CapitalDynamics®

TCFD REPORT
2024

A message from our Responsible Investment leadership

Dear Valued Partner,

As leaders in the field of Responsible Investment (“RI”), we are proud to present our latest Task Force on Climate-Related Financial Disclosures (“TCFD”) report, reaffirming our commitment to addressing climate risks while seizing opportunities for sustainable growth. Central to our approach is a deep understanding of the intrinsic link between climate change and financial performance, alongside a steadfast focus on actively managing these dynamics to deliver long-term, risk-adjusted returns for our clients.

This year we implemented a number of initiatives that reflect our commitment to continually advancing how we identify, assess, and manage climate-related risks and opportunities across our portfolios. This forward momentum strengthens our ability to safeguard investments while contributing to a low-carbon economy. We partnered with Blunomy, a leading climate strategy consultancy, to deepen our understanding of transition risks and identify new value-creation opportunities. We also expanded our use of climate transition risk analysis to our Private Equity portfolio—a significant step in extending forward-looking risk and opportunity evaluation beyond infrastructure. Additionally, we enhanced our corporate ESG questionnaire and shared it with our top 20% corporate suppliers to drive better disclosure and engagement across our value chain. To further support transparency, we began using the Position Green ESG platform to distribute a more advanced ESG questionnaire to our latest Private Equity funds. For all new Private Equity funds, we now collect EU Taxonomy alignment data and Principal Adverse Impact (PAI) indicators, supporting regulatory alignment and more informed decision-making.

A cornerstone of our efforts is the deployment of EarthScan™ by Mitiga, a cutting-edge climate risk tool. This platform enables us to assess climate hazards across all our Clean Energy investments, analyzing asset-level exposures under three distinct scenarios. These insights continue to inform strategic decision-making and investment planning. We have also made several advancements this year to strengthen our climate risk management capabilities.

In today's rapidly evolving landscape, climate change presents both material risks and strategic opportunities for investors. From extreme weather events and shifting regulations to technological innovations, the implications are broad and complex. Yet within this complexity lies significant potential - to invest in renewable energy, sustainable infrastructure, and climate-resilient innovations that drive both financial performance and lasting, positive environmental and social impact.

This report outlines the core elements of our exposure to financially material climate risks and opportunities. It demonstrates how we systematically assess, prioritize, and manage these factors to strengthen the resilience and long-term sustainability of our investments. Through comprehensive risk assessments, scenario analysis and the identification of forward-looking climate opportunities, our approach is grounded in rigorous, data-driven insights, strategic foresights, and proactive risk management.

We invite you to explore the report in detail and to get in touch with us if you wish to obtain further information.

Yours sincerely,

Verena Rossolatos

Verena Rossolatos
Director, Head of Client Relations Chair of the Responsible Investment Committee

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GOVERNANCE

Our governance around climate-related risks and opportunities

Governance of Climate-Related Risks and Opportunities

At Capital Dynamics, we embed climate-related risks and opportunities into our governance across both our corporate operations and our investment portfolios, particularly within our Clean Energy assets. Our commitment to Responsible Investment ("RI") is reflected in how we assess and respond to these risks and opportunities. Ultimately, our leadership team is accountable for making climate-conscious decisions that drive meaningful change.

Board Oversight

The Board of Directors of Capital Dynamics Holding AG ("the board") is responsible for the overall strategic direction of the firm, including climate-related matters. The board has delegated authority over internal controls and risk to the firm's Chief Executive Officer (CEO), Martin Hahn, who is also a board member and delegate. The CEO has delegated the risk management and the control framework within the group to the firm's Risks Committee (RC). The RC ensures independent monitoring and reporting of climate-related risks and controls.

Responsible Investment Committee (RIC)

The RC delegates the climate-related responsibilities to the Responsible Investment Committee ("RIC"), which is led by our Chair, who work in close cooperation with the RIC. The RIC is comprised of members of the Executive Committee ("EC") and senior leadership representing all Capital Dynamics business lines.

The RIC meets periodically to:

- Define the firm's RI agenda
- Monitor financially material RI risks and opportunities
- Align decisions with the RI alert process

Where appropriate, the RIC is informed about severe RI risks and opportunities by Verena Rossolatos, Director & Head of Client Relations and Chair of the Responsible Investment Committee, who reports to CEO Martin Hahn. As appropriate, Verena briefs the EC about RI-related matters for awareness, including financially material climate matters to the RC. When necessary, these issues are escalated to the CEO or the board's attention.

Firmwide ESG integration

Capital Dynamics fully integrates RI principles across the entire investment lifecycle, allocating sufficient resources to ESG. A dedicated team leads these efforts, reporting into Verena Rossolatos who leads the overall ESG strategy. Together, they are committed to integrating ESG initiatives at Capital Dynamics.

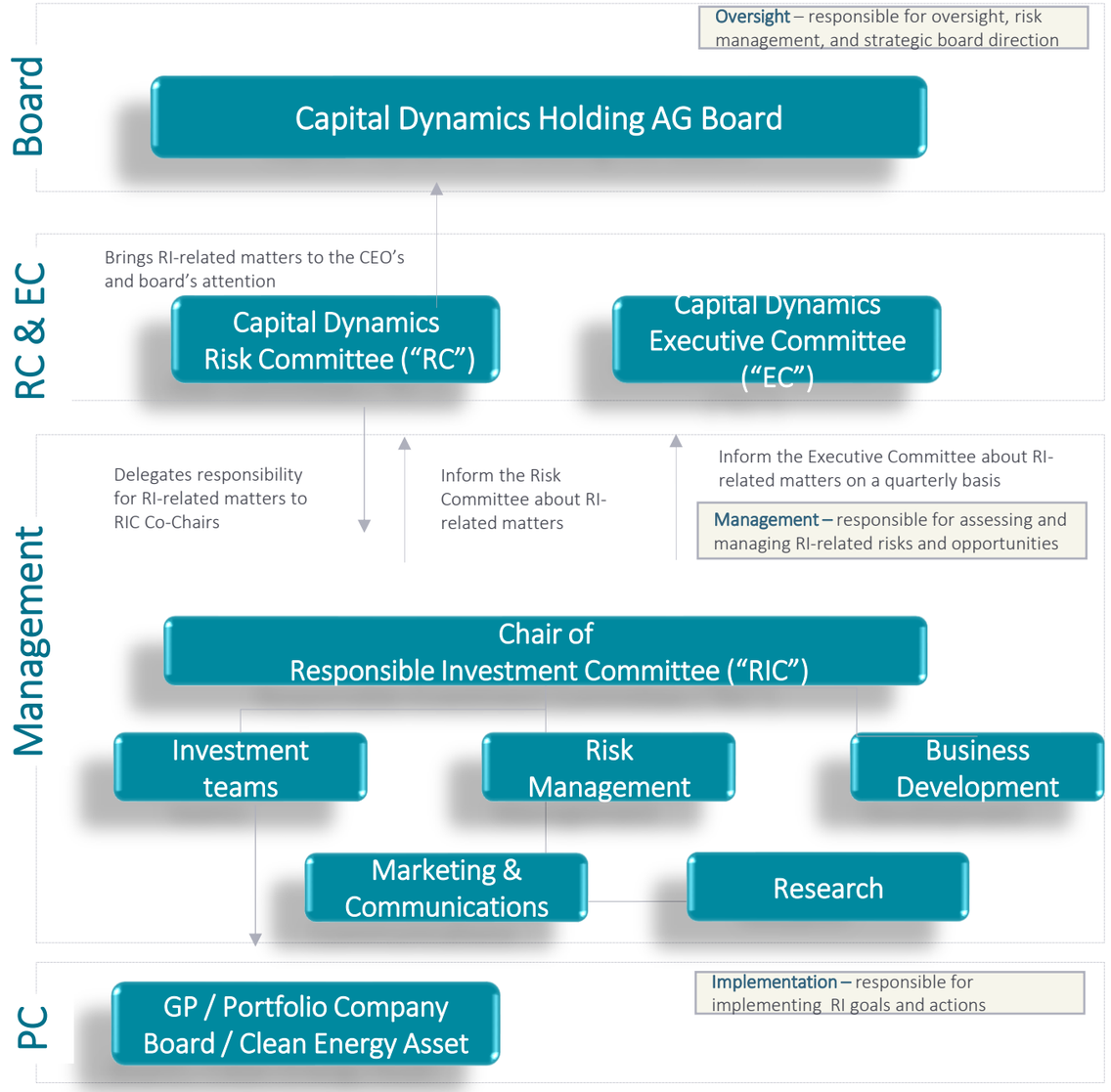

Figure 1: Capital Dynamics' Governance structure for RI-related risks, including climate-related matters

Management's role in Climate-related risks & opportunities assessment

Firmwide Oversight and Coordination

- Verena Rossolatos, Chair of the Responsible Investment Committee, reports directly to the CEO, Martin Hanh and leads firmwide efforts on climate-related risks and opportunities, including climate initiatives
- Verena assesses the climate-related risks and opportunities across functions in our firm and investment funds and reports climate-related issues and progress on targets.
- The EC includes representation from Investment Management leadership, firm management and ownership. The EC monitors and oversees progress against the Responsible Investment goals, including climate-related targets.

Investments Team Engagement

- Senior representatives from our Co-Investments team manage climate risks and opportunities at the portfolio company level, where we may hold board seats and meaningful influence to effect change.
- They utilize the EarthScan by Mitiga data and the firm's proprietary R-Eye™ rating system in the due diligence and monitoring process to identify improvement targets for the operational improvement plan and monitor energy efficiency measures and onsite renewable energy installations. In our Primaries and Secondaries investment platforms, we utilize the R-Eye™ rating system to assess a manager's RI credentials.
- Co-Heads of our Clean Energy strategy oversee and manage climate-related risks and opportunities across our renewable energy assets in the EU and UK. Insights are shared with the RIC to inform firmwide risks oversight.

Responsible Investment Committee (RIC) Role

- The RIC comprises of EC members and senior leadership representing all Capital Dynamics business lines, who meet periodically to review and prioritize climate-related risks and alerts.

RI Alert Process and Escalation Flow

- Our RI Alert protocol is designed to flag and escalate significant ESG risks through close cooperation between the RIC, Risk Management and Investment Management teams. Climate-related risks are flagged during:
  - Pre-investment due diligence
  - Ongoing monitoring, using tools such as the R-Eye™ rating system, annual RI questionnaires shared with General Partners and the RepRisk screening (AI-driven platform that screens +500,000 media documents daily to identify ESG issues and generate watch lists for RI matters).
- Identified RI issues are referred to the RIC by the Risk Management Team, who maintains watch lists to track third-party entities and supply chain risks.
- On a weekly basis, Verena Rossolatos (Chair of the RIC) and Philippe Jost (Head of Risk) review new RI alerts and flag key metrics and any high or very high-risk incident risks to the Investment Management or Operations teams (particularly for supply chain-related concerns) for further evaluation.
- The full RIC then reviews these incidents and recommends appropriate action – the RIC does not make investment decisions. To ensure swift RI risk response protocol, the RIC Chair holds observer rights on all Investment Committees.
- In the event of severe cases, Verena Rossolatos escalates firm-wide RI issues to the EC for further evaluation and consideration

Figure 2: Capital Dynamics' RI alert process

Our Responsible Investment Committee

The Capital Dynamics RI Committee members: (i) are signatories to the Firm's RI policy; (ii) review all CD investments; and (iii) set the Firm's agenda for RI training, community involvement, and thought leadership.

Responsible Investment Committee

Verena Rossolatos
Director, Head of Client Relations
Chair of the Responsible Investment Committee

Simonne Cepollina
Senior Associate
Client Relations
RIC Secretary

Marketing Communications

Carolin Hirschbiel
Senior Managing Director

Co-Investment

David Smith
Senior Managing Director

Primaries

Helen Lais
Senior Managing Director

Secondaries

Mauro Pfister
Managing Director

Research

Kairat Perembetov
Director

Clean Energy United Kingdom

Barney Coles
Senior Managing Director

Clean Energy Europe

Dario Bertagna
Senior Managing Director

Business Development

Carolyn Skuce
Senior Managing Director

Klaus Gierling
Senior Managing Director

Solutions & Risk

Philippe Jost
Managing Director

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STRATEGY

Our climate strategy consists of three main pillars

As a specialized asset-manager in the mid-sized private markets, we recognize the importance of integrating climate considerations into our investment decisions.

At Capital Dynamics, our climate strategy is built upon three core pillars – Assess, Integrate and Engage. This approach enables us to systematically identify and evaluate financially material climate risks and opportunities, forming an essential part of our broader Responsible Investment framework.

Assess

- We systematically evaluate climate-related risks and opportunities across our investment portfolio and internal operations.
- Using climate scenario analysis, we model a range of potential future outcomes to better understand climate impacts. The findings are disclosed annually in our TCFD reports.

