CLIMATE AND TCFD REPORT - AMETHIS

Version : June 2025

EXECUTIVE SUMMARY

1. **Climate fully integrated into our ESG processes:**

Climate considerations are embedded at every stage of the Amethis investment process, from early screening to portfolio monitoring. This ensures that climate risk and opportunity are systematically considered alongside all other ESG factors.

2. **Risk identification at key stages of the investment cycle:**

Climate risks are assessed through a three-step process:

- Internal early screening by the deal team and the ESG team, based on company characteristics and sector exposure.
- Pre-due-diligence assessment using the Axa Altitude tool to identify both transition and physical risks and to produce an initial GHG estimate.
- Full ESG due diligence, which reviews the carbon emission profile of the company, transition and, where relevant, physical risks, leading to a post-closing ESAP including at least one climate-related action (GHG inventory and emissions-management plan).

3. **Progressive approach aligned with the Initiative Climat International (iCI):**

We help portfolio companies advance step-by-step along their climate journey: *No measurement* ➔ *Measurement* ➔ *Action plan* ➔ *Quantified results*. This approach aligns with the Private Markets Decarbonisation Roadmap (PMDR) and focuses on intensity reduction and operational improvements.

4. **Clear and regular climate and ESG reporting to LPs:**

Amethis provides transparent climate and ESG disclosures to LPs through annual E&S monitoring reports, quarterly financial reports with ESG sections, SFDR reporting, and LP-specific questionnaires.

5. **Continuous improvement of our approach:**

Our climate strategy evolves with each fund, incorporating lessons learned from past investments, growing coverage of GHG measurements, and enhanced tools and procedures to manage both transition and physical risks.

Contents

1. Governance

Our climate approach mobilises all Amethis teams: Investment, ESG, and AIFM (compliance, risk).

1.1 Governance structure

Team	Climate-related responsibility
Investment team	- Leads the integration of ESG and climate topics in pre-investment work. - Discusses ESG and climate issues with management and at the boards of portfolio companies. - Monitors climate action plans throughout all phases (due diligence, legal, reporting, exit).
ESG team (3 FTEs)	- Conducts physical and transition risk assessments (using Axa Altitude and with the support of specialized consultants). - Drafts the ESAP based on the ESG due diligence, sets carbon objectives, coordinates follow-up, and trains the teams.
AIFM	- Ensures compliance and traceability of climate processes with our commitments, including the presence of ESG analysis in investment memos. - Ensures preparation of SFDR disclosures and E&S reporting to LPs.

1.2 Incentives

Our incentive framework is designed to align both Amethis teams and portfolio companies with the achievement of our climate and ESG objectives:

- **For Amethis teams:**
  - ESG factors are integrated into team variable compensation.
  - Fund III: 20% of carried interest is indexed to 5 KPIs, including the completion of carbon footprints and the definition of improvement targets.
- **For portfolio companies:**
  - Contractual obligation to implement the action plan, with a **put option** in case of refusal or material failure to implement it.

1.3 Commitments and reporting

- Commitments are formalized in :
  - PPMs
  - Side letters
  - SFDR templates (article 8 or 9)

- Participation in industry-wide initiatives:
  - Initiative climat International
  - Operating Principles for Impact Management
  - UN Principles for Responsible Investing

- We disclose ESG (including climate) information in the following documents:

Document	Type	Frequency	Public
E&S monitoring reports	PPT - 50 pages	Annual	LPs
Public annual report	PDF - 50 pages	Annual	Public (website)
Quarterly reports	Word - E&S sections	Quarterly	LPs
Various LP questionnaires for each fund	Excel or online	Annual	LPs
Fund-level SFDR reporting (in annual report)	Word - 5 pages	Annual	LPs
Fund-level SFDR reporting online	Online	Annual	CSSF
Reporting SFDR PAI	Word - 4 pages	Annual	LPs
Questionnaire UN PRI	Online- 100 questions	Annual	UN PRI
Impact Principles report	Word - 10 pages	Annual	Public (site internet)
Label Relance	Excel and online	Semi-annual	Ministère de l'Economie
ESG Panel AF III	Panel	Semi-annual	LPs
Advisory committee	PDF - 4-5 pages	Semi-annual	LPs

