

## Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2024

**Name of financial market participant:** Innpact Fund Management S.A. (AIFM), LEI: 222100HUXHPVXN2J7G24

The AIFM includes the following products under management:

- Livelihood Carbon Fund S.A. SICAV- RAIF - Livelihoods Carbon Fund 3 (AIF 1 or LCF3), LEI\*: B256587
- Africa Conservation & Communities Tourism Fund, SCSp, SICAV-RAIF (AIF 2 or ACCT), LEI: 2138001ACNU19VMR2227
- Grameen Crédit Agricole Fund – FIR (AIF 3 or GCA), LEI: 549300H6TRJSS604PG95
- Genesis Biodiversity Fund I SCSp, SICAV-RAIF (AIF 4 or Genbio), LEI\*: B272296
- Agri-Business Capital (ABC) Fund S.A., SICAV-RAIF (AIF 5 or ABC) LEI : 2221006BADVWX5B6XF34
- Social Enterprise Fund for Agriculture in Africa SA SICAV RAIF (AIF 6 or SEFAA), LEI : 222100ZZBF56XMEFC859
- ReOcean Fund SCSp RAIF (AIF 7 or ReOcean), LEI\*: B280872.

\*if no LEI code is available, RCS number is provided.

**Please note this statement only covers funds that the AIFM has under management from 01/01/2023 until 31/12/2023. This statement does not cover any other funds that have been discontinued or transferred prior to that date or any funds that have been onboarded afterwards.**

### Summary (English)

Innpact Fund Management S.A. (the AIFM) considers annually the Principal Adverse Impacts (PAIs) of its investment decisions on sustainability factors. The present statement is the consolidated statement on PAIs of the AIFM. This statement covers the reference period from 1 January to 31 December 2023 (the same is applied for all the funds under its management).

The AIFM works in close collaboration with each of the investment advisors or delegated portfolio managers of the funds under management to consider the PAIs in each fund's investment decision process and fund's monitoring of the investments, and also helps 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, throughout the reference period, the AIFM ensured that: – the relevant delegated portfolio manager or the investment advisor of each fund has the appropriate infrastructure in place to report on PAIs on an ongoing basis. – where PAIs 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 PAIs in respect of each fund remain subject to the AIFM's periodic due diligence. – the periodic reports of the funds should contain sufficient and appropriate information as to the assessment of PAIs.

Whereas Principal Adverse Impacts are not yet considered in respect of a fund which the AIFM manages due to (i) 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 (ii) the relevant data for 2023 is still being collected, the AIFM ensures that appropriate disclosures are contained within the relevant pre-contractual documents of the funds considered.

All PAI data is collected on and reported on an annual basis.

**AIF 1:** 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 PAI indicators despite its best intentions. In this regard, very few PAIs have been reported for the 2023 reference period where the remaining are missing or have not been confirmed by the investment advisor. The AIFM will continue to follow-up on the 2023 PAI gaps. Given the PAI gaps noted throughout the reference period, LCF3 aims to shift from an Art.9 to an Art.8 fund under SFDR in Q3 2024. Overall, LCF3 has a coverage rate of 38.89% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

**AIF 2:** This fund considers the PAIs of its investment decisions on sustainability factors. ACCT monitors and reports on PAIs on an annual basis. A few proxies are reported for specific PAIs indicators given the nature, sector and geography of the investments made by ACCT. Overall, ACCT has a coverage rate of 100.00% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

**AIF 3:** This fund considers the PAIs of its investment decisions on sustainability factors. All PAIs are reported with data at the investee (microfinance institution) level and not at the end-client level (with the exception of PAI 4 which includes a look-through approach). 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. Overall, GCA has a coverage rate of 77.78% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

**AIF 4:** This fund is under liquidation and has never made any investments. Therefore, no data is provided regarding this fund and no data will be reported on the tables below.

**AIF 5:** This fund considers PAIs of its investment decisions on sustainability factors. The fund has reported on most of the mandatory and additional PAIs for each investment throughout the 2023 reference period. The AIFM will continue to follow-up on the 2023 PAI gaps. Overall, ABC has a coverage rate of 80.36% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

**AIF 6:** This fund considers all the mandatory and three additional principal adverse impacts of its investment decisions on sustainability factors with a 100% coverage rate. 2023 has been the fund's first year of investment. Overall, SEFAA has a coverage rate of 100.00% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

**AIF 7:** This fund has not made any investments in 2023. Therefore, no data is provided regarding this fund and no data will be reported on the tables below.

AIF 1, 2, 3, 4, 5, 6 & 7 are collectively referred as the **Funds** in the Notes where applicable.

As of 31 December 2023, the AIFM is exposed to the assets under management of each of the Funds as such: AIF 1 – 8.30%, AIF 2 – 27.93%, AIF 3 – 8.92%, AIF 4 – 0.00%, AIF 5 – 37.41 %, AIF 6 – 17.43%, AIF 7 – 0.00%. The AIFM also reports on its collective PAI indicators through the tables below where each value has been aggregated with the exception of PAI indicators 2,3,5,6,12 and 13 which have been weighted by the AIFM's exposure to the assets under management of each of the Funds. Similarly, all additional PAIs reported at AIFM level have been aggregated with the exception of PAI indicator E6.

Throughout the 2023 reference period, the AIFM has an overall portfolio coverage of 80.00% of mandatory PAIs, and 100.00% of additional PAIs.