Integrate

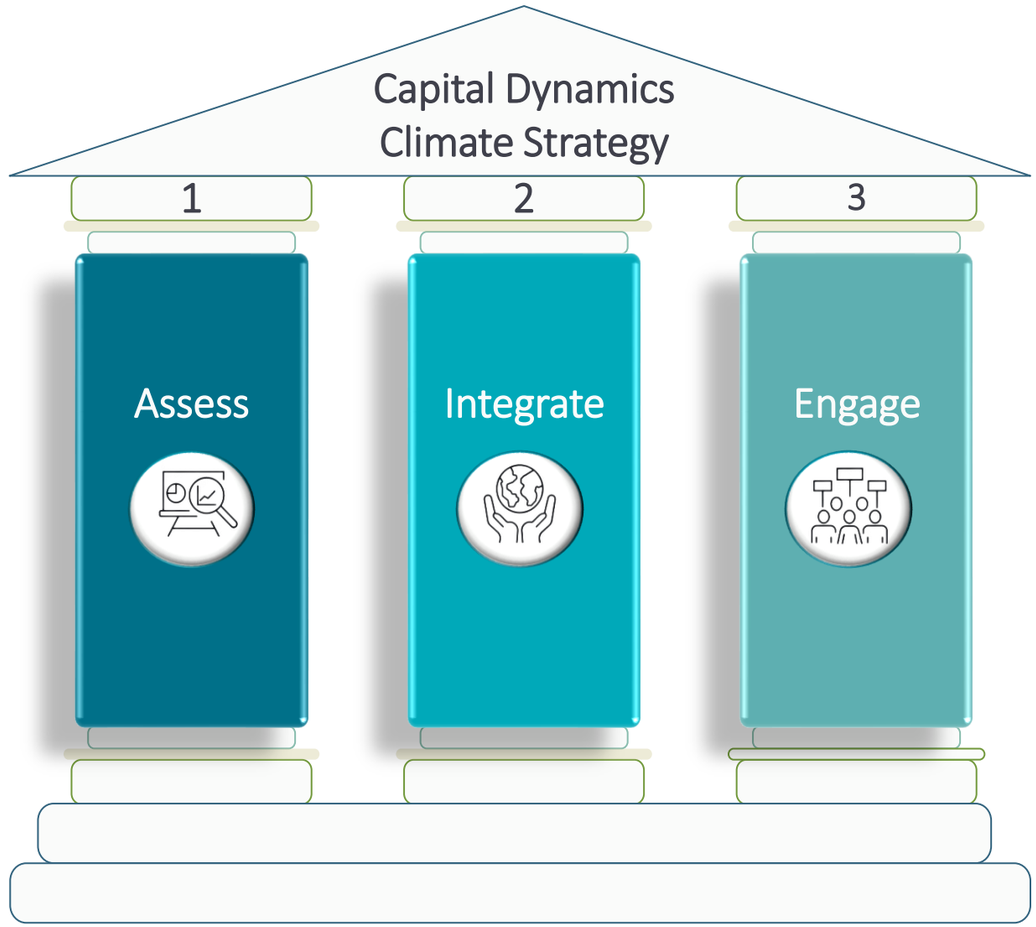
- We embed climate-related risks and opportunities into our Responsible Investment approach across all strategies
- These factors inform our firm's financial planning, business strategy, and assessments of climate resilience across investment decisions.

Engage

We leverage our insights to engage with portfolio companies on sustainability performance and climate-related improvements

We also:

- Promote best-in-class Responsible Investment practices among our GPs
- Collaborate with policymakers on sustainable finance regulation
- Support the advancement of net zero goals across the private markets



Our approach to assessing climate risks and opportunities for our Clean Energy assets

We use a structured framework to evaluate climate-related risks and opportunities, focusing on short, medium and long-term time horizons. This approach enables us to anticipate evolving climate dynamics and strategically position our investments to deliver strong, risk-adjusted returns for our clients.

2025 Near-term focuses

- Focus is on immediate climate-related risks that align with the typical holding period of many of our assets.
- Goal is to identify and implement climate adaptation measures that reduce risk and enhance resilience, laying the foundation for sustainable long-term performance.

2030 Medium- term

- Analysis aligns with expected exit timelines for certain assets within current funds raised and invested today (with a typical holding period of 3-4 years).
- Evaluate climate factors affecting exit pricing using scenario analysis to guide portfolio decisions and optimize risk-adjusted returns for our clients.

2050 Long-term

- Assess alignment with overarching global climate goals and evaluate the extent to which our portfolio supports goals of limiting global warming and other physical effects of climate change.
- Goal to position as responsible stewards of capital and contributors to sustainable development.
- Committed to aligning our Clean Energy investments with the Paris Agreement, underscoring our dedication to generating positive environmental outcomes while creating value for our clients.

What are financially material climate risks?

There are two key categories of climate risk:

1. Physical risks

- Financially material risks due to direct climate change impacts, including acute events (e.g., floods, wildfires, storms, etc.) and chronic changes (rising temperatures and sea levels)
- Risks can lead to early asset impairment, infrastructure damage, operational disruptions and increased costs.

2. Transition risks

- Financially material risks stem from market, economic and regulatory shifts in the net zero transition.
- Examples include evolving consumer preferences, green technological innovation, and policies (e.g., carbon pricing).
- Failure to adapt may lead to reputational damage, stranded assets, and lost market share. Risks can be global or country-specific, depending on local regulations.

What are financially material climate opportunities?

- Financially attractive prospects linked to the transition to a low-carbon economy and climate change mitigation and adaptation.
- We see material opportunities in projects less exposed to climate risk, such as clean energy and companies reducing GHG emissions across their value chain.
- As an asset manager, we believe these investments can deliver strong long-term returns while supporting global climate objectives.

Integration of Climate Scenario Analysis

Clean Energy assets

We incorporate three distinct climate scenarios to enhance our understanding of potential future trajectories and their implications for investment outcomes of our European Clean Energy portfolio..

The climate scenarios are based on the Scenario Model Intercomparison Project ("ScenarioMIP"), which supports the goals of the Paris Agreement and the IPCC 6th Assessment Report. They help us explore how climate change may unfold under different socioeconomic circumstances, and focus on two key types of scenarios:

1. Shared Socioeconomic Pathways (SSPs)

SSPs outline different future socioeconomic conditions, including demographic, technological, economic and policy trends. They provide plausible narratives for how society may evolve, offering insights into the underlying drivers of greenhouse gas emissions and climate impacts.

2. Representative Concentration Pathways (RCPs)

RCPs focus on different greenhouse gas concentration trajectories, representing various emission scenarios over time. They are based on assumptions about future human activities (e.g., energy use, land use, technological advancements…). RCPs enable the assessment of how different emission pathways may lead to varying levels of global warming and associated climate impacts.

By considering both SSPs and RCPs, we gain a comprehensive understanding of the interplay between societal trends, emissions trajectories and climate outcomes.

Scenario	SSP / RCP	Description
Business as usual	SSP5-8.5 / RCP-8.5	Worst-case scenario: Emissions continue to rise over the 21st century
Emissions peak in 2040	SSP2-4.5 / RCP-4.5	Emissions do not increase beyond 2040. Closely resembles current policy commitments
Paris-aligned	SSP1-2.6 / RCP-2.6	Best-case scenario: Emissions are aligned with Paris Agreement goals

The following pages outline our analysis of physical and transition risks, climate opportunities, and their financial implications for European Clean Energy investments.

Private Equity assets

Our private equity assets consist of primaries and secondaries fund investments as well as direct investments, which involve capital allocations with limited control of the underlying portfolio companies. These investments span across sectors such as healthcare, consumer staples, business services and technology with numerous embedded physicals assets across the globe. We have taken a pragmatical sector-based approach to analyze climate risks to systematically and effectively identify potential material risks. This approach can address key constraints of limited access to granular, asset-level data. We believe this is more appropriate given the available data and aligns with how climate-related exposures are likely to manifest across the relevant industries.

The methodology used to complete the transition risk analysis is explained on Page 19.

Clean Energy assets: Physical climate risks and opportunities

As an investor in clean energy assets…

We see compelling climate-related opportunities as economies accelerate the shift toward low-carbon energy systems. This transition creates strong investment potential, particularly in Europe, with positive impacts on revenue outlooks - representing a financially material climate opportunity.

As the operation of renewable energy assets typically produce minimal carbon emissions and use limited water, the transition risks associated with our Clean Energy portfolio are relatively low.

As an investor in real assets…

Our Clean Energy investments remain exposed to physical climate risks, such as damage to solar PV modules or wind turbines caused by extreme weather. This may result in increased repair costs, reduced output, and higher insurance premiums - especially in high-risk regions. Chronic climate risks, like rising temperatures or sea levels, may even lead to early asset retirement.

To address this, our European Clean Energy portfolio is geographically diversified, helping to manage physical climate exposure. We also apply a wide range of climate adaptation measures to strengthen asset resilience.

Physical climate risk exposure

Acute (event-driven) and chronic (long term) climate risks can damage assets and disrupt supply chains, leading to reduced output or sales, revenue loss, higher operating costs and potential asset uninsurability

Transition risk exposure

Transition risks emerging from policy changes, technological shifts, market dynamics and reputational pressure. These can increase costs, reduce demand for goods and services and reduce revenue.

Climate opportunities

Clean Energy investments offer attractive, financially material opportunities aligned with sustainability megatrends such as resource efficiency, innovative products and services, expanding low-carbon markets and system-wide resilience

We have implemented pioneering climate scenario tech to assess physical climate risks

Using EarthScan™ to Assess Climate Risk and Build Resilience

To effectively analyze climate risks and identify suitable adaptation measures, Capital Dynamics' Clean Energy business has implemented Mitiga's EarthScan™ platform. This advanced tool - customized in collaboration with Mitiga - enables us to assess climate-related risks across our European Clean Energy portfolio and gain valuable insights into financially material climate hazards.

Using EarthScan™, we identify and assess physical climate risks over our near focus (2025), medium (2030) and long-term (2050) time horizons. The risks included in our analysis are:

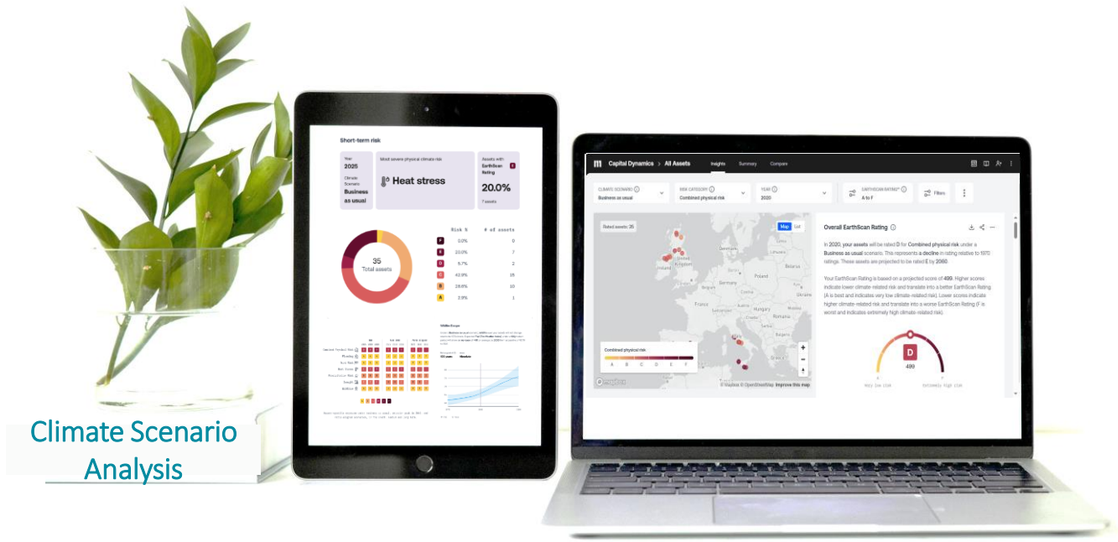
- Heat stress
- Extreme wind
- Extreme precipitation
- Flooding (coastal & riverine)
- Drought
- Wildfire

By leveraging advanced data analytics and scenario modelling, we can proactively:

- Identify vulnerabilities
- Enhance asset resilience
- Inform strategic climate responses

We use EarthScan™ climate scenario outputs to:

- Offer our clients market-leading climate risks reporting in line with the TCFD disclosure framework and in accordance with the EU Taxonomy
- Conduct pre-transaction due diligence
- Produce internal and external risk reporting on financially material climate matters
- Undertake physical asset exposure analysis and location planning to protect asset value and generate long-term risk-adjusted returns for our clients

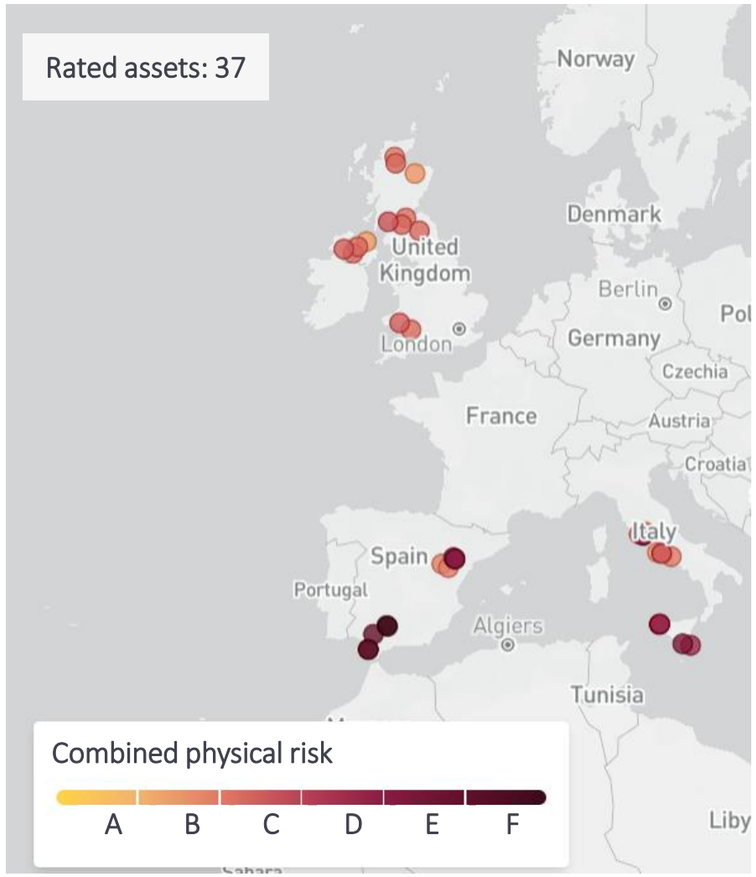


Climate Scenario Analysis

Physical climate risk exposure assessment: our European Clean Energy portfolio[1]

The map below showcases the **asset distribution** across Europe[1], alongside the EarthScan **rating** from A (very low climate-related risk) to F (extremely high climate-related risk).

While some of our solar assets are located in Southern Europe exposed to high risks of heatwaves, we have implemented strong climate adaptation measures to enhance resilience against climate risks, ultimately ensuring our assets generate optimal clean energy outputs.

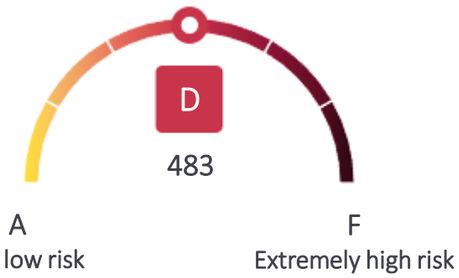


[1] EarthScan™ ratings range from A = very low risk to F = extremely high risk.

The **risk matrix** shows the portfolio's average EarthScan Rating for each **climate hazard**. This shows how average climate exposure may change over the short, medium and long-term under three scenarios: Business-As-Usual (BAU), emissions peak in 2040 and Paris-aligned.

