

PRODUCT LEVEL PRE-CONTRACTUAL DISCLOSURE PURSUANT TO SFDR ARTICLE 9

This product level pre-contractual disclosure regarding NRP Green Transition I AS (the "**Fund**") has been prepared by the alternative investment fund manager NRP Zero AS (the "**Manager**")¹, in accordance with the Sustainable Finance Disclosure Regulation ("**SFDR**") Article 9, and is an annex to the pre-investment disclosure document made available to investors in accordance with the AIFMD Article 23, cf. the SFDR Article 6(3). The disclosure obligations herein have been drafted in accordance with the regulatory technical standards under the SFDR (the "**RTS**")².

What is the sustainable investment objective of this Fund?

The Fund has *sustainable investments* as its objective within the meaning of SFDR Article 2(17), meaning that the investments of the Fund, as further set forth in the SFDR, shall follow good *governance* practices and further contribute to (i) an *environmental* objective, and/or (ii) a *social* objective. In addition to following good *governance* practices and contributing to an *environmental* and/or a *social* objective, the investments made by the Fund cannot significantly harm any environmental objective, social objective or good governance practices.

In the SFDR, examples of investments contributing to an *environmental objective* are investments measured to be efficient (based on key resource efficiency indicators) on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy. Further, examples of investments contributing to a *social objective* are investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities. Good *governance* principles typically refer to sound management structures, employee relations, remuneration of staff and tax compliance, etc.

The Manager shall assess the Fund portfolio against the principle of "do no significant harm" and incorporate considerations of the minimum social safeguards specified in the Taxonomy Regulation (Regulation (EU) 2020/852 (the "**Taxonomy**") on the establishment of a framework to facilitate sustainable investment. Further information is set out below.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of the Fund?³

The fund uses the following sustainability indicators to measure the attainment of the sustainable investment objective:

1. The number of companies with a medium or high positive UN Sustainable Development Goals ("**SDG**") score based on the internally developed ESG scoring system as presented in the Responsible Investments Policy.
2. The percentage of investments in securities that are on the exclusion list as a result of the application of the exclusion criteria as presented in the Responsible Investments Policy.

¹ NRP ZERO AS (LEI: 5493000TYXIP8T3EZ159)

² The RTS is an amendment to the SFDR, which outlines the standardized reporting content and format for all managers in scope of the regulation.

3. The percentage of holdings that violates the International Labor Organization's (ILO standards), United Nations Guiding Principles for Business and Human Rights (UNGP), United Nations Global Compact (UNGC), OECD Guidelines for Multinational Enterprises, as well as the United Nations Universal Declaration of Human Rights.
4. The percentage of holdings voted.

How do sustainable investments not cause significant harm to any environmental or social sustainable objective?

As further set out in the Manager's Principle Adverse Impact Statement, the Manager apply the mandatory principle adverse impact indicators ("**PAI**") as a tool when assessing the impact on sustainability factors.

The Manager actively uses the following internationally accepted codes of conduct for corporate governance, social and environmental responsibility, and transparency when assessing the impact on sustainability factors:

- a) The UNGC;
- b) UNGP;
- c) OECD Guidelines for Multinational Enterprises; and
- d) The principles and rights set out in the eight fundamental conventions identified in the ILO Standards .

In addition, Manager actively uses the International Bill of Human Rights when assessing the impact on sustainability factors.

Does this financial product take into account principal adverse impacts on sustainability factors?

Yes. The Manager does consider PAIs of investment decisions on sustainability factors within the meaning of Article 4 of the SFDR.

In accordance with the SFDR, the Manager considers the 14 mandatory indicators (set forth in Table 1 of Annex I of the RTS) on greenhouse gas emissions, biodiversity, water, waste, and social indicators applicable to companies. In addition, the Manager considers two additional indicators of choice, being *Non-recycled waste ratio* (Additional climate and other environment-related indicator) and *Investments in companies without carbon emission reduction initiatives* (Additional climate and other environment-related indicator).

