

Statement on principal adverse impacts of investment decisions on sustainability factors

Product Name : Innpact Fund Management S.A (AIFM), LEI: 222100HUXHPVXN2J7G24

Livelihood Carbon Fund S.A. SICAV- RAIF - Livelihoods Carbon Fund 3 (AIF 1 or LCF 3), LEI*: B256587

Africa Conservation & Communities Tourism Fund, SCSp, SICAV-RAIF (AIF 2 or ACCT), LEI*: B261704

Grameen Crédit Agricole Fund – FIR (AIF 3 or GCA), LEI: 549300H6TRJSS604PG95

Genesis Biodiversity Fund I SCSp, SICAV-RAIF (AIF 4 or Genbio), LEI*: B272296

*if no LEI code available RCS number is provided

Summary

AIFM: The AIFM considers the principal adverse impacts of its investment decisions on sustainability factors. Innpact AIFM works in close collaboration with each of the investment advisor and/or the delegated portfolio manager of the Funds under management to consider the Principal Adverse Impacts in the Fund’s investment decision process and Fund’s monitoring of the investments but also to help the Funds to be in compliance with their SFDR obligations and gather specific data or proxies with respect to their SFDR obligations.

In this respect, Innpact AIFM ensures that: – The relevant delegated portfolio manager and/or the investment advisor of the Fund has the appropriate infrastructure in place to report on Principal Adverse Impacts on an ongoing basis. – Where Principal Adverse Impacts are to be considered in respect of a Fund, the appropriate disclosures are made in the pre-contractual documents of the Fund in line with SFDR requirements. – The processes, systems and procedures in place to consider and report on Principal Adverse Impacts in respect of each Fund remain subject to Innpact AIFM’s periodic due diligence. – The periodic reports of the Funds should contain sufficient and appropriate information as to the assessment of Principal Adverse Impacts.

Where Principal Adverse Impacts are not yet considered in respect of a Fund which Innpact AIFM manages due to (i) the absence of sufficient data/information and/or (ii) the absence of sufficient qualitative data/information to provide a meaningful assessment of any potential Principal Adverse Impact caused by the lack of relevant information from underlying companies/investments, or (iii) the relevant data for 2022. is still being collected, Innpact AIFM ensures that appropriate disclosures are contained within the relevant pre-contractual documents of the Funds considered.

The present statement is the statement on principal adverse impacts on sustainability factors of the AIF under the management of the AIFM and covers the reference period from 1 January 2022 to 31 December 2022 (the same is applied for all the funds under management).

AIF 1: The fund considers the principal adverse impacts of its investment decisions on sustainability factors. Due to the investment strategy of LCF3 and the nature of the projects financed by the Fund which are implemented by non-governmental organisations, LCF3 may not be able to report on all data required for reporting on the mandatory

Principal Adverse Impacts indicators. When it is the case, LCF3 will report ratios provided by a specialized provider able to generate relevant proxies based on the characteristics of each sustainable investment or proxies that LCF3 may deem reasonable.

AIF 2: The fund considers the principal adverse impacts of its investment decisions on sustainability factors. ACCT monitors and reports on Principal Adverse Impacts on an annual basis. The absence of investee data is expected for a few Principal Adverse Impacts indicators given the nature, sector and geography of the investments made by ACCT. Nonetheless, in the spirit of SFDR, ACCT aims to report on estimates through tailored proxy indicators.

AIF 3: The fund considers the principal adverse impacts of its investment decisions on sustainability factors. All Principal Adverse Impacts will be reported with data at the investee level and not at the end-client level (with the exception of PAI 4 which is considered at the end-client level). When data is not available, GCA aims to report ratios provided by a specialized provider able to generate relevant proxies based on the characteristics of the investee's loan portfolio.

AIF 4: The fund didn't commence its investment activity during the reference period, but it will consider the principal adverse impacts of its investment decisions on sustainability factors once the operations begin. Therefore for the reporting period, no data is provided regarding this fund.

