Website product disclosure for financial products that have sustainable investments as their objective as specified in Section 2 of Commission Delegated Regulation (EU) 2022/1288 supplementing Article 10 of Regulation(EU) 2019/2088

Sustainability-related disclosure

Article 9 fund

Product name: Green Harmony III (FT ID 25592-005)

Legal entity identifier: EMF AIF SIKAV

Summary

EMF AIF SIKAV (hereinafter the "Fund") is a Fund with several Sub-Funds, one of which is Green Harmony III (hereinafter the "**Sub-Fund**").

The Sub-Fund's objective is to make investments that qualify as sustainable investments under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures (hereinafter "SFDR") and support the green transition by accelerating and enabling the shift away from fossil-fueled maritime transportation and promoting the supply of sustainable fuels across various industries.

The Sub-Fund will be investing in maritime transportation solutions with a robust sustainability profile, in particularly vessels with the possibility of running on and transporting green ammonia. No reference benchmark has been designated for the purpose of attaining the sustainable investment objective. The Sub-Fund has policies and processes in place to ensure that its investments do not cause any significant harm to the sustainable investment objectives. Furthermore, good governance is assessed as a part of the Sub-Fund's ESG due diligence and ongoing monitoring is conducted during the holding period.

The sustainability indicators used to measure the attainment of the sustainable investment objective of the Sub-Fund are the following:

- Estimated Greenhouse gas emissions avoided
- Estimated Sulphur oxide emissions avoided

Several mechanisms, policies and processes ensure that the investments will do no significant harm to the sustainable investment objectives of the Sub-Fund and to other sustainable objectives, while also ensuring compliance with minimum safeguards and good governance practices.

In the pre-investment phase, the investments are screened against the exclusion criteria and assessed through a ESG due diligence, , the 'do no significant harm'-criteria and the minimum safeguards. In the post-investment phase, the investments' ESG performance are monitored as part of the periodic reporting on the EU Taxonomy, sustainability indicators and the principal adverse impact indicators ("PAI"). Any adverse development on these indicators will be addressed through active engagement with the relevant suppliers and stakeholders.

Internal Subject matter experts and/or external advisors with the respective expertise ensure that methodologies, data sources, and data quality live up to the methodology and standards required for a financial product in accordance with Article 9 SFDR.

No significant harm to the sustainable investment objective

The Sub-Fund has relevant policies and processes in place covering the entire investment period (such as the Sub-Fund's Good governance policy, Sustainability-risk policy and Engagement policy) to ensure that the investments of the Sub-Fund do not cause significant harm to any environmental or social sustainable investment objective:

Pre-investment processes

- Screening: A ESG due diligence is conducted on all investments with a particular focus on the assessment of vessels that can run on and supply of green ammonia, good governance practices, minimum safeguards and avoidance of adverse impacts. For economic activities eligible and to create an action-plan of what initiatives would need to be undertaken to achieve alignment during the holding period.

Post-investment processes

- Monitoring: There are continuous yearly conversations and initiatives undertaken during the holding period to ensure continued compliance with relevant regulation, to improve data-reporting and PAI performance and to monitor and potentially improve on sustainability goals.
- Reporting: Periodic reporting on EU Taxonomy, sustainability indicators and the principal adverse impacts indicators (PAI) ensures transparency and enables the Sub-Fund to monitor and report on the impact of its investments.

The Sub-Fund considers and reports annually on the following 16 principal adverse impact indicators, as presented in Annex I to the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council (hereinafter the "Regulatory Technical Standards"):

- Table 1: #1. Greenhouse gas ("GHG") emissions
- Table 1: #2. Carbon footprint
- Table 1: #3. GHG intensity of investee companies
- Table 1: #4. Exposure to companies active in the fossil fuel sector
- Table 1: #5. Share of non-renewable energy consumption and production
- Table 1: #6. Energy consumption intensity per high impact climate sector
- Table 1: #7. Activities negatively affecting biodiversity-sensitive areas
- Table 1: #8. Emissions to water
- Table 1: #9. Hazardous waste and radioactive waste ratio
- Table 1: #10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

- Table 1: #11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- Table 1: #12. Unadjusted gender pay gap
- Table 1: #13. Board gender diversity
- Table 1: #14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Table 2: #12. Investments in companies without sustainable ocean/sea practices
- Table 3: #4. Lack of a supplier code of conduct

The PAIs are considered in the investment and asset management processes of the Sub-Fund as follows:

1. All potential investments in the Sub-Fund are screened against these indicators to ensure no significant harm is done as part of the initial ESG due diligence undertaken.

