

## ANNEX IV

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: NIC DCP III K/S

Legal entity identifier: 43 22 01 01

## Environmental and/or social characteristics

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

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<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 made <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics and</b> 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 checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**NIC DCP III K/S** ("the Partnership") is a closed-ended alternative investment fund, managed by *ADVANTAGE Investment Partners* ("the Manager"). The Partnership is a fund-of-funds, investing equally in n DIF CorePlus Infrastructure Fund III Coöperatief U.A. ("the Cooperative") and DIF Core-Plus Infrastructure Fund III SCSp ("the Debt SCSp") (collectively "the Main Funds") and any co-investment vehicles (each a "Co-Investment Vehicle") established by DIF Capital Partners, each with DIF Capital Partners as its manager ("Portfolio Fund Manager") and any Alternative Investment Vehicles, Feeder or Parallel Funds (each as defined in the Master Fund LPAs) established in accordance with the Master Fund LPAs (collectively the "Master Funds") with the principal objective of creating capital growth for the benefit of the Limited Partners. Any reference in this Disclosure Document to the status or characteristics of the Partnership for purposes of SFDR and EU Taxonomy (EU 2021/825) is a function of the corresponding status or characteristics of the Main Funds as determined by DIF Management.

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Master Funds, and thus indirectly the Partnership, promote environmental and social characteristics as described in Article 8 of the Sustainable Finance Disclosure Regulation (SFDR 2019/2088).

Environmental and social characteristics were promoted by the Master Funds (and thus indirectly the Partnership), by making investments that contributed to one or more of the four selected Sustainable Development Goals (SDGs):

- SDG 9 - Industry, innovation & infrastructure
- SDG 11 - Sustainable cities and communities
- SDG 13 - Climate action

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

The Investments made by the Master Funds (and thus indirectly the Partnership) are required to report on these pre-defined reporting indicators on an annual basis to ensure that the Portfolio Fund Manager is able to monitor and report on the post-investment contribution to the SDGs. The Partnership's sustainability indicators which are used to measure the SDG contribution post-investment are divided by SDG (9, 11 and 13) and subdivided into social and/or environmental indicators, as discussed below:

#### **SDG 9 – Industry, innovation & infrastructure**

Social indicators:

- invested capital in basic infrastructure and essential services (% invested in clean drinking water, sewers, sanitation, transport, energy, basic telecommunications, education and vocational training, healthcare, housing)

#### **SDG 11 – Sustainable cities and communities**

Social indicators:

- invested capital in basic infrastructure and essential services (% invested in clean drinking water, sewers, sanitation, transport, energy, basic telecommunications, education and vocational training, healthcare, housing)

Environmental indicators:

- renewable energy consumed (%)
- energy consumed (MWh), GHG footprint (tCO<sub>2</sub>e Scope 1, 2 & 3)

#### **SDG 13 - Climate action**

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

**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.

Environmental indicators:

- GHG footprint (tCO<sub>2</sub>e Scope 1, 2 & 3)
- GHG emissions reduction (tCO<sub>2</sub>e), GHG emissions avoided (tCO<sub>2</sub>e)
- net zero targets portfolio coverage (%)

Due to the timing of the Master Funds’ reporting on the performance of the sustainability indicators, which is ex-post the publication of this report, the Partnership is unable to elaborate on the performance of the indicators.

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

N/A. Since this is the first periodic disclosure made for the product pursuant to SFDR Level II (EU 2022/1288) and its relevant amendments (EU 2023/363), this section provides information for the current reference period only.

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

N/A. The Master Fund did not make sustainable investments.

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

N/A

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

N/A

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

N/A

*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.*



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

N/A



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

The investments listed below are the investments made by Master Funds’ and thus indirectly by the Partnership. The Master funds’ portfolio (and thus indirectly the Partnership’s) consisted in a total of six assets. The Invested capital as per 31 December 2022 is used as the basis for calculating the proportion (%) of investments.

