

## Sustainability Risk Statement (Article 3 Regulation (EU) 2019/2088)

Greenlight Asset Management GP Sarl (“Greenlight”) is required to publish on its website information on its policies on the integration of sustainability risks in its investment decision-making process (Art. 3 (1) SFDR). According to Art. 2 (22) SFDR, sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment (“Sustainability Risks”). Greenlight pursues an investment strategy targeting financial returns and positive climate impact. Considering Sustainability Risks forms an integral part of our pre-investment assessment of each investment. The pre-investment phase is structured into two stages, screening (consisting of positive and negative screening criteria) and due diligence. The ESG due diligence is conducted by our Director of Impact & ESG in close cooperation with experienced external ESG consultants as well as Greenlight’s investment team and involves an assessment of ESG risks (including Sustainability Risks) as well as the target company’s capacity to manage such risks. The findings of the ESG due diligence are summarized and reviewed by the investment committee when taking an investment decision.

## Entity Level PAI Statement (Article 4 Regulation (EU) 2019/2088)

The Sustainable Finance Disclosure Regulation (“SFDR” or “the Regulation”) entered into force on 10 March 2021. The Regulation requires fund managers like Greenlight as an authorised AIFM to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

This document specifically addresses Article 4 of the Regulation:

1. Financial market participants shall publish and maintain on their websites:

- (a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or
- (b) where they do not consider adverse impacts of investment decisions on sustainability factors, 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.

Greenlight applies the definition of Principal Adverse Impacts (PAIs) prescribed by Recital 20 of the Regulation:

Principal adverse impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

No consideration of Principal Adverse Impacts

Greenlight does not consider the principal adverse impacts of its investment decisions on sustainability factors in the manner prescribed by Article 4 of the Disclosure Regulation.

Article 4 (b) of the Regulation requires fund managers to provide clear reasons why they do not consider the adverse impacts of investment decisions on sustainability factors. Although Greenlight Group is committed to incorporating ESG factors into its investment decisions, it believes that considering its current investment strategy and processes, it would be challenging to comply with the PAI regime of the SFDR on an entity level.

Greenlight is committed to improving its processes to be able to comply with the PAI regime of the SFDR in due course.

## Remuneration Policy (Article 5 Regulation (EU) 2019/2088)

Sustainability Risks are not considered with respect to the remuneration of Greenlight's team members.