2. Data on PAI indicators (as outlined above) is collected for all investments before and during the investment period. Where data is not available or where data quality is assessed to be low, a plan is developed for how the relevant data can be obtained.

3. Performance on PAI-indicators is part of the Sub-Fund's ESG-reporting. Actions are defined to improve PAI-performance in case such improvements have not occurred over a year for any of the selected PAIs.

The Sub-Fund is responsible for performing the respective tasks for which it may mandate external advisors with the respective expertise.

The Sub-Fund is committed to ensuring all its investments, and the underlying main suppliers, achieve criteria outlined in the UN Global Compact principles ("UNGC Principles"), the OECD Guidelines for Multinational Enterprises ("OECD Guidelines") and the UN Guiding Principles for Business and Human Rights ("UNGPs"). The investment's achievements of the Do No Significant Harm are evaluated as part of the ESG Due Diligence and managed through monitoring and reporting as well as through engagement with the assets and suppliers.

Sustainable investment objective of the financial product

The Sub-Fund's objective is to make investments that qualify as sustainable investments and support the green transition by accelerating and enabling the shift away from fossil-fueled maritime transportation and promoting the supply of sustainable fuels across various industries. Specifically, the Sub-Fund will be investing in maritime transportation solutions with a robust sustainability profile. The Sub-Fund's investment objective is directly linked to, and aims to achieve, the environmental objective of "climate change mitigation" as listed in Article 9 of the Regulation (EU) 2020/852.

The Sub-Fund has developed three Sustainability Indicators which will be used on a portfolio level to measure the attainment of the sustainable investment objective as described above.

1. Estimated greenhouse gas emissions avoided versus a market-standard fossil fuel vessel.
    - The avoided emissions are estimated for all investments. The estimation is based on a review of vessel and engine specifications, Q&A sessions,

external sources and desktop research. The assessments of avoided emissions are reviewed and updated yearly.

2. Estimated Sulphur oxide emissions avoided versus a market-standard fossil fuel vessel.
    - The avoided Sulphur oxide emissions are estimated for all investments. The estimation is based on a review of vessel and engine specifications, Q&A sessions, external sources and desktop research. The assessments of avoided emissions are reviewed and updated yearly.

In particular the Sub-Fund has established the following specific DNSH thresholds based on our understanding of the sustainability impacts of vessels. Please refer to our “Sustainability Risk policy”, our “PAI identification statement” and our “Good governance structure for suppliers” for additional details.

General/social:

1) Shipbuilders must have policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (PAI. See also our “Good governance structure for suppliers” for our specific approach to this)

2) Shipbuilders must not operate in countries whereas the government is directly targeted by sanctions from the European Union

Environmental:

1) All vessels must be fitted with a “dual fuel” engine.. As such the vessels will run on LPG (Liquified Petroleum Gas) as the main fuel if the engines are not already adapted to run on green ammonia at the time of completion. LPG powered vessels have a significantly lower environmental footprint compared to engines running on market standard heavy fuels. This includes CO2 emissions at LPG on 74.41 g CO2/MJ compared to average vessels on HFO with CO2 emissions on 91.74 g CO2/MJ leading to a significant reduction compared to average vessels using the well to wake methodology. A such its our understanding that the vessels will not do significant harm, even in the case that they will run on LPG for a period of their lifetime. However, it is a clear ambition that the vessels will run on 95% green ammonia with CO2 emissions at 0.05 g CO2/Mj and 5% biofuels (E-diesel) at 4.70 g CO2/MJ and therefor contribute to a significant reduction in CO2 emissions. This includes a binding element of the investment strategy to implement an ammonia engine before 2029 and therefore fulfill the emission targets in the EU taxonomy.

2) All vessels must have sulphur oxide emissions that are below market standard fossil fuel vessels

3) Suppliers must be committed to consider potential negative effects on biodiversity. Where possible, we engage with Suppliers about biodiversity risks. We are involved in several initiatives to protect biodiversity. Especially to underwater wildlife.

4) All vessels must comply with latest IMO Compliance to:

a. International Convention on the Control of Harmful Anti-fouling Systems on ships, 2021.

b. US EPA FINAL 2013 VGP requirement compulsorily applicable to foreign flag vessel calling US ports including Environmentally Acceptable Lubricants (EAL), anti-fouling, and ballast water.