AIF 1, 2 & 3 are collectively referred to as the Funds in the Notes where applicable.

Description of the principal adverse impacts on sustainability factors

AIF 1: The fund's investment strategy consists of entering into long-term contracts with local project developers to establish different types of carbon removal or -avoidance projects with a focus on nature-based solutions. Under these contractual agreements, the fund undertakes to finance these projects and, in return for financing the projects, the fund receives carbon credits generated by these projects. At the end of the reference period, the portfolio of the fund consists of one investee/project. The fund uses a combination of proxy data as well as data obtained directly from the project developers regarding the project development itself or the project (please refer to the notes provided in the following sections for further details) due to the difficulty in obtaining the data and considering the status of the projects. Efforts are being made to harmonize and improve this process going forward.

AIF 2: The Portfolio Manager of the fund notes that PAIs are challenging to collect from non-EU based SMEs which currently, and are expected to continue to, represent most of the fund's investments. The fund uses a combination of proxy data as well as data obtained directly from the investees.

AIF 3: Since the regulatory and industry standardization around the methodologies and tools used to perform PAIs assessment is evolving and in order to serve the spirit of the regulation in determining the impact of financial institutions, the fund has worked in 2022 and 2023 with a group of peers within the financial inclusion industry, proxy data providers and investees to calculate or estimate mandatory PAIs. For some PAIs, data or proxies are not available yet and further work will be done in 2023 to develop relevant data collection tools and approaches.

AIF 4: N/A

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Coverage rate (was added to this table) See Note 1	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					
		AIFM (total)	940.39	n.a.	100.00%	See Note 3	See Note 2, 3
		AIF 1	6.43		100.00%		
		AIF 2	916.23		100.00%		
		AIF 3	17.73		100.00%		
		Scope 2 GHG emissions		n.a.		See Note 3	See Note 2, 3
		AIFM (total)	325.53		100.00%		
		AIF 1	1.32		100.00%		
		AIF 2	320.58		100.00%		
		AIF 3	3.63		100.00%		
		Scope 3 GHG emissions		n.a.		See Note 3	See Note 2, 3
		AIFM (total)	12,543.16		100.00%		
AIF 1	280.13		100.00%				

		AIF 2	3,773.77		100.00%		
		AIF3	8,489.26		100.00%		
		Total GHG emissions	13,809.07	n.a.	100.00%	See Note 3	See Note 2, 3
	2. Carbon footprint	Carbon footprint		n.a.		See Note 3	See Note 2, 3
		AIFM (total)	569.12		100.00%		
		AIF 1	0.00		100.00%		
		AIF 2	569.12		100.00%		
		AIF 3	0.00		100.00%		
	3. GHG intensity of investee companies	GHG intensity of investee companies		n.a.		See Note 3	See Note 2, 3
		AIFM (total)	1,951.97		100.00%		
		AIF 1	1,407.88		100.00%		
		AIF 2	544.06		100.00%		
		AIF 3	0.02		100.00%		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		n.a.		See Note 4	See Note 2, 4
		AIFM (avg)	0.14%		100.00%		
		AIF 1	0.00%		100.00%		
		AIF 2	0.00%		100.00%		
		AIF 3	0.64%		100.00%		
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and production		n.a.		See Note 5	See Note 2, 5
		AIFM (avg)	20.15%		89.16%		
		AIF 1	0.00%		100%		

		AIF 2	24.75%		85.05%		
		AIF 3	22.69%		100.00		
	6. Energy consumption intensity per high impact climate sector	Energy consumption per high impact climate sector		n.a.		See Note 6	See Note 2, 6
		AIFM (total)	0.12		85.05%		
		AIF 1	N.A		N.A		
		AIF 2	0.15		85.05%		
		AIF 3	N.A		N.A		
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		n.a.		See Note 7	See Note 2, 7
		AIFM (total)	0.00%		100.00%		
		AIF 1					
		AIF 2	0.00%		100.00%		
		AIF 3	0.00%		100.00%		
			N.A		N.A		
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies/total investment		n.a.		See Note 8	See Note 2, 8
		AIFM (total)	0.00%		100.00%		
			0.00%		100.00%		