	BAU			Peak 2040			Paris-aligned		
	2025	2030	2050	2025	2030	2050	2025	2030	2050
Combined Physical Risk	D	D	D	D	D	D	C	D	D
Flooding	A	A	A	A	A	A	A	A	A
Wind Risk	A	A	A	A	A	A	A	A	A
Heat Stress	C	C	D	C	C	D	C	C	C
Precipitation Risk	B	B	B	B	B	B	B	B	B
Drought	B	C	C	B	B	C	B	B	B
Wildfire	A	A	A	A	A	A	A	A	A

In 2025, the assets were rated D for combined physical risk under **Business-as-usual** scenario.

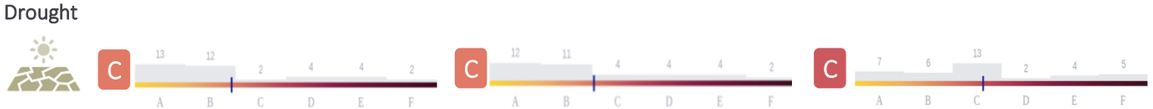
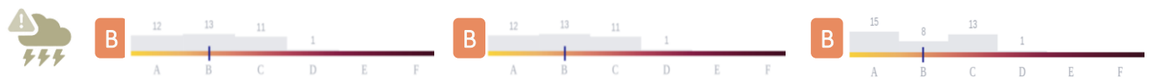
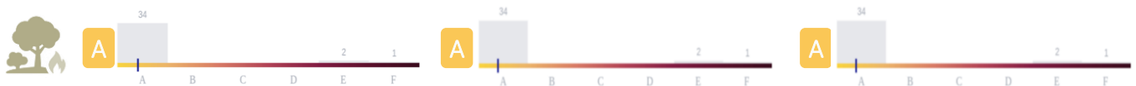
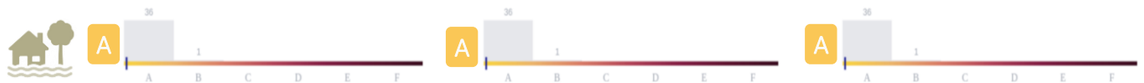
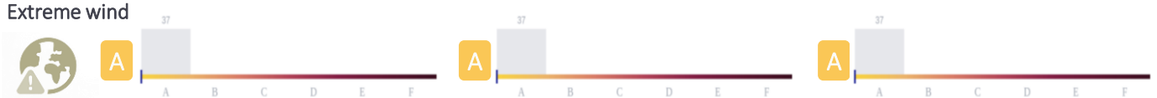


On the subsequent pages, we disclose the outputs from the scenario analysis from each of the climate scenarios: Business-as-usual, Emissions peak by 2040 and Paris Alignment.

[1] Coverage: European assets from funds CEI VIII, CEI IX, CE Europe and CE UK

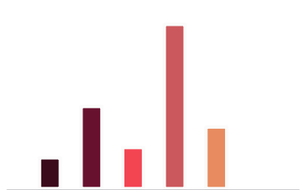
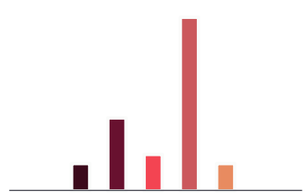
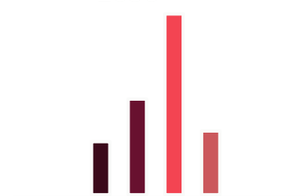
Climate scenario analysis results: Business as usual

Climate hazard risk distribution

	2025	2030	2050
	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - D**
Heat stress			
Drought			
Extreme precipitation			
Wildfire			
Flooding (coastal and riverine)			
Extreme wind			

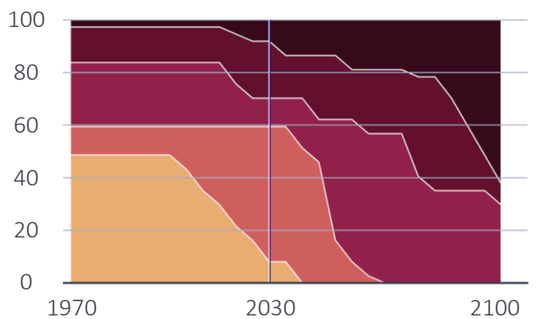
EarthScan™ ratings range from A = very low risk to F = extremely high risk

Risk rating distribution (37 assets)

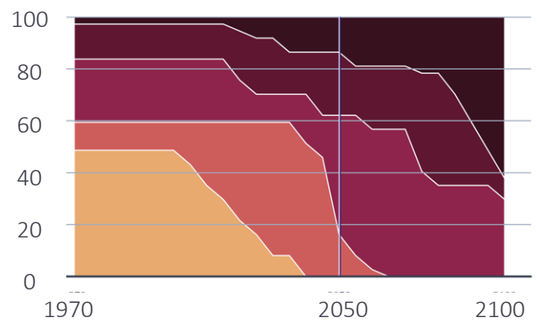
	2025	2030	2050
			
	The most common risk rating will be **C**	The most common risk rating will be **C**	The most common risk rating will be **D**
F	8.1%	8.1%	13.5%
E	21.6%	21.6%	24.3%
D	10.8%	10.8%	45.9%
C	43.2%	51.4%	16.2%
B	16.2%	8.1%	0%
A	0%	0%	0%

Risk distribution over time

The proportion of assets rated F will **increase**. By 2030, this is an increase of **2** assets rated **F.**

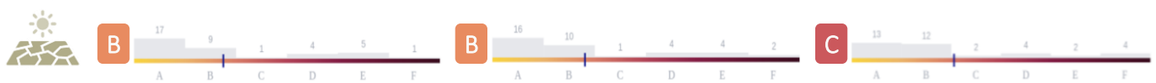
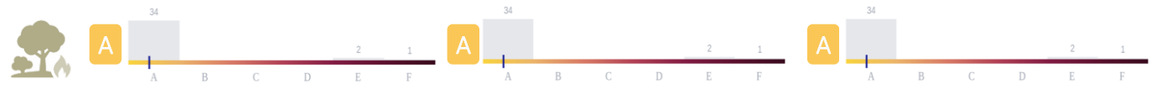
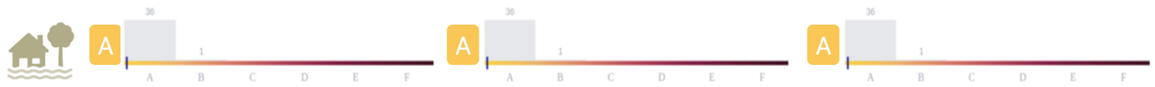
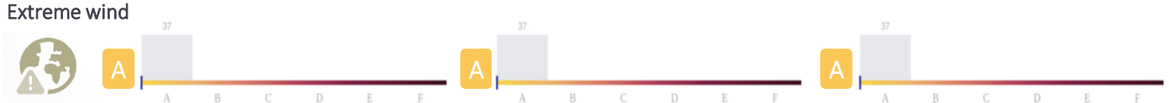


The proportion of assets rated F will **increase**. By 2050, this is an increase of **4** assets rated **F.**



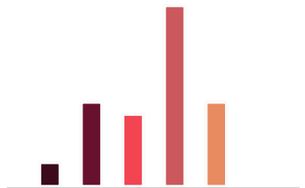
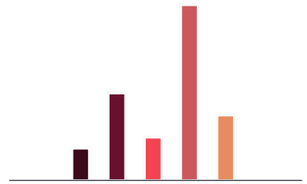
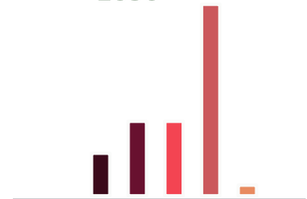
Climate scenario analysis results: Emissions peak by 2040

Climate hazard risk distribution

	2025	2030	2050
	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - D**
Heat stress			
Drought			
Extreme precipitation			
Wildfire			
Flooding (coastal and riverine)			
Extreme wind			

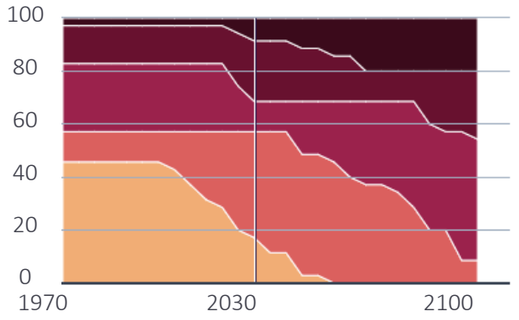
EarthScan™ ratings range from A = very low risk to F = extremely high risk

Risk Distribution (37 assets)

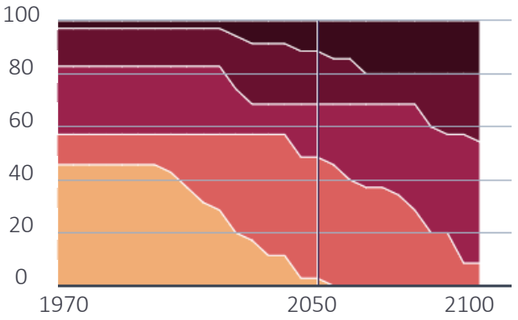
	2025	2030	2050
			
	The most common risk rating will be **C**	The most common risk rating will be C	The most common risk rating will be **C**
F	5.4%	8.1%	10.8%
E	18.9%	21.6%	18.9%
D	16.2%	10.8%	18.9%
C	40.5%	43.2%	48.6%
B	18.9%	16.2%	2.7%
A	0%	0%	0%

Risk distribution over time

The proportion of assets rated F will **increase**. By 2030, this is an increase of **2** assets rated **F**.

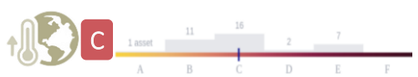
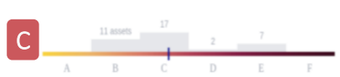
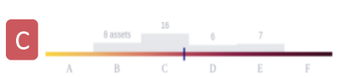
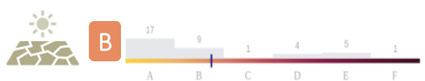
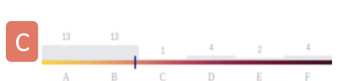
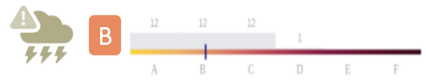
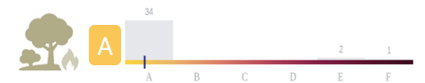
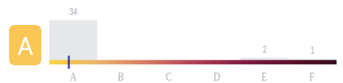
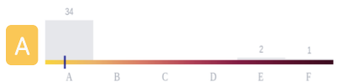


The proportion of assets rated F will **increase**. By 2050, this is an increase of **3** assets rated **F.**



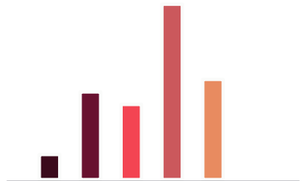
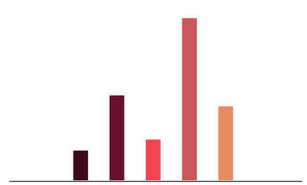
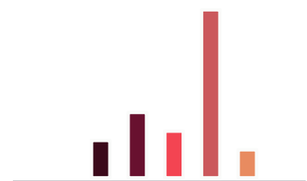
Climate scenario analysis results: Paris-aligned

Climate hazard risk distribution

	2025	2030	2050
	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - C**	The risk with the worst average rating will be **Heat Stress - C**
Heat stress			
Drought			
Extreme precipitation			
Wildfire			
Flooding (coastal and riverine)			
Extreme wind			

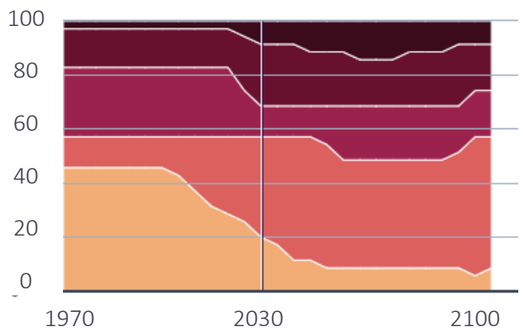
EarthScan™ ratings range from A = very low risk to F = extremely high risk

Risk Distribution (37 assets)

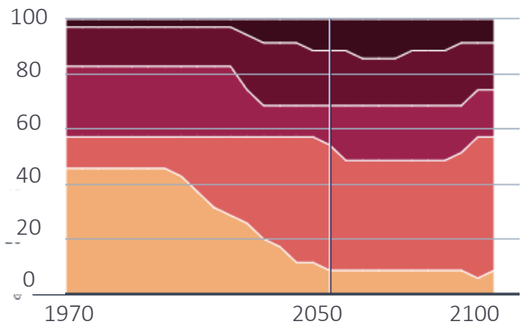
	2025	2030	2050
			
	The most common risk rating will be **C**	The most common risk rating will be **C**	The most common risk rating will be **C**
F	5.4%	8.1%	10.8%
E	18.9%	21.6%	18.9%
D	16.2%	10.8%	13.5%
C	37.8%	40.5%	48.6%
B	21.6%	18.9%	8.1%
A	0%	0%	0%

Risk distribution over time

The proportion of assets rated F will **increase**. By 2030, this is an increase of 2 assets rated F.



The proportion of assets rated F will **increase**. By 2050, this is an increase of 3 assets rated F.



Clean Energy: Financial impacts of physical climate risks

Physical climate risks could result in significant financial impacts on real assets, such as solar and wind projects, potentially influencing both costs and revenue. These risks may be direct (e.g., higher capital or insurance costs) or indirect (e.g., operational disruptions or reduced output). To help mitigate these exposures, we implement proactive climate adaptation measures to safeguard asset value and enhance resilience - supporting our ability to deliver strong risk-adjusted returns for investors.

Key financial impacts specific to Clean Energy investments may include:

Higher insurance premiums and reduced coverage

- Increased risks in regions prone to acute climate hazards (e.g., floods) could lead to higher insurance premiums for renewable energy projects.
- Insurers may also tighten coverage limits or criteria, potentially resulting in coverage gaps and financial exposure.

Reduced revenue from lower production capacity

- Severe weather (e.g., storms, heavy rain) may limit energy generation, causing downtime or underperformance of solar and wind projects.
- This could affect delivery commitments to off-takers or utilities, leading to lost revenues.