Investment strategy

The Sub-Fund's investment strategy is to invest in the construction of maritime vessels with robust sustainability profiles. More specifically, the Sub-Fund is targeting to invest in vessels that are technologically capable of transporting green ammonia and other gases such as liquefied petroleum gas ("LPG"), which is a rapidly growing market. The vessels have the latest technologies applied i.e. Tier III engine, which is a highly fuel-efficient engine with minimal environmental impact. In addition, the vessels are prepared, and intended, to be converted to run on green ammonia when the technology is fully developed in the coming years and the vessels are approaching the end of the construction. The Sub-Fund is working closely together with the suppliers to ensure that such an ambition is achieved. The intended use of the vessels, once completed, is thus vessels that are both running on and transporting green ammonia enabling emissions substantially lower than of comparable vessels in operation today.

These assets and the Sub-Fund's strategy provide investment opportunities with an attractive risk-return balance, while at the same time reducing GHG emissions and enabling the transition to a low carbon economy. All investments, excluding cash and investments for ancillary liquidity or hedging activities, must be aligned with the definition of 'sustainable investment' according to Article 2(17) of the SFDR.

The investment strategy is implemented on a continuous basis and the underlying criteria of the Sub-Fund, and the regulatory bodies are continuously monitored to ensure continued compliance during the entire holding period.

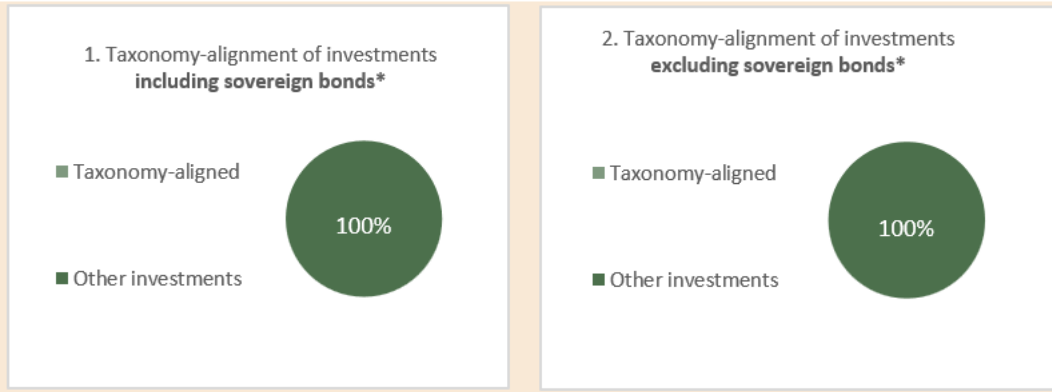
Good governance practices of the assets are considered as part of the investment decisions. This includes sound management structures, employee relations, remuneration of staff and tax compliance.

- The governance assessment is a central piece of the ESG due diligence.
- Asset monitoring: The assets of the Sub-Fund are screened to ensure continued compliance. In addition, the Sub-Fund promotes good governance practices through shareholder and stakeholder engagement through frequent communication and collaboration with its suppliers and stakeholders to ensure, and improve, the sustainability profile of the assets.

Proportion of investments

100% of the Sub-Fund's investments will be sustainable. All the Sub-Fund's investments will be used to meet the sustainable investment objectives in accordance with the binding elements of the investment strategy. Of the sustainable investments, a minimum of 100% will be allocated to environmentally sustainable investments and a minimum of 0% will be allocated to socially sustainable investments.

Of the environmentally sustainable investments, a minimum of 0% will be EU Taxonomy-aligned.



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Each investment will follow the investment strategy, including the binding elements, and comply with the commitments made in the section 'No significant harm to the sustainable investment objectives' above.

The Sub-Fund may invest in transitional and enabling activities, subject to the alignment with the investment strategy of the Sub-Fund. The minimum share of investments in transitional and enabling activities according to the EU Taxonomy is 0%.

The Sub-Fund does not make investments in sovereign bonds, nuclear energy, or fossil gas indirect exposures.

Monitoring of sustainable investment objective

The sustainability indicators that are used to monitor and measure the attainment of the sustainable investment objective of the Sub-Fund are described above in the section "Sustainable investment objective of the financial product".

In the asset management phase, the investments' ESG performance is monitored as part of the periodic reporting on the EU Taxonomy, sustainability indicators and the principal adverse impact indicators. The data is initially produced by the relevant partners and suppliers after which the Sub-Fund and European Maritime Finance's ESG employee(s) support in validating the figures. Similarly, the Fund may, from time to time, collaborate with external specialists to ensure the data and reporting is conducted in a consistent and qualitative manner. This also includes a review of the annual EU Taxonomy assessment which will be conducted by third parties, when relevant.

