



# A.P. MØLLER CAPITAL – GRIEVANCE MECHANISM

## Introduction

A.P. Moller Capital is committed to conducting transparent and ethical business practices, proactive stakeholder engagement, and effective management of Environmental and Social (E&S) risks and impacts. Central to this commitment is a robust grievance mechanism which enables stakeholders affected by A.P. Moller Capital's business activities, including those of our portfolio companies, to have their grievances addressed in a transparent and timely manner. A.P. Moller Capital requires the portfolio companies in which it invests to establish a procedure to handle grievances (complaints and concerns) from those who may be adversely affected by the company's activities. Portfolio companies are required to establish an internal grievance mechanism for managing employee grievances and an external grievance mechanism to receive, analyse, record and respond to concerns, complaints and requests for information from third parties or affected communities. Grievances related to A.P. Moller Capital's portfolio companies are to be first reported, investigated, managed, and addressed by the portfolio company's grievance mechanism. Where such grievances are not resolved, affected individuals, communities, and stakeholders may use A.P. Moller Capital's grievance mechanism. In addition to the grievance mechanisms of the portfolio companies and A.P. Moller Capital's own grievance mechanism, stakeholders can also make use of the grievance mechanisms of three of A.P. Moller Capital's investors<sup>1</sup>.

## Purpose

This grievance mechanism is established to enable A.P. Moller Capital to respond in a timely manner to real or perceived concerns and complaints by persons or their representatives, who are adversely impacted by a portfolio company or A.P. Moller Capital's business practices. Stakeholders may use the grievance mechanism as a channel to make requests for information or register grievances regarding E&S issues. A.P. Moller Capital will address and respond to these requests through the procedures outlined below. The Head of ESG is responsible for overseeing the implementation of this grievance mechanism. Please note that this mechanism is not a legal enforcement and shall not impede access to judicial or administrative remedies and that lodging a grievance will not incur any cost to the complainant.

## Applicable Standards

Grievances are concerns and complaints that can be raised related to A.P. Moller Capital's business activities and that of its portfolio companies. This grievance mechanism has been developed in conformance with A.P. Moller Capital's Responsible Investment Framework which is, in turn, based on the IFC Performance Standards on Environmental and Social Sustainability, World Bank Group Environmental, Health, and Safety Guidelines, ILO Core Conventions and the UN Guiding Principles on Business and Human Rights.

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<sup>1</sup> Stakeholders may also make use of the [Project-affected People's Mechanism](#) of the Asian Infrastructure Investment Bank (AIIB); the [Independent Complaints Mechanism](#) from German Investment Corporation (DEG), and the [Stakeholder Grievance Mechanisms](#) of the International Finance Corporation (IFC).

## Confidentiality and Anonymity

Without prejudice, any person(s) or their representatives lodging a grievance will be treated confidentially. If a grievance is deemed admissible, it will typically be necessary for A.P. Moller Capital to contact the relevant portfolio company. The identity of the person(s) or their representatives will be kept confidential unless these person(s) allow A.P. Moller Capital to disclose their identity. There will be no retribution against a person registering a grievance.

## Grievance Management Procedure

A.P. Moller Capital ensures that its grievance management procedure is easy to access considering cultural appropriateness and understandable language. All of A.P. Moller Capital's portfolio companies are required to have their own sets of internal and external grievance mechanisms. A.P. Moller Capital's grievance mechanism is in place to address E&S grievances related to its business activities, and those against its portfolio companies that are unresolved or in instances in which a complainant does not feel comfortable raising a grievance directly with the portfolio company.

### 1. Grievance Administration

Any person(s) or their representative(s), who have real or perceived concerns or complaints, can lodge a grievance using any one of the following channels:

1. Online Form  
Fill out the grievance form in our website  
<https://apmollercapital.com/en/>
2. Email  
Write an email to  
[apmc.compliance@apmollercapital.com](mailto:apmc.compliance@apmollercapital.com)

For an effective investigation grievances should include the following information:

- Details of complainant or representative (name, address, telephone, email). Anonymous grievances are also accepted. If desired the anonymous complainant can indicate how they wish to be notified on the outcome of the investigation.
- Date of grievance.
- Individuals impacted and how they are impacted (if it risks anonymity, this information does not need to be included).
- The portfolio company to which the grievance is related (if applicable), including company address or specific areas where the impact is taking place.
- Description of the grievance including when and where the incident occurred, how it occurred, who was involved, complainant's story and expectation from the grievance mechanism.
- If the grievance is against a person or a group of persons from the portfolio companies, please provide details.
- Overview of actions (e.g. legal, contacts with the company, local authorities) that have already been taken to address the issue (if any).

- Any supporting documents and evidence related to the grievance.