2. Strategy

2.1 Climate context and positioning [scope: Africa]

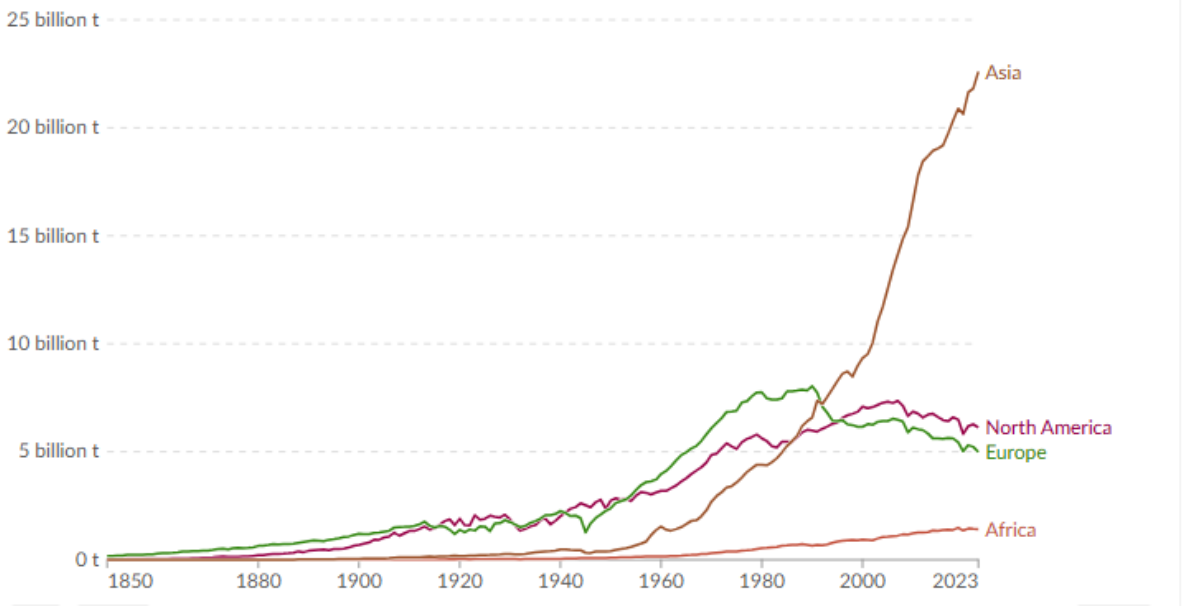
Our understanding of the challenge

As a private equity investor, we believe the climate challenge in Africa cannot be solved through top-down emissions cuts. Instead, we focus on unlocking growth pathways that raise living standards while improving carbon efficiency.

Africa emits less than 4% of global CO2 despite representing 18% of the world's population. Yet over 600 million people lack electricity access, and the average African emits 15× less CO2 than an American.

⇨ The real challenge is not to reduce emissions at all costs - but to enable inclusive development without locking into a fossil model.

