

SFDR Regulation (2019/2088)

Article 8 Website Disclosures

ANCALA INFRASTRUCTURE FUND FEEDER SCA SICAV RAIF – SUB-FUND I (the “Sub-Fund”)

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1. SUMMARY

The Sub-Fund, subject to any reserves required for costs and expenses of the Sub-Fund, will be fully invested in Ancala Infrastructure Fund III SCSp (the “Master Fund”).

The Master Fund’s investment strategy is to generate enhanced returns from low-risk mid-market infrastructure investments in Europe through proactive origination, granular asset management and a focus on long-term responsible investing. This strategy is supported by strong discipline in investment selection and a rigorous due diligence process.

The Master Fund will acquire investments that are either fully controlled or with significant influence through majority or significant minority positions, so that each investee company benefits fully from Ancala’s active asset management.

The Master Fund does not have as its objective sustainable but promotes the following environmental and social characteristics:

- reduction of greenhouse gas emissions
- inclusion of climate change risks and opportunities in investee companies risk management process
- maintaining healthy and safe working conditions for everyone in premises and/or sites
- promoting staff satisfaction and engagement
- elevation of ESG factors at both management teams and board meetings of investee companies
- addressing sustainability risks and opportunities by developing and implementing a sustainability policy and implementation strategy

The Master Fund intends to invest a minimum of 75% of deployed capital in investee companies which are expected to meet the environmental and social characteristics promoted by the Master Fund in accordance with the binding elements of the investment strategy.

The environmental and social characteristics and binding elements of the Master Fund’s investment strategy are not intended to (but may) apply to Capex investments in investee companies already under management.

Ancala may use derivatives as part of the investment strategy and fiduciary duty towards investee companies, with the sole aim of facilitating risk reduction and managing the Master Fund more efficiently. The Master Fund may use derivative instruments/contracts for the purpose of hedging, efficient portfolio management and/or implementing the investee companies’ investment thesis. Environmental and social characteristics are not applied to this part of the product.

There is no commitment for the Master Fund to make sustainable investments and no commitment to align the investments with the EU Taxonomy.

As part of the investment process for the Master Fund, Ancala will not invest in companies that are subject to Ancala’s ESG exclusions: controversial weapons, violation of human rights, businesses that

are directly extracting fossil fuels or that are principally reliant on coal and do not have a transition plan or in companies that are in countries, and/or have operations, subject to financial or economic sanctions or trade embargoes. Further details are available in section 3 below.

Ancala will also apply good governance requirements to prospective companies, covering areas as: adequate and lawful remuneration practices, board independence and adequate risk management practices, controversies on taxation and relationships with employee stakeholder groups.

At Ancala, all investment decisions are informed by the ESG risks and opportunities identified by applying our proprietary ESG screening tool and ESG due diligence process, where Ancala will assess the reputational risk profile of the company, using a standard set of bespoke ESG screening criteria, best practice guidelines and standards, as well as specialist consultants, where required.

During the active ownership stage, Ancala will be monitoring the achievement of the applicable environmental and social characteristics via the use of the following indicators:

ESG Exclusions	KPI 1 - Percentage of new and/or bolt-on investments (made during the life of the Master Fund) that are compliant with the ESG Exclusions
Governance	<p>KPI 2 - Percentage of investee companies that have ESG reported to the board and that have allocated overseeing ESG and day-to-day ESG management responsibilities</p> <p>KPI 3 - Percentage of investee companies that have in place a sustainability policy and implementation strategy, covering Environmental and Social aspects</p>
Environmental	<p>KPI 4 - Percentage of investee companies that have achieved a reduction in GHG Intensity (for Scope 1 and 2 emissions, per revenue), from the completion of the investment.</p> <p>KPI 5 – Percentage of investee companies that consider climate change risks in its risk management processes.</p>
Social	<p>KPI 6 - Percentage of investee companies that demonstrate improvement, from the completion of the investment, in health and safety practices in at least one of the following indicators:</p> <ul style="list-style-type: none"> ○ Total Reportable Injuries Rate (TRIF per 200,000 hrs worked) ○ Lost Time Injuries Frequency Rate (LTIFR per 200,00 hrs worked) <p>KPI 7 – Percentage of investee companies that undertake annual staff satisfaction and engagement surveys.</p>

