ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: A.P. Moller Capital - Emerging Markets Infrastructure Fund II K/S

Legal entity identifier: 42583790

Sustainable investment objective

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☐ It made **sustainable investments with an environmental objective:** 100% ☐ 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 **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 made **sustainable investments with a social objective:** 100%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

A.P. Moller Capital - Emerging Markets Infrastructure Fund II K/S (the Fund) will invest in select countries in Africa and South / Southeast Asia and has a sector focus in transport and energy. All investments made will be sustainable, with a social objective and/or an environmental objective.

Social objectives:

1. Investing in infrastructure supporting employment, contributing to GDP, and providing electricity to benefit local business and/or communities; and
2. Providing a decent working environment through:

- Ensuring local employment.
- Providing a living wage to meet basic human needs and live in dignity.
- Health and safety by providing the necessary conditions for workers not to put their health and life at risk during employment.
- Worker dialogue relating to employee matters; and
- Non-discrimination at work via equal opportunities for women and minority groups.

Environmental Objectives:

Investments in renewable energy:

1. The Fund seeks to provide power whilst avoiding GHG emissions by prioritizing investments in renewable energy generation in Africa and South / Southeast Asia. At least 20% of total Fund commitments are expected to be in renewable energy investments and be EU Taxonomy aligned with the objective of climate change mitigation. In support of Regulation (EU) 2020/852, these investments will focus on the following economic activities:

   - Electricity generation using solar photovoltaic technology
   - Electricity generation using wind power
   - Electricity generation using hydropower

Investments in transport and logistics:

2. Prioritising decarbonisation, the Fund's investments in transport infrastructure, at least 60% of total commitments, are expected to enable economic growth while reducing GHG emissions. EU Climate Transition or Paris Agreement-aligned Benchmarks will not be applied. Instead, proprietary climate criteria will be applied which require transport investments to reduce Scope 1 and 2 emissions by at least 25% during the Fund's ownership and to set science-based targets at the level of the portfolio company to develop a Paris-aligned climate strategy to reach net zero by 2050.

All investments:

3. Investments will assess physical and transition climate risks using a third-party platform and address material risks accordingly.
4. In addition to efforts to avoid and reduce emissions, the Fund seeks to compensate for residual financed emissions from the portfolio on a pro-rata equity share basis. Residual Scope 1 and 2 emissions will be compensated by 2025 and over the Fund life, making the financial product a net-zero Fund.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

Social indicators[1]:

Social indicators	Unit	FY23
Number of direct, indirect and induced jobs (calculated using the JIM)	#	14,203
Total value add (calculated using the JIM)	mUSD	251
Electricity produced	GWh	N/A
% of local employees compared to the total number of employees	%	98
Percentage of contractors with a commitment to promote access to jobs for the local workforce	%	98
Percentage of portfolio company's employees paid a living wage, as a percentage of total employment of the company	%	98
Portfolio company's employees' living wage is regularly reviewed and negotiated	%	98
The portfolio company operates in verified compliance with an internationally recognized occupational health and safety management system (ISO 45001)	%	67
The portfolio company regularly reports on OHS leading indicators (LTIs, sickness, near misses) for all categories of employees, including non-permanent employees and contractors	%	98
The portfolio company follows up on material safety incidents	%	98
Percentage of portfolio company's workers that are employees (known as wage and salaried workers[2]) comprised of permanent employees and full-time employees	%	82
Percentage of the portfolio company's employees whose pay and/or conditions of employment are determined by a collective bargaining agreement negotiated with a trade union (or equivalent agreement with representative worker body e.g., works council)	%	67
The portfolio company has an effective grievance handling system in place for employee matters	%	98
The portfolio company has a commitment to respect equality and non-discrimination in the workplace	%	98
Female share of employment in the portfolio company	%	20

Environmental indicators:

Investments in renewable energy:

Environmental indicator	Unit	FY23
Renewable power provided	kWh	This Fund has not yet invested in renewable energy.

Investments in transport and logistics:

Environmental indicator	Unit	FY23
Total scope 1 an 2 GHG emissions	Kg $CO_{2\text{-eq}}$	Scope 1: 25,886,246 kg CO2-eq Scope 2: 40,281,163 kg CO2-eq

[1] The social indicators have been calculated based on the portfolio companies' investment share (%).

[2] Wage and salaried workers (employees) are those workers who hold the type of jobs defined as "paid employment jobs," where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work. https://databank.worldbank.org/metadataglossary/world-development-indicators/series/SL.EMP.WORK.ZS

Decarbonisation plan in place	Description	Ongoing. A third party has been engaged to develop a Paris-aligned decarbonisation plan.
Science-based targets set	Description	Ongoing. A third party has been engaged to develop science-based targets.

All investments:

Environmental indicator	Unit	FY23
Estimation of financial implications of climate risks	USD	No material risks identified across the portfolio.
Fund equity share of residual scope 1 and 2 emissions	Kg CO2-eq	63,056,973.72
Carbon offsets	Kg CO2-eq	0 (in process)

…and compared to previous periods?