## Résumé (Français)

Innpact Fund Management S.A. (désigné « AIFM ») prend en considération les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. Le présent document est la déclaration consolidée relative aux principales incidences négatives sur les facteurs de durabilité de l'AIFM. Cette déclaration couvre une période de référence allant du 1er janvier au 31 décembre 2023 (la même période s'applique aux fonds sous gestion de l'AIFM).

L'AIFM travaille en étroite collaboration avec chaque conseiller en investissement et/ou gestionnaire de portefeuille délégué des fonds sous gestion pour prendre en compte les principales incidences négatives dans le processus de décision d'investissement du fonds et le suivi des investissements, et aide également les fonds à se conformer à leurs obligations SFDR et à collecter des données spécifiques ou des proxys en ce qui concerne leurs obligations SFDR.

À cet égard, au cours de la période de référence, l'AIFM s'est assuré que : – Le gestionnaire de portefeuille délégué et/ou le conseiller en investissement de chaque fonds dispose de l'infrastructure appropriée pour rendre compte des principales incidences négatives de manière continue. – Lorsque les principales incidences négatives doivent être prises en compte pour un fonds, les publications appropriées sont intégrées aux documents pré-contractuels du Fonds conformément aux exigences de SFDR. – Les processus, systèmes et procédures en place pour suivre et rendre compte des principales incidences négatives de chaque fonds restent soumis à la revue et au contrôle périodiques de l'AIFM. – Les rapports périodiques des fonds contiennent des informations suffisantes et appropriées quant à l'évaluation des principales incidences négatives.

Lorsque les principales incidences négatives ne sont pas encore prises en compte par un fonds géré par l'AIFM en raison (i) de l'absence de données qualitatives suffisantes pour fournir une évaluation appropriée de toutes principales incidences négatives potentielles (cette absence de données étant causée par le manque d'informations pertinentes provenant des sociétés/investissements sous-jacents), ou (ii) que les données nécessaires pour 2023 sont encore en cours de collecte, l'AIFM s'assure que les publications appropriées soient intégrées aux documents précontractuels des fonds considérés.

**FIA 1:** En raison de la stratégie d'investissement de LCF3 et de la nature des projets financés par le fonds, qui sont mis en œuvre par des organisations non gouvernementales, LCF3 peut ne pas être en mesure de communiquer toutes les données requises pour les indicateurs obligatoires relatifs aux principales incidences négatives en dépit de ses meilleurs intentions. De ce fait, très peu d'indicateurs obligatoires relatifs aux principales incidences négatives ont été déclarés pour la période de référence 2023, les autres indicateurs étant manquants ou n'ayant pas été confirmés par le conseiller en investissement. L'AIFM continuera à assurer le suivi des données manquantes en 2023. Compte tenu des difficultés rencontrées pour collecter les indicateurs relatifs aux principales incidences négatives au cours de la période de référence, LCF3 envisage de changer son statut de fonds Art.9 à un fonds Art.8 en conformité avec SFDR au troisième trimestre 2024. Dans l'ensemble, LCF3 a un taux de couverture de 38.89% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

**FIA 2:** Ce fonds prend en compte les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. ACCT surveille et rend compte des principales incidences négatives sur une base annuelle. Etant donné la nature, le secteur et la géographie des investissements réalisés par ACCT, certains indicateurs de principales incidences négatives sont basés sur des estimations représentatives. Dans l'ensemble, ACCT a un taux de couverture de 100.00% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

**FIA 3:** Ce fonds prend en compte les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. Tous les impacts négatifs principaux sont rapportés avec des données collectées au niveau de l'entreprise investie (institution de microfinance) et non au niveau du client final (à l'exception de l'indicateur d'incidences négatives sur la durabilité 4 qui est considéré au niveau du client final). Lorsque les données ne sont pas disponibles, GCA communiquera des ratios fournis par un prestataire spécialisé capable de générer des approximations pertinentes sur la base des caractéristiques du portefeuille de prêts de l'entreprise détenue par le fonds. Dans l'ensemble, GCA a un taux de couverture de 77.78% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

**FIA 4:** Ce fonds est en cours de liquidation et n'a jamais effectué d'investissements. Par conséquent, aucune donnée relative à ce fonds n'est fournie dans les tableaux ci-dessous.

**FIA 5:** Ce fonds prend en compte les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. Le fonds a collecté la plupart des indicateurs obligatoires et supplémentaires relatifs aux principales incidences négatives pour chaque investissement au cours de la période de référence 2023. L'AIFM continuera à assurer le suivi des données manquantes en 2023. Dans l'ensemble, ABC a un taux de couverture de 80.36% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

**FIA 6:** Ce fonds prend en compte tous les indicateurs obligatoires et trois indicateurs supplémentaires relatifs aux principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité, avec un taux de couverture de 100%. 2023 est la première année d'investissement du fonds. Dans l'ensemble, SEFAA a un taux de couverture de 100.00% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

**FIA 7:** Ce fonds n'a pas fait d'investissements en 2023. Par conséquent, aucune donnée relative à ce fonds n'est fournie dans les tableaux ci-dessous.

Les FIA 1, 2, 3, 4, 5, 6 & 7 sont collectivement désignés comme « Fonds » dans les notes ci-après.

Au 31 décembre 2023, l'AIFM est exposé aux actifs sous gestion de chacun des Fonds comme suit : AIF 1 – 8.30 %, AIF 2 – 27.93 %, AIF 3 – 8.92 %, AIF 4 – 0.00 %, AIF 5 – 37.41 %, AIF 6 – 17.43 %, AIF 7 – 0.00 %. L'AIFM rend également compte de ses indicateurs relatifs aux principales incidences négatives dans les tableaux ci-dessous, où chaque valeur a été agrégée à l'exception des indicateurs 2, 3, 5, 6, 12 et 13, qui ont été pondérés en fonction de l'exposition de l'AIFM aux actifs gérés par chacun des Fonds. De même, tous les indicateurs supplémentaires déclarés au niveau du gestionnaire ont été agrégés, à l'exception de l'indicateur E6.