*Annual CO2 emissions**

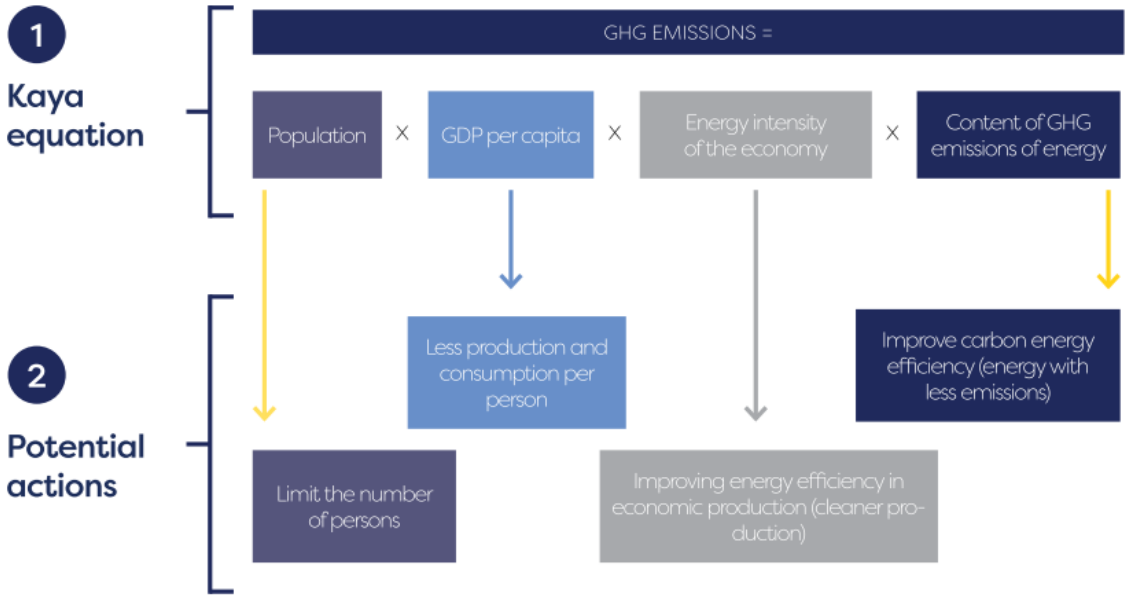


* CO2 emissions from fossil fuels and industry. Land-use change is not included.

Source: Global Carbon Budget (2024)

What really drives emissions - and how we act as investors

We use the Kaya equation to guide our strategy. It breaks down GHG emissions into four drivers: Population × GDP/capita × Energy intensity × Carbon intensity



At Amethis we focus our climate action focuses directly on two drivers:

- Consumption per capita / economic development
- Energy efficiency in production

As private equity investors, we act on two of these drivers:

A. Driving economic growth that accelerates the demographic transition

- Our investments strengthen formal employment, healthcare, and local supply chains.
- Over time, higher incomes correlate with lower fertility - a key enabler of climate resilience.

Across Africa (1990–2023):

Country	**Fertility ↓**	**GDP/capita ↑**
Niger	7.5 ➔ 6.1	$630 ➔ $1,578
Kenya	6.1 ➔ 3.2	$2.3k ➔ $4.8k
Mauritius	2.3 ➔ 1.4	$10.7k ➔ $26k

B. Reducing emissions intensity at the company level

We support companies to:

- Replace inefficient assets (e.g. lighting, logistics, industrial equipment)
- Shift from diesel to solar, hybrid, or grid-based power
- Implement climate action plans using intensity-based emissions targets

This is where private equity can deliver impact fast, through capex and better climate governance.

Two futures, one decision point:

We illustrate this with two simplified demographic and emissions scenarios for 2050:

Scenario	**Population**	**CO2/capita**	**Total CO2**	**Outcome**
No investment	2.5B	1 t	2.5 Gt	High poverty, rapid population growth
Inclusive growth	2.0B	1.5 t	3.0 Gt	More access to goods and services, sources of income, and better resilience at a larger scale

⇨ Comparable emissions, but radically different worlds. The choice lies in how -and where- we invest.

Our conviction as investors :

False choices	Our belief
Climate vs. development	⇨ Climate through development
Reduce emissions all over the world, equally	⇨ Focus on intensity in Africa, not immediate volume
Growth is a threat to emissions management	⇨ Growth is the lever to sustainable emissions management in Africa

Investing in Africa means investing in the conditions for long-term climate and social resilience.

2.2 Our six climate principles

Our approach is aligned with the principles of the Initiative Climat International (iCI), the leading coalition of private equity investors committed to climate action and Paris-aligned investment practices.

initiative climat international
Private equity action on climate change

3.2.1 How we embed climate into Amethis' own strategy and investment process:

1. Set clear, context-sensitive climate ambitions:

- We define climate goals tailored to emerging market realities, focusing on emissions intensity and fair transition pathways, aligned with local development needs.

