

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant A.P. Moller Capital P/S (38284967)

Summary

A.P. Moller Capital P/S (hereafter “A.P. Moller Capital”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of A.P. Moller Capital.

This statement on principal adverse impacts on sustainability factors covers the first reference period from 1 January 2022 to 31 December 2022.

A.P. Moller Capital has a comprehensive Ethical Policy that outlines its approach to identifying and prioritising principal adverse impacts on sustainability factors. A.P. Moller Capital considers the mandatory principal adverse impact indicators (“PAI indicators”) and five voluntary indicators, which are selected based on their relevance to the sectors and geographic regions of our investments.

Stewardship and active ownership form an integral part of A.P. Moller Capital's ESG approach, with the primary objective of facilitating constructive dialogue on ESG matters among A.P. Moller Capital, Limited Partners, investee companies, and other stakeholders. Material ESG issues identified pre-investment are addressed and monitored post-investment through action plans and regular engagement with investee companies.

Since this is the first year of reporting on PAI indicators, there is no reference to historical data in this year's statement.

[Dansk]

Erklæring om væsentligste negative virkninger af investeringsbeslutninger på bæredygtighedsfaktorer

Finansiell markedsdeltager A.P. Møller Capital P/S

Resumé

A.P. Møller Capital P/S (herefter "A.P. Møller Capital") tager hensyn til de vigtigste negative virkninger af sine investeringsbeslutninger ud fra bæredygtighedsfaktorer. Nærværende erklæring er den konsoliderede erklæring om væsentligste negative indvirkninger på bæredygtighedsfaktorer for A.P. Møller Capital.

Denne erklæring om væsentligste negative indvirkninger på bæredygtighedsfaktorer dækker den første referenceperiode fra 1. januar 2022 til 31. december 2022.

A.P. Møller Capital har en omfattende etisk politik, der skitserer dens tilgang til at identificere og prioritere væsentlige negative påvirkninger af bæredygtighedsfaktorer. A.P. Møller Capital tager hensyn til de obligatoriske hovedindikatorer for negativ indvirkning ("PAI-indikatorer") og fem frivillige indikatorer, som er udvalgt ud fra deres relevans for vores investeringers sektorer og geografiske regioner.

Stewardship og aktivt ejerskab udgør en integreret del af A.P. Møller Capitals ESG-tilgang med det primære formål at facilitere en konstruktiv dialog om ESG-forhold mellem A.P. Møller Capital, Limited Partners, selskaber, der er investeret i, og andre interessenter. Væsentlige ESG-udfordringer, der identificeres før investering, behandles og overvåges efter investeringen er gennemført gennem handlingsplaner og regelmæssigt samarbejde med selskaber, der er investeret i.

Da dette er det første år med rapportering om PAI-indikatorer, er der ingen reference til historiske data i dette års opgørelse.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	493,403 tCO2e	N/A	N/A	A.P. Moller Capital will continue to collect direct energy consumption data from its investee companies to monitor their Scope 1 and 2 emissions. In 2023, A.P. Moller Capital will investigate the feasibility of improving the
		Scope 2 GHG emissions	23,490 tCO2e	N/A	N/A	
		Scope 3 GHG emissions	118,139 tCO2e	N/A	As most investee companies do not directly monitor their Scope 3 GHG emissions, the Joint Impact Model is used to estimate the Scope 3 GHG emissions.	