Increased operating costs

- Harsh weather conditions (e.g., extreme heat or drought) may increase maintenance costs of renewable energy projects in our portfolio.
- For example, heat and equipment degradation of solar panels could increase maintenance and cooling expenses.

Reduced revenue from lower sales/output

- Assets located in regions with lower wind speeds or limited water availability may experience reduced energy output.
- For example, falling wind speeds could impact turbine efficiency, with potential consequences for both production forecasts and financial returns.

Reduced revenue and higher costs from workforce disruptions

- Climate-related events (e.g., wildfires and heatwaves) have the potential to impact workforce wellbeing, leading to operational disruptions, lower productivity and higher labor costs.
- For example, prolonged heatwaves may pose health risks to outdoor workers, requiring additional safety measures and medical expenses.

Asset write-offs or early retirement

- Extreme weather has the potential to cause physical damage to infrastructure, possibly leading to costly repairs, full write-offs or premature retirement of infrastructure.
- These may result in impairment charges and financial losses.

Our approach to assessing transition risks across our Clean Energy and Private Equity assets

We assess the exposure of our assets to the four main categories of transition risks, as defined by the TCFD. The table below outlines these categories alongside representative examples of risks relevant to our portfolio.

Transition risk category	Policy & Legal	Technology	Market	Reputation
Description	**Risks associated with regulatory and legal changes in response to climate change**	**Risks from the development and deployment of new climate-aligned technologies**	**Risks driven by changing supply and demand dynamics in response to climate transition**	**Risks related to stakeholder perceptions and brand value**
Examples	• Implementation of carbon pricing mechanisms (e.g., carbon taxes, emissions trading systems) • Higher operating costs (e.g., mandatory compliance and reporting costs) • Removal of subsidies for non-priority renewable technologies	• Need for capital investment in low-emission technologies (e.g., battery storage) • Technological obsolescence of existing infrastructure	• Shifting customer preferences toward lower-impact or sustainable solutions • Increased cost & price volatility of critical raw materials (e.g., metals for solar/wind tech) • Growing investor demand for decarbonized portfolios impacting valuation & access to capital	• Increased scrutiny from investors, media, and civil society on climate action • Challenges attracting capital or talent due to perceived climate inaction

Clean Energy assets

For Clean Energy assets, transition risk was assessed through a blended approach, considering both sector-level dynamics and asset-specific exposures. While we focused on wind and solar projects across our European portfolio, we also accounted for broader risks and opportunities arising from the renewable energy sector as a whole. This combined perspective enables detailed analysis of regulatory exposure, technology adoption, market conditions, and reputational sensitivities—both at the industry level and based on geographic and operational specifics.

Private Equity assets

For Private Equity assets, a sector-based approach was used, reflecting the structure of our portfolio, which is primarily composed of primaries and secondaries fund investments. Due to the lack of asset-level data, we evaluated transition risks based on the sectoral exposure of the underlying portfolio companies across sectors such as Healthcare, Materials, Financials and Business Services. Analysis across all 6 Private Equity fund portfolios indicates that the largest sectoral exposures are to Information Technology (c. 18% of all Private Equity investments), Industrials (c. 16%) and Consumer Staples (c. 14%) and Healthcare (c.13%).

On the pages 20 - 23 , we present the findings from our analysis of transition risks on our Clean Energy and Private Equity portfolios.

Clean Energy: Transition risk exposure

Policy & Legal

- Changes to feed-in tariffs affecting long-term revenue certainty; most investments are merchant, and while government support is expected, uncertainty remains around future schemes
- Delays from permitting and environmental requirements (e.g., biodiversity, land use), with key risks including slow permitting, administrative delays, and strict land-use rules
- Grid access and interconnection issues exposing projects to higher costs and scheduling delays
- Import tariff uncertainty under current trade rules presenting a material risk to clean energy investments

S M

Market

- Price volatility of raw materials (e.g., critical metals) driving procurement risk; despite recent declines, import cost exposure persists
- Electricity price fluctuations in high-renewables markets increasing risks of price cannibalization and curtailment; merchant revenue streams (e.g., ancillary markets) remain uncertain
- Evolving customer and investor preferences shaping expectations for clean energy offerings

M

Technology

- Risk of early obsolescence of existing assets due to rapid innovation cycles, particularly for older or less efficient technologies
- Dependency on imported technology and raw materials (e.g., critical minerals) exposing projects to supply chain disruptions and geopolitical risks
- Performance uncertainty associated with the deployment of new or unproven technologies affecting project outcomes and financing
- Grid integration risks and challenges with government capacity to upgrade and manage infrastructure

S M

Reputation

- Growing stakeholder expectations on biodiversity, social impact, and lifecycle emissions, alongside rising concerns around labor practices, human rights violations, and greenwashing in the renewable energy sector
- Community resistance to large-scale solar and wind projects due to visual, noise, and environmental concerns, particularly in populated or heritage areas.

S M

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Private Equity: Transition risk exposure

Policy & Legal

- **IT, Financials, Health Care**: Increased exposure to evolving ESG and disclosure regulations (e.g., SFDR, CSRD)
- **Industrials, Consumer Staples**: Compliance risk from energy intensity and ESG reporting obligations at the portfolio company level

S M

Market

- **Consumer Discretionary and Staples**: Rising costs from low-emission material sourcing, packaging innovation, and demand volatility linked to shifting consumer preferences
- **IT, Communication Services**: Market preference shift toward digital, low-carbon solutions challenge legacy tech or unsustainable digital infrastructure
- **Industrials, Materials**: Cost impacts due to carbon pricing, raw material scarcity, and supply chain decarbonization expectations.

M

Technology

- **Industrials, Materials**: Requirement for large-scale industrial innovation and retrofits to meet decarbonization targets (e.g., electrification, waste heat recovery, circular economy)
- **Financials, IT:** Disruption risk due to rise of green fintech and blockchain-led ESG reporting platforms
- **Consumer Discretionary**: Risk of product obsolescence in non-sustainable categories as green design and transport tech (e.g., EVs) gain traction.

M L

Reputation

- **Consumer Discretionary, Consumer Staples**: Increased brand risk due to increasing consumer climate awareness and ESG-driven market competition
- **IT, Healthcare, Materials, Industrials**: Mounting pressure for carbon footprint transparency and performance while maintaining quality of services

S M

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Financial impacts of transition risks

The financial performance of our assets are influenced by a myriad of factors spanning policy and litigation, technology, market dynamics and reputation. Understanding the material impacts arising from these domains is crucial for effective risk management and strategic decision-making.

Below, we summarize the financial implications of each of these factors for both our Clean Energy and Private Equity assets:

	Clean Energy assets	Private Equity assets
Policy & Litigation	• **Rising compliance costs** related to enhanced GHG reporting, grid integration metrics, and country-level taxonomy alignment (e.g., EU Taxonomy) • **Regulatory uncertainty** around long-term subsidy schemes (e.g., feed-in tariffs, contracts for difference) affecting cash flow predictability and investor appetite. • **Legal costs or delays** due to permitting challenges, especially in ecologically sensitive areas.	• **Increased asset-level compliance costs** driven by evolving ESG disclosure requirements (e.g., SFDR, CSRD), especially for data-intensive, highly regulated sectors • **Devaluation risk for companies** in Industrials not meeting future environmental performance thresholds • **Legal costs** related to non-compliance at the operational level, especially in regulatory sectors (e.g., finance, healthcare).
Technology	• **Increased costs** from underperforming or prematurely aging installations due to rapid innovation cycles (e.g., low-yield turbine models) • **Integration costs** for complementary technologies (e.g., battery storage, grid-balancing solutions).	• **Sunk costs** from investments in companies failing to adopt or scale low-carbon technologies (e.g., electrification in Industrials, outdated medical tech in Healthcare). • **Asset write-downs** for legacy IT infrastructure or non-sustainable operations (e.g., inefficient logistics) • **Retrofit or modernization CapEx** to maintain competitiveness (e.g., upgrading to smart building systems, green-powered data centers).
Market	• **Procurement cost volatility** linked to raw materials (e.g., polysilicon, rare earths) and global trade tensions affecting turbines and solar modules • **Cannibalization of wholesale market prices** in high-penetration regions (e.g., solar overproduction in Iberia) • **Curtailment losses** from grid congestion or underdeveloped transmission infrastructure, especially in remote or land-rich areas.	• **Margin pressure** in sectors reliant on high input costs (e.g., materials, energy in food & beverage, retail operations) • **Revenue risk** from consumer shifting away from high-emission or low-transparency brands • **Reduced access to capital** as investors and financial institutions have more stringent climate drive ESG-related requirements
Reputation	• **Opposition-related delays or re-permitting requirements** due to visual, noise, or land-use concerns—especially near populated or heritage zones • **Increased costs from negative impacts on workforce management** (for example labor conditions in supply chain) • **Investor confidence impacts** from community backlash or NGO scrutiny leading to stricter environmental and social due diligence expectations.	• **Demand decline** for products and services perceived as environmentally or ethically misaligned • **Exit risk** through reduced buyer interest or lower multiples for companies without credible transition strategies

Unlocking value for our Clean Energy assets: Financially material opportunities

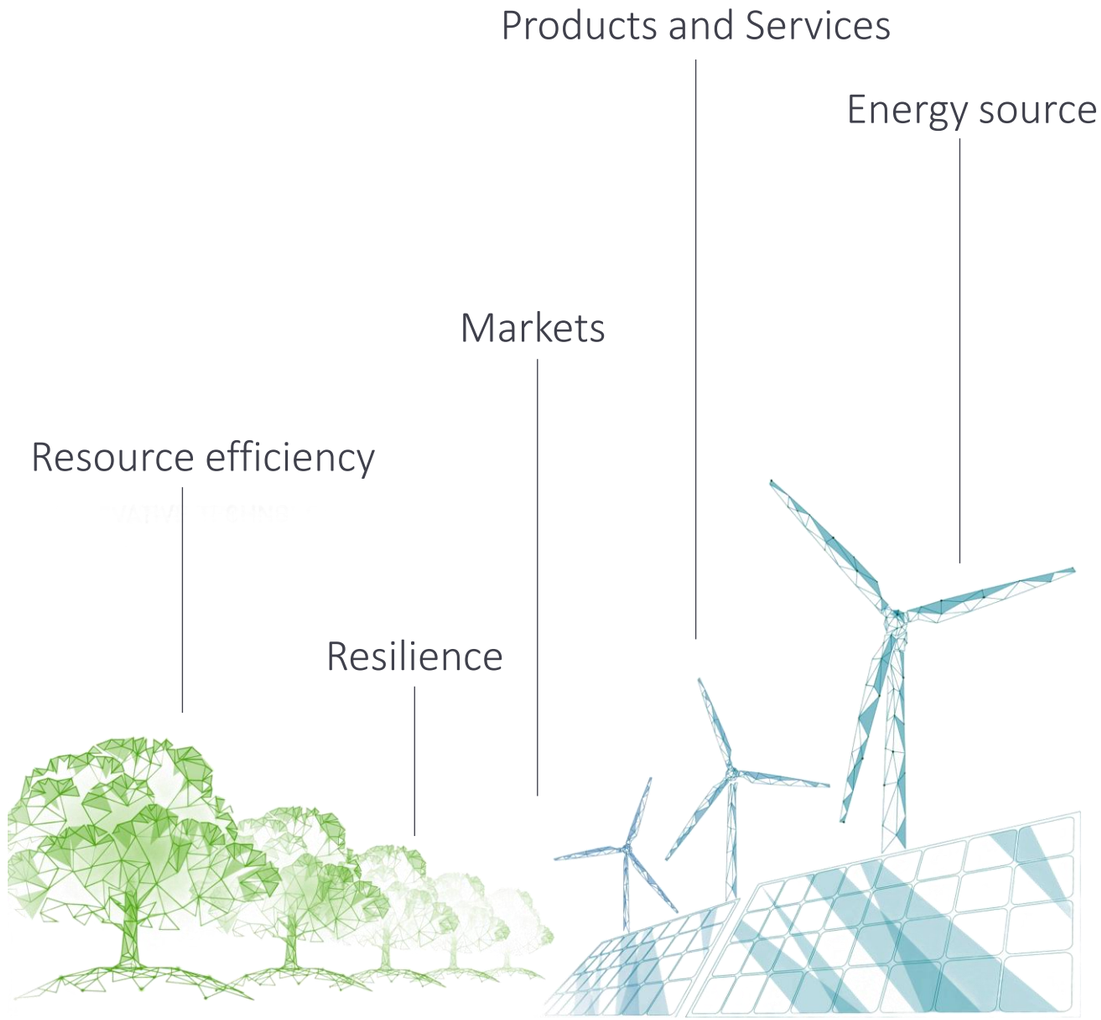
European Clean Energy investment climate opportunities

Investments in Europe's clean energy transition present financially material climate opportunities with strong potential for returns and long-term value creation. The transition toward renewable energy sources - such as wind and solar - is accelerating, driven by ambitious climate targets, supportive regulations and declining costs of renewable technologies.

These investments offer attractive opportunities for investors to capitalize on the growing demand for clean energy, diversify portfolios and achieve sustainable financial performance. The inherent resilience of green technologies to climate-related risks - such as extreme weather events and supply disruptions – further enhances their appeal as stable, reliable assets.

As Europe continues to prioritize decarbonization and clean energy deployment, solar and wind investments offer compelling opportunities to align financial objectives with climate goals while supporting to a more sustainable and resilient future.

The following two pages summarize key climate opportunities and impact assessments for our Clean Energy business line.