		AIF 1	0.00%		100.00%		
		AIF 2	N.A		N.A		
		AIF 3					
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies/total investment		n.a.		See Note 9	See Note 2, 9
		AIFM (total)	0.00		100.00%		
		AIF 1	0.00		100.00%		
		AIF 2	0.00		100.00%		
		AIF 3	N.A		N.A		
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 for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises		n.a.		See Note 10	See Note 2, 10
		AIFM (total)	0.00%		100.00%		
		AIF 1	0.00%		100.00%		
		AIF 2	0.00%		100.00%		
		AIF 3	0.00%		100.00%		
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational		n.a.		See Note 11	See Note 2, 11

	Compact principles and OECD Guidelines for Multinational Enterprises	Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					
		AIFM (total)	0.00%		100.00%		
		AIF 1	0.00%		100.00%		
		AIF 2	0.00%		100.00%		
		AIF 3	0.00%		100.00%		
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies		n.a.		See Note 12	See Note 2, 12
		AIFM (avg)	10.43%		89.16%		
		AIF 1	-11.31%		100.00%		
		AIF 2	28.83%		85.05%		
		AIF 3	-30.96%		100.00%		
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members		n.a.		See Note 13	See Note 2, 13
		AIFM (avg)	16.02%		100.00%		
		AIF 1	37.50%		100.00%		
		AIF 2	15.09%		100.00%		
		AIF 3	15.50%		100.00%		
	14. Exposure to controversial weapons (anti-	Share of investments in investee companies involved in the		n.a.		See Note 14	See Note 2, 14

	personnel mines, cluster munitions, chemical weapons and biological weapons)	manufacture or selling of controversial weapons AIFM (total) AIF 1 AIF 2 AIF 3	0.00% 0.00% 0.00% 0.00%		100.00% 100.00% 100.00% 100.00%		
<p>Other indicators for principal adverse impacts on sustainability factors:</p> <p>COMPLEMENTARY INDICATORS REPORTED BY THE FUND</p>							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Coverage rate (was added to this table)	Explanation	Actions taken, and actions planned and targets set for the next reference period
<p>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</p> <p>Refer to Annex V of each AIF 1 & 2, and Annenx IV for AIF 3</p>							
<p>Engagement policies</p> <p>AIF 1</p>							

Beyond efficient carbon management, monitoring and verification, one of the primary key success factors of the sustainable Investments is a long-term maintenance of the restored ecosystem and the assurance that it brings long lasting value to local livelihoods. The Investment Advisor of the Fund and its partners have identified three main areas of action to achieve this goal:

- (i) Corrective action management with Project Developer within project boundaries: Fund's projects will rely on a continued and close follow-up from local Project Developer's and the Investment Advisor's teams. This follow-up is built and designed to ensure a quick response through corrective actions if an adverse situation materializes (higher than expected mortality, natural hazard, etc.).
- (ii) Capacity building of Project Developer: A number of capacity building actions may be launched for Project Developers over the first years of the projects. Such capacity building initiatives encompass, for example, follow-up on new methodologies and training to adapt them to the projects' reality, training for efficient monitoring actions and processes.
- (iii) Value creation within the project boundaries: Long-term sustainability of the projects significantly relies on the projects' ability to deliver long lasting benefits to local populations. The capacity building endowment provides for funding in order to identify the possible actions in that respect, e.g., creating an economic activity around a specific agricultural production in the existing projects. The Fund investors' technical capabilities in their respective fields are critical to upgrade local knowhow in order to achieve that goal. Besides this technical assistance, when needed, external sources of funding (grants, loans, equity) will be sought to provide start-up finance to emerging local economic activities

For each project, the Fund ensures that the Project Developer provides an appropriate grievance mechanism that is available to all workers and other stakeholders and that enables them to report any wrongdoing, misconduct in the workplace, or any other project-related complaint. In addition, a "Project ESG Focal Point" shall be appointed at the level of the Project Developer to, among other tasks, manage and report E&S grievances, E&S incidents and other emergency situations, in operational collaboration with the Investment Advisor and relevant stakeholders. These responsibilities are included in the relevant agreement with the Project Developer.

