

# Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** MIF III Feeder no. 1 A/S (MIF III Feeder 1)  
**Legal entity identifier:**

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

- The Fund promoted environmental characteristics through adherence to the following conventions:
  - Hong Kong International Convention for the safe and environmentally sound recycling of ships.
  - Basel Convention: Technical guidelines for the environmentally sound management of the full and partial dismantling of ships.
  - EU Regulation (No. 1257/2013) on ship recycling.
  - International Convention for the Prevention of Pollution from Ships (the IMO MARPOL Convention).
  - International Convention for the Control and Management of Ship's Ballast Water and Sediments.

2. The Fund promoted environmental characteristics by operating the assets purposefully to ensure the achievement of net-zero in 2050 in line with the Paris Agreement, supported by short- and medium-term targets of 35% and 55% reduction in carbon intensity in 2025 and 2030, respectively.
3. Further, the Fund promoted social characteristics through adherence to the following conventions:
  - UN Principles for Responsible Investments.
  - UN Global Compact.
  - UN Guiding Principles on Business and Human Rights.
  - OECD Guidelines for Multinational Enterprises.
  - ILO Declaration on Fundamental Principles and Rights at Work.
4. The Fund promoted certain ethical and social safeguards through the exclusion of certain activities deemed to be non-ethical or controversial.
5. While operating the assets, the Fund had effective operational procedures ensuring continuous follow-up on quality, resources, results, and ESG-related practices. The Fund sought to influence technical managers' and charterparties' impact on sustainability matters through engagement and requirements for operating the vessels according to the above conventions.
6. The Fund sought to influence cooperative partners' impact on sustainability matters through having voting rights on material sustainability topics.

● ***How did the sustainability indicators perform?***

Navigare Capital's sustainability performance disclosure is divided into three dimensions.

Environment:

Decarbonisation is a key priority among industry participants, including Navigare Capital. Thus, Navigare Capital remains focused on meeting its net zero by 2050 target, including its short term carbon intensity targets.

Navigare Capital measures carbon intensity based on a vessel's cargo-carrying capacity relative to its fuel consumption. In shipping, this number is referred to as the Annual Efficiency Ratio ("AER") and is the most used intensity metric in the sector. The AER is applicable to all vessels over 5,000 gross tonnes.

By investing in vessels with favourable AER numbers, Navigare Capital ensures that it always invests in fuel-efficient vessels, enabling it to steadily reduce carbon emissions and reach its targets.

In 2024, the Fund's AER performance was estimated to be 2.3% above the target set by the 2018 IMO strategy and 8.2% higher than Navigare Capital's own target. This was primarily due to the suboptimal performance of the only MIF III vessel currently in operation, as it approached its final year before dry docking, combined with favorable market conditions that encouraged charterers to increase speed. Overall, the Fund emitted approximately 13,000 tonnes of greenhouse gases in 2024.

### Social:

Navigare Capital puts strong emphasis on the safety and wellbeing of both its onshore and offshore workforce. As a consequence of this, in 2024, the Fund operated its vessel under Danish flag, which ensures additional legal protections for all seafarers regardless of nationality, including the Danish regulations for injury compensation, sick pay and vacation. Furthermore, Danish-flagged vessels must also implement occupational health and safety systems, which together with the in-house monitoring of the technical directors, create a secure working environment for seafarers.

In 2024, the Fund recorded almost 80,000 working hours onboard its time chartered vessel, with zero work-related safety incident. This is considered very low compared to industry standards and is in line with Navigare Capital's target of having a lost time incident frequency of below one.

Maritime Authorities around the world also continuously inspect vessels to verify that the condition of a ship and its equipment complies with the requirements of international regulations and that the ship is manned and operated in compliance with these instruments to ensure maritime safety and security and prevent pollution. The Fund had one port state control in 2024. Following the port state controls, it had zero detentions, and zero observations.

### Governance:

Navigare Capital considers good corporate governance to be a cornerstone of its entire operation and way of doing business and thus has a as a zero-tolerance policy regarding corruption, bribery and facilitation payments. In order to minimise the vessels' exposure to any unwanted requests, Navigare Capital is a member of the Maritime Anti-Corruption Network ("MACN"), a not-for-profit organisation established by the maritime industry to tackle corruption. MACN collaborates with key stakeholders, including businesses, governments, civil society and international organisations, to identify and mitigate the root causes of corruption in the maritime sector.