Clean Energy: Climate opportunities and impact assessment

Climate opportunity	Description	Identified opportunities	Climate-related Opportunities Impact Assessment (deemed material)
Resource efficiency S	• Direct cost savings from sustainable efficiency measures	• **Reduced water usage and consumption**: we utilize rainwater harvesting systems in the UK to reduce water consumption and environmental impact • **Energy-efficient equipment**: we install energy-efficient components (e.g., inverters, transformers) and monitoring systems to minimize energy losses and improve overall system performance • **Resource monitoring and management**: we employ advanced real-time monitoring and management systems to continuously track energy production, resource availability, health and safety, and environmental conditions, to optimize operations • **Carbon pricing opportunity**: As we invest in clean energy projects, carbon pricing policies under the EU Emission Trading System (ETS) do not increase our direct costs. Instead, they improve the competitiveness of our assets compared to fossil-based alternatives	• Reduced operating costs through efficiency gains and cost reductions • Increased production capacity leading to increased revenues • Benefits to workforce management and planning, including improved health & safety, resulting in lower costs
Energy source S M	• Transition to clean energy sources, such as wind and solar PV electricity generation	• **Carbon emissions:** the usage of lower-emission sources of energy creates an opportunity to partner with companies that are committed to reducing their carbon footprint to meet sustainability targets • **Carbon market:** Participation in carbon markets • **Climate resilience**: solar and wind farms are less vulnerable to climate-related disruptions compared to fossil fuel infrastructure, such as power plants that rely on cooling water or are situated in flood-prone areas. This helps ensure a stable and reliable energy supply, even in the event of acute climate risks • **Economic opportunities**: the deployment of our solar and wind projects creates jobs in manufacturing, installation, operation and maintenance, contributing to economic growth and job creation • **Technological innovation**: the growth of solar and wind energy industries stimulates innovation and technological advancements, driving down costs and increasing the competitiveness of renewable energy compared to fossil fuels. This technological advancement contributes to the scalability and sustainability of our solar and wind farms, making them viable alternatives to conventional energy sources and representing attractive investment opportunities for our clients	• Reduced operational costs due to economies of scale • Reduced exposure to fossil fuel price increases • Less sensitivity to changes in carbon prices as wind and solar projects already are very low emissions sources • Returns on investment in low-emissions technology (wind and solar projects) • Increased capital availability, as investors shift focus towards clean energy investments • Reputational benefits resulting in increased demand for clean energy funds

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Climate opportunity	Description	Identified opportunities	Climate-related Opportunities Impact Assessment (deemed material)
Products and Services S M	• Increased demand for green products and services, for example green financial products	• **Product offerings**: development and expansion of low-emissions clean energy funds • **Climate adaptation measures**: development of climate adaptation measures to enhance resilience and deliver long-term risk-adjusted returns for our clients • **Reputational advantage:** Growing consumer preference for low-impact renewable energy providers enhances the appeal and marketability of our Clean Energy offerings	• Improved competitive position as a result of shifting investor demand in favor of renewable energy investments, resulting in increased revenues
Markets S	• Increased diversification through access into new markets and financing new clean energy infrastructure projects	• **Access to new markets** and expansion of our European Clean Energy portfolio • **Green loans**: we received green loan facilities that link credit facilities to the achievement of sustainability goals and pre-defined KPIs • **Power Purchase Agreements (PPAs):** through our network and access to PPAs, we supply commercial, industrial and institutional customers with renewable energy. These agreements provide stable revenue streams for our solar and wind farms while enabling customers to reduce their carbon emissions and support renewable energy deployment • **Renewable energy certificates**: Our assets generate "renewable energy certificates", which represent the environmental attributes of renewable energy production. This leads to opportunity by selling the certificates to businesses and organizations looking to reduce their carbon footprint and meet their sustainability goals	• Increased revenues through access to new and emerging markets • Increased diversification of financial assets (e.g. green loan facilities)
Resilience S M	• Ability to respond to climate-related risks, improve efficiency, build resilience across supply chains and develop new products	• **Renewable energy programs**: Participation in renewable energy programs and adoption of energy efficiency measures • **Energy independence and resilience**: solar and wind energy offer opportunities for countries to reduce reliance on imported fossil fuels and enhance energy security, thereby reducing vulnerability to geopolitical tensions and market fluctuations associated with fossil fuel dependence • **Climate adaptation planning**: our Clean Energy investments can contribute to climate adaptation planning by providing renewable energy solutions that reduce reliance on fossil fuels and contribute to climate resilience. By integrating renewable energy into climate adaptation strategies, we can help communities and organizations prepare for and respond to the impacts of climate change • **Extreme weather preparedness**: we implement climate adaptation measures to enhance preparedness for extreme weather events, such as storms, floods and heatwaves. We conduct regular maintenance and inspections to minimize risk of damage and downtime, and have emergency response protocols in place	• Increased market valuation through resilience planning • Increased revenue through new products and services related to ensuring resiliency

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Unlocking value for our Private Equity assets: Financially material opportunities

Private Equity investment climate opportunities

Investments across our Private Equity portfolio may present financially material climate-related opportunities that could be increasingly important for long-term value creation, resilience, and competitive positioning. As the global economy transitions toward lower-carbon, more sustainable models, businesses across key sectors - such as information technology, healthcare, consumer goods, and industrials - are undergoing transformative change.

These changes are driven by tightening climate regulations, shifting consumer and investor preferences, advances in low-carbon technologies, and increasing scrutiny around environmental and social performance.

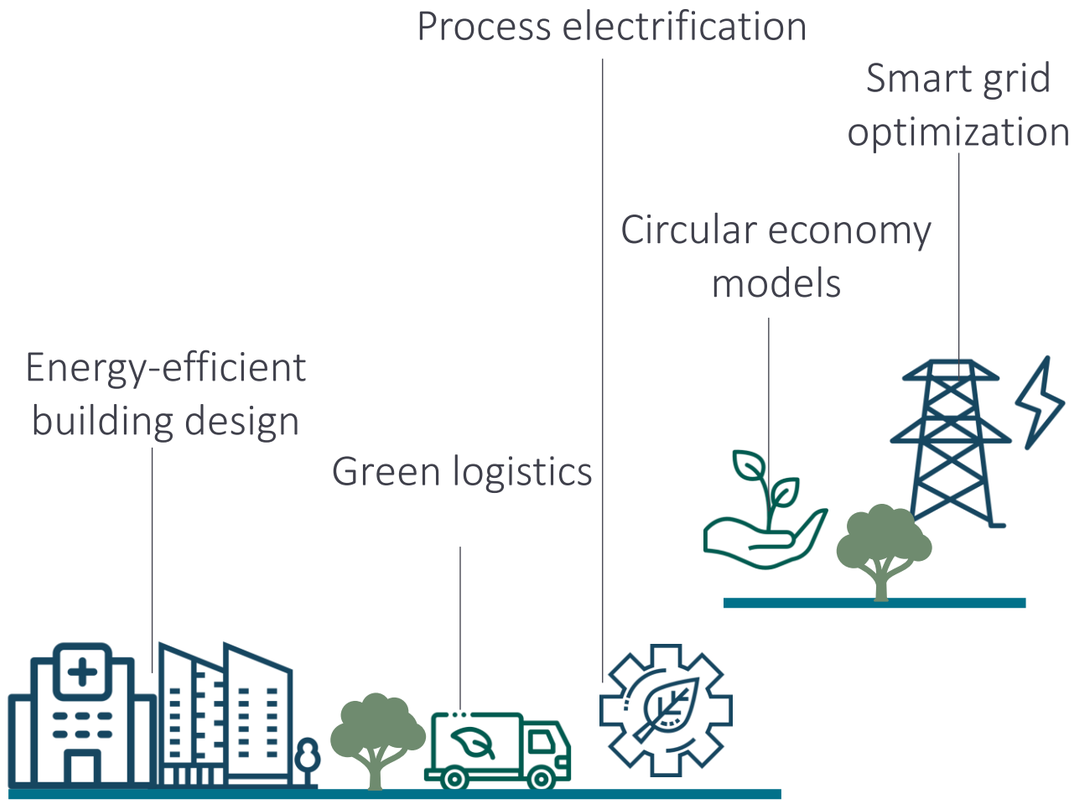
To better understand and respond to these dynamics, we engaged Blunomy, a specialist climate and energy transition consultancy, to help us assess the material climate-related risks and opportunities across our Private Equity portfolio.

While we typically do not have direct control over the operations of underlying portfolio companies, we aim to identify and support businesses that are well-positioned to adapt to or lead in the low-carbon transition. By doing so, we aim to align our investments with enhanced growth potential, operational resilience, and future-proofed business models.

Our sector-based approach enables targeted climate opportunity analysis across industries, from resource-efficient production in consumer staples to ESG-aligned digital innovation in IT and finance. Additionally, identifying indicators of readiness or alignment - such as the potential for sustainable packaging or energy-efficient manufacturing - helps us understand where transformation is most feasible and impactful.

As investors continue to demand credible climate strategies and measurable progress, we believe that a proactive approach to climate opportunity management—grounded in robust assessment and partnership—can support both financial value and long-term portfolio resilience.

The following two pages summarize the key climate-related opportunities and impact assessments identified across our sector exposure in Private Equity.



Private Equity: Climate opportunities and impact assessment

Sector	Climate opportunity description	Identified opportunities	Climate-related Opportunities Impact Assessment (deemed material)
Information Technology	• Digitization and energy-efficient technology solutions S	• **Energy-efficient computing infrastructure:** Implementation of low-energy hardware and optimized data centers that consume less power while maintaining high performance • **AI for smart grid optimization**: Leveraging artificial intelligence to enhance real-time electricity grid performance and integrate renewable energy sources more effectively • **Monitoring systems for energy and resource efficiency:** Advanced systems that track usage and inefficiencies in real time, enabling predictive maintenance and sustainable operations (e.g., smart meters).	• Improved competitive position through reduced energy use and digital optimization • Increased attractiveness to investors through scalable ESG-aligned technologies • Operational savings from smarter infrastructure and predictive analytics
Healthcare	• Healthcare infrastructure and digital health M	• **Sustainable sourcing**: Procuring energy-efficient and environmentally friendly equipment, machines or pharmaceutical products; Local sourcing of food and beverage services provided to patients • **Energy-efficient hospital design**: Retrofitting healthcare facilities using sustainable architecture, materials, and smart building systems • **Telemedicine to reduce transport emissions**: Offering virtual healthcare services that minimize the need for patient and provider travel, thus cutting down associated carbon emissions	• Reduced operational costs via energy efficiency • Improved market positioning with sustainable healthcare delivery • Enhanced service accessibility while lowering carbon footprint
Consumer Discretionary	• Sustainable consumption and energy-efficient goods S	• **Eco-design in products**: Creating products with sustainability in mind from the outset—using recyclable materials, reducing waste, and optimizing energy use • **Green retailing (smart lighting, HVAC):** Equipping retail spaces with energy-saving lighting and climate control systems to lower operational emissions • **EV and low-carbon transport:** Investing in electric vehicles and supporting infrastructure as part of consumer transportation options and offerings.	• Revenue growth through eco-conscious consumer demand • Reduced exposure to energy price volatility • Brand value uplift via sustainability leadership
Consumer Staples	• Sustainable food production and packaging M	• **Sustainable packaging innovation**: Replacing traditional plastics with biodegradable, compostable, or recyclable materials to reduce waste • **Energy efficiency in manufacturing**: Implementing smart factory systems, heat recovery technologies, and low-energy processes in food and beverage production	• Cost reductions from resource efficiency improvements • Enhanced competitiveness due to regulatory alignment • Increased investment potential from sustainable operations

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Sector	Climate opportunity description	Identified opportunities description	Climate-related Opportunities Impact Assessment (deemed material)
Industrials	• Decarbonizing operations and green infrastructure M	• **Electrification of machinery**: Replacing fossil-fuel-powered industrial equipment with electric alternatives to cut emissions and increase energy efficiency. • **Waste heat recovery:** Capturing and reusing heat generated in industrial processes to reduce overall energy consumption • **Green logistics and fleet transformation:** Transitioning to electric or alternative fuel vehicles in logistics and supply chains to minimize transportation emission	• Lower energy costs and reduced emissions from core processes • Increased resiliency through infrastructure modernization • Stronger compliance positioning under tightening regulations
Materials	• Greener material extraction and processing L	• **Use of alternative low-carbon inputs**: Sourcing materials with lower embodied carbon (e.g., recycled metals, bio-based inputs) to reduce the overall footprint. • **Recycling and circular economy models**: Designing products and processes to maximize material reuse and minimize waste • **Energy-efficient manufacturing**: Implementing technologies like high-efficiency furnaces or smart control systems to reduce energy usage during material production	• Revenue upside from recycled and low-carbon material markets • Improved ESG ratings through circularity initiatives • Long-term sustainability compliance with emerging global standards
Communication Services	• Low-impact digital infrastructure S	• **Data centers using renewable energy**: Powering server farms with solar, wind, or hydro to mitigate their high energy demand • **Remote communication tools:** Promoting digital tools like video conferencing to reduce the need for business travel • **Sustainable broadcasting**: Using energy-efficient equipment and sustainable production practices in media and telecom sectors	• Reduction in corporate travel emissions through digital operations • Decreased operational expenditure from renewable-powered infrastructure • Enhanced value proposition for climate-conscious customers

Time horizon: S Near-term (2025) M Medium-term (2030) L Long-term (2050)

Embedding climate risks and opportunities into our business strategy and financial planning

Climate-related matters in our business strategy and financial planning

At Capital Dynamics, we incorporate climate-related risks and opportunities into our business and financial planning processes. Forecasted assets under management (AUM), typically projected over a five-year period, include assumptions about shifting client demand toward sustainable investment solutions. An example of this integration is the expansion of our fund range under SFDR Article 8 and 9, which support our broader climate adaptation strategy. This strategy is particularly responsive to market dynamics and reputational risks associated with climate change.

Climate-related opportunities are financially material across all our investment strategies, especially within our Clean Energy business line. Our revenue forecasts consider the potential impacts of climate-related trends—such as rising energy demand and growing investment in renewable energy projects—on fund performance. We capitalize on these opportunities in several ways by:

- Continuously expanding our Clean Energy fund offerings
- Integrating core environmental sustainability standards into our new Clean Energy funds (including EU Taxonomy alignment)
- Setting decarbonization targets at the fund level for our funds.

We also focus on growing the share of funds that incorporate sustainability criteria, allowing us to allocate more capital toward the transition to a low-carbon economy. This not only aligns with our sustainability goals but also contributes to increasing long-term revenues for the firm.

Another strategic adjustment involves assessing climate-related risks as they pertain to sector exposures. For example, we maintain limited exposure to carbon-intensive industries and generally take a cautious approach to these sectors.

Our Private Equity Mid-Market Direct Investment team applies similar principles by supporting portfolio companies in enhancing their sustainability. This includes implementing GHG monitoring, setting reduction targets, and tracking progress. These activities are integrated into our investment research and development process, which enables us to proactively address climate-related risks and seize associated opportunities. Ultimately, this supports the delivery of strong, risk-adjusted returns for our clients.