Au cours de la période de référence 2023, l'AIFM a un taux de couverture de 80.00% pour les indicateurs obligatoires relatifs aux principales incidences négatives et de 100.00% pour les indicateurs supplémentaires, pour la période de référence 2023.

#### **Description of the principal adverse impacts on sustainability factors**

**AIF 1:** The portfolio of the fund consists of only one investee/project for which PAI data has been marginally collected. The fund uses a combination of data collected from the NGO as well as data obtained directly from the project developer regarding the project itself due to the difficulty in directly obtaining the data given the nature of the projects. For the next reference period, efforts are being made by the fund in collaboration with the AIFM to harmonize and improve this process going forward.

**AIF 2:** The fund collects PAI data from non-EU based SMEs which currently represent most of the fund's investments. The fund uses a combination of proxy data as well as data obtained directly from the investees. All mandatory PAIs have been reported.

**AIF 3:** The fund has worked in 2022 and 2023 (and will continue to) with a group of peers within the financial inclusion industry, proxy data providers and investees to calculate or estimate mandatory PAIs. For some PAIs, direct data or proxies were not yet available and further effort will be made in 2024 to develop relevant data collection tools and approaches. All mandatory PAIs have been reported.

**AIF 4:** N/A

**AIF 5:** 2023 is the first year ABC has been managed by the AIFM. Nonetheless, the historical 2022 values have also been reported on for comparison and transparency. ABC uses a mix of proxy and investee data.

**AIF 6:** 2023 is the first year SEFAA has been managed by the AIFM. All mandatory and two additional PAIs have been reported with a 100.00% coverage rate and are collected directly from investees.

**AIF 7:** N/A

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Coverage rate  (was added to this table)  See Note 1	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
Greenhouse gas emissions	1. GHG emissions	<b>Scope 1 GHG emissions</b>					
		<b>AIFM (total)</b>		<b>16,583.02</b>	<b>940.39</b>	<b>80.00%</b>	
		AIF 1	n.a	6.43	0.00%	See Note 3	See Note 2
		AIF 2	888.57	916.23	100.00%		
		AIF 3	6.88	17.73	100.00%		
		AIF 5	15,570.32	805.00	100.00%		
		AIF 6	117.26	n.a	100.00%		
		<b>Scope 2 GHG emissions</b>					
		<b>AIFM (total)</b>		<b>978.27</b>	<b>325.53</b>	<b>80.00%</b>	
		AIF 1	n.a	1.32	0.00%	See Note 3	See Note 2
		AIF 2	396.10	320.58	100.00%		
		AIF 3	44.50	3.63	100.00%		
AIF 5	480.65	300	100.00%				

		AIF 6	57.02	n.a	100.00%		
		<b>Scope 3 GHG emissions</b>					
		<b>AIFM (total)</b>	<b>91,381.77</b>	<b>12,543.16</b>	<b>80.00%</b>		
		AIF 1	n.a	280.13	0.00%		
		AIF 2	3,819.27	3,773.77	100.00%	See Note 3	See Note 2
		AIF 3	25,967.07	8,489.26	100.00%		
		AIF 5	61,074.91	3,669.00	100.00%		
		AIF 6	520.52	n.a	100.00%		
		<b>Total GHG emissions</b>					
		<b>AIFM (total)</b>	<b>108,918.23</b>	<b>13,809.07</b>	<b>80.00%</b>		
		AIF 1	n.a	287.90	0.00%		
		AIF 2	5,103.94	5,010.58	100.00%	See Note 3	See Note 2
		AIF 3	26,018.44	8,510.62	100.00%		
		AIF 5	77,125.88	4,774.00	100.00%		
		AIF 6	694.80	n.a	100.00%		
	2. Carbon footprint	<b>Carbon footprint</b>					
		<b>AIFM (weighted)</b>	<b>1,127.66</b>	<b>569.12</b>	<b>80.00%</b>		
		AIF 1	n.a.	0.00	0.00%		
		AIF 2	65.38	569.12	100.00%	See Note 3	See Note 2
		AIF 3	3,115.98	0.00	100.00%		
		AIF 5	2,221.37	150.87	100.00%		
		AIF 6	2.21	n.a	100.00%		
	3. GHG intensity of investee companies	<b>GHG intensity of investee companies</b>					
		<b>AIFM (weighted)</b>	<b>4,663.75</b>	<b>1,951.97</b>	<b>80.00%</b>	See Note 3	See Note 2

