

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Africa Infrastructure Fund I K/S

Legal entity identifier: 894500XU8CUIU0C0HD79

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective:** ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** ___%

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund complied with the exclusion list that applies to the manager (A.P. Moller Capital P/S) as well as not investing in businesses/projects that generate energy based on coal, and robustly justifying any investments in heavy fuel oil fired power plants in terms of providing reliable, affordable power compared to alternatives.

The Fund met its environmental and social characteristics through investments with a positive purpose of supporting employment and contributing to economic growth. At the same time, the Fund monitored sustainability or environmental, social and governance ("ESG") indicators seeking to improve ESG performance and reduce greenhouse gas emissions, and at the same time meeting the Fund's ESG standards and minimum

safeguards. It is also crucial that each portfolio company implements good governance practices. The characteristics were measured through the Fund-level indicators energy consumption, occupational health and safety, jobs, taxes paid, and anti-corruption.

● **How did the sustainability indicators perform?**

The Fund monitored the following indicators for each investee company:

- **Energy consumption:** The company’s own fuel consumption per type. Where the company is connected to the grid, the purchased electricity consumption is monitored. This is used to calculate GHG emissions (scope 1 and 2).
- **Safety:** A critically important indicator in many infrastructure projects, the number of lost time injuries is tracked for all companies.
- **Jobs:** Direct hires by the company, including third parties, are monitored, including the number of workers that are female.
- **Taxes:** Taxes are the total amount paid by the company to the government including direct and indirect taxes, import duties, withholding taxes and employee taxes. We believe that there is a social benefit from paying taxes in the country in which profits are generated.
- **Anti-corruption:** We take a zero-tolerance approach to bribery and corruption and require our portfolio companies to adopt an anti-corruption policy and procedures meeting our standards.

Furthermore, the Fund monitored extensive ESG-related data for each investee company, some of which will be included in the PAI reporting in Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 (“SFDR RTS”).

Fund-level indicators		
Energy	Units	FY2022
Consumption	GWh	12,968
Of which: electricity	GWh	350
Of which: fuel	GWh	12,618
Safety		
Accident prevention policy	%	100%
Fatalities	Number	3
Lost time injuries (LTIs)	Number	156
Jobs		
Total number of workers	Number	13,098
Direct employees	Number	10,727
Of which: female employees	%	20%
Taxes		
Total paid	m USD	128
Anti-corruption		
Policy in place	%	100%
Incidents	Number	4
Insufficient action taken	Number	0

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

All investee companies in the Fund have an accident prevention policy in place, typically as part of an externally certified occupational health and safety management system (ISO 45001). Despite this, three fatalities occurred during 2022. Two fatalities were related to trucking operations in connection with a port terminal. To prevent a recurrence, a safety audit was carried out and a road safety management system will be implemented (ISO 39001). The third fatality involved a contractor who received an electric shock whilst working and was not following procedures. Appropriate follow up actions have been taken.

All investee companies have an anti-corruption policy in place. During 2022, 4 minor incidents occurred at one of the investee companies. In each case appropriate measures were taken to address the incidents including court proceedings initiated by the company to enforce the zero-tolerance to corruption. Fines incurred by former employees were less than EUR 1,000 for all four cases combined.

The positive social impact of the Fund In terms of jobs supported and contribution to GDP were estimated using the Joint Impact Model (JIM). GHG emissions (scope 1 and 2) and energy production are calculated based on data from the investee companies.

Fund-level impact		
Jobs supported	Number	146,000
GDP contribution	m USD	1,181
GHG emissions (scope 1+2)	ktCO ₂ e	2,575
Energy production	GWh	5,693
<i>Of which: renewable</i>	%	28%

● **...and compared to previous periods?**

As this is the first report according to the SFDR RTS, there is no reference period for comparison.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

This Fund did not have sustainable investments as its objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

This Fund did not have sustainable investments as its objective.

How were the indicators for adverse impacts on sustainability factors taken into account?

This Fund did not have sustainable investments as its objective

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This Fund did not have sustainable investments as its objective.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

During due diligence and following the successful completion of an investment, A.P. Moller Capital monitored a range of sustainability indicators during the investment period, which also included principal adverse impact indicators.

The Fund collected data on the mandatory and some voluntary principal adverse impact indicators as laid out in Annex I of the SFDR RTS. The Fund engaged with investee companies on data collection as well as to reduce adverse sustainability impacts and improve performance.



What were the top investments of this financial product?

The table below shows the investments made by the Fund as per 31 December 2022.