2. Embed climate in the investment process:

- Since 2022, climate risk and opportunity have been assessed systematically during due diligence. For each deal, we identify potential decarbonisation levers and estimate exposure to physical and transition risks.
- We also integrate ESG expectations into legal documentation.

3. Communicate transparently:

- We report on climate-related actions, share lessons learned, and align with international frameworks (such as the International Climate Initiative).

3.2.2 How we work with our portfolio companies to measure, manage, and reduce emissions on the ground:

4. Measure and monitor emissions:

- We encourage portfolio companies to assess their GHG emissions (Scopes 1 and 2, and 3 where material) and are increasing the proportion of our portfolio covered by carbon footprints.

5. Turn measurement into action:

- Several companies have started to implement action plans following carbon assessments, focusing on energy efficiency, renewable energy, or resources consumption.

6. Support companies in their climate journey:

- Climate action is often new to our investees, so we invest time and resources to build ownership and internal capabilities.
- We provide training and strategic guidance to portfolio companies, and mobilize funding to encourage adoption.

2.3 Decarbonisation roadmap (PMDR): where our portfolio stands

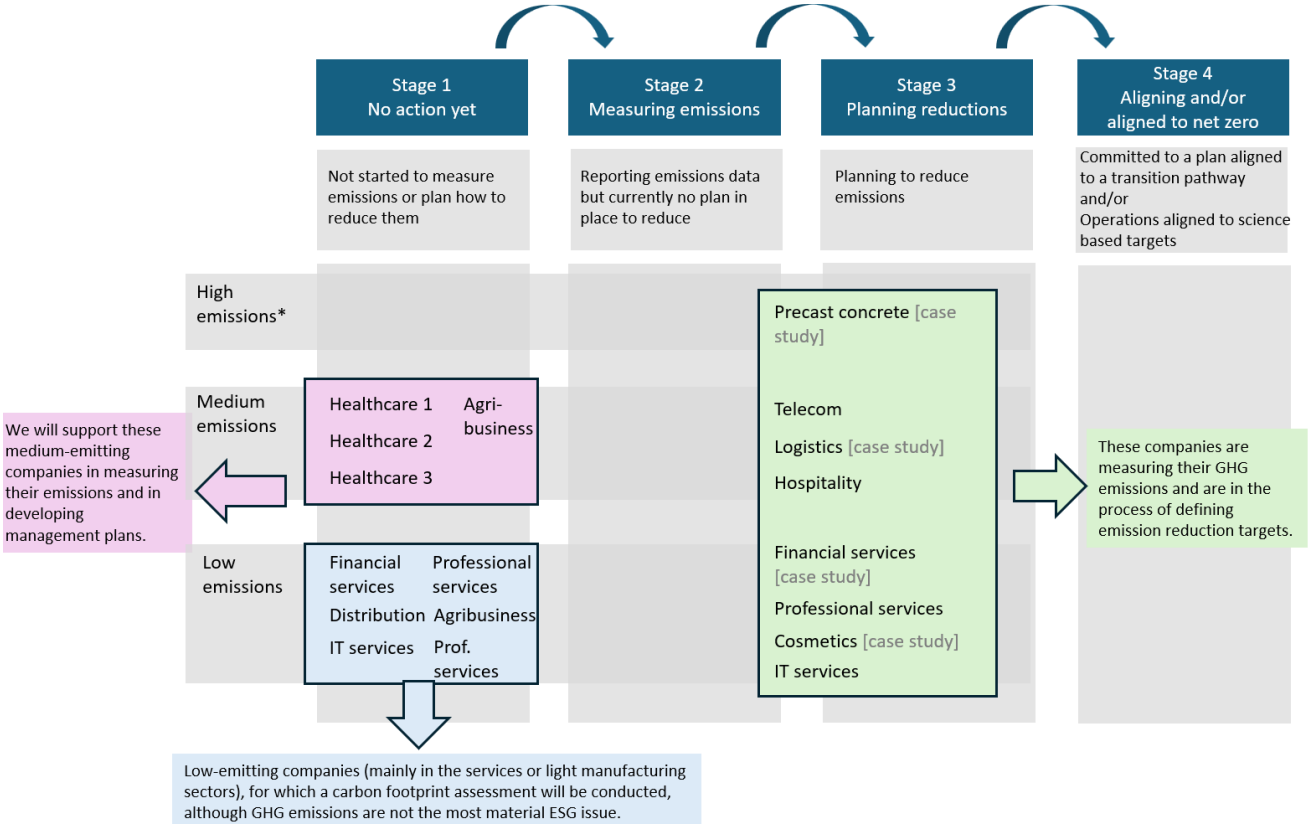
At Amethis, we support our portfolio companies in advancing progressively along their climate maturity pathway, from initial awareness to emissions measurement, action planning, and alignment with science-based targets.

