ANNEX V

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.

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

Did this financial product have a sustainable investment objective?	
☒ **Yes**	☐ **No**
☐ It made **sustainable investments with an environmental objective:** 100%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ 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) invests 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 opportunities for local employment.
- Providing a living wage to meet basic human needs and ensure 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 in the workplace by ensuring equal opportunities for women and minority groups.

Environmental Objectives:

Investments in renewable energy:

The Fund seeks to provide power whilst avoiding GHG emissions by prioritising 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:

Prioritising decarbonisation, the Fund's investments in transport infrastructure 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 a minimum of 25% during the Fund's ownership and to set science-based targets at the portfolio company level and develop a Paris-aligned climate strategy to achieve net-zero emissions by 2050.

All investments:

1. Investments will assess physical and transition climate risks using a third-party platform and address material risks accordingly.
2. In addition to efforts to avoid and reduce emissions, EMIF II 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 throughout the Fund's lifetime, 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]:

In 2024, our portfolio saw an increase in the estimated number of jobs supported by our portfolio. This includes direct employment, supply chain jobs, induced jobs generated by the spending of wages earned by employees in both direct and supply chain roles, and power-enabling jobs indirectly supported through improved electricity access, where our investments in power infrastructure contribute to broader economic activity. Value added, calculated as the sum of salaries and wages, taxes paid, and operating profits generated by portfolio companies and their supply chains, decreased in 2024.

These changes can largely be attributed to improved data collection for the Joint Impact Model (JIM), which we use for impact reporting. This year, we had access to more detailed company-specific data, reducing the model's reliance on estimates based on country and sector averages. By using actual company data, the model delivers results that offer a more realistic representation of our portfolio's impact.

Our portfolio remained aligned with all other social indicators. The percentage decline in 2024 in our decent work indicators is primarily due to a proportional reduction in the investment share of reporting portfolio companies as the Fund has expanded. Additionally, two out of four assets have yet to begin reporting, as they are either not yet operational or still under construction.

Environmental indicators:

Investments in renewable energy:

In 2024, the Fund established Verdant Energy, a Singapore-based renewable energy platform. While the platform currently has no operational assets, it is expected to advance the Fund's renewable energy target by onboarding investments aligned with the EU Taxonomy and contributing to climate change mitigation objectives.

Investments in transport and logistics:

In 2024, good progress was made toward achieving our environmental targets for investments in transport and logistics. With the support of qualified third parties, 100% of the investments in this sector now have Paris-aligned decarbonisation plans in place, covering Scopes 1, 2, and 3, with targets aligned with the Science-Based Targets initiative. All portfolio companies have now progressed to the implementation phase of their decarbonisation roadmaps.

All investments:

In 2024, we continued evaluating the potential financial impacts of physical and transition climate-related risks using third-party climate software. Consistent with

[1] The presented impact indicators (jobs, value added) are derived from economic impact modelling using the Joint Impact Model. They are estimates and should be interpreted accordingly. The results reflect the total impacts of our portfolio companies without adjusting for our ownership stake. Refer to the https://www.jointimpactmodel.org/ for more information.

our 2023 findings, overall portfolio risk remains low, with no material risks identified.

Aligned with the Fund's commitment to offset residual financed emissions from the portfolio on a pro-rata equity share basis, we purchased and retired 65,068 carbon credits.

…and compared to previous periods?

Social indicators[2]:

Social indicators			
	Unit	FY24	FY23
Number of direct, indirect and induced jobs (calculated using the JIM)	Number	17,703	16,156[3]
Total value added (calculated using the JIM)	m USD	260	280[4]
Electricity produced	GWh	N/A	N/A
Percentage of local employees compared to the total number of employees	%	93	98
Percentage of contractors with a commitment to promote access to jobs for the local workforce	%	93	98
Percentage of portfolio company's employees paid a living wage, as a percentage of total employment of the company	%	93	98
Portfolio company's employees' living wage is regularly reviewed and negotiated	%	93	98
The portfolio company operates in verified compliance with an internationally recognised occupational health and safety management system (ISO 45001)	%	93	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	%	93	98
The portfolio company follows up on material safety incidents	%	93	98
Percentage of portfolio company's workers that are employees (known as wage and salaried workers[5]) comprised of permanent employees and full-time employees	%	73	82

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

[3,3] The 2023 numbers have been restated using the latest version of the Joint Impact Model to ensure comparability with the 2024 results.

