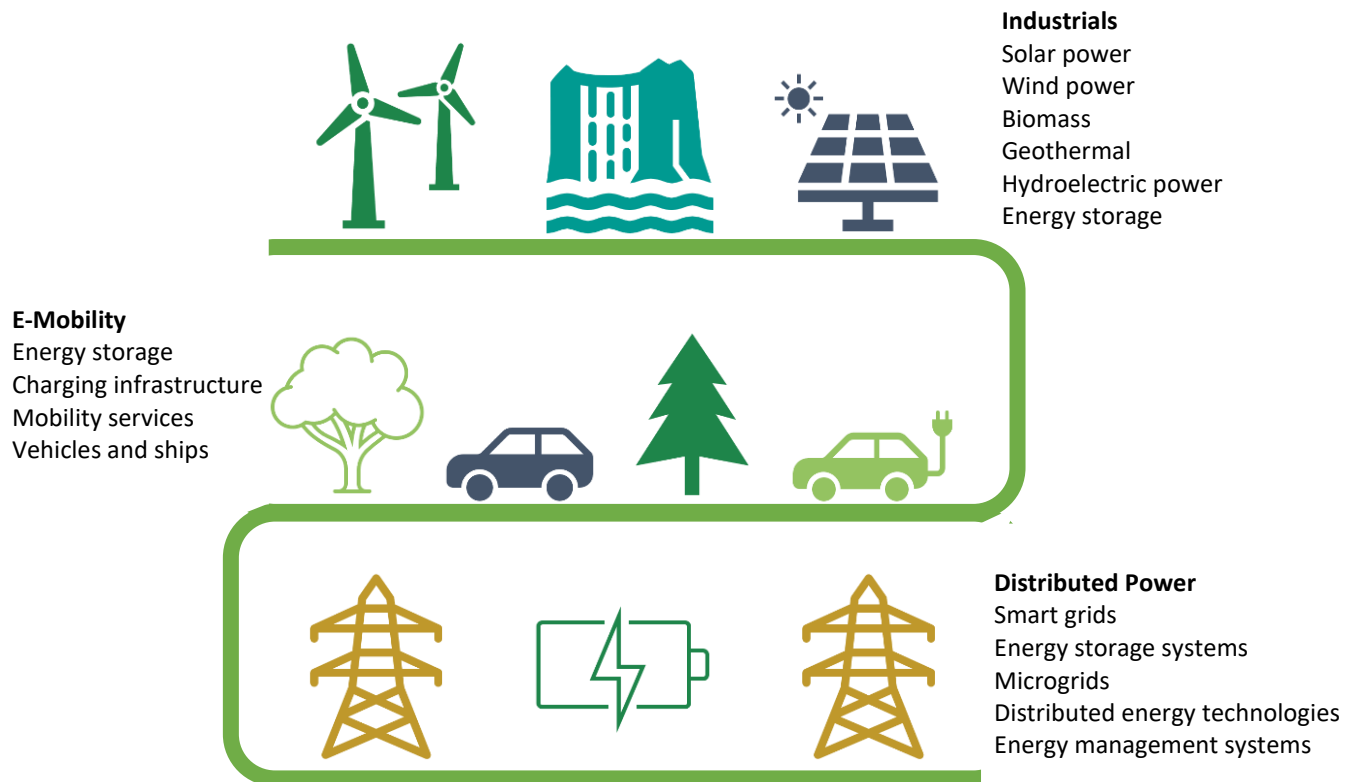
Our screening process helps identify companies that are involved in operations that move away from centralized power production to more sustainable alternatives. We identify these opportunities by evaluating Norwegian companies that have been reviewed by the Government of Norway for participation in programs that provide financial support to accelerate company growth. The Norwegian Government evaluates companies based on ESG standards that follow local regulations leading to greater certainty these companies will accelerate the energy transition. Through our investment team’s ground



research, we also identify opportunities in continental Europe and the United States, with the potential to expand elsewhere, that align with our goals.

Greenlight excludes specific industries or activities that don't align with our values or goals.

Figure 2: Greenlight's screening strategy



Due Diligence

Prior to an investment decision, a comprehensive ESG due diligence is conducted to ensure our investments can withstand risks and do not negatively impact the environment and society in which they operate. We utilize a third-party consultant to conduct this due diligence assessment for each company. This assessment aligns with the Sustainability Accounting Standards Board (SASB), the Task Force on Climate Related Financial Disclosures (TCFD), and focuses on material topics to evaluate how each company manages potential risks and identifies long-term value creation opportunities. Because many of the technologies we invest in interact with nature and the environment, and associated, ever-changing regulations, the assessment will identify how a company's geographic location and laws may affect the company's ability to grow. Governance structures and procedures will also be evaluated so we can ensure proper management on environmental and social topics.

Our findings are summarized so that all ESG risks are identified to ensure the investment team can make a well-informed decision.



Monitoring

Greenlight focuses on improving energy efficiencies and accelerating renewable power production of the companies we invest in. We monitor companies throughout the lifecycle of the investment to ensure they meet our goals and identify areas of improvement. Industry-specific qualitative and quantitative metrics, selected following the guidance of SASB and TCFD, are collected on an annual basis using a third-party platform. Greenlight believes active engagement with company management helps drive advancement of our goals which is why we have meaningful conversations with companies on their current ESG strategy and ambitions. We use the collected information and data to make improvement suggestions that help the companies work towards our common goals.

Reporting

To ensure transparency towards our investors, we provide annual reports for each of our investments. By displaying year-on-year data comparisons and highlighting improvements made, Greenlight is able to track how well we are contributing to the energy transition in a responsible manner. We also fulfil our regulatory obligations by providing an annual periodic report that aligns with the Sustainable Finance Disclosure Regulation (SFDR).

Our Operations

Greenlight has oversight over the ESG maturity within their portfolios through their ESG Committee. This Committee is responsible for seeking out new opportunities, and with assistance from third-party experts, identifying relevant ESG topics and any challenges or risks investees might face, and determining the actions needed to improve on any issues. The Chief Financial Officer is responsible for overseeing growth opportunities within the portfolios, of which our ESG approach is an integral part. The Head of ESG and Chief Compliance Officer work together to ensure all regulatory obligations are fulfilled. Our Board of Directors has oversight on ESG topics of our investments and any significant ESG issues are addressed at this level.

At Greenlight, we like to lead by example on our path towards a more sustainable future. We aim to identify, monitor, and report on metrics material to our business. Because we support the energy transition, we feel it necessary to track our own carbon emissions and find new ways to manage and reduce them. We will produce an annual ESG report that outlines the progress of our Firm as well as our investments.

Adhering to ESG values can lead to better risk management, enhanced reputation, increased stakeholder trust, and ultimately contribution to a cleaner and more environmentally conscious world. As the importance of ESG continues to grow, embracing these values becomes crucial for companies and investors seeking to make a positive difference in the world. Greenlight wants to become a leader in the energy transition that drives a sustainable future.

This policy will be reviewed annually and updated as necessary.