This includes guiding them through their first carbon assessments, helping define clear objectives, and supporting the implementation of concrete emission reduction actions.

The graphic below provides a visual representation of our portfolio's climate progress, based on the framework set out in the *Private Markets Decarbonisation Roadmap (PMDR)*.

Companies are positioned on the graphic according to:

- their estimated level of emissions* (low / medium / high), and
- their maturity stage, from *no action yet*, to *measuring emissions*, *planning reductions*, and finally *aligning or aligned with net zero*.



* This emissions level classification is a simplified category to improve readability. It is based either on a detailed carbon footprint assessment or on estimates derived from the company's sector and financial data.

Companies marked with the mention "[case study]" are presented with a case study further below in the report.

2.4 Scenarios

Amethis applies a three-layer scenario framework to assess climate risks for investments in Africa, depending on the materiality of climate risks (which differ especially depending on the sector of the company):

1. Transition-risk scenarios (policy and market changes). This can typically include a scenario around an organised Transition (< 2 °C ; gradual trajectory, rising carbon price) and one around a more disruptive transition (< 2 °C ; delayed action followed by carbon-price shock).
2. Physical-risk scenarios (climate hazards and exposure). Scenarios used include SSP1-2.6, SSP2-4.5, SSP5-8.5 (IPCC AR6) at 2030 and 2050 horizons, via Axa Altitude.
3. Paris-Agreement alignment filter (compatibility with < 2 °C pathways and local Nationally Determined Contributions).

3. Risk management

3.1 Identification

Climate risk identification follows a three-step process:

1. Early screening: The deal team and the ESG team identify potential climate risks at the earliest stage of screening. At this point, information is limited, and the assessment is primarily based on the company's key characteristics and its sectoral exposure.
2. Pre-due-diligence assessment: Before formal due diligence, Amethis conducts an internal analysis using the Axa Altitude tool, which allows us to identify both physical and transition risks and to produce a first estimate of the company's GHG emissions.
3. Full due diligence: During the ESG due-diligence phase, climate risks are systematically assessed. This includes transition-risk analysis for all companies and physical-risk analysis whenever the nature of the business or its location makes it relevant.

3.2 Risk management

- Each ESAP includes at least one climate action: completion of a GHG inventory, followed by a plan and a target for intensity reduction or absolute reduction.
- Monitoring is performed through annual questionnaires and on-site visits.
- ESG reporting, including climate aspects when material, is presented to the board of each portfolio company.
- Technical-assistance facilities (e.g., DEG, Swedfund, Bpifrance) are mobilised to finance energy audits, GHG inventories, or climate-adaptation plans.

3.3 Key documents for climate risk management

Key documents used in our climate risk and impact process include:

- Climate exclusion list (see annex).
- Paris Agreement screening procedure.
- Screenings conducted using the Axa Altitude tool (physical and transition risk assessments, preliminary GHG estimates).
- Climate assessments performed during due diligence by specialised consultants.
- Technical assistance missions carried out by external climate experts to support portfolio companies.