The Manager uses environmental, social and governance ("**ESG**") data in its investment processes and has due diligence policies in place to identify and prioritize relevant adverse impacts and indicators on sustainability factors. During the ownership period, the Manager will actively engage with portfolio companies to monitor the performance on the standardized key performance indicators that the Manager intends to develop, which will be implemented and tracked during the ownership period (the "**KPIs**").

More detailed information is set out in the Principle Adverse Impact Statement made available on the Manager's website <https://www.nrp.no/nrp-zero/esg/>

What investment strategy does this financial product follow?

The Manager shall follow the investment strategy of the Fund as set forth in the IM, in addition to the requirements and processes set forth in the Manager's Responsible Investment Policy for the Fund (the "**Responsible Investment Policy**"). The Manager has established internal procedures in order to assess whether an investment is a sustainable investment and in accordance with the investment objective, mandate, strategy and procedures set forth for the Fund.

The Manager will further implement the Fund's strategy by seeking to (i) conduct active ownership and partnership through milestone driven value creation plans and alignment with the management of each portfolio company; and (ii) capitalise on the transformational potential of a business, and analysing how such business can be a sustainable and scalable enterprise through a milestone- and buy & build approach.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Manager shall consider sustainability indicators, factors and risks before investing and throughout the investment process, and such sustainability assessments are an integral part of the Fund's investment strategy. As set out above, the Manager will use the mandatory PAI indicators as a part of its method to attain the sustainable investment objective.

The Manager has set out specific exclusion criteria, and the current exclusion list is made available in Appendix 1 to the Responsible Investment Policy. See the following link: <https://www.nrp.no/nrp-zero/esg/>.

What is the policy to assess good governance practices of the investee companies?

The Manager has as a part of the Responsible Investment Policy prepared separate policies on good governance practices and stewardship of the portfolio companies, made available in Appendix 2 to the Responsible Investment Policy. See the following link: <https://www.nrp.no/nrp-zero/esg/>.

What is the asset allocation and the minimum share of sustainable investments?

The Fund is in the start-up phase of its operations, and need time to build up its portfolio of holdings (and making its preferred allocation of assets thereto). Thus, the below information reflect the Fund's long-term plan for allocation of its assets, including portion of sustainable investments in accordance with the Taxonomy, and shall not apply in the start-up phase of the Fund.

The Fund may only make non-sustainable investments to the extent permitted under the SFDR and related laws and regulations, for example for hedging and liquidity purposes. The sustainable investments made by the Fund does not need to be Taxonomy aligned.

Even though not all of the sustainable investments of the Fund shall be Taxonomy-aligned, the Fund intends to have approx. 30 per cent of its investments with an objective aligned with the Taxonomy.

The Manager has procedures in place in order to assess whether an investment to be made by the Fund is an economic activity that qualify as environmentally sustainable under Article 3 of the Taxonomy. The Taxonomy alignment of investments shall be measured by the reported relevant KPIs for the different investees. For Non-financial companies, disclosure of the proportion of environmentally sustainable economic activities that align with the EU Taxonomy criteria is translated into financial variables (turnover, CapEx and OpEx).

Currently, the investments' compliance with the Taxonomy is not subject to an assurance by auditors or a review by other third parties. However, the Manager will consider third party reviews in the future.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Currently, no index has been designated as a reference benchmark. Based on the current framework, relevant guidance and practice, it is our view that the Fund does not have a reduction in carbon emissions as its objective as described in the SFDR Article 9(3), and therefore no benchmark is currently required to meet the sustainable investment objective of the Fund. However, pending further regulatory developments in the EU and Norway, future changes might occur during the lifetime of the Fund.

Where can I find more product specific information online?

<https://www.nrp.no/nrp-zero/esg/>

Version log

Version	Date of Board approval	Notes
1	9 June 2022 (original publication)	n/a
2	22 March 2023	Amended after the entry of SFDR and the Taxonomy in Norway, The EU amendments are also reflected in the document (RTS).