In 2024, the Fund's time-chartered vessel reported zero incidents where either bribes or facilitation payments were requested. There were also no fines levied against its vessel.

Further details can be found in Navigare Capital's Sustainability reports, where the next is scheduled to be published at the beginning of April 2025.

### ● ***...and compared to previous periods?***

Not applicable as the Fund was inactive with no activities or investments in 2023.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

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

*Not applicable.*

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

*Not applicable.*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

Before making an investment, all potential assets undergo comprehensive screening based on multiple parameters, with a key focus on the carbon intensity of each vessel.

Navigare Capital employs four main strategies to reduce GHG emissions:

- **Portfolio effects:** Enhancing overall efficiency by acquiring energy-efficient vessels and divesting from less efficient ones.
- **Technical energy-efficiency improvements:** Retrofitting vessels with Energy Saving Devices (ESDs) or alternative propulsion technologies.
- **Operational energy-efficiency improvements:** Implementing strategies such as voyage optimization, slow steaming, and weather routing to reduce emissions without requiring new technologies. Broader industry improvements can also be achieved through digitalization and cargo utilization optimization.
- **Green fuels:** Investing in low- or zero-GHG fuels, produced using renewable electricity, as part of the long-term goal of a zero-carbon shipping sector.

Each vessel is benchmarked against relevant industry benchmarks including its peer group using the EU MRV database, ensuring it meets strict criteria before inclusion in the portfolio. If an asset is attractive but requires improvements, necessary technical upgrades are considered early in the process to maintain alignment with the Fund's sustainability targets.

Once acquired, vessels are chartered out under either a time charter agreement or a bareboat agreement:

- **Time charter agreement:** The Fund retains technical, operational, and commercial responsibility, allowing Navigare Capital to enforce its health and safety guidelines and monitor adverse impact indicators such as injuries and accidents. The Fund also ensures compliance with industry conventions and frameworks through regular audits conducted by its technical directors and third-party specialists.
- **Bareboat agreement:** Responsibility shifts to the bareboat charterer, though the Fund can incorporate sustainability requirements into the contract. While ongoing monitoring of compliance is not possible, the Fund conducts due diligence before entering the agreement, assessing the counterparty's experience, quality, resources, performance, and ESG practices.

On a daily basis, the in-house team of vessel operators ensures that all vessels are operated in line with charter contract limitations, while complying with all relevant regulations, sanctions, and the ESG policy of the Funds. The operations team also closely monitors voyages, cargoes, speed, and fuel consumption profiles to ensure the safe and efficient operation of our fleet. They proactively address any operational challenges and optimize performance when necessary. This includes taking the initiative for hull cleanings and propeller polishing to improve energy efficiency. Analyses show that even a thin layer of slime can lead to significant speed and efficiency losses.



## What were the top investments of this financial product?

The investments are measured as assets under management during the year.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is 1/1-2024 - 31/12-2024

Largest investments	Sector	% Assets	Country
<i>LPG carriers</i>	<i>Transportation of liquified petroleum gas</i>	<i>100%</i>	<i>100% Danish flagged</i>



## What was the proportion of sustainability-related investments?

The Fund promoted environmental and social characteristics, but did not make any sustainable investments.

The expected minimum proportion of investments aligned with the Fund's environmental and/or social characteristics is 99%.

The Fund has reserved the opportunity of making other investments because each vessel needs a liquidity position which is necessary to ensure reliable liquidity management regarding the operation of the asset. The expected proportion of such investments is a maximum of 1%.

For these investments ("Other") the Fund cannot guarantee that the investments promote any environmental or social characteristics.

The minimum proportion of investments aligned with environmental and/or social characteristics and the maximum proportion of other investments are to be seen as the average allocation within the annual reference period as calculated against the total market value of the Fund's investments.

### ● **What was the asset allocation?**

The Fund aims for a minimum of 99% of its investments to align with its environmental and/or social characteristics.