Ancala intends to collect all data directly from the portfolio companies and the expectation is that the data reported is based on real life measurements and data. Where actual data measurements are not possible, Ancala may need to collect estimated data. Ancala will be implementing an active ownership and engagement strategy with all the portfolio companies. Data will be collected via Ancala's ESG reporting system on a yearly basis and where appropriate corrective action plans (e.g. an ESG Roadmap) will be put in place. The teams will be expected to allocate responsibilities and to report progress to the board. This means that Ancala's teams will be working closely with the management teams and the boards to ensure that data is available and reported in a robust and timely manner.

Ancala has not committed nor intends to use indexes as reference benchmarks.

2. NO SUSTAINABLE INVESTMENT OBJECTIVE

The Master Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

3. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Sub-Fund, subject to any reserves required for costs and expenses of the Sub-Fund, will be fully invested in the Master Fund.

The Master Fund promotes the following **environmental and social characteristics**:

- reduction of greenhouse gas emissions
- inclusion of climate change risks and opportunities in investee companies risk management process
- maintaining healthy and safe working conditions for everyone in premises and/or sites
- promoting staff satisfaction and engagement
- elevation of ESG factors at both management teams and board meetings of investee companies
- addressing sustainability risks and opportunities by developing and implementing a sustainability policy and implementation strategy

Ancala applies **pre-investment ESG Exclusions** by not investing in the following companies:

- that are directly extracting fossil fuels or whose activities are principally reliant on coal, unless there is a plan to transition the business away from coal.
- whose activities are or may be related to the use, stockpile, manufacture or trade of cluster munitions, landmines, chemical or biological weapons, depleted uranium and thorium, as guided by international conventions, such as the Convention on Cluster Munitions, the International Convention on the Prohibition of the use of, stockpiling, production and transfer of Anti-Personnel Mines, guidance from The United Nations and The World Bank.
- companies registered or having major operations in countries subject to financial or economic sanctions or trade embargoes imposed or enforced by the UN Security Council, the EU or the United States of America or United Kingdom Governments; or are on the EU list of non-cooperative tax jurisdictions.
- companies that are or have been complicit to the abuse or violation of internationally proclaimed human rights as defined in the UN Human Rights Declaration, including the use of forced, compulsory, bonded or child labour in any part of their operations.

The following **sustainability indicators** are used to measure attainment of the Master Fund's environmental and social characteristics:

ESG Exclusions	KPI 1 - Percentage of new and/or bolt-on investments (made during the life of the Master Fund) that are compliant with the ESG Exclusions
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Governance	<p>KPI 2 - Percentage of investee companies that have ESG reported to the board and that have allocated overseeing ESG and day-to-day ESG management responsibilities</p> <p>KPI 3 - Percentage of investee companies that have in place a sustainability policy and implementation strategy, covering Environmental and Social aspects</p>
Environmental	<p>KPI 4 - Percentage of investee companies that have achieved a reduction in GHG Intensity (for Scope 1 and 2 emissions, per revenue), from the completion of the investment.</p> <p>KPI 5 – Percentage of investee companies that consider climate change risks in its risk management processes.</p>
Social	<p>KPI 6 - Percentage of investee companies that demonstrate improvement, from the completion of the investment, in health and safety practices in at least one of the following indicators:</p> <ul style="list-style-type: none"> ○ Total Reportable Injuries Rate (TRIF per 200,000 hrs worked) ○ Lost Time Injuries Frequency Rate (LTIFR per 200,00 hrs worked) <p>KPI 7 – Percentage of investee companies that undertake annual staff satisfaction and engagement surveys.</p>

4. INVESTMENT STRATEGY

The Sub-Fund, subject to any reserves required for costs and expenses of the Sub-Fund, will be fully invested in the Master Fund.

The Master Fund's investment strategy is to generate enhanced returns from low-risk mid-market infrastructure investments in Europe through proactive origination, granular asset management and a focus on long-term responsible investing. This strategy is supported by strong discipline in investment selection and a rigorous due diligence process.