This is the Fund's first periodic report. A first comparison will be made in next year's report. The indicators have not been subject to an assurance provided by an auditor or third party review. However, A.P. Moller Capital uses an external ESG software provider that has a built-in carbon accounting tool. The software integrates client-entered activity data with industry-approved conversion factors, aligning with the guidelines of the GHG Protocol for calculating scope 1 and 2 emissions.

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.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

All investments are screened to ensure they do not cause significant harm to any environmental or social objective, before investment. For the Fund's investments to be sustainable, they are to follow defined Do No Significant Harm (''DNSH'') criteria for social and environmental objectives, equivalent to the relevant IFC Performance Standards, and the World Bank Group Environmental, Health and Safety Guidelines (''EHS Guidelines''). Any non-material gaps identified during the Environmental and Social Due Diligence (''ESDD'') have been integrated into the Environmental and Social Action Plans (''ESAP'') of our first two portfolio companies in the Fund and are now being addressed.

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

As part of the investment process, A.P. Moller Capital assesses all mandatory Principal Adverse Impact (PAI) indicators and four additional indicators. These have been defined based on their relevance in the sectors and countries where we invest. From the additional environmental indicators, the fund manager selected:

- No. 1 Breakdown of energy consumption by type of non-renewable sources of energy.

From the additional social indicators, the fund manager selected

- No. 1: investments in companies without a workplace accident prevention policy;
- No. 15: lack of anti-corruption and anti-bribery policies;
- No 16: cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery, and
- No. 17: number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws.

The data for the mandatory and optional PAI indicators is collected during the pre-investment due diligence process based on information obtained directly from the portfolio company, to the extent available. The results are assessed by a third party who classifies the indicators as low, medium, or high risk of doing (potential) harm. All material risks are reviewed and appropriate mitigation measures are put in place where possible. Investments will only be pursued when adequate mitigation measures can be implemented. PAI indicators are tracked on a quarterly basis to measure ongoing performance of portfolio companies.

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

Yes, the Fund is subject to A.P. Moller Capital's Responsible Investment Framework which builds on recognised international codes of conduct including the IFC Performance Standards, the OECD Guidelines, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the UN Principles for Responsible Investment.

The Fund's investments are subject to the exclusion criteria of A.P. Moller Capital. Of relevance to the OECD Guidelines and UN Guiding Principles, the Fund does not invest in companies that:

1. Employ forced labour of any kind.
2. Allow children to form part of their workforce.
3. Pay wages that are below industry or national minima.
4. Are in a country or involve a person, group or entity subject to international trade embargoes or sanctions at the time of investment; or
5. Are incorporated in EU non-cooperative jurisdictions for tax purposes (blacklist) at the time of investment.

Additionally, investments are to meet minimum safeguards based on the OECD Guidelines, the UN Global Compact, and the UN Guiding Principles.

To create a systematic way of screening against minimum safeguards, especially at due diligence stage, key areas of human/labour rights risks are identified which draw upon the frameworks above, and that are most applicable to infrastructure and power projects the Fund is likely to make, such as:

- Human rights
- Workforce health & safety
- Freedom of association and right to collective bargaining

- Non-discrimination in respect to employment and occupation
- Bribery and corruption
- Taxation

During due diligence, it was confirmed that all portfolio companies of the Fund meet the minimum safeguards based on the OECD Guidelines, the UN Global Compact, and the UN Guiding Principles.

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

Refer to the question above 'How were the indicators for adverse impacts on sustainability factors taken into account?' The fund manager's information on the PAIs will be available on 30 June 2024 as part of the Statement on principal adverse impacts of investment decisions on sustainability factors.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2023 – 31 December 2023

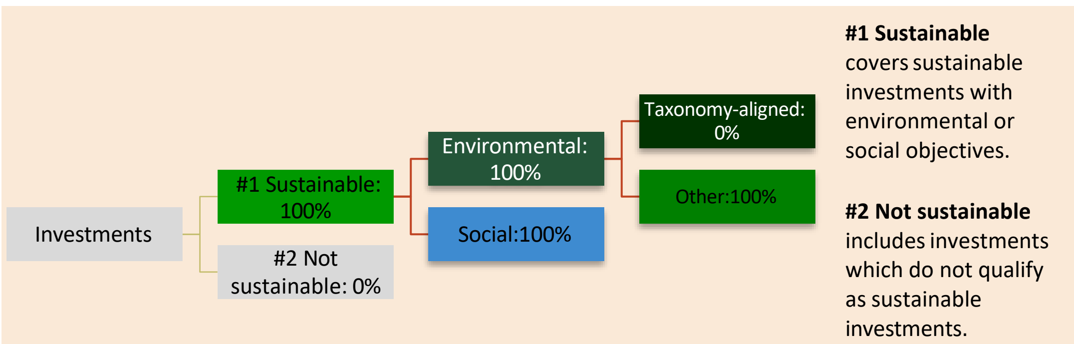
Largest investments	Sector	% Assets	Country
Vector Logistics Ltd.	Ports & Logistics	60-70%	South Africa
HAU Logistics BV	Ports & Logistics	25-35%	Egypt
Sandcat	Ports & Logistics	0-10%	Morocco

What was the proportion of sustainability-related investments?