AIF 2

The Fund works with Portfolio Companies to implement best practices, aiming to improve their environmental, social and, in the case of the Investment Adviser, commercial, operational and financial performance, to create more robust conservation tourism businesses, thereby increasing impact outcomes and decreasing the probability of non-performance on the issued Structured Debt.

As part of its Sustainable Investment Objective, investees engagement includes the following components:

- (a) encouraging Portfolio Companies to:
 - i. carry out continuing meaningful consultations with all relevant stakeholders, especially affected local communities and vulnerable groups.
 - ii. put in place an appropriate investment-based Grievance Redress Mechanism.
 - iii. implement conservation practices aligned to their respective ESG Action Plan.

(b) supporting the Portfolio Companies in the identification of appropriate tools and methods to assess as well as manage potential ESG risks and impacts that may result from their activities.

(c) agreeing with the Portfolio Companies on the ESG conditionalities (in addition to the Conservation and Community Covenants) they need to commit to in order to meet the Fund's required standards.

The Conservation Committee will also conduct ongoing reviews on at least an annual basis regarding the Portfolio Companies' continuous compliance with the Excluded Investment Criteria, conservation covenants agreed with the Portfolio Companies, and to monitor the Sustainable Investment Objective's KPIs.

As the Conservation Advisor of the Fund, The Nature Conservancy will perform due diligence on the conservation and social aspects of each Investment to identify opportunities to protect existing and target improved Conservation and Community Outcomes and to set Conservation and Community Covenants to benchmark success. The Conservation Committee will review, approve and ensure the targeted Conservation and Community Outcomes and Conservation and Community Covenants set for each Portfolio Company are met through ongoing monitoring and evaluation.

If a Portfolio Company is deemed to be in breach of any Conservation and Community Covenant or any Excluded Investment Criteria, the Conservation Advisor is required to engage in discussions with the Portfolio Company to develop a conservation corrective action plan and to formally recommend such a plan, including any remediation grace period, to the Conservation Committee for approval within strict deadlines. In turn, the Conservation Committee is required to review the Conservation Advisor's proposal and make a final recommendation to the Investment Committee within the prescribed time periods. Any corrective action plan must be approved by the Conservation Committee and any remediation grace period must be approved by the Investment Committee. The Conservation Committee has the sole authority to determine when a conservation noncompliance issue has been resolved.

AIF 3

The Fund is actively engaging with partner MFIs to encourage the adoption of better management practices on environmental, social and governance issues when risks are identified. Even if a potential investee company is not involved in any excluded activities, it still may not fully meet the Fund's eligibility criteria. In such cases, an action plan is defined and included in the relevant transaction documentation; it therefore becomes mandatory for the investee company to put in place actions to address gaps in a timely manner. Progress on the action plan is checked via monitoring reports. This approach allows the Fund to track how its investments improve investee companies' ESG performance from appraisal to project close.

Throughout the investment process, the Fund is attentive to sustainability-related controversies and how the partner MFIs respond to them. If a controversy reflects insufficient management practices by a partner MFI, the Fund will request time bound action plans to fill identified gaps. If the partner MFI is in breach of its obligations defined under the contractual documentation, the failure will be treated as an event of default of the loan agreement.