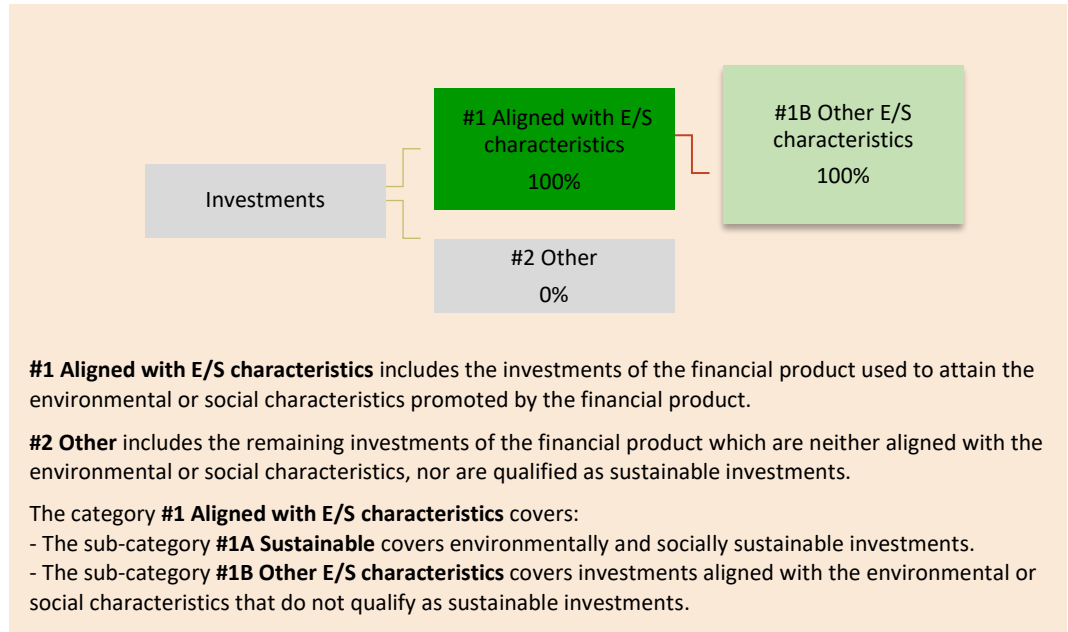
Largest investments	Sector	% Assets	Country
Arise P&L Limited	Ports & Logistics		IVC & Gabon
ECP Power and Water	Energy		Ivory Coast
KEG Holdings (Mauritius)	Ports & Logistics		Mauritius
Eaip	Energy		Kenya
Mass Céréales al Maghreb	Ports & Logistics		Morocco
Impala Energy Holding LLC	Energy		Nigeria
Cabeólica S.A.	Energy		Cape Verde
Lumika	Energy		South Africa
Total		100%	

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022



What was the proportion of sustainability-related investments?

● What was the asset allocation?



● In which economic sectors were the investments made?

The Fund invests in two primary sectors: Ports & Logistics and Energy.

The following economic sectors account for more than 5% of total Fund revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of fossil fuels:

Production of electricity (D.35.11): 25%

Trade of gas through mains (D.35.23): 12%



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹



Yes:



In fossil gas



In nuclear energy



No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emission and switching to fully renewable power or low-carbon fuels by the end of 2023. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

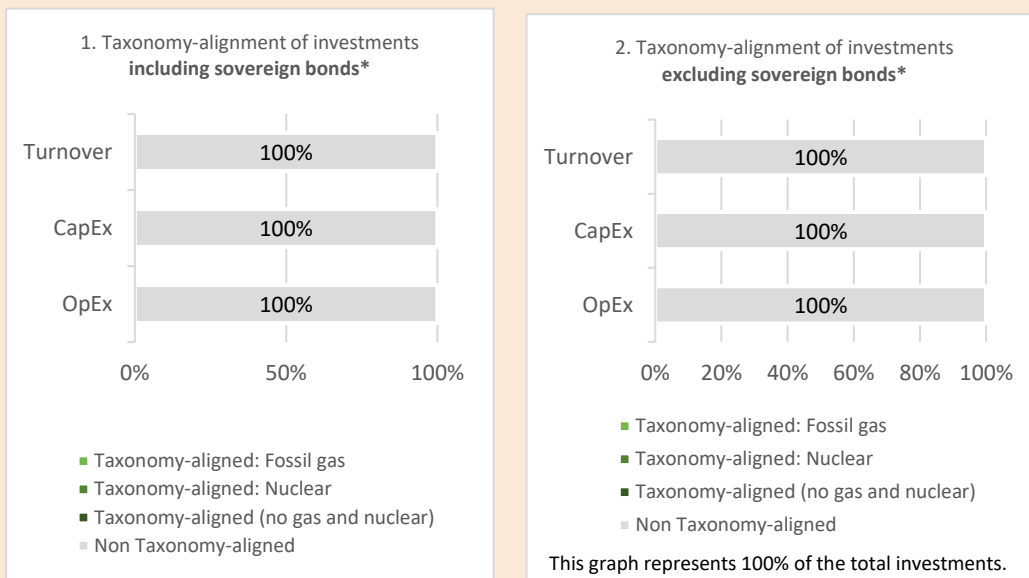
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The Fund did not have sustainable investments as its objective and did not make investments in transitional and enabling activities as defined by the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

As this is the first report according to the SFDR RTS, there is no reference period for comparison.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

This Fund did not have sustainable investments as its objective.

● **What was the share of socially sustainable investments?**

This Fund did not have sustainable investments as its objective.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.





What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund held less than 1% cash instruments, which in their nature do not have environmental or social safeguards, to cover for costs.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund tracked the ESG performance of each of our portfolio companies. Any gaps against the international ESG standards identified during the pre-investment due diligence process are addressed during active ownership through the company board and the post investment 100-day plan or ESG action plan.

As an active owner, seeking majority ownership of assets or strategic minority positions, The Fund used its influence at the board to ensure portfolio companies continuously work towards implementing its ESG standards. The Fund applied international best practice in respect of corporate governance.



How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been designated for this Fund.

- ***How does the reference benchmark differ from a broad market index?***
Not applicable as a reference benchmark has not been designated for this Fund.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
Not applicable as a reference benchmark has not been designated for this Fund.
- ***How did this financial product perform compared with the reference benchmark?***
Not applicable as a reference benchmark has not been designated for this Fund.
- ***How did this financial product perform compared with the broad market index?***
Not applicable as a reference benchmark has not been designated for this Fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.