SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

CLARKSONS SECURITIES AS

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This document is provided for the purpose of compliance with the Sustainable Finance Disclosure Regulation ("SFDR") and shall not form the basis of any contract with Clarksons Securities AS ("CS").

1. SFDR and CS

The SFDR is a European regulation introduced to improve transparency in the market with regard to sustainability and is one of the key initiatives designed to help achieve the climate neutrality goal of the European "Green Deal" by 2050. The SFDR's primary goals are to "integrate sustainability considerations into the financial system" and "steer the flow of capital toward sustainable investments". It was also introduced to prevent greenwashing and increase transparency around sustainability claims made by financial market participants.

CS is a regulated securities firm licensed to provide investment advice and is therefore deemed as financial adviser under SFDR, however, CS does not have organized activities within investment advice, and this is only provided ad hoc in relation to individual trades in equities or bonds.

2. Sustainability risks in investment advice

As a financial adviser, CS shall publish on its website information about policies on the integration of sustainability risks in its investment advice. Pursuant to Article 2 (22) "sustainability risk" means as an event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

Examples of such sustainability risks are:

- Environmental sustainability risks may include climate change, carbon emissions, air pollution, rising sea levels or coastal flooding or wildfires.
- Social sustainability risks may include human rights violations, human trafficking, child labor or gender discrimination.
- Governance sustainability risks may include a lack of diversity at board or governing level, infringement, or curtailment of rights of shareholders, health and safety concerns for the workforce, poor safeguards on personal data or IT security.

The sustainability risks can either represent a separate risk category or have a reinforcing effect on other risk categories, such as market risk, liquidity risk, credit risk or operational risk.

CS does not offer investment advice as a separate service, however, CS' brokers may provide investment advice regarding financial instruments to professional clients requesting investment advice in connection with our brokerage services. As for the types of financial products CS provided investment advice on, it is noted that CS does not provide investment advice in relation to "financial products" as defined in the SFDR Article 2 (12). Investment advice is only provided for individual stocks or bonds.

Access to information from issuers of securities about their exposure to sustainability risks is limited. Based on CS not having satisfactory data that integrates sustainability risk into the assessments forming the basis for investment advice, sustainability risks as defined in Article 2 (22) of SFDR is not taken into consideration of investment advice. CS expects that information about sustainability risks will become more accessible in the future and will continuously assess available information to enable CS' brokers to provide investment advice related to sustainability risk.

3. No consideration of adverse impacts of investment advice on sustainability factors

CS shall according to SFDR publish information as to whether CS as a financial advisor consider principle adverse impacts ("PAIs") on sustainability factors in investment advice. CS does not currently consider adverse impacts of investment decisions on sustainability factors in investment advice.

Taken into consideration the size, nature and scale of its activities and the types of financial instruments CS advises on, the amount of relevant information available in order to consider PAIs for investment advice is presumed to be low and/or difficult to obtain. CS' investment advice typically relates to either shares or bonds and it is as of today difficult to obtain objectively verified reliable data regarding the scope of products/issuer that consider PAIs. Furthermore, CS have not prioritised spending resources on collecting, verifying, and analysing data relevant and necessary for such considerations. As for the types of financial products CS provided investment advice on, it is noted that CS does not provide investment advice in relation to "financial products" as defined in the SFDR Article 2 (22).

CS will continuously review its position and monitor upcoming increased sustainability reporting requirements among issuers and any developments in industry and market practice.

4. Remuneration policies in relation to the integration of sustainability risks

According to Article 5 of the SFDR, financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks.

CS wants to offer its employees a remuneration scheme that is competitive and that contributes to long-term value creation in the firm. Employees receive a fixed remuneration and may in addition receive a discretionary remuneration. The remuneration policies are designed to promote sound and efficient risk management in line with CS' strategic objectives. This includes incentives to promote long-term commitment and accountability among the employees, as well as ensuring that the structure of remuneration does not encourage excessive risk-taking with respect to total risks and is linked to risk-adjusted performance. Further, compliance with CS' internal policies and procedures, including policies related to ESG, is taken into consideration under our discretionary bonus scheme and any non-compliance with ESG policies may therefore entail reduction of bonus.