

Website disclosure for the financial product promoting  
**Environmental and/or social characteristics**

Product name
Climate Technology Fund II SCSp

Legal entity identifier
B277744

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: [X]%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a proportion of [X]% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: [X]%</p>	<p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not commit to making any sustainable investments</b></p>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

a) **Summary**

- b) **No sustainable investment objective:** This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.
- c) **Environmental or social characteristics of the financial product:** The fund Climate Technology Fund II SCSp (“the Fund”), promotes the following E and S characteristics:
- Investment in climate technologies that contribute to decarbonization and the energy transition.
  - The exclusion of investments that do not meet Greenlight’s minimum standard of contribution to the objectives outlined in the point above.
- d) **Investment strategy:** The Fund’s primary investment objective is to become minority owners in business that develop technology needed to accelerate decarbonization and the energy transition. The Fund primarily targets Nordic countries due to the area’s leading role in climate tech and innovation. An annual review process conducted by an external advisor evaluates the good governance practices of the investee.
- e) **Proportion of investments:** The Fund seeks to have 70% of investments that promote the environmental characteristics of the Fund. 30% of the fund's capital will be reserved to accommodate any significant shifts in the energy sector dynamics and to hedge risks associated with the industries in which the fund invests.
- f) **Monitoring of environmental or social characteristics:** To measure the attainment of the environmental characteristics above, the Fund uses specific qualitative and quantitative indicators, which are monitored annually, to assess the progress of the investment’s performance. The approach to selecting these indicators is based on frameworks set forth by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).
- g) **Methodologies:** The Fund will promote the above E/S characteristics through the following strategies:
1. Positive inclusion list: The fund actively seeks out investments that contribute to the energy transition and decarbonization.
  2. Exclusion list: The Fund screens all investments against Greenlight Group’s exclusion list.
  3. Due diligence: An external advisor will collect qualitative and quantitative data and engage with company management to identify any potential ESG risks. A high-level climate risk assessment and taxonomy eligibility assessment are also conducted.
  4. Annual analysis of portfolio companies: On an annual basis, an external advisor will collect and analyze relevant KPIs and engage with companies to summarize findings and provide improvement recommendations.
- h) **Data sources and processing:** During the due diligence process and during an annual assessment, the company data will be collected through an external advisor and may utilize an online platform, allowing the investee to self-report relevant qualitative and quantitative KPIs. The data is analyzed by the external advisor and/or the online platform and summarized in a report on an annual basis.
- i) **Limitations to methodologies and data:** There are inherent limitations of methodologies used to assess ESG performance including lack of available data, lack of reliability and lack of consistency across sectors and businesses.
- j) **Due diligence:** An external advisor conducts an ESG specific due diligence assessment. Data is collected and analyzed and engagement with company management occurs. A high-level climate risk evaluation and taxonomy eligibility assessment is conducted. Information and risks

identified are presented in a due diligence report and summarized in the Deal Quantification Memo.

- k) **Engagement policies:** An external advisor will engage with companies during the due diligence process and on an annual basis to collect quantitative and qualitative indicators. They will then have a discussion with company management to gather additional information and present findings from previous data collected and provide recommendations.
- l) **Designated reference benchmark:** No index has been designated as a reference benchmark to meet the characteristics.

#### **b) No sustainable investment objective**

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

#### **c) Environmental or social characteristics of the financial product**

The Climate Technology Fund II SCSp ("the Fund") will promote the following E/S characteristics:

- The investment in companies specialising in cutting-edge and innovative climate technologies that actively contribute to decarbonisation and the energy transition, with a special focus on distributed power production, e-mobility and the industrial sector. In this respect, the fund promotes leading the energy transition in a responsible way. This is the fund's positive inclusion strategy.
- The exclusion of investments that do not meet Greenlight's minimum standard of contribution to the objectives outlined in the point above.

#### **d) Investment strategy**

The Fund follows a growth equity strategy and focuses its investment strategy on companies engaged in the generation and development of pioneering technology for the energy transition and decarbonization (positive inclusion) through a significant minority ownership (~30%). The Fund will typically invest from US\$1 million to US\$10 million.

The ultimate goal is to invest in companies and infrastructure projects (solar and wind power) that generate a positive impact on the environment and climate through renewable energy, generating an attractive return for our investors.

#### *Investment Geographies:*

The fund primarily targets Nordic countries due to the countries' leading role in climate tech and innovation. This geographic focus stems from the region's robust ecosystem of pioneering technologies, fostering compelling investment opportunities in the quest for sustainable solutions. The fund retains the flexibility to expand its investment geographies opportunistically when suitable opportunities arise.

#### **Policy to assess good government practices**

The fund evaluates the good governance practices of investee companies at the due diligence phase and during the annual review. A series of qualitative and quantitative KPIs, specific to each company, are used to measure the performance of each company on sustainability criteria, including those related to good governance practices.

#### e) Proportion of investments

The Fund's asset allocation is designated for 70% of investments to align with the environmental characteristics integral to the fund's strategy. The remaining 30% of the fund's capital will be reserved to accommodate any significant shifts in the energy sector dynamics and to hedge risks associated with the industries in which the fund invests. This category enables the fund to invest in sectors such as rare earth materials, which are fundamental to the components of the fund's underlying companies. Given that the supply chain for these materials can be under pressure, these investments can serve as a hedge against potential supply chain risks.