References to international standards

Refer to Annex V of each AIF 1 & 2, and Annex IV for AIF 3

Historical comparison

First year of report. No historical comparison available.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Coverage rate (was added to this table)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	E4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	AIFM (total)	n.a.		See Note 15	See Note 2, 15
		AIFM (total)	80.00%		100.00%		
		AIF 3	80.00%		100.00%		
Biodiversity	E10. Land degradation, desertification, soil sealing	Total investees whose activities cause land degradation, desertification or soil sealing / total investees		n.a.		See Note 16	See Note 2, 16

		AIFM (total)	0.00%		100.00%		
		AIF 1	0.00%		100.00%		
Biodiversity	E14. Natural species and protected areas	1. Investees whose operation affect threatened species / total investees	0.00%	n.a.	100.00%	See Note 17	See Note 2, 17
		AIFM (total)	0.00%		100.00%		
		AIF 2	0.00%		100.00%		
		2.Total investee without a biodiversity protection policy covering operational sites near a protected area or an area of high biodiversity value / total investees	0.00%		100.00%		
		AIFM (total)	0.00%		100.00%		
		AIF 2					

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021	Coverage rate (was added to this table)	Explanation	Actions taken, and actions planned and targets set for the next reference period
					See Note 1		

Indicators applicable to investments in investee companies							
Social and employee matters	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters		n.a.		See Note 18	See Note 2, 18
		AIFM (total)	16.67%		100.00%		
		AIF 1	0.00%		100.00%		
		AIF 2	0.00%		100.00%		
		AIF 3	40.00%		100.00%		

Note 1 :

Perimeter

The coverage rate of each indicator is reported in the table. The rate indicates the share of investments for which data is available. Cash, derivatives, money market instrument etc. are not considered given data is not applicable to their nature.

The data is presented for the mandatory- and additional indicators aggregated at the AIFM level as well as at the individual AIF level to give a completed and detailed picture of the data collected. The data coverage is presented in similar fashion and the same way of reporting is applied to all indicators. Concerning the AIF 4, no data is presented as the fund doesn't hold any investment in its portfolio at the end of the reference period.

All indicators are calculated using the portfolio composition of each fund and the latest data available from the investees at end of the reporting period.

Given the type of funds under the management of the AIFM, the calculation of the PAIs were done based on the investee companies' total assets to replace the investee companies' enterprise value, and on their total revenue.

Note 2 :

The Fund's have not set quantified improvement targets for the PAIs. Indeed, this report coincides with the first yearly of collection of data for the PAIs and the AIFM will work closely with the investment advisor and investments managers of the fund's with the aim to increase coverage rate will progressively and to establish targets for the PAIs.

Note 3 :

AIF 1 uses proxy data from World Bank (per capita emission in host country and comparable company data, ratios based on this are then applied to data collected from the project developer itself) to estimate the GHG emissions of its investments.

AIF 2 uses the proxy provided by the Impact Institute to estimate the GHG emissions of its investments.

AIF 3 uses the proxy provided by the Joint Impact Model to estimate the GHG emissions of its investments

Results are showing the highest amount of Scope 1 emissions for the AIF 2 which is expected as the investees of the fund are tourism sector operators whereas for the other funds these are financial institutions and a relatively small non-profit organization (AIF 1). Regarding Scope 3 emissions the results show a high amount of emissions in particular for one of the investees of AIF 3 called Asian Credit Fund (ACF). ACF is a microfinance institutions focusing on the agricultural sector and due to its very high exposure in the agricultural sector (80% of portfolio), mostly concentrated on animal production, ACF's Scope 3 GHG emissions are higher than the average emission seen for other financial institutions.

Note 4:

None of the Fund does not directly invest in companies active in the fossil fuel sector. In particular, in relation with AIF 1 & 2 that may invest directly into the operating companies or have contracts with projects developer there is no exposure in this regard and therefore they do not derive revenues from activities such as the exploration, mining, extraction, production, processing, storage, refining or distribution in the fossil fuel sector.

Regarding the AIF 3, as the fund grants loans to MFIs, the fund however reports here its indirect exposure to the fossil fuel sector through the loan portfolio of the MFIs. The approach chosen is to report the %-share of the loan portfolio committed to economic sectors related to extraction, transportation, storage and wholesale or retail distribution of fossil fuel products maintenance and repair of automotive (cars, motorcycles). Only two of the five investees in the portfolio of the fund at the end of the reference period have a exposure to fossil fuel sector in their loan portfolio and this is very limited in the portfolio context at fund level with an average exposure of 0.64%.