4. Metrics and targets

Fund	Adjusted total emissions (t CO2e)	Intensity (tCO2e / €M invested)	Main emitters	Targets
Fund II	583,680	2,239	Avacare & Merec = 54 % of emissions (= 310 kt). SIBM: 9,189 t CO_2e/€M.	Emission-management plans implemented for the main emitters whenever feasible.
MENA II	21,833	770	Magriser 33 %, Globex 28 %, Energy Transfo 28 %.	
Europe Expansion	30,318	1,523	GOA = 86 % (25,876 t); CBS 12 % (3,673 t); HBA 3 % (769 t).	

Methodological comment:

- Emission factors are selected on a case-by-case basis according to sectoral or geographic relevance (IEA 2022, DEFRA 2023, and national databases). All calculations are performed in accordance with the GHG Protocol.
- This approach ensures consistency with international standards and maintains auditability for LPs, while allowing fund-level metrics to remain comparable over time despite differences in portfolio composition and data maturity.
- Scope 3 categories may vary from one company to another depending on their business model and data availability, which can limit full comparability across portfolio companies.

Annexes

Glossary

Term	Short definition	Use in this report
TCFD	*Task Force on Climate-related Financial Disclosures*: climate-reporting framework.	Reference framework for the entire report; structure of governance, strategy, risk, and metrics.
GHG	Greenhouse gases (CO_2, CH_4, N_2O…).	Basis for emission calculations and fund/company metrics.
Scopes 1-2-3	Emission categories under the GHG Protocol: direct (1), purchased energy (2), value chain (3).	Used to classify emissions of portfolio companies and aggregated fund reporting.

ESAP	*Environmental & Social Action Plan*: post-closing contractual action plan.	Includes at least one climate-related action (GHG inventory and reduction plan).
iCI	*Initiative Climat International* (private-equity climate coalition).	Framework guiding our decarbonisation roadmap and LP alignment.
PMDR	*Private Markets Decarbonisation Roadmap 2024*.	Internal roadmap to move companies from "Measure" ➔ "Plan" ➔ "Net-Zero alignment".
NDC	*Nationally Determined Contribution* (Paris Agreement).	Used in Paris-alignment screening to check portfolio consistency with country pledges.
WACI	*Weighted Average Carbon Intensity* (tCO2e / €M revenue).	KPI used in LP reporting and fund-level intensity calculations.
IEA	*International Energy Agency*: source of emission factors and energy-sector scenarios.	Provides emission factors and scenario inputs for transition-risk analysis.

Climate case studies

1. Case study - SIBM: precast concrete in West Africa

Geography: Côte d'Ivoire

Sector: Precast concrete and construction materials

Context: SIBM is the market leader in precast concrete in Côte d'Ivoire, supplying infrastructure and utility projects. Cement-based products are carbon-intensive, with most emissions concentrated in upstream materials (scope 3). Amethis supported SIBM in carrying out its first carbon footprint and preparing for certification ISO 14001 on environmental management.

Environmental and climate actions:

- First carbon footprint completed (2023), 96% from scope 3 (materials, transport, waste)
- Reduction plan under development (alternative materials, fuel switching, solar electricity)
- Environmental impact mapping and waste management plan as part of he preparation for ISO 14001 (environmental management)
- Development of lower-carbon concrete mixes (e.g. for the Abidjan subway project)
- Environmental and climate topics on the agenda of the board

2. Case study - Globex: cutting carbon intensity in logistics

Geography: Morocco, Senegal, Cameroon

Sector: Logistics and transport

Context: Given the carbon-intensive nature of logistics operations (Globex operates a vehicle fleet and warehouses across three countries) Amethis prioritized the establishment of a climate program as part of its engagement. The ESAP was structured around the need to define an approach to managing and reducing carbon intensity across operations.