[4] 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

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)	%	59	67
The portfolio company has an effective grievance handling system in place for employee matters	%	93	98
The portfolio company has a commitment to respect equality and non-discrimination in the workplace	%	93	98
Female share of employment in the portfolio company	%	18	20

Environmental indicators:

Investments in renewable energy:

Environmental indicators			
	Unit	FY24	FY23
Renewable power provided	kWh	The Fund has established a renewable energy platform which has no operational assets to date.	The Fund has not yet invested in renewable energy.

Investments in transport and logistics:

Environmental indicators[6]			
	Unit	FY24	FY23
Total scope 1 emissions	tCO_{2-eq}	40,281	37,994
Total scope 2 emissions[7]	tCO_{2-eq}	48,884	44,558
Decarbonisation plan in place	Description	All investments in the transport and logistics sector have developed a Paris-aligned decarbonisation roadmap.	Ongoing. A third party has been engaged to develop a Paris-aligned decarbonisation plan.
Science-based targets set	Description	All investments in the transport and logistics sector have developed science-based carbon reduction targets as part of their Paris-aligned	Ongoing. A third party has been engaged to develop science-based targets.

[6] Reported numbers for 2023 have been adjusted compared to those presented in last year's report due to improvements in data accuracy and better reporting by our portfolio companies.

[7] Scope 2 emissions have been calculated using the location-based method in accordance with the GHG Protocol.

		decarbonisation roadmaps.	

All investments:

Environmental indicators[8]			
	Unit	FY24	FY23
Estimation of financial implications of climate risks	USD	No material risks identified across the portfolio.	No material risks identified across the portfolio.
Fund equity share of residual scope 1 and 2 emissions	tCO2-eq	87,201	79,442
Carbon offsets	Kg CO2-eq	65,068 credits have been retired which is the equivalent to 65,058 tCO2.	Procurement of carbon offsets is ongoing.

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

To ensure that no significant harm is done to the Fund's sustainable investment objectives, the Fund refrains from investing in any activities included on the exclusion list. Investments must also comply with Fund-specific restriction criteria related to exposure to the oil and gas sector.

Furthermore, all investments are screened against the IFC Performance Standards (IFC PSs) and the World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines[9]), both of which are considered credible frameworks to support adhering to the do no significant harm principle[10]. This process begins during the due diligence phase. Each investment is assessed against the relevant requirements of the IFC PSs and EHS Guidelines. If gaps in ESG performance are identified, they are addressed through an Environmental and Social Action Plan (ESAP), which is agreed upon with the portfolio company and included in contractual agreements. The ESAP's implementation is closely monitored to ensure that all actions are completed within the agreed timeline. In cases where significant risks or impacts cannot be mitigated, A.P. Moller Capital will not proceed with the transaction.

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[9] World Bank Group (2007). Environmental, Health, and Safety Guidelines. Available at: https://www.ifc.org/en/insights-reports/2007/environmental-health-and-safety-guidelines

[10] IFC, promoting Interoperability Across Environmental and Social Risk Management Frameworks

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

Post-investment, A.P. Moller Capital conducts quarterly monitoring and assessments of all mandatory Principal Adverse Impact (PAI) indicators across its investments. This process helps identify and mitigate any adverse impacts on sustainability factors. In addition, A.P. Moller Capital evaluates selected voluntary indicators, customised to the specific sectors and countries where investments are made.

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

Yes, all investments in the Fund are guided by A.P. Moller Capital's Responsible Investment Framework, which is built on internationally recognised standards such as the IFC PSs, OECD Guidelines for Multinational Enterprises, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the UN Principles for Responsible Investment.

To ensure a systematic screening process, all investments are evaluated against the IFC PSs and the EHS Guidelines during the due diligence phase. Depending on the risk level of the investment, external expertise is engaged to support the assessment where necessary. These frameworks are closely aligned with the objectives and scope of the OECD Guidelines and UN Guiding Principles[11]. Where gaps are identified, corrective actions are undertaken during the ownership phase to achieve compliance with these standards.

The aspects related to anti-corruption, bribery, and taxation are addressed under the umbrella of good governance, in alignment with A.P. Moller Capital's internal governance standards.

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

A.P. Moller Capital gathers data on PAIs for every investment decision throughout the holding period. If monitoring reveals any adverse impacts, A.P. Moller Capital actively engages with the respective portfolio company to address and mitigate the identified impacts.