In the event that a year passes with no improvement in the performance of a PAI indicator, procedures for minimizing negative impacts are enacted. More specifically, the Sub-Fund establishes an action plan together with the relevant supplier, sets part-goals for the specific PAI and set-up monthly meetings with the management team to report on the progress.

Methodologies

Estimated greenhouse gas emissions avoided: Calculated by taking the difference between the estimated CO_2 emissions resulting from the operation of the economic activity, and the estimated *baseline* CO_2 emissions from the "business as usual"-scenario of the respective economic activity in the relevant geographical region (applying recent energy balances, fuel mixes and other data points which apply to the given economic activity in the relevant geographical region). Other industry-standard methodologies may be used, and the specific methodology will be disclosed in a transparent and clear manner as part of the methodology statement for the respective investment/asset. Not all scope 3 emission data is expected to be available, and the calculations will be associated with some uncertainty. When disclosing calculations on estimated emissions avoided the Sub-Fund will describe limitations to data, assumptions and the sources used.

The calculation of estimated Sulphur oxide emissions avoided will be using the same methodology as mentioned above related to GHG.

The portfolio's alignment with the EU Taxonomy is calculated in accordance with the following formula:

$$\sum_{n}^{i} \frac{\textit{The investment's CAPEX or Turnover aligned with the EU Taxonomy}}{\textit{Total CAPEX or Turnover of the investment}}$$

Data sources and processing

Data is collected from assets using standardized templates with a clear data structure to reduce the risk of errors and inconsistencies. Data is collected and processed by the Sub-Fund. In order to ensure data quality, the Sub-Fund may use internal and/or external specialist competencies to assess the correctness and the development of the indicators over time. Similarly, the calculations are done internally and may be subject to support, assessments and verifications by external advisors with the respective expertise. The Sub-Fund has set-up a reporting plan covering the investment period which ensures the Sub-Fund allocated sufficient resources and time to ensure the data is collected, processed and reported in accordance with the quality expected by the Sub-Fund, regulatory bodies and relevant stakeholders.

Data used for 'Estimated greenhouse gas/Sulphur Oxide emissions avoided' may be estimated when calculating a "business as usual"-scenario. This will be handled by internal subject matter experts and/or external advisors with the respective expertise. Estimated data points will be explicitly designated as such in the methodology statement of the respective data point/calculation.

Limitations to methodologies and data

There may be limitations to the accessibility and quality of the data relating to the investments/assets. It is expected that the accessibility and quality of the data will improve over time as a consequence of the maturing of the markets and the implementation of active and ongoing engagement with the relevant suppliers.

The Sub-Fund will keep records of any limitations, and the methodology statement will include a disclosure of any limitations.

The attainment of the sustainable investment objective will not be affected by these limitations.

Due diligence

As part of the Sub-Fund's Sustainable Investment Approach, ESG factors and risks are integrated into the investment process.

ESG due diligence is conducted prior to all investments in the Sub-Fund. The purpose of this is to ensure that all relevant and material ESG risks and opportunities are considered prior to investment decisions. The ESG due diligence is conducted by the investment team, in cooperation with external expertise if or where required. External expertise support may support the Sub-Fund in various situations based on the specific investment opportunity and would be engaged to supplement the research conducted by the investment- and sustainability-teams.

The ESG due diligence process ensures that relevant and material ESG risks are identified, their impacts are analysed, and the risks are treated or mitigated where required. Moreover, for each investment the ESG due diligence includes an SFDR and. The results of the ESG due diligence are presented to the Investment Committee prior to investment.

The ESG workstream runs alongside commercial, financial, and legal workstreams.

Engagement policies

The Sub-Fund will typically have an active role with the suppliers tasked to carry out the construction of the assets the Sub-Fund has invested into. The Sub-Fund regularly monitors the suppliers and ensures the assets are constructed in accordance with the criteria as outlined by the Sub-Fund and the relevant regulations. As previously mentioned, the Sub-Fund will be working actively with the suppliers to ensure the PAIs are seeing continuous improvement across the holding period.

Attainment of the sustainable investment objective

No index has been designated as a reference benchmark for the Sub-Fund. The sustainable investment objective is attained through the Sub-Fund's investment strategy and applying the abovementioned sustainability indicators. The Sub-Fund promotes, among other objectives, greenhouse gas emissions reductions through its sustainable investment objective and sustainability indicators and supports the objectives of the Paris Agreement. Specifically, the vessels are expected to emit, emissions in line, or substantially below, the annual limits outlined in the EU Taxonomy thus ensuring the vessels are compliant with the objectives of the Paris Agreement.