The complainant will receive acknowledgement of receipt of the grievance within **seven (7) days** of receiving the grievance.

### **1.1 Procedure for Reviewing and Investigating Grievances**

A.P. Moller Capital categorises the grievance based on the nature and degree of impact and determines whether a grievance is admissible or not. This may include reviewing relevant documentation and records, ensuring internal coordination with staff involved, and holding meetings with various stakeholders.

In cases in which a grievance is deemed inadmissible, such as complaints that are not related to the activities of A.P. Moller Capital or its portfolio companies, an acknowledgement letter is sent to the complainant with reasons for dismissal of the grievance. If a grievance is related to a portfolio company but has not been filed with the company, such grievance may be forwarded to the related portfolio company unless the complainant has expressed a desire that this not be done.

For all admissible grievances the Head of ESG, with the support of other departments and, if necessary, a third party, will conduct an internal assessment of the grievance and prepare a summary report to be shared internally with the Risk, Environmental, Social and Governance (RESG) Committee. The summary report shall include information on the allegations, policy/standards breached, review findings, and recommendations. Recommendations may be operational corrective actions and/or improvements to existing policies and/or procedures by the portfolio company or, where applicable, A.P. Moller Capital. Where possible and appropriate, a corrective action plan may be drafted. A.P. Moller Capital will seek to remediate the grievance by involving the portfolio company and, where possible, through active ownership. The RESG Committee is responsible for the final review of the investigation and for approval of the proposed corrective actions, if applicable.

A.P. Moller Capital makes best effort to resolve all grievances within **45 days** of receiving the grievance. If not resolved within 45 days, the complainant will be informed about the extended timeline and provided with an update on the investigation.

For straightforward grievances which may be managed by responding to the complainant or providing information requested, the grievance may be closed sooner and will not require the approval of the RESG Committee.

Major grievances, ones that are of a complex, serious or urgent nature and may involve mediation between the parties, require approval from the RESG Committee, and A.P. Moller Capital partners. These grievances may also require the establishment of an internal team or support from external parties to validate the issue and provide recommendations and actions to resolve the grievances.

### **1.2 Reporting and Evaluation**

Assigned individual within A.P. Moller Capital are responsible for registering the grievances received in the grievance registry. A simple database will be used to manage and monitor grievances as illustrated in Appendix II. Documentation on grievances will keep track of the following information:

- the name and contact details of the complainant, if appropriate;

- the date and nature of the grievance;
- the name of the technical staff charged with addressing the grievance, if appropriate;
- letter of acknowledgement of the grievance sent to the complainant;
- preliminary response to complainants including:
  - Rejection of grievance and reasons thereof.
  - Partial acceptance of grievance and reasons thereof.
  - Full acceptance of grievance and reasons thereof.
  - Communications, findings, outcomes, corrective actions, timeframe, implementation plan agreed to.
- any follow up actions taken;
- the proposed resolution of the complaint;
- how and when relevant conclusions were communicated to the complainant;
- longer-term management actions taken to avoid the recurrence of similar grievances in the future, if applicable;
- Acceptance or rejection of outcome by complainant and supporting documentations,
  - In case of rejection, records of additional assessment, investigation, dialogue between the different parties, and corrective actions.
- In case of closure of grievance,
  - Record of acceptance, evidence of any dialogue between the different parties , and actions taken to correct the issues.
  - Referral to outside remedies, if applicable.

A.P. Moller Capital reports to the RESG Committee (on the status and outcome of grievances received, taking into account confidentiality issues. Any changes to E&S management systems of the portfolio companies or that of A.P. Moller Capital as a result of managing the grievances shall be well documented and approved by the RESG Committee. Grievances of a certain magnitude may be reported to the Board, at the discretion of the RESG Committee, the Head of ESG and the Head of Compliance.

## Appendix I: Language for the website

# A.P. MOLLER CAPITAL GRIEVANCE MECHANISM

A.P. Møller Capital is committed to conducting transparent and ethical business practices, proactive stakeholder engagement, and effective management of Environmental and Social (E&S) risks and impacts. Central to this commitment is a robust grievance mechanism which enables stakeholders affected by A.P. Moller Capital's business activities, including those of our portfolio companies, to have their grievances addressed in a transparent and timely manner. A.P. Moller Capital requires the portfolio companies in which it invests to establish a procedure to handle grievances (complaints and concerns) from those who may be adversely affected by the company's activities. Portfolio companies are required to establish an Internal Grievance Mechanism for managing employee grievances and an External Grievance Mechanism to receive, analyse, record and respond to concerns, complaints and requests for information from third parties or affected communities. Grievances related to A.P. Moller Capital's portfolio companies are to be first reported, investigated, managed, and addressed by the portfolio company's grievance mechanism. Where such grievances are not resolved, affected individuals, communities, and stakeholders may use A.P. Moller Capital's Grievance Mechanism. In addition to the Grievance Mechanisms of the portfolio companies and A.P. Moller Capital's own Grievance Mechanism, stakeholders can also make use of the Grievance Mechanisms of three of A.P. Moller Capital's investors<sup>2</sup>.

