

Principal adverse sustainability impacts statement – Frontier Investment Management ApS ('FIM')

FIM's 'Principal adverse sustainability impacts statement has been prepared in accordance with articles 3-5 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector using the guiding principles stated in the articles 4-10 in the Regulatory Technical Standards regulation (EU) 2022/1288.

This statement may be subject to changes, updates, and general revision in connection with any relevant developments in particular following any further legislation, guidelines and recommendations concerning the Regulation (including any delegated acts thereto) by the Danish or EU legislators/supervisory authorities.

a) Summary

Financial Market Participant: Frontier Investment Management ApS, company number (CVR no.) 33365586 ('FIM').

Frontier considers the principal adverse impact of its investment decisions on sustainability factors. The present statement contains the aggregated principal adverse impacts on sustainability factors of FIM's underlying investments.

This is the first principal adverse sustainability impacts statement published by FIM. The first reference period concerning FIM will be 1 January 2022 to December 31 2022.

FIM has a number of procedures in place to take action in relation to potential principle adverse sustainability impacts including several ESG standards and assigning an ESG-manager to all investments, an exclusion list excluding certain asset classes, and monitoring of investments through reporting and management of ESG. FIM has several policies that helps identify and prioritize principal adverse impacts of investment decisions on sustainability factors. All polices are reviewed at least every second year. FIM does not invest in any listed securities and has therefore not implemented a shareholder engagement policy in the investment strategy. FIM adheres to several international standards.

b) Description of the principal adverse impacts of investment decisions on sustainability factors

FIM is a private equity infrastructure fund manager with offices in Copenhagen and East Africa with a unique focus on developing and investing in renewable energy power projects including wind, solar, and transmission and distribution of energy in the less developed emerging markets in Sub-Saharan Africa. Potential principal adverse impacts of FIM's investments, if any, are considered to relate to following indicators: Greenhouse Gas Emissions, Biodiversity, Water, Waste, Social and Employee Matters, Human Rights, and Anti-corruption and anti-bribery.

FIM has taken several actions regarding potential principal adverse sustainability impacts. FIM has established an exclusion list including a list of investments that FIM will not pursue. FIM has a thorough due diligence process before making an investment. All investments are assigned an ESG-manager that is responsible for establishing and maintaining a management system for environmental and social matters of the underlying investment. FIM will monitor the investments through ESG reporting from the investee companies.

c) Description of policies to identify and prioritize principal adverse impacts of investment decisions on sustainability factors

FIM has the following policies in place that helps identify and prioritize principal adverse impacts of investment decisions on sustainability factors:

- **Environment, Health, and Safety Policy (last approved 2022):** Describes how FIM and all investments ensures that they comply with all relevant and applicable national and international legislations, regulations, and conventions beyond the legal and regulatory requirements on environment, health, and safety, as per the Funds' ESG Requirements.

- Social, Labour, and Human Rights Policy (last approved 2022): Describes how FIM and all its investments will meet its commitments in social equity, liveability, health equity, community development, social capital, social support, human rights, labour rights, place making, social responsibility, social justice, cultural competence, community resilience, and human adaptation.
- Business Integrity, Anti-Bribery & Corruption, and Corporate Governance Policy (last approved 2022): Describes how FIM takes measures to ensure that the businesses in which the Funds' capital is invested, exhibit honesty, integrity, fairness, diligence, dependability, truth-telling, and respect in all business dealings

The responsibility for the implementation of these policies lies with the investment team with support from the ESG team. All policies are subject to reviews and will be updated at least every second year.

d) Engagement policies section

FIM does not have an engagement policy as its funds currently does not invest in shares that is trading on a regulated market situated or operating within EU. However, FIM will engage with the investee companies to ensure that sustainability related topics are prioritized. If FIM has cause to believe that an investee company is unable or unwilling to respect sustainability related topics, FIM will take specific action to engage with the company.

e) References to international standards section

An important aspect of FIM's investment policies is to ensure that all projects are environmentally and socially sustainable. This involves robust requirements to environmental and social standards. FIM adheres to the principles and standards regarding sustainability aspects shown in the table below:

Principles and Standards

Standard / Convention	Duties Imposed
UN Global Compact	Commitment to working with the 10 overall principles of Global Compact concerning human rights, labour, environment, and corruption.
UNPRI	Commitment to working actively and openly with environmental, social, and corporate governance issues.
UNGP	Commitment to work according to UNGP on Business and Human Rights
Equator Principles 2020	Adherence to 10 principles for ensuring sustainability in project financing.
IFC Performance Standards	Cornerstone standard for environmental and social performance
BII's Investment Code of Responsible Investing	Standards for sustainable business behaviour and to ensure optimal environmental and social performance in portfolio companies.
EIB Environmental and Social Standards 2018	
Swedfund's Policy for Sustainable Development and Anti-Corruption Policy	

FMO's Environmental, Social & Corporate Governance (ESG) Policy	
IFU's Sustainability Policy	
World Bank EHS Guidelines	Guidelines and standards to ensure optimal practical environmental and social performance in portfolio companies.
ILO Core Conventions	Standards for labour, namely: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29), Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138), Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111). The ILO Basic Terms and Conditions of Employment refer to: Hours of Work (No. 1) Minimum Wage (No. 26, 131) and Occupational Safety and Health (No. 155).
Business Integrity Standards	Various relevant national and international regulations, including the Danish Act on Anti Money Laundering and Anti-Terror Financing (in Danish: "Hvidvaskloven")
General Data Protection Regulation (GDPR)	EU GDPR Directive The Danish Act on Data Protection (in Danish: "Databeskyttelsesloven")
Sustainable Finance Regulation	Regulations include EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR).

FIM is committed to abide by these standards, principles, and conventions, Frontier's Portfolio Companies are required to comply with Frontier's ESG Requirements.

These standards, principles and conventions also form the basis for FIM's legal obligations with investees and contractors; provide the basis for developing Terms of Reference for any ESIA or E&S due diligence, and E&S monitoring work that is commissioned by Frontier or its Portfolio Companies / projects; and will be used as the reference standards for any other due diligence or monitoring activities undertaken by FIM.

f) Historical comparison

The earliest historical comparison will be provided in 2024.