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 2024 – 31 December 2024

Top investments			
Largest investments	Sector	Assets (%)	Country
Vector Logistics	Ports & Logistics	50 – 60	South Africa, Namibia
HAU Logistics	Ports & Logistics	30 – 40	Egypt

[11] IFC, promoting Interoperability Across Environmental and Social Risk Management Frameworks

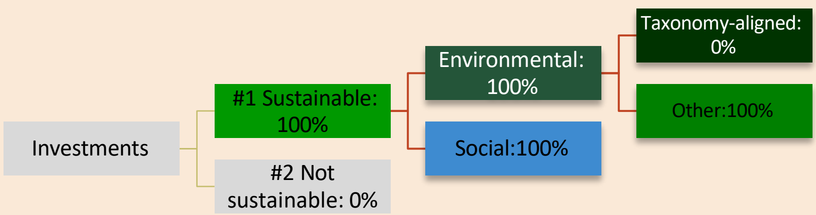
Sand Cat	Ports & Logistics	0 – 10	Morocco
Verdant Energy	Renewable energy	0 – 10	Singapore

What was the proportion of sustainability-related investments?

100% of the investments[12] have a sustainable investment objective.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

Transport and logistics and renewable energy.

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

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.

During this reporting period, no taxonomy-aligned investments were made. However, the Fund established a renewable energy platform, Verdant Energy, based in Singapore. Looking ahead, the platform will focus on developing solar and wind projects across Southeast Asia, which will be aligned with the criteria set out in the EU Taxonomy Regulation.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[13]?

Yes:

[12] Sand Cat is still in the design and development phase, while Verdant Energy has yet to establish operational assets. However, both investments are aligned with the Fund's applicable sustainable investment commitments.

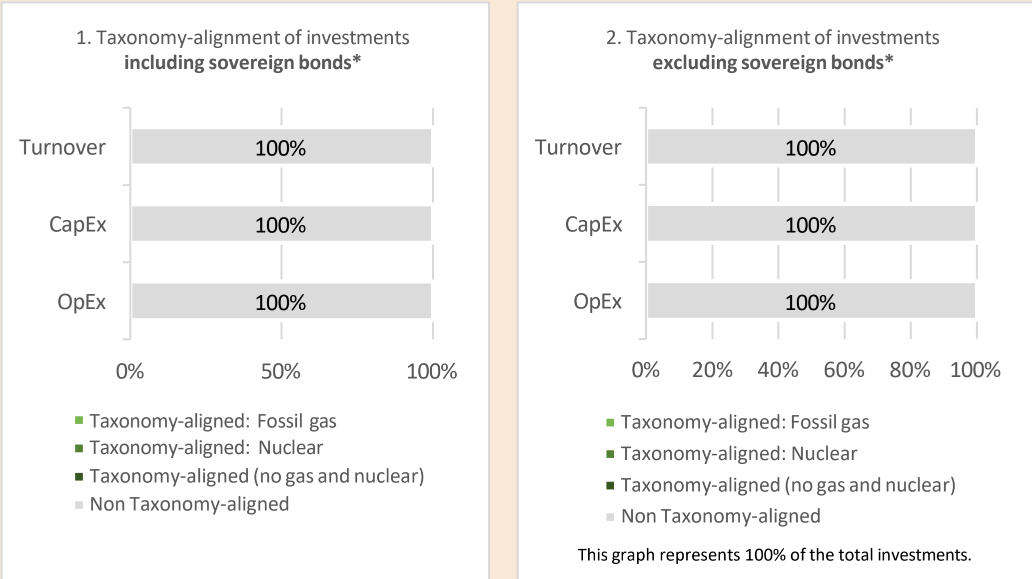
[13] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas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

In fossil gas ☐ In nuclear energy

☒ No

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.



* *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. As highlighted above, Fund established a renewable energy platform, Verdant Energy. Looking ahead, the company will focus on developing solar and wind projects across Southeast Asia, which will be aligned with the criteria set out in the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

100% of the Fund's investments[14] have a 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 Environmental and Social Due Diligence (ESDD) are addressed during active ownership through the portfolio company board and the 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 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?

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

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

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

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

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

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[14] Sand Cat is still in the design and development phase, while Verdant Energy has yet to establish operational assets. However, both investments are aligned with the Fund's applicable socially sustainable investment commitments.

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

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

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