		Total GHG emissions	635,032 tCO2e	N/A	N/A	accuracy of the Scope 3 GHG emission estimation.
	2. Carbon footprint	Carbon footprint	781.1 tCO2e / MEUR	N/A	N/A	
	3. GHG intensity of investee companies	GHG intensity of investee companies	2,614 tCO2e / MEUR	N/A	N/A	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	47.5%	N/A	N/A	A.P. Moller Capital carefully assesses each company before investing and has a policy that it will not invest in companies that derive more than 90% of their revenue from coal mining or coal-based energy production.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	90.4%	N/A	N/A	A.P. Moller Capital will continue to track direct energy consumption and production data from its investee companies in order to assess its impact. As A.P. Moller Capital primarily invests in the transportation and

						energy sector in emerging markets, the dependency on fossil fuels is high.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	D.35.11: 128.5 GWh / MEUR D.35.12: 0.8 GWh / MEUR D.35.13: 4.2 GWh / MEUR D.35.21: 0.6 GWh / MEUR E.36.00: 1.1 GWh / MEUR E.37.00: 0.0 GWh / MEUR F.42.22: 0.1 GWh / MEUR G.46.71: 0.2 GWh / MEUR H.49.20: 0.5 GWh / MEUR	N/A	The high impact climate sectors are broken down per NACE code ¹ . If an investee company derives its revenue from multiple economic activities (NACE codes), its energy consumption is distributed among the applicable NACE codes based on the share of revenue the company derives within the respective NACE code.	A.P. Moller Capital will continue to track direct energy consumption data from its investee companies in order to assess its impact.

¹ D.35.11: Production of electricity; D.35.12: Transmission of electricity; D.35.13: Distribution of electricity; D.35.21: Manufacture of gas; E.36.00: Water collection, treatment and supply; E.37.00: Sewerage; F42.22: Construction of utility projects for electricity and telecommunications; G.46.71: Wholesale of solid, liquid and gaseous fuels and related products; H.49.20: Freight rail transport; H49.41: Freight transport by road; H.50.20: Sea and coastal freight water transport; H.52.22: Service activities incidental to water transportation; H52.24: Cargo handling.

			H.49.41: 0.7 GWh / MEUR H.50.20: 0.1 GWh / MEUR H.52.22: 0.1 GWh / MEUR H.52.24: 2.3 GWh / MEUR			
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.0%	N/A	To determine whether an investee company has “sites/operations located in or near to biodiversity-sensitive areas”, the Integrated Biodiversity Assessment Tool (IBAT) is used.	A.P. Moller Capital has started monitoring this indicator in 2022 and will continue its efforts to ensure accurate tracking of this indicator moving forward. This will furthermore enable A.P. Moller Capital to assess the impact of this indicator.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	41.17 tonnes / MEUR	N/A	N/A	A.P. Moller Capital has started monitoring this indicator in 2022 and will continue its efforts to ensure accurate tracking of this indicator moving forward. This will furthermore enable

						A.P. Moller Capital to assess the impact of this indicator.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.68 tonnes / MEUR	N/A	N/A	A.P. Moller Capital has started monitoring this indicator in 2022 and will continue its efforts to ensure accurate tracking of this indicator moving forward. This will furthermore enable A.P. Moller Capital to assess the impact of this indicator.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD	0.0%	N/A	N/A	A.P. Moller Capital will continue to monitor and ensure that its investee companies do not violate neither the

	for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Guidelines for Multinational Enterprises				UNGC Principles nor OECD Guidelines for MNEs.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	21.2%	N/A	N/A	A.P. Moller Capital embeds both the OECD Guidelines for MNEs as well as the UNGC principles in the governance requirements it sets for the investee companies. A.P. Moller Capital will continue to make efforts to implement the necessary processes and compliance mechanisms at the investee companies.

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	24.2%	N/A	N/A	In 2022, A.P. Moller Capital initiated the monitoring of the unadjusted gender pay gap and remains committed to tracking this indicator in subsequent years. This ongoing effort ensures the accurate assessment of the gender pay gap and enables A.P. Moller Capital to evaluate its impact.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	10.5%	N/A	N/A	A.P. Moller Capital will continue to track the gender composition of the investee companies' boards in order to assess its impact. A.P. Moller Capital will continue to make efforts to increase the board gender diversity.
	14. Exposure to controversial weapons (anti-	Share of investments in investee companies involved in the manufacture	0.0%	N/A	N/A	A.P. Moller Capital does not invest in companies that

	personnel mines, cluster munitions, chemical weapons and biological weapons)	or selling of controversial weapons				manufacture or trade weapons.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	N/A	As A.P. Moller Capital does not invest in sovereigns and supranationals, this indicator is not applicable.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	N/A	