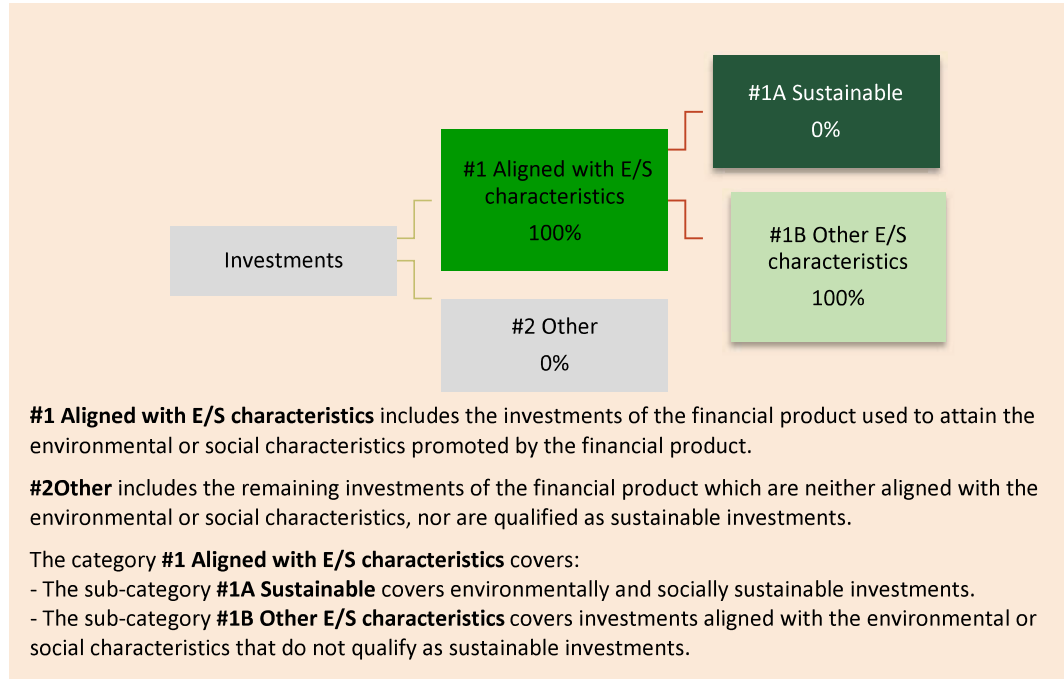
Largest investments	Sector	% Assets	Country
Talbot Group	Healthcare	41%	Ireland
Rail First	Transport	25%	Australia
Tonaquint Data	Digital	13%	United States
Greener	Energy	9%	Netherlands
Airtower Networks	Digital	8%	United States
Bump	Energy	3%	France
<b>Total investments</b>		<b>100%</b>	

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.01.2022-31.12.2022



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

### ● What was the asset allocation?



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

The Investments made by the Master Funds (and thus indirectly by the Partnership) were in the following sectors:

- Healthcare (41%)
- Transport (25%)
- Digital (21%)
- Energy transition (13%)



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

N/A

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

<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.