Climate-related matters in our own operations

Climate-related considerations are also embedded in our internal operations. Our Chief Operations Officer oversees the integration of financially material climate-related matters into operational planning. This may include initiatives such as reducing unnecessary business travel and sourcing renewable energy for our offices.

Our financial planning activities reflect these commitments through scenario analysis, which helps us identify and address operational climate risks while capturing material opportunities. For example, we measure and monitor our internal carbon footprint, plan resources for our Responsible Investment team to enhance climate-related reporting and encourage staff engagement through Corporate Social Responsibility initiatives.

To further improve operational resilience, we have adopted hybrid work models. These arrangements allow us to maintain business continuity during extreme weather events while simultaneously reducing emissions from commuting. Overall, our climate resilience planning helps lower operational costs and ensures uninterrupted service to clients—even under adverse climate-related conditions.

Our resilience to climate-related risks and opportunities

Our strategy is intentionally designed to embed resilience to climate-related risks while capturing opportunities arising from the global transition to a low-carbon economy. A key feature of this approach is the systematic integration of climate considerations across the full investment lifecycle—from due diligence and portfolio construction to active management and exit. This applies across both our Clean Energy and Private Equity investments.

Scenario Analysis

Scenario analysis is central to our climate resilience strategy. It provides a structured framework to evaluate the potential impacts of climate-related risks and opportunities on our portfolios under different plausible future states. These scenarios range from business-as-usual trajectories to pathways that align with the goals of the Paris Agreement. This allows us to assess how a range of climate outcomes could affect asset performance, sector resilience, and strategic positioning.

In our Clean Energy business, we use advanced tools such as the Mitiga EarthScan™ solution to model physical and transition risks at the asset level. In our Private Equity strategy, we take a sector-based approach, assessing how macroeconomic and policy shifts under different climate scenarios may influence portfolio company performance and valuation over time.

Evaluation Process

1. Risk identification through scenario analysis and impact assessment

a. For our Clean Energy Assets:

- For physical climate risks, we consider three different climate scenarios utilizing the Mitiga EarthScan™ solution. This assesses the financial, operational and strategic implications of the risks and opportunities across plausible future outcomes. For transition risks, we assessed our solar and wind assets against the 4 risk categories: Legal & Policy, Market, Technology, Reputational.

b. For our Private Equity Assets:

- We applied a sector-based approach to assess transition risks within the sectors that our Private Equity funds invest in. Due to limited granular, country-level data at the asset level, physical climate risks were not assessed. Our analysis allow us to identify material transition risks based on available information.

2. Resilience planning

- Insights from scenario and sectoral analyses inform our resilience strategies. In Clean Energy, this includes investing in more durable infrastructure and diversifying project geography. In Private Equity, it includes steering investments toward lower-carbon business models, supporting portfolio companies in managing ESG performance, and engaging with stakeholders on climate resilience initiatives.

Integration into strategy

Our resilience strategy is integrated into our investment decision-making process, guiding the selection, development and management of our portfolio to enhance long-term value creation and mitigate climate-related risks.

By systematically evaluating the resilience of our strategy through scenario analysis, we ensure that our investments are well-positioned to thrive in a changing climate landscape while contributing to global sustainability objectives.

In conclusion, our strategy incorporates resilience to climate-related risks and opportunities through the rigorous use of scenario analysis, enabling us to anticipate, adapt and thrive in a climate-constrained world. By embedding climate resilience considerations into our investment approach, we not only safeguard the financial performance of our portfolio but also contribute to a more sustainable and resilient future.

3

RISK MANAGEMENT

Identifying and assessing climate-related risks and opportunities

Identifying and assessing climate risks and opportunities is fundamental to our holistic approach to Responsible Investment. We systematically assess the potential impacts of climate change on our portfolio to manage risks and capture emerging opportunities.

For our Clean Energy portfolio, we comprehensively analyze physical and transition risks, using climate scenario planning to inform investment decisions. We engage stakeholders to understand local climate risks and opportunities, conduct materiality assessments and incorporate climate factors asset selection, due diligence, and ongoing portfolio management.

For our Private Equity portfolio, we have taken a pragmatic and systematic approach by screening climate risks and opportunities at sector level. Recognizing our often-limited visibility or direct influence over portfolio companies, we focus on the sector's exposure to climate-related risk factors, to spot potential vulnerability and opportunities to transition toward lower-carbon, more resilient business models.

Throughout the investment lifecycle**, we apply robust tools and processes to identify, assess, and integrate climate-related risks and opportunities**. By following a rigorous approach, we enhance decision-making, manage risks, and achieve sustainable financial returns for our clients.

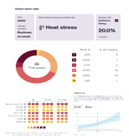
Pre-acquisition / Due Diligence

During the due diligence phase, RI matters including climate-related risks and opportunities are identified and assessed through the following processes and tools:

Proprietary R-Eye™ Scorecard
(Investment Management)

RepRisk screening of RI-related risks
(Risk Management)

RI Alert Process
(Responsible Investment Committee)



Climate scenario analysis – as part of location planning
(Clean Energy Investment Management)

Hold period / Post hold period

Risks arising during the hold period or in the period post planned divestment (if a risk affects the exit multiple) are assessed and monitored as follows:

Proprietary R-Eye™ Scorecard
(Investment Management)

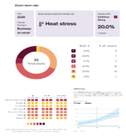
RepRisk monitoring of RI-related risks
(Risk Management and Chair of Responsible Investment)

RI Alert Process
(Responsible Investment Committee)

Climate scenario analysis
(Chair of Responsible Investment, presentations to the Board)

Long-term portfolio alignment

We assess long-term climate risks under a range of scenarios to determine how transition risks impact us and how our investment solutions support the transition to a low-carbon economy:



Climate scenario analysis
(Chair of Responsible Investment, presentations to the Board)

Tools to identify and integrate climate-related risks and opportunities

R-Eye Scorecard

We use our **proprietary R-Eye™ Rating System, aligned with the UN Sustainable Development Goals, to assess ESG risks during investment due diligence.**

- Each investment is rated on a 0–5 scale across 12 ESG criteria and reassessed annually as part of our active monitoring.
- The Responsible Investment (RI) Committee reviews these assessments and oversees all ESG metrics and reporting. R-Eye outputs are used to guide engagement strategies with portfolio companies, GPs and Sponsors, such as identifying improvement areas and potential mitigation and adaptation actions.

We have **embedded impact targets linked to carried interest within our new Clean Energy funds** to ensure strong financial alignment between investment performance and sustainability outcomes.

- To meet these objectives, each investment is expected to achieve an average R-Eye™ score above 4 out of 5, reflecting strong ESG integration and risk management.
- In addition, portfolio companies must demonstrate progress toward reduced greenhouse gas emissions, in line with the fund's overarching net zero commitments.

RepRisk

We use **RepRisk, a global AI-driven platform, to monitor ESG risks across companies, sectors and supply chains**. The platform covers over 205,000 companies and 55,000 infrastructure projects, it provides daily alerts to identify ESG issues, support due diligence, and flag risks for RI Committee review.

Post-investment, we use RepRisk to monitor ESG risks across our investments:

- Watchlists are created for each fund to track third parties and their supply chains
- Alerts are reviewed weekly by Risk Management leadership and the RI Committee
- Material risks are escalated for further evaluation
- Investment memos include high- or very high-risk incidents are shared with relevant Investment Management or Operations teams

RI Alert Process

When **material ESG risks are identified via the R-Eye Scorecard or RepRisk, they are escalated to the RI Committee for evaluation and resolution**. The committee reviews the severity of the risk and determines appropriate actions such as engaging with portfolio companies or, where necessary, considering divestment. High-risk issues are addressed promptly under our escalation framework.

Please refer to our Governance section of this report to view the details of our process.

Climate scenario analysis

For our Clean Energy assets, the **RI Committee periodically conducts climate scenario analysis to assess long-term climate-related risks and opportunities across the portfolio.** This analysis informs asset management, business strategy, and financial planning, and is incorporated into our ongoing risk reporting.

Monitoring of regulatory developments

We monitor global regulatory developments related to sustainability and climate change (e.g., EU SFDR, UK Green Finance regulations). These enables us to identify potential investment risks and opportunities, support compliance, and shape our engagement strategy. We also contribute to policy development by participating in relevant industry consultations and initiatives.

Clean Energy: How we manage and prioritize physical climate risks

Managing and prioritizing physical climate risks associated with our Clean Energy investments is an important part of supporting the resilience and long-term viability of these assets in the face of climate change. The climate scenario analysis we conduct using the Mitiga EarthScan platform provides a structured foundation for identifying, assessing, and managing physical climate risks.

Our approach to prioritize and manage physical climate risks can include:

Climate Risk Mapping

- Utilize Mitiga EarthScan tool to evaluate exposure, sensitivity and adaptive capacity of our solar and wind projects to various climate-related hazards.
- Analyze future climate projections under three climate scenarios and vulnerability assessment to identify potential risk hotspots and inform project development and investment allocation decisions

Emergency preparedness and response / Climate adaptation

- Implement adaptive management practices and source durable equipment designed to better withstand extreme weather conditions
- Develop emergency plans for extreme weather events and natural disasters, which can include communication, evacuation and contingency measures to protect assets and ensure business continuity

Insurance and risk transfer

- Mitigate the financial impact of physical risks by seeking comprehensive insurance coverage and implementing risk transfer mechanisms.
- Transferring a portion of the risk to insurance providers can help reduce our exposure to potential losses associated with asset damage and downtime

Stakeholder engagement and collaboration

- Engage with local communities, government agencies and other stakeholders to enhance our understanding of local climate risks and develop collaborative strategies for climate resilience.
- Partnering with stakeholders can contribute to strengthening the resilience of our assets and advancing broader climate adaptation efforts.

Engineering and design standards

- Adhere to stringent engineering and design standards that are intended to enhance resilience of our Clean Energy assets against physical risks.
- May include constructing robust infrastructure to better withstand extreme weather events, implementing robust construction practices and incorporating climate adaptation measures, such as vegetation buffers

By prioritizing physical climate risks faced by our Clean Energy assets, we aim to enhance resilience and sustainability of our portfolio, protect asset value and ensure long-term viability of our operations in a changing climate landscape.

Building resilience in Clean Energy assets: Climate adaptation measures

Capital Dynamics implements a range of climate adaptation measures across our Clean Energy portfolio to enhance resilience against climate hazards. While certain mitigation measures are only applicable to the operational phase, the following actions form part of our standard procedures across the Clean Energy portfolio:

Heat mitigation

We use Tier 1, AAA solar panels that highly durable and can withstand temperatures of up to 60-65˚C. Substation equipment is properly ventilated to precent overheating, and shift times are adjusted to exposing workers to the hottest hours of the day.

Vegetation management

We manage vegetation at our clean energy sites through preventative maintenance programs. Dry vegetation is regularly cleared, including the perimeter around PV modules, to create firebreaks and reduce fire risk.

Resilience to extreme weather events

All assets are equipped with solar trackers that adjust the angle of panels based on weather conditions. This maximizes efficiency and improves panel cooling and ventilation despite temperature extremes.

Extreme weather preparedness

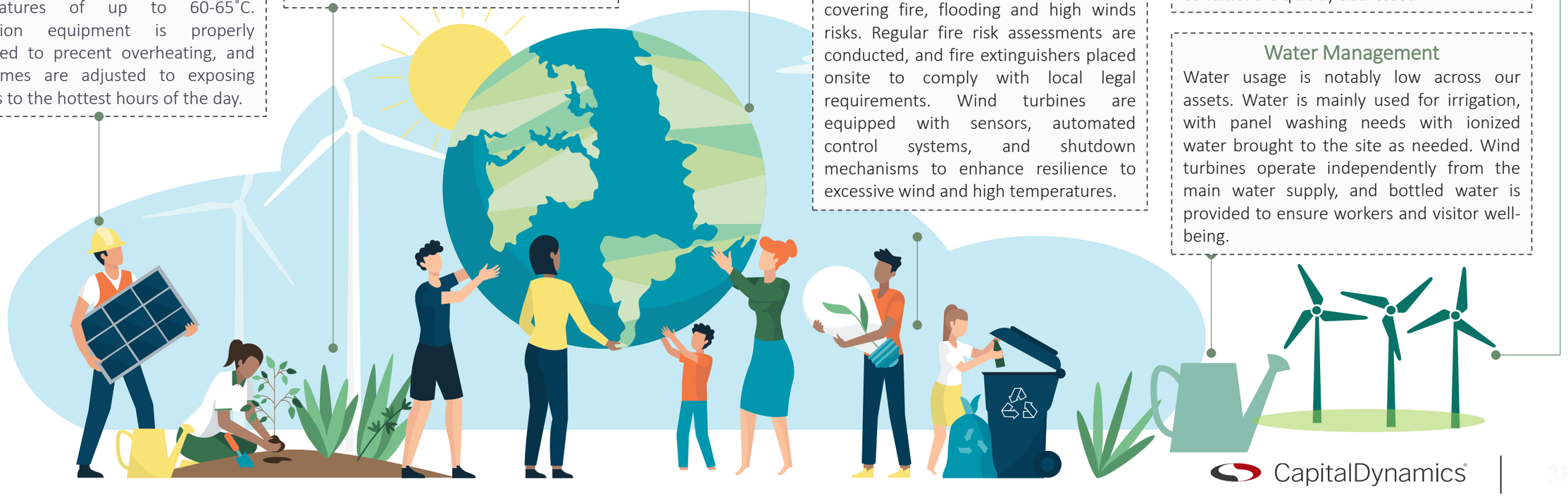
All assets develop emergency plans covering fire, flooding and high winds risks. Regular fire risk assessments are conducted, and fire extinguishers placed onsite to comply with local legal requirements. Wind turbines are equipped with sensors, automated control systems, and shutdown mechanisms to enhance resilience to excessive wind and high temperatures.

Components durability

Our wind turbines are built with highly resistant materials. Regular external inspections and repairs of the blades ensure that any damage caused by adverse weather conditions is quickly addressed.

Water Management

Water usage is notably low across our assets. Water is mainly used for irrigation, with panel washing needs with ionized water brought to the site as needed. Wind turbines operate independently from the main water supply, and bottled water is provided to ensure workers and visitor well-being.