Environmental and climate actions:

- First carbon footprint completed (2023), 72% scope 1 (fleet fuel)
- Carbon intensity measurement adapted to the company's activity: calculation of GHG emissions in kgCO2eq/parcel and kgCO2eq/km travelled
- Emissions management actions:
    - Delivery fleet has been partly electrified (thermal motorbikes replaced by electric ones)
    - Route optimization, eco-driving programs
    - LED lights installed
- Next step: set a quantitative emissions management target

3. Case study - GlobalCorp: building a climate risk framework in financial services

Geography: Egypt

Sector: Non-bank financial services

Context: As a non-bank lender active in leasing and factoring, GlobalCorp's climate exposure is mostly indirect, through financed emissions and sectoral exposure. Upon entry in 2022, Amethis launched a climate risks and carbon emissions workstream supported by specialized consultants.

Environmental and climate actions:

- First carbon footprint conducted (2024), of which 99% are financed emissions
- Physical risk screening (heat, flood, drought) and transition risks, and included in the ESG screening of potential new clients
- Training for company's employees: climate KPIs, TCFD, decarbonization roadmaps
- Climate action plan designed with short- and long-term goals

4. Case study - HB Aesthetics: managing scope 3 emissions through more sustainable packaging

Geography: Spain

Sector: Cosmetics

Context: Plastics used in cosmetics packaging are a major source of scope 3 emissions. HB Aesthetics initiated a transition to recyclable glass containers to reduce its carbon impact.

Environmental and climate actions:

- Launch of new products primarily using glass instead of plastic
- Replacement of plastic jars with glass ones
- Share of plastic in packaging reduced from 65% in 2023 to 43% in 2024, and projected 31% by 2025
- First carbon footprint assessment completed in 2024 and published on the website of the Ministry of Ecology
- All electricity used is supplied either through on-site solar panels or certified green power purchase agreements

Climate exclusion list

Aims to exclude investments in activities that contradict global climate objectives, as defined notably in the Paris Agreement and Nationally Determined Contributions (NDCs).

Coal

- Coal-fired power plants, including dual-power plants.
- Refurbishment, retrofitting and rehabilitation of existing coal power facilities, including dual power plants.
- Coal prospection, exploration, mining, processing, transportation, tradin, or infrastructure services exclusively dedicated to support any of these activities.

Oil

- Upstream oil exploration and production.
- Midstream oil, including pipelines.
- Downstream oil, including refineries and petrol stations.
- Heavy fuel oil (HFO) or diesel-only, dual-fuel HFO or diesel/gas and HFO or diesel/renewable hybrid power plants.
- Refurbishment, retrofitting and rehabilitation of existing HFO or diesel-only, dual-fuel HFO or diesel/gas and HFO or diesel/renewable power plants leading to an increase of absolute GHG emissions (i.e. where energy efficiency measures do not compensate for any capacity or load factor increase) and/or where the lifetime of an asset that would be otherwise retired would be substantially increased.
- Projects to construct, extend or refurbish fossil fuel-fired power plants[1].
- Diesel-only mini grids.
- Diesel/renewable hybrid decentralised energy solutions (including mini grids and commercial & industrial installations) that do not meet the conditional investment criteria[2].
- Stand-alone diesel generators, where demonstrated that the option of a renewable generator is technically or commercially not feasible.

Gas

- Upstream gas exploration and production.
- Midstream/downstream gas (including gas import/export infrastructure and processing facilities) except gas transport, storage and distribution infrastructure where the primary

[1] Except for projects involving mini-grids served by hybrid power plants (combining renewable energies and fossil fuels).

[2] The following activities are eligible for investment only if the specified criteria are met: Diesel/renewable hybrid de-centralized energy solutions where:

i. A renewable-only solution has been proven as not offering sufficient reliability or cost efficiency;
ii. The diesel element is supplementary and is subsidiary to and enabling, the renewable energy project, whilst maintaining on average over time a minority share (<50 % of power generation from fossil fuels in hybrid systems with the remaining portion from renewable energy and batteries);
iii. The majority of “expected” generation should come from renewables (i.e., actual production may differ based on primary energy resource, e.g., wind, solar or hydro);
iv. The specific greenhouse gas emissions of the project are lower than 500kg CO2equivalent/MWh.

purpose is power generation consistent with a country's pathway to net zero emissions by 2050 or liquid petroleum gas (LPG) and associated facilities for sourcing, transport, storage, bottling and distribution[3].

