



# Policy for Good Governance Structures for Suppliers

European Maritime Finance A/S

CVR-nr.: 39 63 56 31 for management of Article 9 Sub-Funds

As of today's day it is related to the following Sub Funds:

Green Harmony I (FT ID 25592-002)

Green Harmony II (FT ID 25592-003)

Green Harmony III (FT ID 25592-005)



## 1. Purpose

The purpose of the Policy for Good Governance Structures for Suppliers (the “**Policy**”) is to define the governance requirements that apply to suppliers of services related to vessels invested in the Sub-Funds.

As Article 9 aligned Sub-funds dedicated to sustainable maritime investments, the Sub-Funds (the “**Sub-Funds**”) are committed to working with its technical and operational partners (“**Suppliers**”) to deliver on Sub-Funds’ impact objectives – mainly reductions in carbon emissions in the maritime industry and to supply with green fuels for other industries.

As part of this commitment, European Maritime Finance (the “**Company**”) with respect to the Sub-Funds must ensure that all Suppliers follow good governance practices in line with responsible business conduct codes and internationally recognized standards, notably 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.**”)

## 2. Scope

This Policy applies to all Suppliers that the Company on behalf of the Sub-Funds have investment operations within or paying for related support to. It pertains to all personnel and legal entities under the Supplier’s control. Given the Sub-Funds’ focus on green gas vessels the Policy refer to so-called Minimum Safeguards (see Section 5) proportionate to the Supplier’s size and operations.



### 3. Accountability

All companies managing or controlling assets funded by the Sub-Funds must ensure the implementation or, if already implemented, compliance with the Good Governance principles outlined in Section 4 of this Policy at the time of investment.

The sustainable assessment of the assets is conducted during the due diligence, by using an “ABC” assessment and ranking the performance by:

- Act to avoid harm,
- Benefit to society
- Contribute to solutions

This is conducted in the planning phase and by yearly assessments by requesting and reviewing all relevant documents from the Suppliers to ensure compliance to SFDR and internal ESG ambitions. These documents are furthermore conducted jointly with 3<sup>rd</sup> party ESG consultancy firms.

In addition, all Suppliers must agree to monitor implementation of Good Governance policies throughout the duration of Sub-Funds ownerships of the assets.

At a minimum, the Company shall hold a yearly meeting to review compliance with good governance practices. SFDR compliance for Article 9 is mandatory and shall be a central topic in the Company’s communication with the Suppliers. We furthermore require updated yearly responses to have sufficient data to Principle Adverse Impact indicators and Investment subtargets.

It is the responsibility of the Suppliers to implement good governance policies as outlined in section 4, including any additional requirements that may be introduced. In case of deviations or critical gaps, the Company must ensure that the Suppliers are obliged to report these gaps (see Section 5). The Company will then ensure that this information is communicated to the Sub-Funds (if relevant).



## 4. Good Governance

The following guidelines shall apply to all Suppliers to ensuring sound board and management structures, policies, employee relations, remuneration, supplier oversight and tax compliance.

### 4.1 Board & management structures

All Suppliers are assessed by the following:

- A clear description of the roles and responsibility, including Board and Executive responsibilities of material sustainability issues.
- Formalised Rules & Procedures for the Board of Directors and CEO instructions including
- Annual Planning Wheel for Executive Management and Board of Directors, which includes sustainability as a fixed agenda item at least once per year.

### 4.2 Supply chain

All Suppliers must be assessed by the following:

- A Code of Conduct to suppliers – ensuring responsibility across all suppliers and policies to control compliance – due to high exposure to construction.
- Compliant policies regarding responsible supplier practices in terms of alignment with internationally recognized standards as defined in Good Governance Structures.

### 4.3 Employee relations

All Suppliers are assessed by the following:

- Formal employment contracts for all personnel, including Executives.
- Workplace safety processes and programs for all workers exposed to safety risks.
- Collective bargaining rights.



- Whistleblower presence.
- A diversity & inclusion policy for the Board of Directors and Executive Management that, at a minimum, considers gender, age and nationality.

#### **4.4 Remuneration**

All suppliers are assessed by the following:

- A clear outline of the Supplier's approach to remuneration, and, where relevant, links to climate impact indicators as well as other material sustainability issues.
- Compliance to OECD and local minimum wage levels.
- Unadjusted gender wage gaps.

#### **4.5 Tax compliance**

All suppliers are assessed by the following:

- Operations in non-cooperative tax regimes.
- Clear compliance guidelines towards local authorities' tax requirements.
- Code of conduct on tax compliance towards own suppliers.

#### **4.6 Anti-corruption and bribery**

All suppliers are assessed by the following:

- Policies regarding anti-corruption assurance.
- Processes to avoid violence to anti-bribery guidelines.
- Cases of bribery incidents.

Additionally, the Suppliers must ensure good practices guided and following internationally recognized standards, UN GC Guideline, OECD Principles and UNGPs as mentioned in Section 1.



## 5. Minimum safeguards

In addition to the Good Governance principles, Suppliers must put in place adequate processes to monitor compliance with international standards and responsible business conducts mentioned in Section 1.