Our processes for managing and prioritizing transition risks in our Clean Energy assets

Managing and prioritizing transition risks is crucial for ensuring the long-term sustainability and success of our investments. Transition risks refer to the potential financial, regulatory, reputation and market impacts stemming from the global transition to a low-carbon economy. We prioritize transition risks by following the below six steps and aim to enhance the resilience and sustainability of our portfolio while maximizing long-term value creation for our investors and stakeholders.

1 - Comprehensive Risk Assessment

As part of our systematic processes for climate risks identification, we conduct a thorough transition risk assessments at both macroeconomic and asset-specific levels. This includes analyzing regulatory changes, market trends, technological developments and policy shifts that may affect the investment viability and profitability.

2 - Scenario Analysis

We employ scenario analysis to model the potential impacts of different transition pathways on our investments. By modeling various scenarios, including ambitious climate policies, carbon pricing mechanisms and disruptive technological innovations, we gain insights into the resilience of our portfolio and identify potential vulnerabilities.

3- Stakeholder engagement

We emphasize stakeholder engagement, working closely with government agencies, regulatory bodies, industry associations and local communities to stay ahead of emerging trends, regulatory developments and stakeholder expectations. This enables us to anticipate and adapt to changes, minimizing regulatory risks and enhancing regulatory compliance

4 -Diversification

We focus on diversification, spreading investment across industries (private equity), geographies, technologies and project types (Clean Energy) to mitigate concentration risk and improve resilience against transition risks. For example, by investing in diversified solar and wind projects with varying characteristics and locations, we spread our risk and enhance our resilience to market volatility and regulatory uncertainty.

5- Long-term perspective

We maintain a long-term perspective, embedding sustainability considerations into our decision-making process and prioritizing investments in assets with strong ESG performance to capture emerging opportunities

6- Continuous monitoring and evaluation

We continuously monitor and evaluate the evolving landscape of transition risks through our proprietary R-Eye™ scoring system. This includes regular reviews of regulatory shifts, technological advancements and climate-related risks to ensure our investment decisions remain aligned with our risk appetite and sustainability objectives.

Clean Energy assets: How we manage and prioritize climate opportunities

In tandem with our approach to managing climate risks, we place significant emphasis on identifying and capitalizing on climate opportunities across our investment portfolio. By strategically prioritizing these opportunities, we enhance our ability to harness the potential benefits of the transition to a low-carbon economy, while generating attractive financial returns for our investors. We position ourselves to capitalize on the growing demand for sustainable solutions and unlocking long-term value across the portfolio.

Opportunity assessment	• **Conduct assessments to identify and evaluate climate opportunities**, such as renewable energy, energy efficiency, and green technology. • Includes analyzing market trends, policy, technology, and stakeholder preferences to pinpoint areas with strong potential for value creation and environmental impact.
Materiality assessment	• **Prioritize opportunities based on their relevance to our portfolio** and alignment with strategic and sustainability goals. • Consider financial, environmental, and social implications, including market size, growth potential, scalability, and risk-return profile.
Strategic alignment	• **Ensure opportunities align with our investment strategy**, risk appetite, and long-term growth vision. • Focuses resources on opportunities with the greatest potential to deliver impact and support our broader sustainability mission.
Partnerships and Collaboration	• **Pursue partnerships with industry groups, governments, and communities to leverage shared expertise and resources.** • Collaboration expands access to markets, technology, and financing, accelerating climate solution deployment and impact.
Continuous monitoring and review	• **Continuously monitor and review performance and impact of our climate opportunities,** adjusting our strategies and priorities as needed to optimize outcomes and maximize value creation. • Iterative process ensures we remain responsive to evolving market dynamics, technological advancements, regulatory changes, and stakeholder expectations.

By actively managing and prioritizing climate opportunities, we position ourselves to capitalize on the growing demand for sustainable solutions and drive positive environmental and social impact while generating attractive financial returns for our investors.

Private Equity: Our processes for managing and prioritizing transition risks and opportunities

Our ESG risk management approach begins with the continuous due diligence of the GPs' ESG practices, helping to ensure the credibility and robustness of their ESG programs. As Capital Dynamics typically does not have direct control over underlying portfolio companies in its Private Equity funds, **we implement a structured and proactive process across the investment lifecycle—leveraging the R-Eye™ Scorecard, RepRisk, and the RI Alert Process.** This approach supports alignment with long-term sustainability goals, enhances risk mitigation, and maintains transparency with Limited Partners (LPs).

R-Eye Scorecard

The R-Eye™ Scorecard is used both before and after investment as part of the continuous monitoring of the fund:

- Pre-investment ESG due diligence: Each opportunity is assessed against 12 ESG criteria and scored on a 0–5 scale, with some of our funds having varying thresholds or no minimum requirement. For example, in our latest European Primaries fund, an average score of at least 4 out of 5 is required.
- Post-investment: R-Eye™ Scorecard is updated annually to monitor how risks and opportunities evolve, identify emerging issues, and guide portfolio engagement. Results are shared with LPs to inform oversight and support mitigation planning.

RepRisk

RepRisk, an AI-powered ESG risk monitoring platform, is used pre- and post-investment to:

- Pre-investment ESG due diligence: Investment Management (IM) teams use RepRisk screening to evaluate new deals at both the portfolio company and GP levels. The screening produces an analytical ESG report, assessing the opportunity against international ESG standards. This forms part of the due diligence process, contributing to the overall assessment of the asset's ESG credentials and recommendation for investment.
- Post-investment: Provide real-time visibility into emerging ESG risks across portfolio companies and their supply chains. Weekly alerts are generated and reviewed by the Risk Management team, then summarized for Investment Management (IM) teams, who determine whether further action is needed. If a high or material risk is flagged, the IM team contacts the GP, and escalation to the Responsible Investment Committee (RIC) is considered.

RI Alert Process

The RI Alert Process ensures that any critical ESG risks identified via R-Eye™ or RepRisk are formally escalated to the RIC for cross-functional evaluation. The committee coordinates a timely and appropriate response, which may include targeted mitigation efforts.

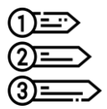
Together, these tools provide a structured, transparent and responsive ESG risk management framework - ensuring the credibility of GP-level ESG programs, enabling decisive action on material risks, and supporting the delivery of long-term sustainability commitments.

For more detail on the tools used to identify and integrate climate-related risks and opportunities, please refer to Page 33.

Integrating climate risks and opportunities into overall risk management

At our core, we recognize that climate risks and opportunities are integral components of our overall risk management framework. By seamlessly integrating climate considerations into our risk management practices, we ensure that we are well-equipped to navigate the evolving landscape of climate-related challenges and opportunities.

How we integrate climate risks and opportunities into our overall risk management can include:

 Comprehensive Risk Assessment	• Conduct a risk assessment that may include an analysis of climate-related risks and opportunities alongside other traditional financial and operational risks. • This approach allows us to understand the interconnectedness between climate factors and other risk drivers, ensuring that climate considerations form part of our risk management processes.
 Scenario Analysis	• Utilize scenario analysis to assess the potential impacts of different climate scenarios on our portfolio. • By simulating various climate change trajectories and their implications for our investments, we gain insights into the range of possible outcomes and identify areas of vulnerability and resilience.
 Risk Identification and Prioritization	• Systematically identify and prioritize climate risks and opportunities based on their materiality to our investment portfolio. • Involves evaluating the likelihood and magnitude of potential impacts on financial performance, operational efficiency, and long-term value creation, ensuring that we focus our resources on addressing the most significant risks and opportunities.
 Risk Mitigation Strategies	• Develop and implement risk mitigation strategies to address climate-related risks identified through our assessment process. • May include investing in climate-resilient infrastructure, diversifying our portfolio, hedging against energy price volatility, and enhancing operational practices to reduce vulnerability and enhance resilience.
 Opportunity Identification and Capture	• Actively seek to capitalize on emerging opportunities presented by the transition to a low-carbon economy • Involves identifying opportunities to invest in renewable energy projects, green technologies, and sustainable business practices that align with our climate objectives and contribute to long-term value creation.
 Continuous Monitoring and Review	• Continuously monitor and review the effectiveness of our climate risk management strategies and adjust them as needed in response to changing conditions and new information. • This iterative process ensures that our risk management practices remain adaptive, robust, and aligned with our evolving understanding of climate-related risks and opportunities.

Incorporation of climate change into our overall risk management

Climate-related risks may have impacts across several risk metrics monitored by our risk management function.

The summary below details the overlay of financially material climate risks and the intersection with more traditional risk categories:

Credit risk

Climate events—such as floods, storms, or heatwaves—may lead to physical damage at company facilities, disrupting operations and weakening cash flow. This can increase the credit risk of borrower companies and affect their ability to service debt, particularly in sectors with high asset intensity or climate exposure.

Foreign exchange risk

The global shift toward sustainable production and trade may alter supply chains and affect currency values, especially in markets transitioning at different paces. Companies with significant international exposure could face foreign exchange volatility that impacts investment performance and debt servicing.

Product strategy risk

Investor demand and regulation around climate-aligned products are growing, influencing how we design and position investment offerings. Failure to align with standards such as Article 8 and Article 9 of the SFDR could limit our ability to raise capital or meet client expectations in sustainable finance.

Operational risk

The physical effects of climate change—including extreme weather or temperature extremes—may disrupt the operations of portfolio companies or our own business infrastructure. This can lead to downtime, revenue loss, and increased costs related to business continuity, insurance, and recovery.

Reputational risk

Not adequately addressing climate-related risks could damage our reputation with investors, regulators, or stakeholders. Similarly, if our portfolio companies fail to manage these risks, we could be exposed indirectly through perceived misalignment with responsible investment principles.

Regulatory risk

Climate-related regulations continue to evolve rapidly across jurisdictions. Non-compliance—whether due to inadequate disclosure, reporting gaps, or lack of alignment with policy requirements—may result in fines, restrictions, or loss of license to operate in certain markets.

Our engagement on climate change

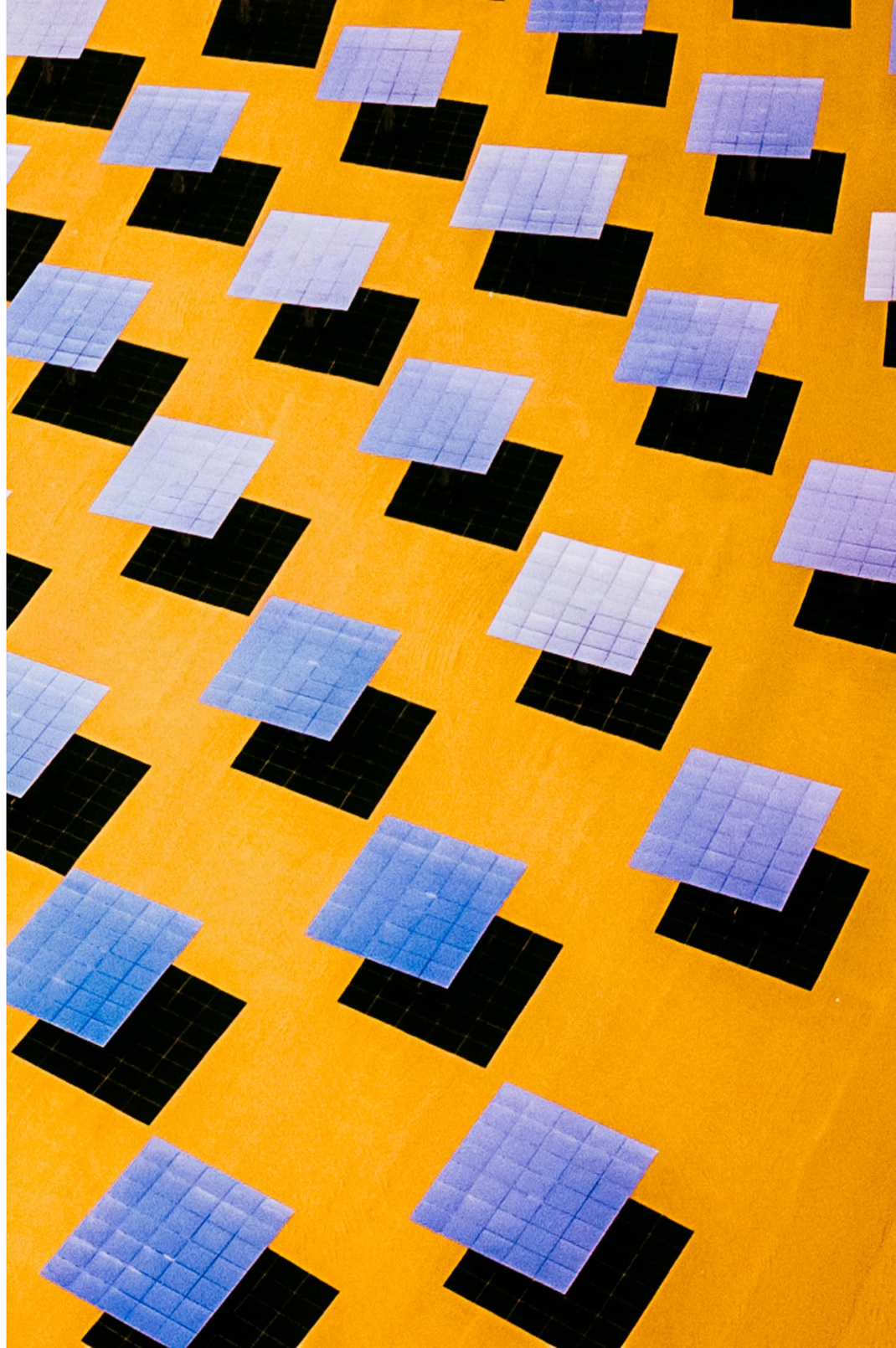
Engagement with stakeholders, portfolio companies, and industry groups is a cornerstone of our climate risk management process. We encourage contractors, suppliers, and portfolio companies to disclose climate-related data, such as GHG emissions, climate risk mitigation actions, and alignment with the 1.5°C target under the TCFD framework. Improving the availability of climate-related data helps us to better identify and assess climate-related risks and opportunities in our investment portfolio, as well as provide our clients with better and more transparent reporting.