In respect of the Master Fund, the team will be deploying its unique approach, where Ancala combines differentiated investment sourcing of bespoke overlooked opportunities with active asset management. This approach enables Ancala to deliver superior long-term value to investors whilst also contributing to positive social-economic and environmental outcomes.

The Master Fund will acquire investments that are either fully controlled or with significant influence through majority or significant minority positions, so that each investee company benefits fully from Ancala's active asset management.

Ancala applies the ESG Exclusions (described above) when making investments. In addition, when considering an investment opportunity, Ancala assesses the ESG and reputational risk profile of the company using a standard set of bespoke ESG screening criteria, best practice guidelines and standards, industry profile, news, existing and future regulations, and information published by the company, among others. The gathered information is used to determine whether each criteria

presents a risk or an opportunity and the final materiality score for each company (informed by international standards, the team and the industry partners extensive experience).

Where Ancala decides to pursue an investment, detailed due diligence is completed (usually by independent specialist consultants) to further assess its risk profile and how ESG risks can be mitigated and / or turned into opportunities by focusing on potential issues and material risks identified at the screening stage. The information is compiled in a standardised format and presented to the investment committee, who evaluates how the ESG findings and business plan will affect the investment decision.

Following an investment by the Master Fund, each investee company will be encouraged to engage in and improve on:

- reduction of greenhouse gas emissions
- inclusion of climate change risks and opportunities in investee companies risk management process
- maintaining healthy and safe working conditions for everyone in premisses and/or sites
- promoting staff satisfaction and engagement
- elevation of ESG factors at both management teams and board meetings of portfolio companies
- addressing sustainability risks and opportunities by developing and implementing a sustainability policy and implementation strategy

Ancala will monitor these characteristics on an ongoing basis utilising the KPIs described above.

a) *Policy to assess good governance practices*

The Master Fund will promote good governance by securing the ability to influence companies' governance and by engaging and working with investee companies, during active ownership, to strengthen their governance practices until they are operating at Ancala's expectations. However, before the investment is completed, Ancala will assess the following aspects of governance (based on information that is available during the due diligence stage) to ensure that investee companies meet Ancala's minimum standards for good governance practices, as summarised below:

Sound Management Practices

- Ancala will be able to ensure that, once the investment is completed, at least 50% (if acquiring a majority stake) or 1 (if acquiring a minority stake) of the board members are independent from the prospective company's management team.
- The prospective company has in place risk management processes that are overseen by the management team.

Tax Compliance

- The prospective company has no significant controversies on taxation that cannot be fixed by Ancala.

Employees Relations

- The prospective company has demonstrated that it maintains a constructive and fair relationship with employee stakeholder groups.

Remuneration of Staff

- The prospective company has demonstrated that they do not knowingly exercise incorrect payroll remuneration practices in accordance with applicable legislation.

Data is collected by Ancala during the due diligence stage and up to completion of the investment using publicly available documentation, management engagement, news articles and/or third-party consultants who will be undertaking due diligence within the areas of focus.

Some companies may “score” less highly on the good governance matters outlined above. Where this is the case, the investment team in agreement with the asset management team, will be able to put forward a case to the Investment Committee (IC) demonstrating how it is possible (through active ownership stewardship and engagement with the company management team) to enhance the existing governance practices of the relevant investee company within the first-year post acquisition. If, at the end of that period, those enhancements are not achieved, Ancala will consider divesting before the end of the second year of ownership.

Active Ownership (ongoing implementation through the life of the investment)