		AIF 1	n.a	1,407.88	0.00%		
		AIF 2	82.90	544.06	100.00%		
		AIF 3	28,454.55	0.02	100.00%		
		AIF 5	5,617.30	266.79	100.00%		
		AIF 6	0.14	n.a	100.00%		
	4. Exposure to companies active in the fossil fuel sector	<b>Share of investments in companies active in the fossil fuel sector</b>					
		<b>AIFM (total)</b>	<b>0.23%</b>	<b>0.14%</b>	<b>100.00%</b>		
		AIF 1	0.00%	0.00%	0.00%	See Note 4	See Note 4
		AIF 2	0.00%	0.00%	100.00%		
		AIF 3	0.23%	0.64%	100.00%		
		AIF 5	0.00%	0.00%	100.00%		
		AIF 6	0.00%	n.a	100.00%		
	5. Share of non-renewable energy consumption and production	<b>Share of non-renewable energy consumption</b>					
		<b>AIFM (weighted)</b>	<b>49.21%</b>	<b>20.15%</b>	<b>80.00%</b>		
		AIF 1	n.a	0.00%	0.00%	See Note 5	See Note 5
		AIF 2	12.72%	24.75%	100.00%		
		AIF 3	66.25%	22.69%	100.00%		
		AIF 5	59.66%	57.00%	100.00%		
		AIF 6	100.00%	n.a	100.00%		
	6. Energy consumption intensity per high	<b>Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector</b>				See Note 6	See Note 6

	impact climate sector	<b>AIFM (total)</b>	<b>0.69</b>	<b>0.12</b>	<b>40.00%</b>		
		AIF 1	n.a	n.a	0.00%		
		AIF 2	0.04	0.15	100.00%		
		AIF 3	n.a	n.a	0.00%		
		AIF 5	n.a.	n.a	0.00%		
		AIF 6	0.65	n.a	100.00%		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	<b>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</b>					
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>80.00%</b>	See Note 7	See Note 7
		AIF 1	0.00%	0.00%	100.00%		
		AIF 2	0.00%	0.00%	100.00%		
		AIF 3	n.a	n.a	0.00%		
		AIF 5	0.00%	0.00%	100.00%		
		AIF 6	0.00%	n.a	100.00%		
Water	8. Emissions to water	<b>Tonnes of emissions to water generated by investee companies/total investment</b>					
		<b>AIFM (total)</b>	<b>0.00</b>	<b>0.00</b>	<b>40.00%</b>	See Note 8	See Note 8
		AIF 1	n.a	0.00	0.00%		
		AIF 2	0.00	0.00	100.00%		
		AIF 3	n.a	n.a	0.00%		
		AIF 5	n.a	n.a	0.00%		



		AIF 6	0.00	n.a	100.00%		
Waste	9. Hazardous waste and radioactive waste ratio	<b>Tonnes of hazardous waste and radioactive waste generated by investee companies/total investment</b>					
		<b>AIFM (total)</b>	<b>0.00</b>	<b>0.00</b>	<b>40.00%</b>		
		AIF 1	n.a	0.00	0.00%	See Note 9	See Note 9
		AIF 2	0.00	0.00	100.00%		
		AIF 3	n.a	n.a	0.00%		
		AIF 5	n.a	n.a	0.00%		
		AIF 6	0.00	n.a	100.00%		
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	<b>Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</b>					
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	See Note 10	See Note 10
		AIF 1	0.00%	0.00%	100.00%		
		AIF 2	0.00%	0.00%	100.00%		
		AIF 3	0.00%	0.00%	100.00%		
		AIF 5	0.00%	0.00%	100.00%		
		AIF 6	0.00%	0.00%	100.00%		
			0.00%	n.a	100.00%		

	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p><b>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</b></p> <p><b>AIFM (total)</b></p> <p>AIF 1</p> <p>AIF 2</p> <p>AIF 3</p> <p>AIF 5</p> <p>AIF 6</p>	<p><b>39.29%</b></p> <p>0.00%</p> <p>0.00%</p> <p>0.00%</p> <p>39.29%</p> <p>0.00%</p>	<p><b>81.00%</b></p> <p>0.00%</p> <p>0.00%</p> <p>0.00%</p> <p>81.00%</p> <p>n.a</p>	<p><b>100.00%</b></p> <p>100.00%</p> <p>100.00%</p> <p>100.00%</p> <p>100.00%</p> <p>100.00%</p>	<p>See Note 11</p>	<p>See Note 11</p>
	<p>12. Unadjusted gender pay gap</p>	<p><b>Average unadjusted gender pay gap of investee companies</b></p> <p><b>AIFM (weighted)</b></p> <p>AIF 1</p> <p>AIF 2</p> <p>AIF 3</p> <p>AIF 5</p> <p>AIF 6</p>	<p><b>22.59%</b></p> <p>11.00%</p> <p>43.59%</p> <p>4.60%</p> <p>19.10%</p> <p>11.17%</p>	<p><b>23.70%</b></p> <p>11.31%</p> <p>28.83%</p> <p>30.96%</p> <p>n.a</p> <p>n.a</p>	<p><b>100.00%</b></p> <p>100.00%</p> <p>100.00%</p> <p>100.00%</p> <p>57.14%</p> <p>100.00%</p>	<p>See Note 12</p>	<p>See Note 12</p>
	<p>13. Board gender diversity</p>	<p><b>Average ratio of female to male board members in investee companies, expressed</b></p>				<p>See Note 13</p>	<p>See Note 13</p>

		<b>as a percentage of all board members</b> <b>AIFM (weighted)</b>					
		AIF 1	22.82%	16.02%	100.00%		
		AIF 2	33.00%	37.50%	100.00%		
		AIF 3	19.36%	15.09%	100.00%		
		AIF 5	52.91%	15.50%	100.00%		
		AIF 6	25.40%	25.00%	89.29%		
		2.55%		n.a	100.00%		
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	<b>Share of investments in investee companies involved in the manufacture or selling of controversial weapons</b> <b>AIFM (total)</b>	0.00%	0.00%	100.00%	See Note 14	See Note 14
		AIF 1	0.00%	0.00%	100.00%		
		AIF 2	0.00%	0.00%	100.00%		
		AIF 3	0.00%	0.00%	100.00%		
		AIF 5	0.00%	0.00%	100.00%		
		AIF 6	0.00%	n.a	100.00%		
<b>Other indicators for principal adverse impacts on sustainability factors:</b> <b>COMPLEMENTARY INDICATORS REPORTED BY THE FUND</b>							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Coverage rate (was added to this table)	Explanation	Actions taken, and actions planned and targets set for the next reference period