#### f) Monitoring of environmental or social characteristics

To measure the attainment of each of the environmental or social characteristics promoted, the fund uses a set of indicators to assess the progress of the investment's performance. These are company-specific metrics that align with the frameworks set forth by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). For each company, these metrics are carefully selected during the due diligence phase, based on an evaluation of their materiality and relevance.

These indicators are monitored annually: companies are evaluated and based on their performance against these indicators.

*The process for the annual analysis is as follows:*

An external advisor will evaluate each company on:

- Company-specific qualitative KPIs; and
- Company-specific quantitative KPIs

These take into account environmental, social and governance criteria. An external advisor engages with businesses through desktop and internal documentation reviews, in addition to conducting interviews with them. Moreover, it should be noted that as soon as an investment is closed, the external advisor meets with the company to initiate the process. Based on this data, a series of recommendations are generated.

#### g) Methodologies

1. **Positive inclusion list:** the Fund actively seeks out opportunities to invest in companies that contribute to the energy transition and decarbonization through the development of state-of-the-art climate technology. These investments are made in the below industries:
  - Distributed power production;
  - E-mobility;
  - Industrials (e.g., renewable energy production);
2. **Exclusion List:** Greenlight Group has established an exclusion list that provides that the Fund will not invest in a company that is engaged in the following business and/or activities:
  - Forced labor and/or child labor according to ILO Core Labor Standards;
  - Violation of human rights as defined by the UN Universal Declaration of Human Rights;

- Cultivation, processing and sales of tobacco;
  - Gambling (e.g., operating casinos, producing equipment for casinos or betting offices, online betting providers);
  - Production of or trade in adult entertainment products;
  - Production of or trade in military weapons and/or ammunition;
  - Coal mining and trading as well as coal-fueled power plants;
  - Oil prospecting, exploration and extraction from oil shale, tar or oil sands;
  - Production of nuclear energy;
  - Non-sustainable, commercial logging of forests;
  - Destruction or significant degradation of protected or conservation areas;
  - Oil prospecting, exploration and extraction from oil shale, tar or oil sands;
  - Production of nuclear energy;
  - Non-sustainable, commercial logging of forests;
  - Destruction or significant degradation of protected or conservation areas.
3. **ESG due diligence:** An ESG due diligence will be conducted for each investment that passes the screening phase.
- This will include:
- Collection of qualitative and quantitative metrics in line with TCFD and SASB standards, including information on company governance such as policies and procedures.
  - High-level climate risk assessment
  - Taxonomy eligibility assessment
  - Engagement with company management

The findings from these evaluations, including insights on all ESG topics and how the company compares to industry standards, are compiled into a comprehensive due diligence report. A one-page summary of key findings is included in the DQM (Deal Quantification Memo)

4. **Annual analysis of portfolio companies:** As outlined in the "monitoring" section, each investee company's performance will be evaluated against carefully chosen KPIs. This assessment will take place annually, from which an ESG report will be created to summarize data and findings.

#### h) Data sources and processing

**Please describe what data sources were used to attain each of the environmental or social characteristics.**

During the due diligence stage, metrics that align with SASB and TCFD are selected based on the evaluation of their materiality and relevance. These qualitative and quantitative metrics are collected and analyzed by an external advisor through their data collection method (e.g., questionnaire) or via an online platform. During the annual analysis of each company, company management is expected to provide this data on a best-effort basis using the same data collection process completed during due diligence. As part of this process, the external consultant may provide recommendations as to how to improve data collection.

### **How is data processed?**

An external advisor will analyze the data and/or the online platform will analyze data. Data will be compared to industry standards and any material ESG risks will be identified.

### **What measures are taken to ensure data quality?**

The external advisor verifies data, or the online platform includes an automated data check.

### **What proportion of data is estimated?**

When data is not provided, no estimations will be made.

#### **i) Limitations to methodologies and data**

There are inherent limitations of methodologies used to assess ESG performance including lack of available data, lack of reliability and lack of consistency across sectors and businesses.

#### **j) Due diligence**

An ESG due diligence will be conducted for each investment that passes the screening phase.

This will include:

- Collection of qualitative and quantitative metrics in line with TCFD and SASB standards, including information on company governance such as policies and procedures.
- High-level climate risk assessment
- Taxonomy eligibility assessment
- Engagement with company management
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The findings from these evaluations, including insights on all ESG topics and how the company compares to industry standards, are compiled into a comprehensive due diligence report. A one-page summary of key findings is included in the DQM (Deal Quantification Memo).

### **What internal and external controls are in place on that due diligence?**

Investment professionals, with guidance from external advisors, are expected to highlight any material risks identified in the due diligence process.

#### **k) Engagement policies**

**Is engagement part of the environmental or social investment strategy? If so, please describe the engagement policies implemented, including any management procedures applicable to sustainability-related controversies in investee companies.**

As part of the annual analysis, external advisors will lead discussions with company management to review the data collected and summarize any key findings. The advisors will provide recommendations relating to data collection and improvements of KPIs.

**l) Designated reference benchmark**

No index has been designated as a reference benchmark to meet the defined characteristics.