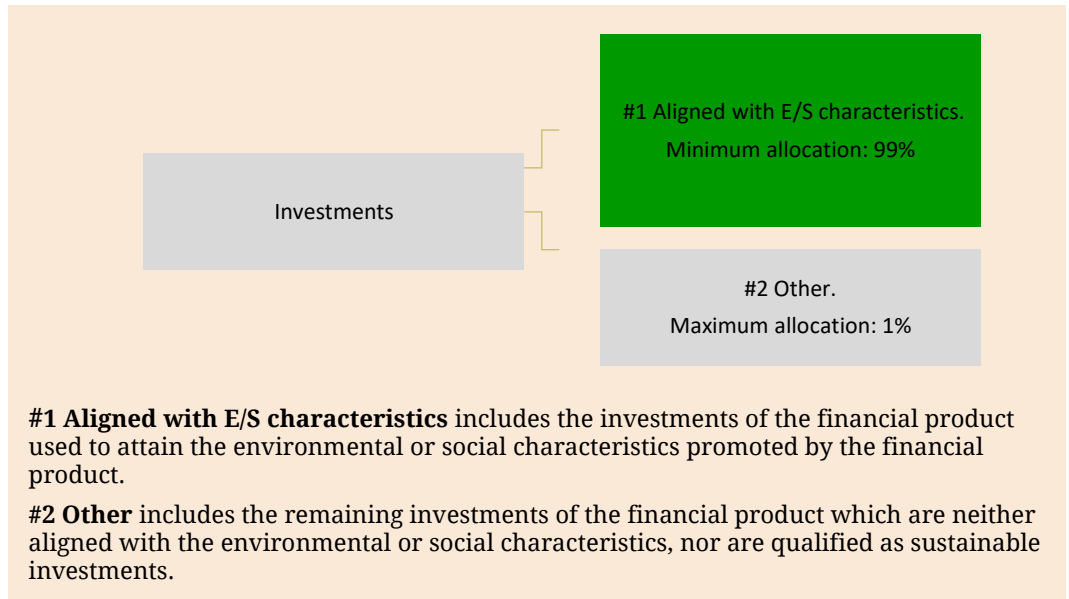
Additionally, the Fund maintains flexibility for other investments to ensure adequate liquidity management for vessel operations. The expected allocation for such investments is capped at 1%.

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **In which economic sectors were the investments made?**

Sector	Activity	Percentage of AUM
Transport	Sea and coastal freight water transport, vessels for port operations and auxiliary activities	100%

The proportion of investments during the reference period related to transportation of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council, is 100% measured as assets under management during the year.