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

The SFDR identifies sustainability factors as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Principal adverse impact (PAI) is generally understood to mean the negative impact, caused by an investment decision or investment advice, on these factors. The SFDR includes a set of specific indicators that can be used to measure an issuer's or investee company's negative impact on sustainability factors, to enable identification of the principal adverse impact of investments by a financial market participant. The process for the specificities on identifying and collecting PAIs for the AIFM is described in the Environmental and Social Management System (ESMS) of the AIFM available to investors of the Funds upon request.

### **Identification and assessment of PAIs**

PAI statement is integrated into the ESMS approved by the Board of Directors of the AIFM on March 2023 as well as the AIFM ESG Policy approved by the Board of Directors of the AIFM on March 2023. The responsibility to implement the policies in relation to PAI identification and assessment lies in both the portfolio managers/investment advisors of the Funds as well as the Conducting Officers of the AIFM. PAIs are identified annually either directly through investees or through proxies, assessed by the portfolio managers/investment advisors and reported to the AIFM prior to the following June of the reference period.

### **AIF 1 - LCF3 – Article 9 SFDR**

The AIFM is engaging with Livihoods Venture SAS, the investment advisor of LCF3, to capture relevant Principal Adverse Impacts data in relation to LCF3 for the reporting in 2023 and to ensure that data on PAIs is collected on a periodic basis depending on the investees' capacity to report and availability of proxies when needed. 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.

LCF3 reports on the following two additional PAI indicators:

- E10. Total investees whose activities cause land degradation, desertification or soil sealing / total investees
- S5. Total investees without a grievance/complaint mechanism/total investees.

### **AIF 2 - ACCT – Article 9 SFDR**

The AIFM is engaging with Thirdway Partners, the portfolio manager of ACCT, to capture relevant Principal Adverse Impacts data in relation to ACCT for the reporting in 2023. ACCT monitors and reports on Principal Adverse Impacts including all mandatory indicators as well as two additional indicators as specified below:

- E14. Investees whose operation affect threatened species / total investees
- S5. Total investees without a grievance/complaint mechanism/total investees.

Proxies are used for the following mandatory PAI indicators: Scope 1,2,3 GHG Emissions, Total GHG Emissions, Carbon Footprint, and GHG Intensity.

### **AIF 3 - GCA – Article 8 SFDR**

As part of the management of adverse impacts of GCA, the AIFM and Grameen Credit Agricole Foundation, investment advisor of GCA, are progressively implementing a consistent approach to collect data on Principal Adverse Impact indicators. 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. When the investee is able to report the required data, GCA will report data provided by the investee. If not, GCA will report ratios provided by a specialized provider able to generate relevant proxies based on the characteristics of the investee's loan portfolio.

The AIFM works in close collaboration with GCA's investment advisor on this process. The aim is to analyze Principal Adverse Impacts throughout the investment process and determine if relevant a remediation plan on negatively assessed Principal Adverse Impacts. Based on this assessment, the AIFM does not knowingly approve any investment which is expected, or is determined, to do significant harm to any environmental or social objective as detailed in Article 2(17) of SFDR. The AIFM engages with the investment advisor to ensure that data on Principal Adverse Impacts regarding the investees is collected on periodic basis depending on the investees' capacity to report and the availability of proxies where needed.

GCA reports on the following two additional PAI indicators:

- E4. Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
- S5. Total investees without a grievance/complaint mechanism/total investees.

### **AIF 5 - ABC – Article 9 SFDR**

The AIFM is engaging with Bamboo Capital Partners, the portfolio manager of ABC, to capture relevant Principal Adverse Impacts data in relation to ABC for the reporting in 2023. ABC's investments are selected for their high potential for positive impact in line with the Fund's impact framework, and the risks of Principal Adverse Impacts are mitigated through the Sub-Fund's ESG policy which allows the identification and prioritisation of principal adverse impact on sustainability factors. The Fund's impact and ESG management process is deployed throughout the lifetime of each investment.

During the pre-investment phase, the investment team of the portfolio manager checks potential clients against both the Fund's impact criteria as well as the Fund's exclusion list. Second, prior to any investment, the investment team of the portfolio manager conducts further on-site analyses on the expected impact of the company towards the overarching impact goal of ABC and ensures that all the activities of the Fund's investee companies are consistent with the Fund's ESG standards. An investment memo is prepared and submitted to the Fund's investment committee, containing a description of the alignment of the company with the impact goals of ABC and the baseline for collected PAIs, and which informs the investment committee's decision to finance the company or not. Third, during the negotiation of terms for investment, ABC investment team and the investee company agree on selected output/outcome indicators which the investee will report on to ABC team on a yearly basis for the duration of the investment. Fourth, through its monitoring process, ABC further seeks to capture and assess information to support performance improvements.

The binding elements of the investment strategy must be applied by ABC's investees at each stages of the investment process: (i) alignment with at least one of ABC's impact objectives (ii) compliance with ABC's exclusion list; (iii) compliance with national applicable national laws, including those on labour, environment, health, safety and social issues; (iv) compliance with the policies of the International Fund for Agricultural Development (IFAD) on the prevention and treatment of harassment, exploitation and sexual abuse, on the prevention of fraud and corruption and on the social, environmental and climate assessment; (v) compliance with international principles of respect for human rights and international conventions of the International Labour Organization (ILO), and international conventions relating to the environment; (vi) possession of all necessary environmental and social permits applicable to the activity of the company.