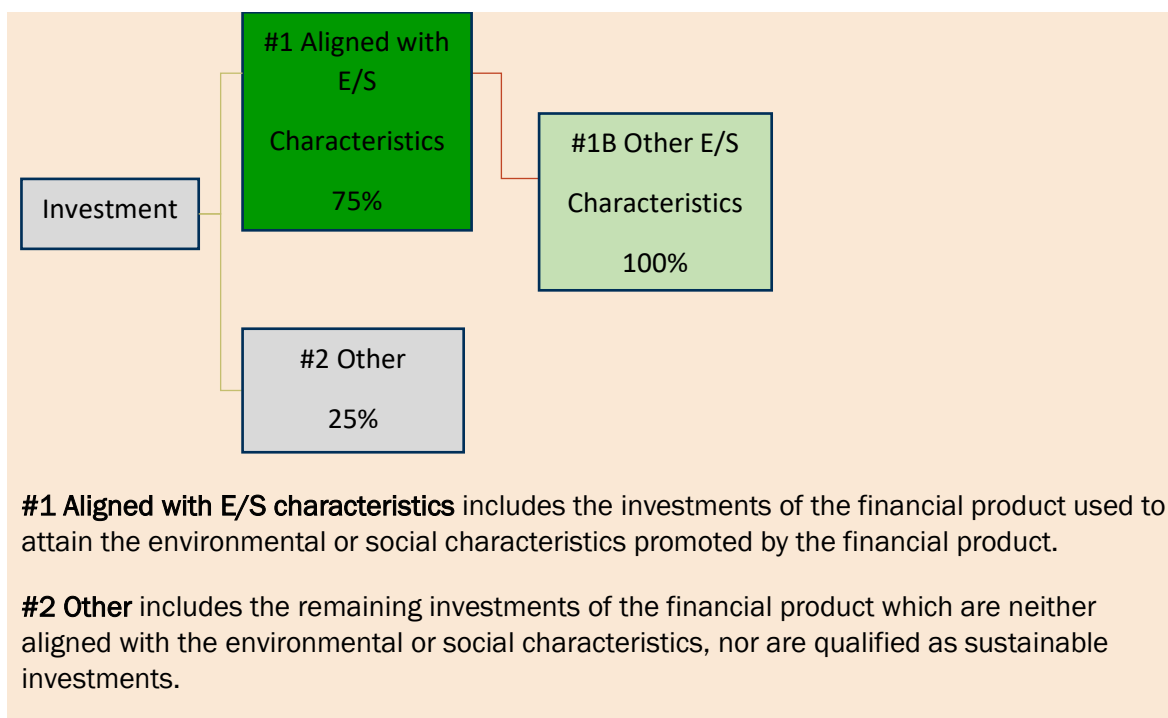
Ancala will continue to work closely with its investee companies to influence and support them to follow and improve, where required, good governance practices surrounding: sound management practices, tax compliance, employee relation and remuneration of staff, that will strengthen the company profile and overall resilience.

5. PROPORTION OF INVESTMENTS

The Sub-Fund, subject to any reserves required for costs and expenses of the Sub-Fund, will be fully invested in the Master Fund.

The Master Fund will seek to invest in underexploited mid-market infrastructure enterprises, where the Master Fund aims to take control or have a significant minority stake. The Master Fund intends to invest a minimum of 75% of deployed capital in investee companies which are expected to meet the environmental and social characteristics promoted by the Master Fund in accordance with the binding elements of the investment strategy.

The environmental and social characteristics and binding elements of the investment strategy are not intended to (but may) apply to Capex investments in investee companies already under management.



Ancala may, in respect of the Master Fund, use derivatives as part of the investment strategy and fiduciary duty towards investee companies, with the sole aim of facilitating risk reduction and managing the Master Fund more efficiently. The Master Fund may use derivative instruments/contracts for the purpose of hedging, efficient portfolio management and/or implementing the investee companies' investment thesis. Environmental and social characteristics are not applied to this part of the product.

There is no commitment for the Master Fund to make sustainable investments and no commitment to align the investments with the EU Taxonomy.

6. MONITORING OF ENVIRONMENTAL AND SOCIAL CHARACTERISTICS

Ancala will deploy its tailored responsible investment process to support the lifecycle monitoring of the Master Fund's environmental and social characteristics.

At Pre-Investment stage:

- A standard set of ESG screening criteria are used to assess ESG risks and opportunities.
- Key ESG risks and opportunities are investigated further, typically in conjunction with external specialist advisors.
- ESG due diligence findings, baselines and tailored ESG plans are included in investment committee papers and factored into the investment decision.
- Strong governance rights are secured to enable Ancala to conduct active management of ESG matters.