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	As A.P. Moller Capital does not invest in real estate assets, this indicator is not applicable.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	
Other indicators for principal adverse impacts on sustainability factors						
Additional climate and other environment-related indicators						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period

Energy performance	1. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source	Electricity: 2.9% Diesel: 2.4% Petrol: 0.2% Heavy fuel oil: 5.7% Natural gas: 88.7% Distillate diesel oil: 0.1%	N/A	N/A	A.P. Moller Capital will continue to track direct energy consumption data from its investee companies in order to assess its impact.
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	1. Investments in companies without a workplace accident prevention policy	Share of investments in investee companies without a workplace accident prevention policy	0.0%	N/A	N/A	Each of A.P. Moller Capital's investee companies is required to implement a workplace accident prevention policy. A.P. Moller Capital will continue to track the effectiveness

						of the policy at the investee companies in order to assess its impact.
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0.0%	N/A	N/A	Each of A.P. Moller Capital's investee companies is required to implement an anti-corruption policy. A.P. Moller Capital will continue to track the effectiveness of the policy at the investee companies in order to assess its impact.
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	0.0%	N/A	N/A	A.P. Moller Capital will continue its efforts to address any breaches of corruption and bribery and ensure that appropriate actions are taken and to assess its impact.
	17. Number of convictions and amount of fines for violation of anti-corruption	Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies	0 convictions 0 fines	N/A	N/A	During the reporting period, there have been four minor incidents of corruption at one of the investee companies targeted at individuals.

	and anti-bribery laws					<p>The respective investee company took appropriate actions including initiating court proceedings. For this PAI indicator, A.P. Moller Capital follows the guidance from the Minimum Safeguards. Thus, as these court proceedings were targeted at individuals and not the investee company itself, A.P. Moller Capital does not report these in this PAI indicator. A.P. Moller Capital will continue to closely monitor any incidents and fines related to corruption and bribery in order to assess its impact and take appropriate actions where necessary.</p>
<p>No other information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c).</p>						

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

A.P. Moller Capital's Ethical Policy sets forth the overall approach to identifying and prioritising principal adverse impacts on sustainability factors. The policy describes APMC's ESG framework, which provides for the consideration of ESG issues throughout the entire lifecycle of the investment process and outlines the ambitious ESG principles and standards that APMC is committed to following. The Ethical Policy is based on the principles of the United Nations Global Compact (UNGC), the UN Principles for Responsible Investment (UN PRI) and the IFC Performance Standards on Environmental and Social Sustainability including the World Bank Group Environmental, Health and Safety Guidelines, and good international industry practice.

The Board of Directors is responsible for the annual evaluation and review of the Policy. It was last reviewed on 25 January 2023 and is also subject to compliance audits as part of the multi-annual compliance review.

A.P. Moller Capital has selected its additional PAI indicators based on what we consider relevant and material indicators to monitor for the industries and geographic regions that we invest in. Given that the Fund invests in energy-intensive industries in emerging markets, we have focused on additional PAI indicators that measure energy consumption, workplace safety and corruption. These indicators are aligned with the fund-level selected ESG indicators. In the early investment process, A.P. Moller Capital considers an impact thesis to ensure that the investee company has the potential to meet our ESG requirements. The investee company cannot include any activities on our [exclusion list](#)².

A.P. Moller Capital continuously tracks the ESG performance of its investee companies. The management teams at the investee companies are required to report on ESG-related data each quarter, as well as reporting on any material ESG incidents as soon as practically possible. Any gaps identified during the pre-investment due diligence process are addressed through our active ownership at the investee company's board and through the ESG action plan. Our Risk and ESG Committee has a consultative role to oversee and monitor ESG compliance, initiatives and reputation risks related to ESG. Our ESG team provides valuable support and technical expertise to the investment team and board representatives.