ABC reports on the following two additional PAI indicators:

- E10. Total investees whose activities cause land degradation, desertification or soil sealing / total investees
- S.13 Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation.

#### **AIF 6 - SEFAA – Article 9 SFDR**

The AIFM is engaging with Sahel Capital, the investment advisor of SEFAA, to capture relevant Principal Adverse Impacts data in relation to SEFAA for the reporting in 2023. All investments are screened for relevant PAIs as part of ESG due diligence by SEFAA’s investment team. The Fund has an Environmental and Social Management System (ESMS) framework which has been developed in line with KfW Sustainability Guidelines, IFC performance standards and the World Bank operational framework. It sets out the financial product’s ESG investment guiding principles. The business activities and operations of SEFAA’s investees can influence and/or result in potential negative impacts on the environment or their local operating communities. These negative impacts can include air or water pollution, destruction of biodiversity, threats to human health and safety, violations of labor rights, or displacement of livelihoods. The negative impact of this issues can expose SEFAA and its investees to risk in the form of credit risk, reputational risk, and legal risk. SEFAA’s ESMS framework is developed to enhance the E&S performance and operations of the Social Agricultural Enterprises (SAEs) and thereby reduce the risk impact, costs and liabilities. Considering the evolutionary stage of the SAEs in most of the focus countries, SEFAA has developed a systematic ESG transformation strategy to bring the SAEs up to speed on the implementation and benefit of adopting ESMS principles and guidelines. Each investee must establish an ESMS appropriate to the nature and scale of the investment and commensurate with the level of social and environmental risks and impacts.

SEFAA reports on the following three additional PAI indicators :

- S5. Total investees without a grievance/complaint mechanism/total investees
- E6. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies
- E6. Weighted average percentage of water recycled and reused by investee companies.

#### **Engagement policies**

##### **AIF 1**

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 developers within project boundaries: the Fund’s projects will rely on a continued and close follow-up from the 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 developers: 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 environmental & social (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 advisor, 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 the Fund's 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 of the Fund will also conduct ongoing reviews on at least an annual basis regarding the portfolio companies' continuous compliance with the excluded investment criteria of the Fund, conservation covenants agreed with the portfolio companies, and to monitor the sustainable investment objective's key performance indicators. 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 of the Fund 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 non-compliance issue has been resolved.

**AIF 3**

The Fund is actively engaging with partner microfinance institutions (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.

**AIF 5**

The Fund has defined an ESG policy which details how it engages with investee companies. This ESG policy and its related ESG Performance Standards apply to all business activities supported through ABC's investments. The ESG policy is meant to inform and support the due diligence process of ABC. During the pre-investment phase, ABC ensures that ESG opportunities for improvements are well identified. During project implementation, corrective actions may be required, to allow companies to enhance the positive impact of investments. The Fund also engages with investees in case of any ESG or SFDR related breaches and incidents. Further information on the engagement practices of ABC is publicly available on the SFDR Art.10 website disclosures of ABC on Innpact's AIFM website.

**AIF 6**

ESG is an integral component of the overall investment process of SEFAA. An in-house ESG specialist supports the investment team through all stages of the investment process and provides ESG and PAI oversight across all the portfolio companies. The ESG policy and guidelines are tailored to the integrated performance standards of the International Finance Corporation (IFC), operational safeguards of the African Development Bank (AfDB), BII's Code of Responsible Investing, KfW sustainability guidelines, Dutch Good Growth Fund ICSR Principles, and Nigerian Sustainable Banking Principles. SEFAA directly engages with all its portfolio companies in case of any ESG and PAI related gaps, incidents and breaches.

**References to international standards**

The AIFM providing the risk management (including ESG) and/or the portfolio management function(s) will require that each investment proposal submitted to the investment committee of each Fund is compliant with the following safeguards:

- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- International Bills of Human Rights



The indicators used to measure adherence to the respective standards are as follows:

- OECD Guidelines for Multinational Enterprises
  - o PAI 1.10.1 UNGC breaches
  - o PAI 1.11.1 UNGC policy
- ILO conventions on labour standards
  - o PAI 1.10.1 UNGC breaches
- UN Guiding Principles on Business and Human Rights
  - o PAI 1.10.1 UNGC breaches
  - o PAI 1.11.1 UNGC policy
- International Bill of Human Rights
  - o PAI 1.10.1 UNGC breaches
- IFS corporate governance framework
  - o PAI 1.10.1 UNGC breaches
  - o PAI 1.11.1 UNGC policy

### Historical comparison

**AIFM:** The 2022 reference period was the first PAI reporting for the AIFM. Overall, marginal differences regarding most of the PAIs with the exception of the carbon profile (PAI 1, 2, and 3) largely driven by AIF 3's portfolio exposure to the agricultural sector calculated via proxies based on the loan book of the microfinance institutions. An overall increase in the share of non-renewable energy consumption (PAI 5) from the underlying investees of the Funds, driven by their reliance on the national grid and lack of reliable and affordable access to affordable renewable electricity. Also slight improvement on the portfolio regarding the share of investments in investees with lack of processes and compliance on UN GC and OECD GME (PAI 7) and board gender diversity (PAI 13) largely driven by AIF 5 and AIF 3, respectively.