At Active Ownership Stage:

The Ancala team works closely with management teams to:

- Ensure adequate oversight of the sustainability characteristics: roles and responsibilities are allocated at board and management team levels
- Build capacity in investee companies
- Ensure appropriate practices, procedures and resourcing are in place
- Establish environmental and social KPIs (to support achievement of the Master Fund's sustainability indicators) and a roadmap to drive continuous improvement (the "ESG Roadmap")
- Ensure progress against the environmental and social KPIs are tracked and monitored, as well as reported at the board level, at least on an annual basis
- Portfolio companies also report on compliance with environmental and social factors and disclose any actual or potential material issues, including material environmental and social incidents, which could affect the performance or the reputation of the company or the Master Fund.

7. METHODOLOGIES

The following sustainability indicators (also referred to as key performance indicators or "KPIs") are used to measure the attainment of the environmental and social characteristics promoted by the Master Fund.

Pre-Investment KPIs

ESG Exclusions	KPI 1 - Percentage of new and/or bolt-on investments (made during the life of the Master Fund) that are compliant with the ESG Exclusions
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Post Investment KPIs

Governance	<p>Elevation of ESG at the board and within management teams:</p> <p>KPI 2 - Percentage of investee companies that have ESG reported to the board and that have allocated overseeing ESG and day-to-day ESG management responsibilities</p> <p>Addressing sustainability risks and opportunities by developing and implementing a sustainability policy and implementation strategy:</p> <p>KPI 3 - Percentage of investee companies that have in place a sustainability policy and implementation strategy, covering Environmental and Social aspects</p>
Environmental	<p>Reduction of greenhouse gas emissions:</p> <p>KPI 4 - Percentage of investee companies that have achieved a reduction in GHG Intensity (for Scope 1 and 2 emissions, per revenue), from the completion of the investment.</p> <p>Inclusion of climate change risks and opportunities in investee companies risk management processes:</p>

	KPI 5 – Percentage of investee companies that consider climate change risks in its risk management processes.
Social	<p>Maintaining healthy and safe working conditions for everyone in premises and/or sites:</p> <p>KPI 6 - Percentage of investee companies that demonstrate improvement, from the completion of the investment, in health and safety practices in at least one of the following indicators:</p> <ul style="list-style-type: none"> • Total Reportable Injuries Rate (TRIF per 200,000 hrs worked) • Lost Time Injuries Frequency Rate (LTIFR per 200,00 hrs worked) <p>Promoting staff satisfaction and engagement:</p> <p>KPI 7 – Percentage of investee companies that undertake annual staff satisfaction and engagement surveys.</p>

The Master Fund will report against each of these KPIs as part of its annual reporting and in relation to the period covered by the annual report. However, given the investment strategy of the Master Fund - which includes ongoing engagement with investee companies to improve their performance against the post-investment KPIs during the period of ownership - it is possible that improvements in the post-investment KPIs may not be attained until the end of the life of the relevant investment.

Ancala will measure and monitor performance of each investee company against the KPIs listed above in accordance with the process described in section 6 above, and using data as described in section 8 below.

8. DATA SOURCES AND PROCESSING

Ancala will source most of the data directly from the investee companies themselves and via Ancala's Investment Committee. At pre-investment stage a combination of both internal and external sources will be used, but preference will always be given to sourcing data directly from the investee companies. Where that is deemed insufficient, Ancala will be drawing from publicly available sources: such as SASB, GRESB, news, World in Data, World Bank, IFC, multiple public indexes and tools.

For the areas identified as most material to the investee company, Ancala will commission independent consultants to undertake detailed due diligence and the findings will inform and influence the investment decision.

Data quality is and will continue, for the near future, to be one of the biggest challenges associated with ESG data reporting. The majority of companies, in particular in the mid-market space where Ancala operates, do not have in place the processes, technical know-how and experience in collating and reporting ESG data. In order to ensure (and where possible improve) data quality, Ancala works very closely with its investee companies and supports them with this task, deploying:

- Engagement, guidance, training and awareness raising to staff at the investee company level for the environmental and social characteristics promoted by the Master Fund
- Allocation of data collection and sign off responsibilities in the management teams and at board level for all investee companies

- Annual checks and improvement programme
- Requesting submission of evidence to support the data reported
- Scrutinising the data received from the investee companies

Data is collected and processed in-house: both by the investee companies and the ESG team at Ancala. Ancala uses standardised templates specifically designed for the collection and processing of Article 8 disclosures.