Transport

- Transport (road/rail/port) infrastructure where the primary use is fossil fuel transport[4].
- Maritime vessels[5] using only conventional fuels (i.e. HFO, MDO, MGO).
- Conventionally fueled aircraft.
- Airport capacity expansion.

The above exclusions also apply to:

- Financing an allowed activity that exclusively serves an excluded fossil fuel activity (such as a solar plant for a coal terminal, a wastewater plant for an oil refinery).
- Financing companies or projects that exclusively provide services (including advisory), equipment, or other outputs to excluded fossil fuel activities (such as a company that exclusively provides construction services for oil exploration activities).
- Financing companies or projects that exclusively produce goods for and/or provide goods to excluded fossil fuel activities (such as a company that exclusively manufactures machine parts for use in coal-fired power plants).

Industry

- Greenfield or substantial expansions of energy intensive sectors[6] production predominantly based on traditional high-carbon processes without accompanying abatement technology such as CCS or recourse to renewable energy sources.
- Research, development and innovation (RDI) and associated manufacturing of internal combustion engine (ICE) passenger vehicles, ICE powertrains for passenger cars and dedicated components.
- Research, development and innovation (RDI) and associated manufacturing of ships and conventional aircraft using carbon-intensive fuels (i.e. HFO, MDO, MGO, kerosene) and dedicated components.

Bioeconomy and agriculture

- AFOLU/LULUCF investments and/or other projects that aim to produce or make use of agricultural or forestry products associated with unsustainable expansion of agricultural

[3] The following is authorized: LPG for cooking and heating purposes, including associated facilities for sourcing, transport, storage, bottling and distribution where:

i. The investment is substituting other higher carbon intensive fuel sources;
ii. There is no economically and technically viable renewable energy alternative;
iii. The LPG is used for cooking and heating purposes only (industrial uses are excluded);
iv. There is a clear impact case in improved living standards, reduced air pollution and increased health of consumers compared to alternative fuel sources.

[4] Primary use means more than 50 per cent of the infrastructure's handled tonnage.

[5] This refers to maritime vessels and excludes inland waterway vessels already covered under the EU Taxonomy.

[6] This would include investments in e.g. greenfield conventional coke-based blast furnace (BF/BOF) primary steel production, fully fossil-based production of chemicals and plastics, fossil-based nitrogen fertilizer synthesis, production of ordinary Portland cement clinker unless the project includes a suitable decarbonization technology (such as CCS or CCU).

activity into land that had the status of high carbon stock and high biodiversity areas (i.e. primary and secondary forest, peatlands, wetlands, and natural grasslands) on 1 January 2008 or thereafter[7].

- Biomaterials and biofuel production that make use of feedstocks that can serve as food or compromise food security.
- Export-oriented agribusiness models that focus on long-haul[8] air cargo for commercialisation (i.e. investments dependent on the long-haul, intercontinental air-cargo shipment of fresh, perishable agricultural goods).
- Meat and dairy industries based on production systems that involve unsustainable animal rearing and/or lead to increased GHG emissions as compared to best industry, low-carbon standards/benchmarks[9].

[7] The cutoff date is set to be consistent with the one recommended under the EU Taxonomy DNSH criteria for agriculture and forestry

[8] Following Eurocontrol's definition, long-haul is taken to be longer than 4 000 kilometres.

[9] Investments in the meat and dairy industries considered by the Bank for finance should demonstrate improved GHG efficiency through, for example, alignment with the EU Taxonomy criteria in agriculture, the promotion of eco-efficient animal management systems or the promotion of grass and other lignocellulose-centred feeding regimes for ruminants.