Note 5:

In general the Fund's investees draw energy from the national grid, thus data is retrieved from the national energy mix, through the use of online data available. This method does not value the few initiatives from some investees towards renewable energy which are however still limited. For AIF 2 the calculation is based on actual data on energy consumption data in GWh received from the investees.

The calculation is representing the share of non-renewable electricity consumption – excluding production - of investee companies from non-renewable energy sources compared to renewable energy sources.

Note 6:

Most of the investees of the Funds operate in sectors, which do not classify as part of a high climate sector (agriculture, forestry and fishing, mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management, and remediation activities, construction, wholesale and retail trade; repair of motor vehicles and motorcycles transportation and storage real estate activities). As such, Funds does not have direct exposure to companies active in high impact climate sectors and this is in particular the case for AIF 1 regarding the investees (only one) in the portfolio of the Fund at the end of the reference period.

For AIF 2 the data is nevertheless presented for the investee companies of the fund where the data was available on energy consumption. Deriving meaningful conclusions from the results is difficult at this and as noted in the note 2 the AIFM is engaging with the investment advisor of the fund to establish targets for the PAIs.

The AIF 3 has an indirect exposure to high climate sector through the loans granted to the final borrowers that are active in the high climate sectors. Look through approach is not possible at this stage due to unavailability of data. As the fund is able to track it's indirect sectorial exposure, the possibility to obtain data and/or to develop a proxy for this indicator is considered.

Note 7:

For AIF 1 one of the primary key success factors of the Fund is a long-term maintenance of the restored ecosystem and the assurance that it brings long lasting value to local livelihoods. The exclusion list of the Fund that is verified for all projects contains environmental exclusion for project that would negatively impact high conservation value ecosystems. The Investment Advisor of the Fund and its partners undertake detailed feasibility studies and environmental due diligence assessments including on-site visits to the project locations in order to ensure the project financed by the fund doesn't negatively affect biodiversity sensitive areas; on the contrary, some of the project that will be financed by the Fund are rather expected to have positive biodiversity impact on the project although this is not specifically targeted by the Fund, rather a complementary benefit.

The AIF 2 was constituted with the objective to drive funding and investment into the conservation tourism sector can to benefit ecologically important landscapes and their surrounding communities. The Fund has established in its Annex III a sustainability indicator that is tracked in this regard that measures the area of km² protected by the investees that the Fund is financing in order to foster land and water protection.

Regarding AIF 3, all of the investees operate in the financial sector and FIs direct impact on biodiversity-sensitive areas is negligible given the financial services operations of its direct activities. Efforts are being made to calculate or estimate the impacts of the FI's underlying portfolio exposure to activities located near or in biodiversity-sensitive areas. Research is taking place on the best tools for mapping and matching national biodiversity-sensitive areas to portfolio activity's location(s).

Note 8:

Most of the investees for the fund's operate in sectors that doesn't including manufacturing/production related activities (AIF 1 the project activities being financed doesn't include financing activities to such activities and the local project developer staff do not produce or own a manufacturing site for cookstoves deployed under the project that is the fund's only asset in the portfolio at the end of the reference period).

Regarding AIF 3, all of the investees operate in the financial sector and FIs generate a negligible amount of emissions to water given the financial services operations of its direct activities. Efforts are being made to calculate or estimate emissions to water of the FI's underlying portfolio and the Fund is monitoring development of potential proxies for this indicator and actively participates to Social Performance Task Force (SPTF) to seek guidance on this.

Note 9:

For AIFs 1 & 2 given the sectors where the investees operate the results reported are in-line with expectations; for the AIF the data is collected is available regarding the project developer itself rather than the project and this is being reported.

