SFDR Engagement Policy

European Maritime Finance A/S

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

November 2024

As of todays date:

Sub-Funds:

Green Harmony I (FT ID 25592-002)

Green Harmony II (FT ID 25592-003)

Green Harmony III (FT ID 25592-005)

1. Background

European Maritime Finance A/S (the "**Company**") has implemented this policy for engagement management (the "**Policy**") on the SFDR area as a general framework and guideline for working with portfolio assets invested in by the Company on behalf of Article 9 Sub-funds (together "**Sub-Funds**") under management.

2. Definitions

Portfolio company interactions: The Company's engagement on behalf of the Sub-Funds in multiple interactions with the suppliers of technical and operational management solutions (hereafter, the "**Suppliers**") to the maritime investments in vessels (hereafter, the "**Investment(s)**").

3. Monitoring

The Company's portfolio monitoring process regarding the Suppliers consists of several procedures to ensure performance aligns with the Policy.

- Collection of information from the Suppliers on internal policies, code of conduct, and ESG requirements on strategic development.
- Control of new procedures concerning sustainability, financial performance, and technical requirements.
- Dialogue about gaps and identification of common gaps in reporting that are set to be addressed according to our plan and quality standards.

To monitor, engage, and evaluate the Suppliers, a yearly meeting with an agenda focused on engagement policies shall be held. The topics of these annual meetings should, at a minimum, cover a review of policies, potential violations, ESG data collection and data quality.

4. Divestment Procedures

The Company shall ensrue that several measures are taken with respect to the Sub-Funds to maintain the sustainability of each Investment(s) after divestment:

- **Positive screening:** Potential buyers of the Investment(s) are screened to assess overall sustainability. A combination of surveys, official sustainability rankings, and ESG interviews can set up the assessment of sustainability performance.
- **Negative screening:** Identification of buyers associated with blacklisted companies on internationally recognized lists of non-sustainable companies.
- **Letter of intent:** A potential letter of intent to ensure alignment with good ESG practice and intent to comply with the IMO's Net Zero carbon emission targets.

5. Escalation

If the Investment(s) is/are at risk of, or can no longer be classified as sustainable according to applicable ESG policies and targets, an assessment must be conducted to determine whether to retain the Investment(s) or proceed with a divestment. This escalation process involves the following steps:

- Consideration of a re-classification process if there is a lack of sustainability compliance.
- A technical commitment to re-establish sustainable commitments.
- An analysis of the potential risk of impact must be conducted on a yearly basis.

6. PAI Indicator Engagement

Principal Adverse Impact indicators

The Company's considerations on the PAI indicators are described in the document "PAI Indicator Statement," which includes both the mandatory and two optional PAI indicators.

All Investment(s) are assessed before and during the investment process to comply fully with sustainable investment targets.

In the event that a year passes with no reductions in performance on PAI indicators, procedures for minimizing negative impacts are enacted. The following actions are taken:

- Analysis of metric performance on all PAI indicators, and assessment of negative changes and no-change performance across several units. This assessment is conducted yearly as part of the reporting.
- Establishment of an action plan to reduce any potential harm.
- Setting part goals for ESG investment targets.
- Regular progress meetings at least monthly with the management team.
- Investigation of alternative methods to achieve the ESG goals.

Do No Signifcant harm threshold

The table below displays thresholds of Do No Significant Harm and relevant mandatory and voluntary PAI's. The Company must ensure that this information is promptly communicated to the Suppliers. In case there is any risk to society, climate or environment as listed below, it must be reported to the Company's board by the Suppliers through the EMF contact persons. This is additionally a part of the due dilligence.

Area of criteria	Threshold for Do No Significant Harm	Relevant PAI indicators and backing indicators
Climate mitigation	Generated GHG emissions from the investment's activities are higher than leading incumbent solutions in the market from a full lifecycle perspective. (Note that crossing this threshold would mean that the investment would also fail to meet Sub-Funds' objective to deliver carbon emissions reductions.)	GHG emissions (Scope 1-3, total Carbon Footprint) GHG intensity of investee companies Exposure to companies active in the fossil fuel sector Share of non-renewable energy consumption and production Energy consumption intensity per high impact climate sector
Biodiversity	The Investment has activities with a confirmed negative impact on biodiverse sensitive areas, and negative impacts have not been effectively mitigated or remediated.	Activities negatively affecting biodiversity sensitive areas Investments in companies without sustainable oceans/ seas practices
Water	The Investment meets one of the following criteria: i) high levels of water consumption (intake) in areas with high levels of water stress combined with insufficient efforts to reduce water consumption/increase efficiency, or ii) significant emissions to water which include priority substances like nitrates and pesticides combined with insufficient waste-water management initiatives.	Emissions to water
Circularity	The Investment meets one of the following criteria: i) high levels of hazardous waste is generated by the Investment's product and / or operations with insufficient plans to reduce waste and ensure proper disposal, ii)	Hazardous waste and radioactive waste ratio

	high ratio of landfilled waste caused by the Investment's product and/or operations combined with insufficient mitigation, iii) high consumption and reliance on non-renewable materials where renewable materials options exist and with no plans to reduce, reuse or recycle materials in the near term.	
Diversity	The Supplier of the Investment must consider Diversity & Inclusion assessments as a central part of the ESG Policy.	Board Gender Diversity Unadjusted gender pay gap
Social & Governance	The Investment meets one of the following criteria: i) confirmed breaches of human rights, labor rights, or consumer rights, ii) convicted of corruption in court, iii) convicted of tax evasion in court, or iv) convicted to be in breach of competition law in court. In addition, the Supllier of the Investment cannot demonstrate that these violations have been addressed and that measures are implemented to avoid such issues in the future.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for MNEs Violations of UN Global Compact principles and OECD Guidelines for MNEs. Lack of Supplier Code of Conduct
	The Investment and activities are not exposured to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Exposure to controversial weapons