**AIF 1:** No comment can be provided on the historical comparison of most PAI data for LCF3 given the lack of 2023 coverage. Nonetheless, for those available, as expected no change has take place as the fund does **not** aim to include investments into the fossil fuel sector (PAI 4), located in biodiversity areas (PAI 7), with violations of UNGC and OECD GME (PAI 10), with lack of compliance processes for UNGC and OECD GME (PAI 11), and involved in the manufacture or selling of controversial weapons (PAI 14) throughout the life of the fund. Similar line of thought for the additional PAIs E4 and S5. Very marginal difference regarding the average unadjusted gender pay gap of investee companies (PAI 12) and board gender diversity (PAI 13), explained simply by the number of investments within the portfolio representing the NGO rather than the project itself.

**AIF 2:** No comments have been provided by the investment advisor of ACCT regarding the historical comparison of the PAI data for the 2023 vs 2022 reference periods. The AIFM will continue engaging with ACCT to understand such difference.

**AIF 3:** Substantial changes in regard to the carbon profile of GCA's portfolio. Decrease in value for Scope 1 GHG emissions, counterbalanced by the large increase in Scope 2-3 GHG emissions (PAI 1), as well as its Carbon Footprint (PAI 2) and GHG intensity (PAI 3). This can be explained by the increased financial exposure of GCA's portfolio to its microfinance institutions' loan book with large exposure to the agricultural (e.g. animal production practices), transportation, and storage. Such exposures would justify the large increase in Scope 3 GHG emissions, Carbon Footprint, and GHG intensity of investee companies. GCA's portfolio also presents a decrease in the % of investments in microfinance institutions (MFIs) exposed active in the fossil fuel sector (from 0.64% to 0.23%) representing an improvement towards its target 0.00%. The substantial increase in GCA's portfolio companies share in non-renewable energy consumption may also be explained by the increased financial exposure to MFIs largely involved in the agricultural sector in emerging markets thus attached to the national energy grid with limited access to affordable renewable energy supply.

Overall improvement regarding the unadjusted pay gap (PAI 12), nonetheless investments in the portfolio tend to present mainly men in top management or financial positions (e.g. CEO, CFO, COO, loan officers), while women for less paid positions (e.g. cashiers, cleaners). Investees are aiming to mitigating this PAI by actively engaging in practices to reduce such gaps.

Overall also an improvement in board gender diversity (PAI 13) where more efforts have been made (and will continue to be made) by most investees throughout the year to recruit female board members.

**AIF 5:** No comments can be provided on the historical comparison for ABC’s PAIs as the fund has been under management under the AIFM only since 2023.

**AIF 6:** No comments can be provided on the historical comparison for SEFAA’s PAIs as the fund started operating/investing only in 2023.

Table 2

**Additional climate and other environment-related indicators**

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Coverage rate (was added to this table)  See Note 1	Explanation	Actions taken, and actions planned and targets set for the next reference period
<b>Indicators applicable to investments in investee companies</b>							
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
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				See Note 15	See Note 15

		<b>AIFM (total)</b>	<b>76.05%</b>	<b>80.00%</b>	<b>100.00%</b>		
		AIF 3	76.05%	80.00%	100.00%		
Water, waste and material emissions	E6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies					
		<b>AIFM (total)</b>	<b>13.96</b>	<b>n.a</b>	<b>100.00%</b>		
		AIF 6	13.96	n.a	100.00%		
		2. Weighted average percentage of water recycled and reused by investee companies					
		<b>AIFM (weighted)</b>	<b>0.00%</b>	<b>n.a</b>	<b>100.00%</b>		
		AIF 6	0.00%	n.a	100.00%		
Water, waste and material emissions	E10. Land degradation, desertification, soil sealing	Total investees whose activities cause land degradation, desertification or soil sealing / total investees				See Note 16	See Note 16
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>		
		AIF 1	0.00%	0.00%	100.00%		
Water, waste and material emissions	E10. Investment in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies					
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>n.a</b>	<b>100.00%</b>		
		AIFM 5	0.00%	n.a	100.00%		

Water, waste and material emissions	E14. Natural species and protected areas	1. Investees whose operation affect threatened species / total investees				See Note 17	See Note 17
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>		
		AIF 2	0.00%	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					
		<b>AIFM (total)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>		
		AIF 2	0.00%	0.00%	100.00%		

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 2023	Impact 2022	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							

Social and employee matters	S5. 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 <b>AIFM (total)</b> AIF 1 AIF 2 AIF 3 AIF 6	0.00% 0.00% 0.00% 0.00% 0.00%	16.67% 0.00% 0.00% 40.00% n.a	100.00% 100.00% 100.00% 100.00% 100.00%	See Note 18	See Note 18
Human Rights	S13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation <b>AIFM (total)</b> AIF 5	0.00% 0.00%	n.a n.a	100.00% 100.00%		

Note 1:

**Perimeter**

The coverage rate of each PAI indicator can be found 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.

Overall, the AIFM has reported a mandatory PAI coverage percentage of 80.00%, and 100.00% for additional PAIs. The data presented for the mandatory and additional PAI indicators has been either aggregated or weighted at the AIFM level to give a completed and detailed picture of the data collected. Methodology (aggregated vs weighted) has been reported



alongside each PAI. The AIFM is exposed to the assets under management of each of the Funds as such: AIF 1 – 8.30%, AIF 2 – 27.93%, AIF 3 – 8.92%, AIF 4 – 0.00%, AIF 5 – 37.41 %, AIF 6 – 17.43%.