Only a very limited amount of data (anticipated to be less than 10%) is estimated. For example, where Scope 1 or 2 fugitive emissions, or travel associated emissions, cannot be measured on site, are not available for specific transport companies or means of transport, or where detailed and comprehensive methodologies are not yet available, the ESG team may use estimates and/or proxies based on the Greenhouse Gas Protocol recommendations or industry recommended guidelines and carbon accounting practices. Ancala is not planning to use industry proxies, or similar, for the greenhouse gas emissions associated with a company itself.

9. LIMITATIONS TO METHODOLOGIES AND DATA

The limitations associated with the proposed methodologies and data are associated with raw data availability and data quality, as mentioned in sections “Data sources and processing” and “Methodologies” above. These are challenges that any company and industry around the world are facing and that Ancala believes will be ironed out by the continuous focus on sustainability related disclosures.

Ancala’s aim is not to limit the companies they work with (unless they do not meet the ESG Exclusion and screening requirements including good governance practices) but instead use the power of investment, engagement and active ownership to support and influence companies to enhance their sustainability credentials.

10. DUE DILIGENCE

Please refer to sections 4, 5, and 7-9 above for detailed information on the due diligence to be carried out to ensure the attainment and data quality of the environmental and social characteristics of the Master Fund.

11. ENGAGEMENT POLICIES

As an investment manager whose strategy is to acquire majority or significant minority equity stakes in mid-market infrastructure companies, Ancala aims to exercise its rights over investee businesses and proactively engage with all investee companies, applying the principle of active ownership and in line with its fiduciary duty.

Ancala engages with investee companies to promote the following goals:

- ongoing good and effective governance practices
- ongoing compliance with all relevant laws and regulatory requirements applicable to each investee company, including environmental laws, societal laws and laws relating to the corporate entity

- the transition to a low carbon economy by working with investee companies to maximise renewable energy generation and/or use, where economic to do so, and to improve energy efficiency in their operations
- upholding employee rights and promote employee health, safety, well-being and development
- treating customers fairly, respecting their interests and promoting the highest quality of service
- considering impacts on, and benefits for, the wider community
- avoiding and mitigating negative impacts on people and livelihoods in the supply chain

In order to achieve the goals presented above for each investee company of the Master Fund, the Master Fund uses Ancala's rights to directly engage with the board and the management teams. Throughout the asset management period, the Industry Partner, the dedicated Asset Manager and the ESG Manager for any particular investment, will take overall responsibility for the investment. Their engagement activities will include:

- Actively managing and positively influencing the performance of the investee company through use of Ancala's board seat representation and voting rights
- Overseeing implementation of the ESG Roadmap and broader business plan for the investee company, including the establishment of short- and long- term management objectives
- Working closely with the management team during the initial investment period to implement the ESG KPIs resulting from the ESG performance baseline review process and gather additional data, where appropriate
- Sharing knowledge and experiences between investee companies
- Establishing a reporting framework that promotes transparency and allows for effective control and management of the business, as well as meeting Ancala's ESG reporting requirements to its investors: reporting on ESG matters (incidents, progress against agreed action plans, actions taken) as part of the reporting requirements and periodic review meetings.
- Working with the management teams and/or supporting them in improving ESG practices within the company.

If the development of an investee company requires corrective action, the Asset Management Team will discuss the corrective steps to be taken with the Ancala Investment Committee. A formal corrective action plan (e.g. ESG Roadmap) will be established with target milestones and dates.

Investee company reporting to the Asset Management Team will be done on at least a quarterly basis to closely monitor developments. The data will then be processed and compiled to be reported to investors on an annual basis.

Between these reporting dates, the Asset Manager and/or ESG Manager will typically be in regular contact with management to discuss key developments.

12. USE OF INDEX AS A REFERENCE BENCHMARK

Ancala has not designated an index as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.

13. ADDITIONAL INFORMATION ONLINE

Ancala's ESG Policy is publicly available and can be accessed through the following URL:

<https://ancala.s3.eu-west-2.amazonaws.com/ancala-esg-policy.pdf>.

Ancala's pre-contractual disclosures can be found on the following website:

<https://login.global.datasite.com/login/?flowId=QKTTr>

Further information regarding Ancala's approach to ESG matters for the Master Fund is available to prospective investors on request.