



ESG Policy

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Purpose

Blacklight Holdings Limited ("Blacklight") Environmental, Social & Governance policy sets out the company's management and core values to support sustainability of the environment, be socially responsible and withhold exemplary governance standards. We are committed to operate best in class ESG policies and procedures to both as part of our company culture, but also to protect our reputation and our investors from loss arising from ESG related events. Our policy is designed to ensure we consider ESG in all aspects of our Operations and Investments. Blacklight's founder holds an MSc. in Environmental Technology and has a genuine desire to mitigate environmental harm both at a corporate and personal level.

Blacklight incorporates the following values:

- Trust
- Integrity
- Collaboration
- Innovation
- Pride

We expect all our business partners and their subcontractors to uphold similar values to our own.

Environmental

Blacklight strives to comply with all statutory obligations in relation to the built environment and adopt best practice in non-regulated areas (where commercially feasible) to ensure that Blacklight, its advisors and suppliers fully embrace sustainability. Blacklight is committed to effectively managing and reducing its environmental impact and this forms an integral part of our business strategy. We also encourage suppliers and other stakeholders to do the same. With regards to its own business operations Blacklight is committed to:



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- Enhancing the environmental efficiency of its business facilities to reduce the consumption of energy and other natural resources (e.g. water, waste);
- Comply with relevant environmental standards and regulations;
- Incorporate environmentally-beneficial methodology into business decisions where feasible;

In our business activities, we seek to consider, minimise and manage key environmental risks to our business and the impacts of our activities on the environment. We have identified the following environmental topics as important for our business and stakeholders:

- **Biodiversity and Land Use:** Given our activities, our land use may have an impact on the biodiversity in the areas we operate in and therefore managing this potential impact is important for our business and stakeholders. We aim to minimise the potential impact of our operations on the biodiversity in the areas we operate in by conducting a full environmental assessment on all new ventures;
- **Climate Change and GHG Emissions:** We have assessed the potential risk that climate change may pose to our business and stakeholders. We believe it is our responsibility to minimise the carbon intensity of our operations and actively seek low impact options and green solutions with our partners;
- **Investment Risk:** The environmental risks to development cost and end sale price of our development activities are assessed and mitigated via surveys, impact studies and mitigating actions where appropriate. All development is conducted in line with regulations and with a view to the likely tightening of guidelines and new regulation;
- **Clean Technology:** Given our activities, clean technology innovation and development initiatives are important for our business and stakeholders. We always consider clean options where available and aim to utilise clean technology capabilities where feasible;
- **Green Building:** We believe the environmental footprint of our property assets is important to our business and stakeholders. We aim to improve the resource consumption and emissions of our property assets and adhere to environmental building regulations. We consider environmentally friendly options at every stage of our projects and utilise when feasible;
- **Raw Materials Sourcing:** The environmental impact of the raw materials used in our products is important for our business and stakeholders. We only use suppliers with strong governance on their supply chain traceability;
- **Toxic Emissions and Waste Management:** The management of potential environmental contamination and toxic or carcinogenic emissions is important for our business and stakeholders. All new projects have an assessment of waste output and management practices. These must all comply with current regulation and guidelines. A full risk assessment is conducted where there is any risk of exposure to toxic or carcinogenic waste.

Social

We seek to consider, minimise and manage key social risks to our business and the impacts of our activities on the broader society, the communities in which we operate, and our employees. We have identified the following social topics as important for our business and stakeholders:

- **Community Impact & Relations:** Given our activities, the impact & relationship with local communities is important for our business and stakeholders. We assess the impact



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of our projects, seek to bring benefit to all impacted and actively consult with the community;

- **Controversial Sourcing:** Given our activities, the traceability of our raw materials and the exposure to conflict areas is important for our business and stakeholders. We conduct due diligence on all suppliers and their supply chain governance ahead of mandate;
- **Human Capital Development:** Talent attraction, retention, and skills development is going to be important for our business as it grows and for our stakeholders. Further, we believe that diversity and inclusion is core for building a great working environment and to ensure that all our employees have the same opportunity to succeed. We have a diverse leadership team and operate an inclusive culture;
- **Privacy and Data Security:** We have limited exposure to personal data. Any data required is stored securely in a segregated area with restricted access on a strictly necessary basis with full consent of the individual;
- **Responsible Investment:** Investing responsibly is one of the key considerations of our investment process. The integration of environmental, social, and governance aspects in the management of our own assets and the assets we manage on behalf of others is important to meet the values, risk profile and returns of our business and stakeholders. We believe that the widespread acceptance of responsible investment principles has a positive long-term impact on investment returns.

Governance

Blacklight prides itself on our controls and governance which are crucial to the reputation of the business and its owners. We always seek to consider, minimise and manage key governance risks to our business and investors. We have identified the following governance topics as important for our business and stakeholders:

- **Accounting:** Accounts are produced and audited by reputable audited firms. All internal accounts procedures, controls and reporting is produced to audit standard;
- **Business Ethics:** Blacklight is a small business and therefore relatively easily managed. Senior Management has zero tolerance for any breach of ethics including, fraud, misconduct, money laundering, or false reporting of any kind;
- **Ownership, Control & Pay:** Our ownership structure and incentive alignment is transparent and openly agreed. We do not permit incentive structures which encourage a breach of our values or ESG policy;
- **Tax Transparency:** We do not engage in aggressive tax mitigation strategies. The basis of our accounts and that of all investment structures is transparent to all parties.

Training

Blacklight assesses training requirements on a periodic basis, as well as ad hoc when the need is identified. Regulation, business needs, and individual requirements are taken into consideration.



Procedures

We follow the below steps throughout the investment process:

Pre-Investment Stage

- During the underwriting phase of the investment, we assess current and past initiatives and performance in ESG matters as well as any investment specific ESG concerns that may be identified. Based on this analysis, we commission any additional reports or surveys that may be required and set targets for future performance where expectations have not been met.
- During the pre-investment due diligence stage, we assess each transaction against our ESG criteria. We commission surveys and other forms of third-party due diligence to verify projects meet minimum requirements and guidelines. Future proofing or remediating solutions must be available where there are material risks. ESG enhancements are considered. In the case of material failings which cannot be resolved, transactions are declined.

Post-Investment Monitoring

- Projects are monitored throughout and any ESG potential shortfalls or events are escalated for resolution immediately. Any deviation from the initial investment risk assessment is reported to investors at a minimum quarterly.
- Performance against any ESG targets that have been identified at the pre-investment stage will be communicated to our investors, investment partners and relevant stakeholders on an annual basis. In those instances where closer monitoring on a particular issue is required, more frequent updates may be provided.

Matthew Hunt, November 2021 (updated April 2022)