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

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

**Yes:**

**In fossil gas**

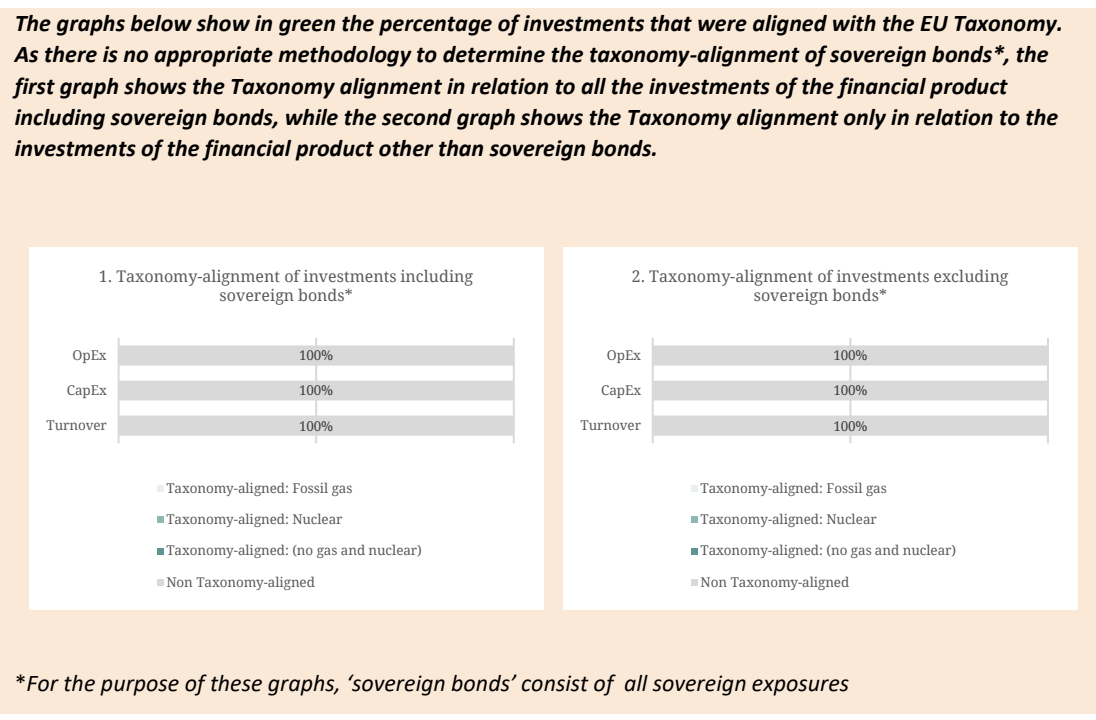
**In nuclear energy**

**No**


<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.




Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



- **What was the share of investments made in transitional and enabling activities?**  
Not applicable.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**  
Not applicable as the Fund was inactive with no activities or investments in 2023.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

-  **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**  
Not applicable.
-  **What was the share of socially sustainable investments?**  
Not applicable.
-  **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**  
For each vessel there is a liquidity position which is necessary to ensure reliable liquidity management regarding the operation of the asset. This liquidity position part of the investments has no minimum environmental or social safeguards.





## **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the second half of 2024, the Fund took delivery of its first vessel. With the vessel scheduled for dry docking in 2025, the Fund collaborated with a third-party specialist to develop a catalogue of suitable energy-saving devices for potential installation.

Additionally, 2024 saw the implementation of the EU ETS, which charges a fee per tonne of CO<sub>2</sub> emitted in European waters, incentivising charterers to operate vessels as efficiently as possible. To support this, the Fund incorporated clauses in its charter contracts to uphold the polluter-pays principle.

When the investments were made, each vessel was chartered out to a third party under either a time charter agreement or a bareboat agreement.

In a time charter agreement, the Fund outsources the technical management of its assets to carefully selected top-tier companies based on their safety track record and their performance on health and safety KPIs evaluated in a study performed by Boston Consulting Group. As the Fund has the technical, operational, and commercial responsibility of the assets, it introduces its own guidelines especially within health and safety thus taking other adverse impact indicators like injuries, accidents and the like into consideration.

For vessels on time charter, the fund manager, through its in-house technical capabilities, exercised strict supervision and control to ascertain that all matters concerning the assets were planned, carried out in accordance with regulations and followed up on in a manner that was safe, cost effective, and environmentally and ethically sustainable. This involved, among other things, performance reviews of the third-party technical managers and physical onboard inspections of the vessels to assess maintenance standards and evaluate whether the assets were in sound condition in terms of sustainability.

The performance was evaluated by means of, but not limited to, the following KPIs:

- Spills
- Port state deficiencies and detentions. These include measures on safety and MLC
- Lost time incident frequency
- Carbon intensity measured by AER or CII
- GHG emissions

In addition, the fund manager's experienced team of vessel operators monitored voyages, cargoes, speeds and fuel consumption profiles to ensure the effective operation of the vessel. They also made sure that necessary actions were taken in cases where performance was deemed inadequate, this could be a cleaning of the hull to improve the vessels fuel efficiency.

The team also ensured that any ESG-related matters in connection with the operation of the vessel was in accordance with current regulation, the limitations of the charter contract and the Fund's ESG strategy.

In the case of a bareboat contract, the attainment of the environmental characteristics promoted by the Fund was similarly measured through usage of, among others, the following indicators/KPIs:

- Carbon intensity measured by AER or CII
- GHG emissions

However, as a result of the contract provisions, the Fund has no possibility to continuously follow up on the counterparties' compliance with social characteristics according to international conventions, but before entering into the contract the Fund manager made reasonable investigations regarding the counterparty's experience, quality, resources, results and ESG practices and also incorporated additional requirements on health and safety, human rights and working conditions into these.



### How did this financial product perform compared to the reference benchmark?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

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

Not applicable.

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

Not applicable.