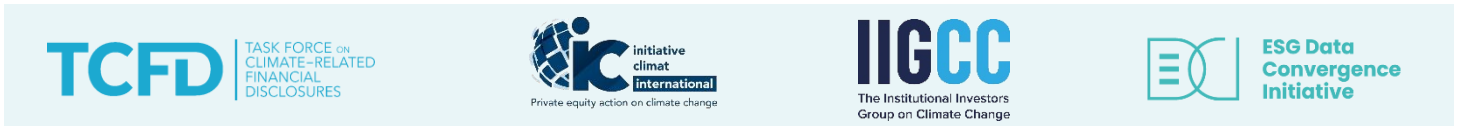


AltamarCAM's path to a low carbon future

The climate emergency requires immediate action by institutions, companies and citizens themselves. At AltamarCAM, we are aware of the role of the financial sector in the transition to a clean economy and have therefore developed a decarbonization strategy for our activities, based on reduction, compensation and active engagement

Climate-related initiatives

To strengthen our commitment, improve our knowledge, enhance our procedures and benefit from collaborative work, in the past year we have joined the following climate-related initiatives:



AltamarCAM's emissions: where and how

Over the past four years, we have been conducting a comprehensive carbon footprint measurement and analysis at the operational level¹: Scope 1, Scope 2 and reduced Scope 3. The results from 2022 (466 Tons of CO₂) have revealed that our carbon footprint continues to be predominantly influenced by air travel and employees commuting by car to the office (overall 76%). In response, we have been actively working towards our carbon neutrality commitment developing tailored reduction initiatives across our global offices, while simultaneously offsetting the remaining emissions.

On the other hand, as investors, a considerable percentage of our footprint derives from activities and companies we hold in our portfolio. These emissions, as we operate as a fund of funds in private markets, are challenging to measure and reduce. Nonetheless, we have accumulated years of experience in this domain, engaging with the General Partners (GPs) to collect essential climate information and fostering dialogue on emission reduction strategies, thereby driving positive change within our investment ecosystem.

Carbon-Reduction strategy in a nutshell

	Scope 1 (4%)	Scope 2 (20%)	Scope 3 (76%)	Scope 3 Investments ²
Emissions covered	<p>Combustion of fossil fuels Company vehicles</p>	<p>Purchased electricity, steam, heating and cooling</p>	<p>Employee commuting Business travel</p>	<p>Investments</p>
Direct reduction	<ul style="list-style-type: none"> Efficiency criteria Electrification of the fleet 	<ul style="list-style-type: none"> Renewable energies transition 	<ul style="list-style-type: none"> Travel Policy to efficient mobility Agreement with ridesharing platforms 	<ul style="list-style-type: none"> Emissions reduction protocols (applicable to direct investment strategies)
Engagement	<ul style="list-style-type: none"> Employees (awareness) Suppliers (ESG criteria in selection) 	<ul style="list-style-type: none"> Employees (awareness) Suppliers (ESG criteria in selection) 	<ul style="list-style-type: none"> Employees (awareness and incentives for sustainable mobility) Clients (remote meetings) 	<ul style="list-style-type: none"> General Partners (awareness, ongoing dialogue and decarbonization-related requirements)
Offsetting	<ul style="list-style-type: none"> Certified carbon-capturing projects 			

¹Scope 1: Emissions from sources owned and controlled by the group. Includes facilities and company vehicle / Scope 2: Emissions from electricity, heat or steam purchased / Scope 3: Employee commuting and business travel

²Work In Progress

Carbon neutrality in operations since 2019

Since 2019, AltamarCAM has been committed to achieving carbon neutrality in its operations. Accordingly, we have launched the Climate Action Journey³, a comprehensive plan approved by our ESG Committee. This transformative initiative encompasses eight key measures and 21 actionable steps implemented across all our offices. Guided by "The Oxford Offsetting Principles," our approach prioritizes emission reduction efforts as the primary strategy before considering offsetting measures. This program highlights the active engagement and participation of our employees, who play an essential role as drivers of sustainable change.