In addition to engaging with policy makers on regulatory developments, **Capital Dynamics is also a member of key associations that support the transition towards a low-carbon economy**, as detailed below. Our engagement with these industry groups are an important part of our climate change risk management process.

iC International is a French-led collective initiative that supports the measurement and reduction of carbon emissions in private equity-backed companies. As a member, we collaborate to enhance sustainable investment performance across the private equity sector.	The Institutional Investors Group on Climate Change (IIGCC) is the leading European investor group focused on addressing climate change. We co-chaired a committee developing a net-zero framework for private equity firms and also joined EU-level efforts calling for a sustainable recovery. Our involvement has centered on supporting sustainability performance and long-term environmental and financial outcomes across private equity.	The Partnership for Carbon Accounting Financials (PCAF) is a global initiative to harmonize the measurement and disclosure of financed greenhouse gas (GHG) emissions. We joined PCAF in 2022 and adopted its standard—aligned with the GHG Protocol and TCFD—to consistently assess and report financed emissions from our investments.	The Principles for Responsible Investment (PRI) is a global network of investors committed to incorporating ESG factors into investment decisions. We became early adopters in 2008 and, in the most recent (2021) assessment, received 5-star ratings for our Investment & Stewardship Policy, Private Debt, and Clean Energy strategies.	The Task Force on Climate-related Financial Disclosures (TCFD) is an international initiative promoting standardized climate-related financial reporting. We are a TCFD supporter, having published our first report in 2020 and a second in 2021, which included both firm-level and asset-level climate scenario analyses.

4

METRICS AND TARGETS



Our decarbonization targets for Clean Energy

Our Commitment to Net Zero

Capital Dynamics supports the Paris Agreement and Net Zero goals investments in Clean Energy projects. Our investments into solar and wind energy projects represent ambitious Net Zero targets aimed at scaling investments into climate solutions with attractive risk-adjusted returns for our clients.

Further, our Clean Energy investments help meet global targets such as the SDGs and the Kyoto Protocol, simultaneously providing a solution for members of the RE100, a list of over 370 companies committed to go 100% renewable.

All of our Clean Energy assets contribute substantially to or enable emissions reductions to support decarbonization in line with credible 1.5˚C pathways towards Net Zero. Since inception of our Clean Energy business line, our projects have avoided +30 million tons of CO_2e.

Our focus on wind energy and solar PV projects are crucial to the transition to a Net Zero economy and corresponding policy goals, such as the EU Green Deal and the UK's Net Zero plans.

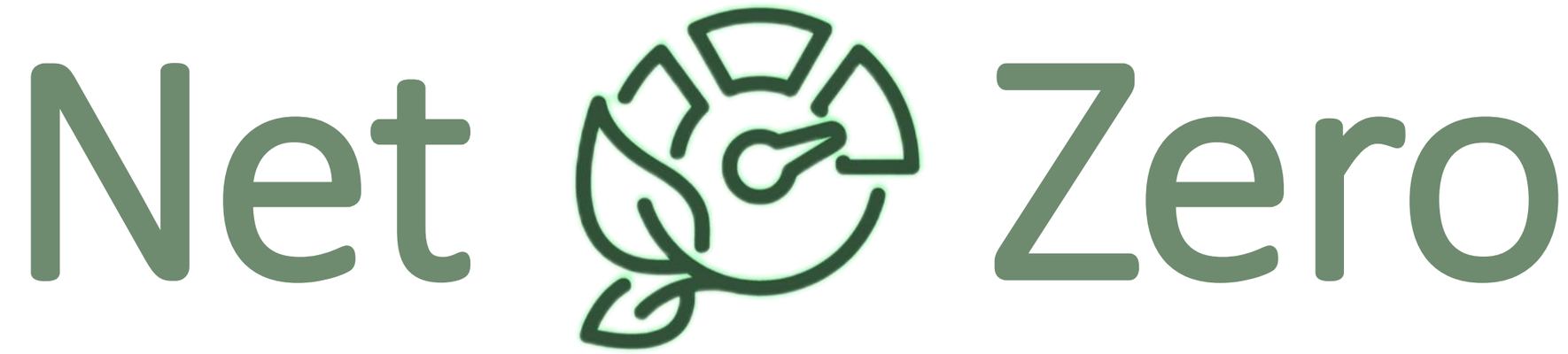
At Capital Dynamics, we are strongly committed to supporting the expansion of clean energy in Europe and doing our part to reduce greenhouse gas emissions associated with our investments. The majority of project lifecycle emissions of a typical renewable energy project occur during the manufacturing and construction process, whereas operational GHG emissions account for a small portion only.

Decarbonization targets

In our new Clean Energy funds, we are committed to taking action to reduce project lifecycle emissions from the construction process and operations. Our commitment is to reduce or offset emissions for all clean energy projects in the fund in line with Net Zero targets, from the construction date through the exit of that project, based on the actual emissions for each investment or, where such data is not available, the average emissions intensity of all such investments.

Decarbonization progress

In 2024, we acquired four assets with a dedicated decarbonization target. All were at pre-construction stage and as such, there are no emissions to be disclosed during the reporting period. The Clean energy team will ensure that all selected contractors are screened in accordance with its Responsible Contractor Policy and that all contractors supply the relevant datasets from their operations.

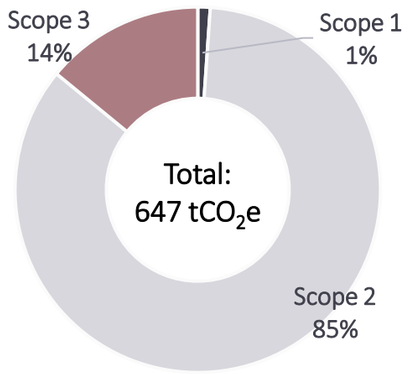


Clean Energy: Metrics and targets

We use a variety of metrics to assess climate-related risks and opportunities across our Clean Energy Portfolio. In 2024, the number of our operational assets increased to 20, from 16 in 2023. The below section and page 45 refer to the metrics and targets we track for our European Clean Energy portfolio.[1]

Clean Energy portfolio: GHG emissions inventory and avoided emissions

GHG Inventory[2]: . Operational assets report data immediately upon acquisition. Assets under construction report emissions at Commercial Operations Date.



Scope 1 | Direct emissions

- Scope 1 emissions include minor fuel use at operational assets. While all operational assets are covered, not all report Scope 1 emissions.

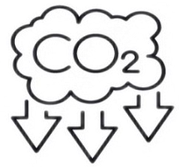
Scope 2 | Indirect emissions (purchased electricity)

- Based on project-level purchased electricity, calculated using the location-based approach
- Electricity is used to support only basic operational and maintenance needs of the investments

Scope 3 | Indirect emissions

- Includes emissions from water use (where applicable, e.g. solar assets) and fuel consumption from maintenance vehicles across operational assets. Also includes construction-related emissions from the Pines Burn project, which became commercially operational in 2024.
- In future, emissions from construction activities will be calculated and reported upon project completion, aligned with data availability and our updated reporting methodology.

Avoided emissions: In 2024, the assets in our European portfolio contributed to following avoided emissions. Historical data is also provided to compare to the previous two years.



298,317 tCO_2e

Estimated avoided emissions associated with our current Clean Energy portfolio[3]

Equivalent to...

122,776

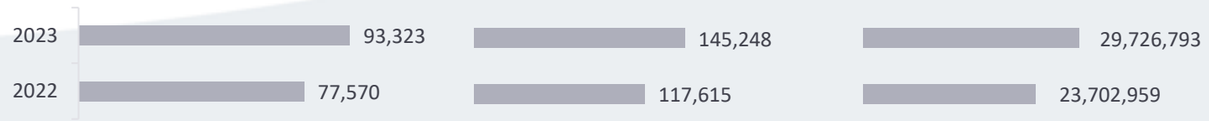
Number of passenger vehicles removed from roads

159,640

Homes powered in a year[3]

37,808,054

Gallons of oil saved



[1]Input data provided by Netro Energy. Data cover 100% of the European portfolio and are as of 31st December 2024, unless otherwise stated. [2]Data coverage of Scope 1 and 2 emissions is 100% of the portfolio. Data coverage of Scope 3 emissions - Water usage is 98% (by net capacity of the entire portfolio). Data coverage of Scope 3 emissions – Construction is 99% (by net capacity of all construction assets). [3]2023 Avoided emissions is restated in 2024 due to a change in the carbon factor of Italy, provided by the International Energy Agency. [4]Figures are not attributed to Capital Dynamics' share. Homes powered metric accounts for total annual energy use per household.

Clean Energy assets: Metrics and targets

In 2024, assets in our European portfolio have contributed to producing the following environmental benefits[1]:

Clean Energy Generated (GWh)

1,541 GWh

Clean energy generated in 2024

Water usage

	2024	2023
Water – operational assets (m^3)	756	800
Water – construction activities (m^3)	2[2]	859
Total water usage (m^3)	**758**	**1,659**

Data coverage - 100% of eligible operational assets (only solar assets reporting figures, as no water use at wind assets) and construction assets (that reached COD in 2024). 35% by net capacity of the entire portfolio. Data is adjusted by ownership share.

Waste generated

	2024	2023
Recycling – Operational, t	15	54
Recycling – Construction, t	-[3]	122
General waste – Construction, t	122[4]	255
Hazardous waste, t	7	17
Total waste generation t	**144**	**448**

Data coverage - 84% of eligible assets (operational + construction that reached COD). 29% by net capacity of the entire portfolio. Data is adjusted by ownership share.

Water emissions

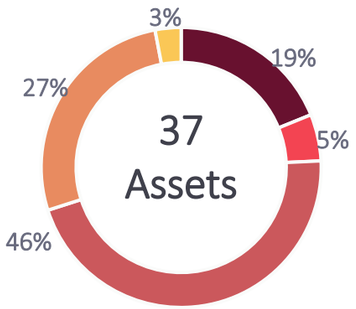
Zero

Emissions to water generated by our Clean Energy assets

[1]2022, 2023 and 2024 data presented as of 31 December 2023, 2023 and 2024 respectively. Data cover 100% of the European portfolio. Figures are not attributed to Capital Dynamics' share. Input data provided by Netro Energy. [2] Significant reduction in water consumption in 2024, as construction projects that contributed to higher usage in 2023 (850 m^3) have now transitioned to operational status.[3] Waste data from the assets that were still under construction in 2024 will be reported once the assets reach COD. [4]Four assets in Northern Ireland and two in Wales cannot provide non-hazardous data due to their remote locations, which prevent waste weight retrieval.

Clean Energy assets: Metrics and targets

Climate Scenario Analysis



	Risk %	# of assets
F	0	0
E	19%	7
D	5%	2
C	46%	17
B	27%	10
A	3%	1

Risk distribution[1]

In 2025, out of the selected 37 assets, the most common risk rating will be C for Combined physical risk under a Business as usual scenario. At this time, no assets will likely be rated F.

Top 3 climate hazards

Our assets[1] are exposed to (2025, Business as usual scenario) -
Climate hazards rated between medium to high risk

Heat stress

Extreme precipitation

Drought

R-Eye Scorecard

In 2024, all Clean Energy investments achieved a minimum R-Eye score of 4 out of 5, reflecting strong alignment with our net-zero commitments and risk mitigation practices.

[1] Coverage: European assets from funds CEI VIII, CEI IX, CE Europe and CE UK

Private Equity assets: Metrics and targets

Latest Mid-Market Direct Funds

54%

Of portfolio companies are **in scope of the EU Taxonomy**

70%

Female to male board members in portfolio companies[1]

Zero

Portfolio companies **engage in non-renewable energy production**

Zero

Portfolio companies engage in activities that **negatively affect** biodiversity-sensitive areas

Zero

Portfolio companies have been involved in **violations of UNGC principles or OECD guidelines**

Latest Primaries and Secondaries Funds

40%

Female to male board members in portfolio companies[2]

Zero

Portfolio companies' operations and suppliers at significant risk incidents of **forced or compulsory labour**

R-Eye Scorecard

In 2024, our Private Equity funds achieved an average R-Eye score of 3.5 out of 5, reflecting our commitment to ongoing monitoring of environmental, social and governance issues.

[1] Includes both Mid Market Direct V (56%) and Mid Market Direct VI (83%) fund portfolio companies' female board representation. [2] Includes both Future Essentials II (47%) and Global Secondaries VI (33%) fund portfolio companies' female board representation

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APPENDIX

Index – TCFD Recommendations

	DESCRIPTION	RECOMMENDED DISCLOSURES	PAGE
GOVERNANCE	Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	p. 5 p. 6
STRATEGY	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	p. 14-29 p. 30 p. 31
RISK MANAGEMENT	Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	p. 33-34 p. 35-39 p. 40-41
METRICS & TARGETS	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	p. 44-48 p. 45 p. 44

Methodology – EarthScan climate risk rating

We use EarthScan™ ratings, customized in conjunction with Mitiga, to develop broader insights over risks in our Clean Energy portfolio over longer time horizons.

Ratings indicate the probability of climate hazard events with the potential to create a concerning level of physical damage and disruption to an exposed asset and its operations.

Assets and portfolios are assigned one of six EarthScan Ratings, from Rating A (very low climate-related risk) to Rating F (extremely high climate-related risk). Assets experience a concerning level of physical damage and/or disruption when a climate hazard event exceeds a certain threshold, or when they experience hazards at higher levels of intensity than typical conditions. EarthScan Ratings are determined based on a projected score between 0-999. The score is a relative assessment of the potential for climate hazard events to cause physical damage and/or disruption to a given built asset, based on comparison against a representative global benchmark set of assets.

Higher scores represent better EarthScan Ratings with lower climate-related risk. A is the best EarthScan Rating and indicates very low climate-related risk. Lower scores represent worse EarthScan Ratings with higher climate-related risk. F is the worst EarthScan Rating and indicates extremely high climate-related risk.

Rating	Score	Description
A	833 - 999	**Excellent** Minimal risk of climate hazard events that have the potential to cause physical damage and / or disruption to built assets
B	667 – 832	**Good** Low risk of climate hazard events that have the potential to cause physical damage and/or disruption to built assets
C	501 – 666	**Moderate** Medium risk of climate hazard events that have the potential to cause physical damage and/or disruption to built assets (Rating C is the recommended guideline for screening assets)
D	334 - 500	**Poor** High risk of climate hazard events that have the potential to cause physical damage and/or disruption to built assets
E	167 – 333	**Very poor** Very high risk of climate hazard events that have the potential to cause physical damage and/or disruption to built assets
F	0 – 166	**Extremely poor** Extreme risk of climate hazard events that have the potential to cause physical damage and/or disruption to built assets

Source: Mitiga (2023): Combined Signals and Rating Methodology

List of figures

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