**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.

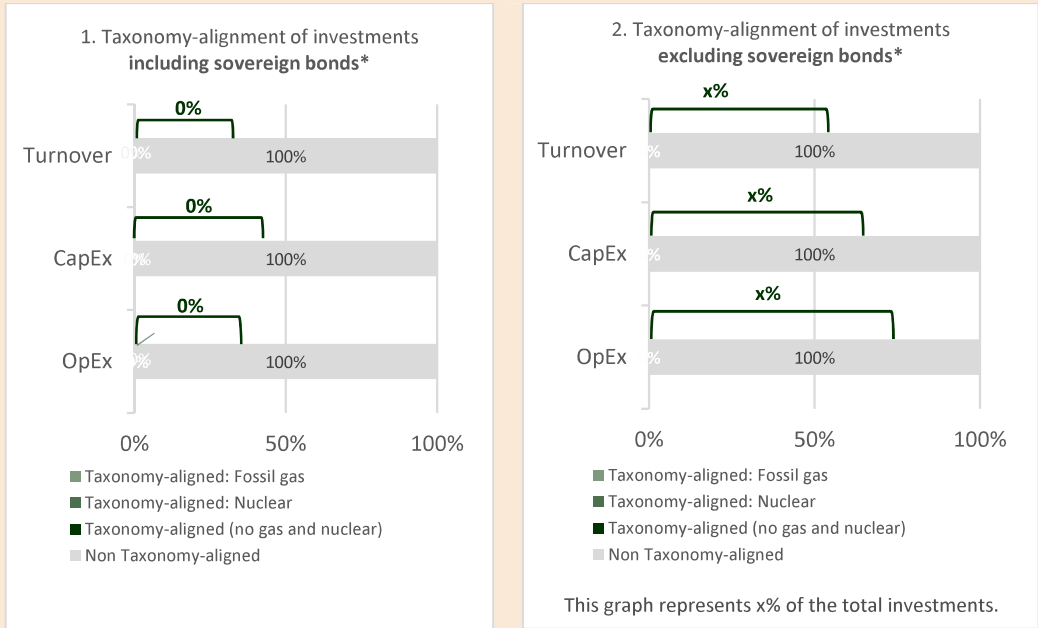
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- Yes:
  - In fossil gas
  - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

N/A. As of now, no formal EU Taxonomy alignment assessment has been performed by DIF Management in relation to the Main Funds. On this basis, the Manager has assessed that the Partnership's minimum share of investments in transitional and enabling activities was 0%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

N/A. As of now, DIF Management has not performed a formal assessment of the share of socially sustainable investments in relation to the Main Funds. On this basis,



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.

the Manager has assessed that the Partnership's share of socially sustainable investments was 0%.



### **What was the share of socially sustainable investments?**

N/A. As of now, DIF Management has not performed a formal assessment of the share of socially sustainable investments in relation to the Main Funds. On this basis, the Manager has assessed that the Partnership's share of socially sustainable investments was 0%.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

N/A. DIF Management has deemed this to not be applicable to the Master Funds.



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

ESG is integrated in the Main Funds' investment strategy (and consequently, indirectly, the Partnership's investment strategy) through the Exclusion list, the ESG screening checklist, positive screening based on the intrinsic benefits rating, and through the ESG Path. Binding elements of the Main Fund investment strategy are included in the positive screening based on the intrinsic benefits rating and in the ESG Path:

#### **Positive screening:**

Each investment opportunity receives an intrinsic benefits rating based on the investment sector and the country of the investment. This rating is determined by applying the intrinsic benefits tool which is based on the UNEP-FI Impact Radar methodology. The outcome of the positive screening has binding consequences for the next steps followed in the pre-investment process. Investment opportunities that score in the lowest quartile are first subject to a binding opinion by the ESG Committee on whether to further pursue the investment opportunity. Investment opportunities in the lowest two quartiles are assigned both selected negative impact reporting indicators as well as relevant reporting indicators. Investment opportunities in the highest two quartiles are only assigned relevant reporting indicators.

#### **ESG Path:**

DIF Management's ESG Path is the active ESG engagement approach during asset management. Through DIF Management's ESG Path the firmwide ESG Policy is enacted which is aimed at ensuring good governance practices are implemented by investment as well as collecting relevant KPIs. The ESG Path follows an iterative approach in which

an assessment is performed on an annual basis and followed up with an investment specific ESG action plan. As part of the active engagement through the ESG path DIF Management will also focus on the reporting and performance on relevant KPIs for attaining the selected SDGs. When an investment underreports or underperforms specific improvement action will be included in their ESG action plan. These improvement actions will be included on the board agenda and DIF Management will leverage its board seats to ensure that these actions are implemented.



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

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

N/A

- ***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?***

N/A

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

N/A

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

N/A

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