100% of the investments has a sustainable investment objective.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. 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 economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

- ***In which economic sectors were the investments made?***

  Transport and logistics.

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

No taxonomy-aligned investments have been made during this reporting period. Going forward, 20% of the Fund will be invested in EU Taxonomy-aligned assets. Those investments will focus on electricity generation using solar photovoltaic technology, wind power, and hydropower and are intended to contribute to Article 9 of Regulation 2020/825 (EU Taxonomy) and meet the criteria for environmental sustainability under Article 3 of that same regulation.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[3]?**

  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

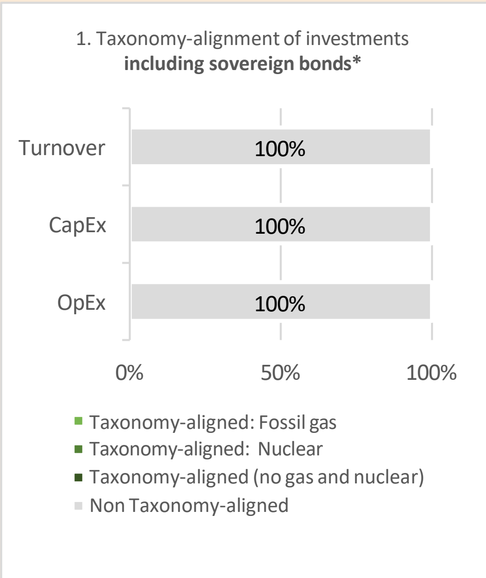
  ☒ No

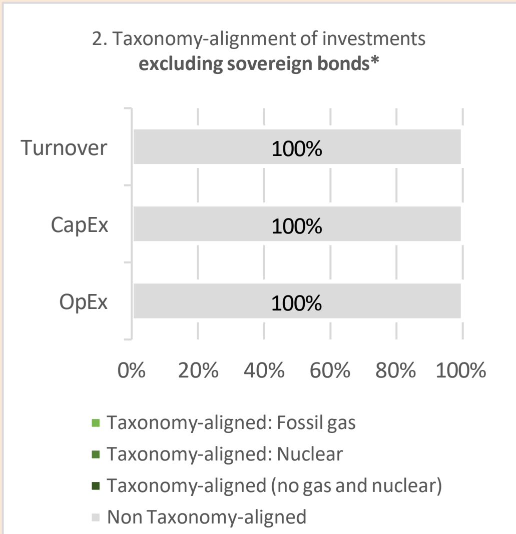
[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

operational expenditure (OpEx) reflecting green operational activities of investee companies.

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.





This graph represents 100% of the total investments.

* *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?

No investments were made in transitional and enabling activities during the reporting period.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

No Taxonomy-aligned investments were made during the reporting period.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

100% of the investments had an environmental objective that was not aligned to the EU Taxonomy during the reporting period. This is due to the current immaturity of technologies necessary to meet the substantial contribution criteria within transport activities, including in Europe where the reliance on fossil fuels in transport and energy systems make it difficult to satisfy the requirements. As highlighted above, 20% of the Fund will be invested in EU Taxonomy-aligned assets in going forward. Those investments will focus on electricity generation using solar photovoltaic technology, wind power, and hydropower and are intended to contribute to Article 9 of Regulation 2020/825 (EU Taxonomy) and meet the criteria for environmentally sustainable economic activities under Article 3 of that same regulation.

What was the share of socially sustainable investments?

100%. All current investments of the Fund contributed to the socially sustainable investment objective.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Not applicable.

What actions have been taken to attain the sustainable investment objective during the reference period?

Each investment has an associated Shareholder Agreement (''SHA'') which is used to obtain a commitment from the Portfolio Company on key shareholder matters, including ESG. The SHA requires alignment from our portfolio companies with the fund manager's ethical policy. Appended to the SHA is the ESAP which includes areas for improvement highlighted during the due diligence process.

In addition to our SHA, any gaps with regards to the sustainable investment objective identified during the ESDD are addressed during active ownership through the portfolio company board and ESAP. This ESAP looks to close out any gaps with A.P. Moller Capital's ESG requirements and the performance of the portfolio company. Moreover, A.P. Moller Capital works through nominated representatives at the portfolio company boards to ensure investments meet the required ESG standards, implement ESG improvements, and meet the social and environmental targets.

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

A reference sustainable benchmark has not been designated for this financial product.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

- ***How did the reference benchmark differ from a broad market index?***

A reference sustainable benchmark has not been designated for this financial product.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

A reference sustainable benchmark has not been designated for this financial product.

- ***How did this financial product perform compared with the reference benchmark?***

A reference sustainable benchmark has not been designated for this financial product.

- ***How did this financial product perform compared with the broad market index?***

A reference sustainable benchmark has not been designated for this financial product.