

Sustainability-related website product disclosure: PKA Direct I

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This document is the sustainability-related website product disclosure for PKA Direct I K/S (CVR-no.: 41315385) ("PKA Direct I"/"the fund"), managed by AIP Management P/S ("AIP"). This disclosure is made in accordance with the requirements in the European Union's Sustainable Finance Disclosure Regulation (SFDR) ((EU) 2019/ 2088) and the regulatory technical standards ((EU) 2022/1288). It includes the disclosures in accordance with:

-Article 10 of (EU) 2019/2088: Transparency of the promotion of environmental or social characteristics and of sustainable investments on webpage.

-Article 24-36 of (EU) 2022/1288: Website product disclosure for financial products that promote environmental or social characteristics.

The statement may be subject to changes due to the issue of further guidance and recommendations by the EU Commission.

Summary

PKA Direct I promotes environmental characteristics and is assessed to qualify as an Art. 8 product in the classification of SFDR. The fund does not have sustainable investment as its objective.

PKA Direct I invests in renewable energy production and thereby contributes to reducing GHG emissions. The fund promotes the following environmental characteristics:

- Increase renewable energy capacity
- Increase renewable energy generated
- Decrease greenhouse gas (GHG) emissions

The following sustainability indicators are used to measure the attainment of the promoted environmental characteristics:

- Renewable energy capacity
- Renewable energy generated
- GHG emissions avoided

The investments undertaken by PKA Direct I are subject to AIP's exclusion criteria. They are in addition screened annually to ensure good governance practices. PKA Direct I has a minimum proportion of 0% sustainable investments aligned with the EU Taxonomy. PKA Direct I does not consider principal adverse impacts (PAI) of investment decisions on sustainability factors.

AIP tracks the individual investments' performance on sustainability indicators based on data reported by primarily asset operators. AIP performs data checks and apply industry-standard methodologies in calculation of GHG emissions avoided. Data availability may be a limitation for some investments since AIP is dependent on data reporting from asset operators. PKA Direct I is covered by AIP's Engagement Policy that guides AIP's work in actively promoting AIP's ESG Policy, incl. the environmental characteristics promoted by PKA Direct I. AIP has performed due diligence on all investments. PKA Direct I does not have a reference benchmark.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

PKA Direct I promotes environmental characteristics. The environmental characteristics promoted by PKA Direct I stem from:

- a) Investment universe: The fund invests in renewable energy. Investing in renewable energy contributes to reducing GHG emissions and supports the transition to a low carbon economy.
- b) AIP's ESG policy: The policy outlines the principles regarding climate change risks, incl. the aim of continuously minimizing the carbon footprint of investments with the objective of reducing the effects on climate change in line with good industry practice and regulations.

AIP's ESG Policy requires that no investments are made in assets involved in coal and oil related activities. Furthermore, AIP is not to invest in assets engaged in manufacture of controversial weapons or in the development, production or storage of nuclear weapons, as well as assets involved in the production of components made explicitly for use in controversial or nuclear weapons. Additionally, AIP does not invest in companies involved in the production of tobacco, pornography, alcohol, and gambling.

The attainment of the environmental characteristics is measured using the following sustainability indicators:

- Renewable energy capacity
- Renewable energy generated
- Greenhouse gas emissions avoided

Investment strategy

The investment strategy of PKA Direct I is to invest in assets and activities with infrastructure characteristics in stable geographies that provide or assist in providing essential services to society or an enterprise and are set to yield stable, long-term returns to the benefit of the fund's investors. The fund invests in assets that contribute to reducing total CO2e emissions.

PKA Direct I's model for ensuring good governance is based on AIP's policies and practices. The assets in which PKA Direct I invests are screened annually against the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as specified in AIP's ESG Policy.

AIP is a signatory of the United Nations Principles for Responsible Investment (UNPRI) (2019), UN Global Compact participant (2019), GRESB member (2019), Task Force on Climate-related Financial Disclosures (TCFD) supporter (2020) and a member of the Institutional Investors Group on Climate Change (IIGCC) (2021).

Proportion of investments

PKA Direct I will make:

- 100% investments that are aligned with the environmental characteristics promoted by the fund.
- Min. 0% of investments will be sustainable investments aligned with the EU Taxonomy.

Monitoring of environmental or social characteristics

The attainment of PKA Direct I's environmental characteristics is monitored through the fund's sustainability indicators. The performance data on each of the sustainability indicators is provided to AIP by the respective asset operators. AIP reports on the sustainability indicators in the Annual Report and the annual ESG Report that are publicly available.

Methodologies

In order to measure the attainment of the environmental characteristics promoted by PKA Direct I, different methodologies are used, in particular:

- a) Renewable energy capacity is calculated as the maximum net generating capacity in MW. This is a standard figure for the asset in question and delivered by the asset developer or operator.
- b) Renewable energy generated is calculated as the production of renewable energy in GWh. This is a standard figure for the asset in question and delivered by the asset operator.
- c) Greenhouse gas emissions avoided are calculated as the difference between the estimated GHG emissions from the asset in question and the average emissions from the energy mix in the country where the asset is located. The conversion factors used are sourced from the International Energy Agency (IEA). GHG emissions are calculated and provided by the asset operators. Neither CO₂e emissions arising from shipping, transportation, and supply chain activities of all assets (scope 3) nor Life Cycle Assessments of CO₂e emissions are currently available and are therefore not included. However, AIP is in dialog with the asset operators to ensure that scope 3 emissions will be monitored in the future.

Further details on the methodologies used for the measurement of the environmental or social characteristics can be found in [AIP's ESG Report – Methodologies section](#).

Data sources and processing

The data used to attain each of the environmental characteristics promoted by PKA Direct I is provided by the asset operators as periodic measurements. AIP will conduct a review of data quality and process the data in a designated data workflow.

More information on the data sources can be found in the Methodology section of [AIP's 2020 ESG Report](#).

Limitations to methodologies and data

PKA Direct I is dependent on receiving data from the asset operators. Data availability and coverage will vary from asset to assets. AIP does not assess that this will have any significant negative impact on the environmental characteristics promoted by the fund.

Due diligence

AIP has performed due diligence on all investments, incl. using external specialist providers of technical and environmental analysis. The investments in PKA Direct I was conducted before AIP implemented it's ESG due diligence framework that is outlined in AIP's ESG Policy and a separate ESG due diligence report has therefore not been prepared on the individual investments.

Engagement policies

AIP actively advocates a strong awareness of ESG issues and strives to ensure that our current and potential investment partners are aligned with AIP's principles as a responsible investor and ESG policies. The purpose of AIP's engagement is on the one hand to minimise and mitigate financial sustainability risks as well as adverse impacts to people and

environment. On the other hand the purpose is to actively promote relevant opportunities to improve financial returns and positive impacts to people and the environment. Engagement is conducted in accordance with AIP's Engagement Policy.

Reference benchmark

PKA Direct I does not have a reference benchmark.