A.P. Moller Capital receives ESG data on a quarterly basis directly from the investee companies. Some companies have their data audited, while other companies have a less advanced data collection processes. To limit data errors, A.P. Moller Capital reviews the data and checks for outliers and inconsistencies on a quarterly basis. Engaging in ongoing communication with the investee companies enables us to promptly address any inaccuracies or misstatements in their reported data.

While the majority of the PAI indicators are calculated based on self-reported data from the investee companies, two PAI indicators are calculated with external data sources. The Scope 3 GHG emissions are estimated using the Joint Impact Model ("JIM") based on the sector and size of each

² See Annex I to A.P. Moller Capital's 2022 ESG Report

Website reference: https://apmollercapital.com/wp-content/uploads/2023/04/230310_AIF-I-ESG-REPORT-2022.pdf

investee company. The JIM includes Scope 3 GHG emissions related to the investee company's local and international supply chain and does not cover downstream emissions. Furthermore, to identify whether an investee company has "sites/operations located in or near biodiversity-sensitive areas", we use the Integrated Biodiversity Assessment Tool.

Engagement policies

Stewardship and engagement are a core part of A.P. Moller Capital's approach to ESG. Our key stewardship objective is to maximise constructive ESG dialogue between A.P. Moller Capital, our Limited Partners, our investee companies, and other stakeholders, e.g., industry associations. A.P. Moller Capital holds regular meetings with Limited Partners where ESG is a fixed topic of engagement. Minimum requirements in our shareholder agreements include having a minimum of one board seat and having a senior manager at the investee company responsible for managing and reporting to the board on ESG performance.

We require investee companies to assign responsibilities to effectively identify, manage and monitor ESG risks, work with responsible business counterparties, and engage transparently and proactively with stakeholders. Our active ownership is continued through the boards of each investee company, and we assign ESG responsibilities from the board level down. Material ESG issues identified pre-investment are monitored post investment through agreed ESG action plans or as part of the investee company 100-day plan. We engage with our investee companies on ESG on a regular basis with priority being given when there are specific ESG issues to be addressed, e.g., a serious health and safety incident has occurred. We also engage with the investee companies in order to strengthen the data on PAI indicators and track performance over time.

References to international standards

Overview

A.P. Moller Capital's approach to ESG is set forth in the Ethical Policy and is based on the principles of the UNGC, the UN PRI, and the IFC Performance Standards on Environmental and Social Sustainability including the World Bank Group Environmental, Health and Safety Guidelines, the OECD Guidelines for Multinational Businesses and the UN Guiding Principles on Business and Human Rights. A.P. Moller Capital is committed to monitoring any changes to the abovementioned international standards and update the Ethical Policy accordingly.

A.P. Moller Capital wants to be an active participant in the low carbon transition and support the Paris Agreement. Our climate-related goals are to prioritise renewable energy for power generation to avoid GHG emissions, reduce GHG emissions by actively engaging with all our investee companies to reduce their carbon footprint, to monitor the potential financial impacts of physical and transitional climate risks, and to address risk where needed. A.P. Moller Capital furthermore follows the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) and has signed up to the Institutional Investors Group on Climate Change (IIGCC).

To assess the climate-related risks the Fund faces now, and, in the future, A.P. Moller Capital engaged a third party, Climonomics, to conduct a science-backed climate analysis to confirm potential physical climate risks in the decades 2020-2029 and 2030-2039. The analysis used a hazard-vulnerability-risk framework together with historical climate-related incidents to assess the risk and financial impact of physical climate incidents at investee company-level. RCP4.5 and RCP8.5 (representative concentration pathway) scenarios were used to analyse the future climate-related risks.

[Link to principal adverse impacts](#)

PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises) can be mapped to the UNGC and OECD Guidelines.

Historical comparison

As the SFDR RTS entered into force on 1 January 2023, the current reporting period is the first reporting period and hence no historical data is available to compare to.