Offsetting principles of AltamarCAM



Reduce to the maximum extent



The project is aligned with the SDGs⁴



The project is carbon capturing



Local projects whenever possible



The project is sustainable over time

Climate Action Journey

1

First step: emissions reduction plan

Reduction measure	Actions
Scope 1: direct emissions	
Energy efficiency in offices	Integrate efficiency and environmental criteria when selecting new equipment
Sustainable mobility plan (cars owned by the company)	Considerate only electric or hybrid vehicles in the selection of the Firm's fleet
Scope 2: indirect emissions	
Renewable energy	Contract energy certified as 100% renewable in all offices where possible
Lighting and equipment efficiency	Implement luminaires with LED bulbs; movement detectors and energy-efficient appliances
Scope 3: indirect emissions	
Sustainable mobility plan: commuting	Engage with transportation companies (i.e. Uber), building owners (electric chargers) and other groups to foster collaboration and support to encourage innovation in sustainable transportation and promote advantages
Sustainable mobility plan: business travels	Progressively substitute national flights that have speed train connections to trains; acquisition of environmentally friendly tickets for flights for corporate events
Sustainable events	Offset 100% of the emissions generated in main events; create a sustainable event policy
Employee engagement	ESG snapshots and training focused on climate aimed at employees on best practices and how to reduce the individual footprint

2

Second step: Offset the emissions you cannot avoid

Since 2019, all emissions that could not be reduced by other means have been offset in certified carbon capturing projects, mainly local and with a positive impact on SDGs. **AltamarCAM's forest** in Pontevedra, Spain is the flagship project helping in the reforestation of Galician forests damaged by fires whilst also contributing to local employment for disadvantaged groups supported by the Red Cross.

³A climate task force has been created including members of different teams to tackle Climate Action within the firm

⁴United Nations Sustainable Development Goals

Climate management in our investment activity

The calculation and management of funded emissions is the starting point to align the portfolio with the Paris Agreement and it presents attractive opportunities from the investment perspective:

<p>Credibility, transparency and brand reputation</p> <p>By setting and reporting science-based targets</p>	<p>Increase resilience against upcoming regulation</p> <p>Reduces exposure to future carbon emissions-related regulation</p>	<p>Competitive advantage through efficiencies</p> <p>Helps to identify energy efficiencies and cost reduction opportunities</p>	<p>Risk identification & management in the portfolio</p> <p>Portfolio decarbonization pathways are key to managing transition risk</p>	<p>Shareholder value</p> <p>Organisations that can identify and understand long-term risks and opportunities are more attractive</p>
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Climate-integration: Portfolio approach

AltamarCAM recognises the above-mentioned opportunities and is taking the necessary steps to carry out a more active management of emissions within the scope of its investment activity. It should be noted that in its role as a fund of funds manager, the Firm focuses its effort on engagement strategies with General Partners (GPs).



+€18.2b
AUM



+400
GPs

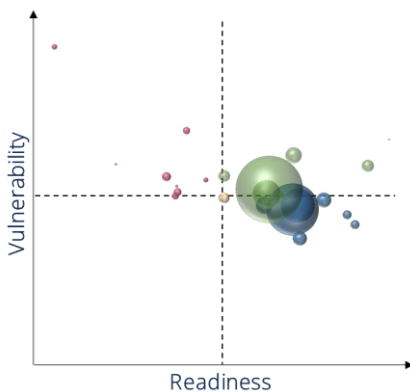


+13.000
Underlying companies

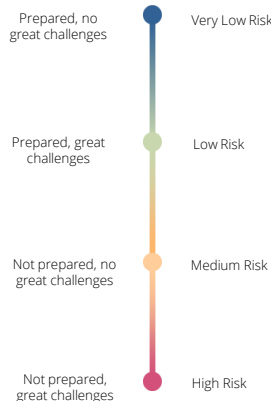
AltamarCAM has introduced an extensive ESG Due Diligence Questionnaire (DDQ) to advance its environmental, social, and governance objectives. The DDQ mandates comprehensive reporting from General Partners (GPs) on climate-related risks, key performance indicators (KPIs), scenario analyses for investment risks, portfolio emissions indicators, and firm-wide targets concerning Climate Change. Furthermore, AltamarCAM has developed an in-house Climate Risk Model for thorough post-investment monitoring at the portfolio company level (refer to the image below). This model incorporates internationally recognized climate indices to assess the location-based risks and evaluates 96 industry sectors to examine their impact on achieving the targets outlined in the Paris Agreement.

Climate rating

Country climate-related risk: ND-Vulnerability Index



(Colour scale used for both index's)



Industry climate-related risk: Heat-Map

Effect	Scenario 1: 1.5°C ¹	Scenario 2: Clear miss of target ²
Policy	Green	Dark Blue
Technology	Green	Dark Blue
Market	Dark Blue	Dark Blue
Reputation	Green	Orange
Physical	Green	Red

¹ Scenario 1: Meet targets of Paris Climate Agreement – temperature increase by 1.5°C

² Scenario 2: Clear miss of targets of Paris Climate Agreement

Source: Internal data

Source: ND Vulnerability Index, Website: <https://gain.nd.edu/our-work/country-index/>