Regarding AIF 3, all of the investees operate in the financial sector and FIs generate a negligible amount of hazardous waste given the financial services operations of its direct activities. Efforts are being made to calculate or estimate the FI's underlying portfolio hazardous waste generation. The Fund is monitoring development of potential proxies for this indicator and actively participates to Social Performance Task Force (SPTF) to seek guidance on this.

Note 10:

As further described in its sustainability-disclosures of the Funds, the tools used by the Funds are based on the relevant fundamental pillars of the UNGC principles and OECD guidelines. As such, the assessment of whether investees are able to comply with these principles is fully embedded in the investment decisions for the Funds. All investees go through a due diligence exercise to confirm this compliance.

The investees are monitored for any lawsuits and allegations on topics related to human rights, employment, bribery, consumer interests, competition, and taxation, and to environment to the extent such regulations exist in the countries of location of the investees.

Note 11:

As further described in its sustainability-disclosures of the Funds, the tools used by the Funds are based on the relevant fundamental pillars of the UNGC principles and OECD guidelines. This assessment considers whether compliance mechanisms are in place are where required to enhance and strengthen the procedures, action plans are initiated with the investees.

Note 12:

The data provided on this indicator is based on the hourly compensation for the average of all employees (except for AIF 3 where the calculation is based on average annual salary data) and the information is directly collected through investees. The result at aggregate level show overly positive/misleading figures due to the following factors:

- Three of the investees of the AIF 2 have significantly higher salaries for female employees
- One of the investees of the AIF 2 has no female employees leading to a value -100% for the indicator
- Three of the investees of the AIF 3 have significantly higher salaries for male employees

As mentioned in the Note 2, the AIFM is engaging with the investment advisor and investments managers of the fund's with the aim to increase coverage rate will progressively and to establish targets for the PAIs. As part of the due diligence review of the investees fair treatment policies and employee relations are being assessed and a common observation is that while fair treatment policies and non-discrimination policies are in place, in many instances female employees often hold lower paid positions leading to aggregate gender pay gap at investees level. The results are based on the previous ESMA consultation [(avg hourly salary of women – avg hourly salary of men) / avg hourly salary of men].

Note 13:

The Funds provide this indicator expressed as a percentage of all board of directors (i.e. number of female board members / total number of board members) and this information is directly collected through investees. Effort is being made by the Funds to improve this and as an example of this outside the reference period, one of the investees of the AIF 3 has recently appointed two female directors with the appointment becoming effective during the year 2023.

Note 14:

The Funds report no exposure to the manufacture and selling of controversial weapons as it is part of the exclusion list included for all funds.

Note 15:

This additional PAI has been chosen by the AIF 3. The Fund analyzed whether the investees implemented carbon emission reduction initiatives and whether these are aligned to local initiatives. As the Fund invests to MFI the focus of the carbon reduction emissions initiatives is often linked to the lending activities of the MFIs.

Common tool used by the MFIs is an exclusion list applied in their lending operation to reduce the exposure carbon heavy sectors or sector that have harmful exposures. However it is worth noting that as the Fund is aiming to support underserved borrowers in rural areas, the MFI have an exposure to agri-sector loans. In addition to this the MFIs have tailored lending products aimed at financing energy efficiency projects or initiatives of their final borrowers.

The Fund is engaging with the MFI as well to reduce their corporate level carbon emissions by limiting consumable usage (mainly paper where possible), limiting travel, etc.

Note 16:

This additional PAI has been chosen by the AIF 1 and no investees of the fund have activities cause land degradation, desertification or soil sealing.

Note 17:

This additional PAI has been chosen by the AIF 2 and as the fund's investment objective consists of providing financing to operators that are involved in the protection of biodiversity sensitive areas the investees operations are not affecting threatened species and the investees have biodiversity protection policies in place.



Note 18:

This additional PAI has been chosen by all of the Funds. For AIF 3 there are two investees without a formal grievance mechanism. The other investee has recently in April 2023 hired a new HR manager and the aim is to develop a formal grievance policy and the other investees have in place employee satisfaction surveys, but further initiatives are required to formalize them into a proper grievance mechanism.