Any person(s) or their representative(s), who have real or perceived concerns or complaints, can lodge a grievance via the following email [apmc.compliance@apmollercapital.com](mailto:apmc.compliance@apmollercapital.com).

For an effective grievance mechanism and investigation, kindly provide the following information while lodging the grievance:

- Details of complainant or name of representative (name, address, telephone, email).
- Anonymous grievances are also accepted. If desired the anonymous complainant can indicate how they wish to be notified on the outcome of the investigation.
- Date of grievance.
- Individuals impacted and how they are impacted (if it risks anonymity, this information does not need to be included).
- The portfolio company to which the grievance is related (if applicable), including company address or specific areas where the impact is taking place.
- Description of the grievance including when and where the incident occurred, how it occurred, who was involved, complainant's story and expectation from the grievance mechanism..
- If the grievance is against a person or a group of persons from the portfolio companies, please provide details.
- Overview of actions (e.g. legal, contacts with the company, local authorities) that have already been taken to address the issue (if any).
- Any supporting documents and evidence related to the grievance.

## Grievance Redressal Process

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<sup>2</sup> Stakeholders may also make use of the [Project-affected People's Mechanism](#) of the Asian Infrastructure Investment Bank (AIIB); the [Independent Complaints Mechanism](#) from German Investment Corporation (DEG), and the [Stakeholder Grievance Mechanisms](#) of the International Finance Corporation (IFC).

Our grievance mechanism is owned by the Head of Compliance and the Head of ESG.

Upon receiving your grievance, the Compliance department evaluates the nature of the grievance and determines whether it should be directed to the Head of ESG. For ESG-related grievances, we review the admissibility of the grievance based on the following criteria:

- The grievances must be related to A.P. Moller Capital or its portfolio companies.
- The E&S related grievance should have caused adverse impact or have caused likely adverse impact.
- If the grievance is related to one of A.P. Moller Capital's portfolio company, then there has to be evidence that the grievance was first lodged with the company using their grievance mechanism or an explanation on why the complainant chose not to use the portfolio company's grievance mechanism.
- Evidence that the grievance was caused by A.P. Moller Capital or its portfolio company's business activities.
- Evidence of the adverse or likely adverse E&S impact of the activity.

Upon receiving the grievance, our team will send an acknowledgment of receipt of the grievance within **seven (7) business days** of receiving the grievance. The acknowledgment of receipt includes an identifier number and expected timeframe for addressing the grievance.

A.P. Moller Capital reviews the issue(s) raised and determines whether a grievance is admissible. In case the grievance is not admissible, then an acknowledgement letter is sent to the complainant with reasons for dismissal of grievance.

If the grievance is related to a portfolio company's activities and has not been filed with the companies, such grievances may be forwarded to the related portfolio company unless the complainant has explicitly requested this not be done.

A.P. Moller Capital makes best effort to resolve the grievances within **45 days** of receiving the grievance. If it is not resolved in 45 days, the complainant will be informed about the extended timeline.

A.P. Moller Capital's Risk, Environmental, Social and Governance Committee is responsible for determine the most appropriate course of action. The final conclusion and proposed recommendations, including (if applicable) corrective actions will be communicated to the complainant.

Non ESG-related grievances will be handled by our compliance department. Additionally, A.P. Moller Capital has implemented a [whistle-blower system](#) for reporting significant matters relating to financial crimes (e.g. money laundering, terrorist financing, bribery, extortion, embezzlement, theft, accounting irregularities, etc.) and other significant matters (e.g. significant work safety violations, significant violations of environmental regulations, environmental pollution, physical violence, sexual assaults or harassment, etc.), and/or which may constitute a breach of the law and regulations applicable to A.P. Moller Capital and its operations. Please use this system, available on our website, for grievances of this nature.

## Confidentiality and Anonymity

Without prejudice, any person(s) or their representatives lodging a grievance will be treated confidentially. If a grievance is deemed admissible, it will typically be necessary for A.P. Moller Capital to contact the relevant portfolio company. The identity of the person(s) or their representatives will be kept confidential unless these person(s) allow A.P. Moller Capital to disclose their identity. There will be no retribution against a person registering a grievance.

## Appendix II: Grievance Log

Grievance Identifier	Date of Receipt	Contact info of Complainant (If Anonymous, mention)	Nature/Description of Complaint	Person/Department Involved in the Grievance	Individual Assigned to the Grievance	Date of acknowledgment	Actions taken and resolution	Comments