LCF3 has a coverage rate of 38.89% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

ACCT has a coverage rate of 100.00% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

GCA has a coverage rate of 77.78% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

ABC has a coverage rate of 80.36% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 reference period.

SEFAA has a coverage rate of 100.00% and 100.00% for its mandatory and additional PAIs, respectively, for the 2023 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:

- AIF 1,2, and 3 have not set quantified improvement targets or action plans. The AIFM will work closely with the investment advisors/portfolio managers of each Fund with the aim to progressively define specific targets.
- AIF 5 and 6 have set quantified improvement targets for the PAIs.

#### Note 3:

- AIF 1 presents several data gaps. The AIFM will continue to follow-up regularly on these gaps.
- AIF 2 uses the proxy provided by the Impact Institute to estimate the GHG emissions of all its investments.
- AIF 3 uses the proxy provided by the Joint Impact Model to estimate the GHG emissions of all its investments. Information on the difference between the 2023 and 2022 values has been provided by the investment advisor for some of the portfolio companies.
- AIF 5 uses the proxy provided by the Joint Impact Model to estimate the GHG emissions of all its investments. The significant difference between the 2023 value and the 2022 value is due to these improvements as well as the fact that the underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of this indicator in 2023.
- AIF 5 2022 data has been included for information purpose but has not been taken into account on the average as AIF 5 was only onboarded by the AIFM in 2023.
- AIF 6 has collected its GHG emissions and all of its data directly from investees. As 2023 represents the first year of investment of the fund, no historical comparison is available.

#### Note 4:

None of the Funds directly invest in companies active in the fossil fuel sector. Particularly, AIF 1 & 2 that may invest directly into the operating companies or have contracts with projects developer ensure 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.

AIF 3 has a very small percentage (0.23%) of its portfolio companies involved in the fossil fuel sector and an expected target of 0.00% for the following reference period. The small percentage of involvement has been calculated through a look-through approach towards its microfinance institutions and is marginal given the operating sectors of the portfolio companies and their presence in emerging markets. Involvement into the fossil fuel sector is detailed as %-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).

Note 5:

In general, most of the investees of the Funds under management by the AIFM draw energy from the national grid given their location in emerging markets, thus data reported are proxies 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. In addition, no investees produce non-renewable energy.

AIF 2 and 6 base their calculation on actual data on energy consumption data in GWh received from the investees.

No targets or action plans are available for these two PAIs, with the exception of AIF 5 and AIF 6 which have provided targets.

Note 6:

Most of the direct investees of the Funds operate in sectors which do not classify as part of a high climate sector (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 do not have direct exposure to companies active in high impact climate sectors nor have set any specific targets or action plans.

AIF 2 data proxies are 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 stage.

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 its indirect sectorial exposure, the possibility to obtain data and/or to develop a proxy for this indicator will be considered.

AIF 5's energy consumption intensity data was estimated using the Joint Impact Model calculation tool. Microfinance institutions do not classify as part of a high climate sector given its direct activities in the financial industry.

Note 7:

None of the Funds have involvement in or are expected to have involvement in investee companies with sites/operations located near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas. Hence, target for this PAI is 0.00%.

Note 8:

Most of the investees do not operate in sectors such as heavy manufacturing/production related activities (AIF 1's project activities being financed do not include such activities and the local project development 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).

All of the investees of AIF 3 operate in the financial sector and financial institutions 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 financial institutions' 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.

Target for this PAI is 0.00%.

Note 9:

The results reported are in-line with expectations given the sectors where the investees operate.

All investees of AIF 3 operate in the financial sector and financial institutions 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.

Target for this PAI is 0.00%.

Note 10:

In line with expectations, all Funds under management have not had any violations related to the UNGC principles and OECD GME.

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.

None of the AIFs have any or are expected to have any exposure to any UN GC and OECD GME violations hence targets shall remain 0.00%.

Note 11:

As expected, most of the AIFs have in place policies to monitor compliance or manage complaints with the UNGC principles and OECD GME with the exception of a few investments within AIF 5 which do not fall under the definition of multinational enterprises. Target for this PAI shall be 0.00%.



Note 12:

Data provided for 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 AIFM is engaging with the investment advisors and portfolio managers of the Funds with the aim to increase coverage rate will progressively and to establish targets for the PAIs. As part of the due diligence review of investees, fair treatment policies and employee relations are being assessed. 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 and are fewer in number leading to aggregate gender pay gap at investees level. The following formula has been used:  $(\text{Average hourly gross wage for females} - \text{average hourly gross wage for males}) / \text{average gross hourly wages for males}$ .

AIF 1's unadjusted gender pay gap refers to the NGO rather than the project.

Targets are present for AIF 5 and 6.

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. Efforts are being made by the Funds to improve this indicator.

Note 14:

As expected, 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.

The target shall remain 0.00%.

Note 15:

PAI selected only by AIF 3. Most of financial institutions do not implement carbon emission reduction initiatives in line with the Paris Agreement.

Nonetheless, a common tool used by the financial institutions is an exclusion list applied in their lending operation to reduce the exposure to carbon heavy sectors or sectors that have harmful exposures. It is worth noting that as GCA is aiming to support underserved borrowers in rural areas, investees may have an exposure to agri-sector loans. In addition, a few financial institutions have tailored lending products aimed at financing energy efficiency projects or initiatives of their final borrowers. GCA is engaging with investees 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 activities cause land degradation, desertification or soil sealing.



Note 17:

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

Note 18:

AIF 3's aim is to develop a formal grievance policy. As of 2023 this is still in progress.