Hvitsten AS

Hvitsten AS – Website disclosures pursuant to SFDR Articles 3, 4 and 5

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Introduction

Hvitsten AS ("**Hvitsten**") is an alternative investment fund manager ("**AIFM**") authorized and supervised by the Financial Supervisory Authority of Norway pursuant to Section 2-2 of the Norwegian Act on Management of Alternative Investment Funds (the "**AIFM Act**").

Hvitsten is currently managing Wind Fund I AS (org. no. 928924041) (the "**Fund**") which has made renewable energy infrastructure investments. Through managing the Fund's portfolio of renewable energy assets, Hvitsten will assist in channeling capital towards the environmental objective of climate change mitigation and will contribute to the UN's Sustainable Development Goals ("**SDGs**"), primarily SDG 7 targeting increased access to affordable, reliable, and clean energy.

Hvitsten's disclosures pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**") Articles 3, 4 and 5 and detailed requirements thereto in Commission Delegated Regulation (EU) 2022/1288 (the "**SFDR RTS**") are set out below.

Transparency of sustainability risk policies – SFDR Article 3

Hvitsten has been appointed to provide portfolio management and risk management services to the Fund in relation to the management of the Fund's portfolio. The Fund has been established with the sole purpose to co-invest with Fred. Olsen Renewables AS in certain existing and future wind farms. The disclosures herein therefore set out information on some of Hvitsten's policies on the integration of sustainability risks when Hvitsten – in its capacity as AIFM – assist relative to and monitor investments. These activities forming part of the portfolio management and risk management services provided to the Fund will collectively be referred to as "investment management".

Hvitsten believes that the integration of sustainability risks[1] is an important part of risk management and embeds sustainability risk considerations into its investment management as appropriate. The sustainability risk considerations form part of the general sustainability analyses that Hvitsten conducts as part of its investment management in relation to the Fund's contemplated and completed investments. Such integration is in line with Hvitsten's belief that a focus on sustainability supports the financial objective of investment strategies by furthering the long-term economic performance of investments and reducing financial risks.

Examples of ESG events or conditions considered where relevant, include, *inter alia*, controversial business activities, adverse climate impacts, biodiversity impacts, water and waste management, social and employee matters, human rights, health & safety impacts, product impacts and supply chain impacts. Hvitsten seeks to disclose likely impacts of ESG events or conditions on the financial returns graded in a qualitative manner on a "low – medium – high"-scale and may make cash flow adjustments in financial models as appropriate.

[1] The SFDR defines "sustainability risk" as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment".

Hvitsten also, as the case may be, integrates sustainability risks through active engagement with portfolio companies. Hvitsten will, throughout its investment management, focus on being in a position to provide portfolio companies under its management with appropriate tools and guidance required to assess and manage sustainability risks. Hvitsten will use this position to support portfolio companies to enhance and further develop their ESG related achievements and disclosures. The current aim of providing such tools and guidance as part the investment management is to reduce the Fund's portfolio's exposure to sustainability risks.

Moreover, Hvitsten seeks to mitigate the potential negative impact of ESG-related events or conditions on the Fund's returns by taking both environmental, social and governance considerations in its investment management in the manner described below.

Environmental considerations: Investments under management are focused on renewable energy assets, including onshore wind farms. Onshore wind farms have a significantly lower carbon footprint compared to fossil fuel-based energy sources, contributing to greenhouse gas emissions reduction. In its investment management, Hvitsten prioritizes investments in projects that adhere to stringent environmental standards, considering factors such as land use, biodiversity, and the potential impacts on local ecosystems. Wind farm projects are evaluated based on their environmental characteristics, including their contribution to climate change mitigation, resource efficiency, and environmental impact assessments. Such considerations mitigate exposure to sustainability risks.

Social considerations: Hvitsten recognizes the importance of social considerations in its investment management. By investing in onshore wind farms, the Fund actively contribute to local communities and promote sustainable economic development. The Fund will as appropriate through Hvitsten engage with stakeholders, including local communities, to foster positive relationships and address any concerns or impacts associated with its investments.

Governance considerations: Governance considerations play a critical role in Hvitsten's investment management. Hvitsten assesses the governance practices of the companies and projects in which the Fund invests, and investments in entities that demonstrate robust corporate governance, ethical business practices, and transparent reporting are prioritized. Additionally, Hvitsten will engage as appropriate with the Fund's investee companies to encourage responsible corporate behaviour, including strong ESG policies, board diversity, and effective risk management.

Link to Hvitsten's Sustainability Investment and Risk Policy

No consideration of principal adverse impacts of investment decisions on sustainability factors – SFDR Article 4

SFDR article 4 requires AIFMs such as Hvitsten to publish and maintain on their websites information on whether they consider principal adverse impacts ("**PAI**") of investment decisions on sustainability factors and, if they do not consider PAI, clear reasons therefor, including, where relevant, information as to whether and when they intend to do so.

Sustainability factors are environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, and PAI are the most significant negative impacts of investment decisions on these factors.

As highlighted in the Sustainability Investment and Risk policy, Hvitsten is considering ESG factors in its investment management practices. However, Hvitsten does not consider adverse impacts of decisions on sustainability factors at entity level, within the meaning of Article 4 of the SFDR when making investment decisions, or assisting in connection with any such, as the case may be. Indeed, access to relevant data is generally limited as reporting practices on PAI indicators are currently in the process of being implemented in private markets, including for infrastructure projects. This prevents systematic consideration of PAI at entity level. However, Hvitsten does consider PAIs in the management of Wind Fund I. Hvitsten will review the consideration at PAI at entity level as reporting practices develop.

Transparency of remuneration policies in relation to the integration of sustainability risks – SFDR Article 5

Hvitsten's remuneration policy consists of fixed salary and variable remuneration when applicable. The variable component of the remuneration is determined according to specific models. These models include, *inter alia*, certain risk parameters.

The integration of sustainability risks is part of the total risk assessment of the investments by funds under Hvitsten's management and is thus included in the risk parameters in Hvitsten's remuneration policy. Breaches in policies regarding management of sustainability risks, as with other breaches of risk parameters, may entail a reduction in employees' variable remuneration.

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Date	**Version**	**Amendment**
20.06.2023	1.0	Original publication