IK Partners

2024

TCFD and TNFD Report

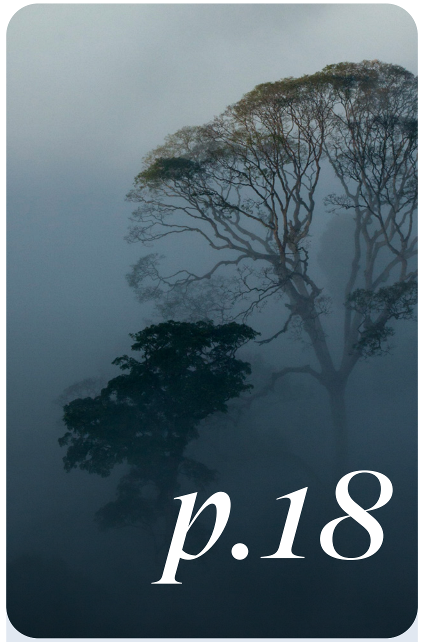
TCFD Report

TNFD Report

Introduction

TCFD: Governance

TCFD: Strategy



TCFD: Risk Management

TCFD: Metrics and Targets

TNFD Report

CEO's Statement

"We acknowledge that addressing climate and nature-related risks is an evolving challenge requiring continuous improvement and adaptation to our approach and we remain committed to advancing our practices further."

FOR MORE INFORMATION ABOUT IK PARTNERS, PLEASE VISIT **IKPARTNERS.COM/ABOUT-US**

Welcome to our second Task Force on Climate-related Financial Disclosures ("TCFD") report and our first report aligned with the Taskforce on Nature-related Financial Disclosures ("TNFD"). Prepared in accordance with the UK Financial Conduct Authority ("FCA") requirements, this report further strengthens our commitment to transparency, accountability and proactive management of climate and biodiversity risks as well as opportunities.

2024 was officially the hottest year on record with the impacts of climate change and nature crises becoming increasingly visible, evident through more frequent extreme weather events and notable biodiversity loss. These trends highlight the importance of our continued efforts to embed robust climate and nature risk management practices across our investment activities.

Since the introduction of our first proprietary climate risk screening tool in 2020, we have continuously deepened our approach to managing climate-related risks and opportunities. In 2024, we introduced climate and biodiversity risk screening tools such as Altitude by AXA Climate across both the pre-investment and ownership stages. The insights gained from the use of tools like this actively inform our engagement with the companies we invest in, guiding strategic decisions when it comes to building resilience and identifying value-enhancing opportunities aligned with broader sustainability objectives.

We recognise that nature-related risks and opportunities — particularly dependence on natural resources and services — can be material across the sectors we invest in. As early adopters of the TNFD, we have focused on refining our data collection and risk assessment methodology to improve our understanding of the relationship between nature and business resilience in the portfolio. We leverage external advisors and actively engage in industry initiatives and collaborative learning to strengthen our ability to identify, manage and mitigate potential impacts and opportunities across our portfolio, while also enhancing disclosures to our investors.

Transparency remains a cornerstone of our strategy and we continue to report on key climate-related indicators, including our operational and financed emissions, TCFD metrics and progress against portfolio- and IK-level science-based targets ("SBTs"). As part of our evolving approach to managing nature-related risks and opportunities, we are beginning to report on key TNFD-aligned indicators, including proximity to protected areas and exposure to high-impact commodities. Our commitment to detailed, comprehensive reporting provides clarity and accountability to our investors and all other stakeholders.

We acknowledge that addressing climate and nature-related risks is an evolving challenge requiring continuous improvement and adaptation to our approach and we remain committed to advancing our practices further.

We look forward to sharing our continued progress with you in the years to come.

Christopher Masek
Chief Executive Officer

Key Climate Milestones

2012 – 2025

2012
- IK RI Policy adopted

2017
- IK operational carbon footprint measured for the first time
- Commenced annual reporting of operational greenhouse gas ("GHG") emissions

2018
- First climate-related training for investment professionals delivered by ERM

2020
- IK Climate Change Risk Screening Tool developed with EY and integrated into the pre-investment stage
- GHG emissions-related exclusions defined and integrated into the referral list in the IK Responsible Investment ("RI") Policy
- Joined the initiative Climat International ("iCI")

2021
- IK Carbon Footprint project for portfolio launched with CO_2 Logic (part of South Pole)
- Began purchasing corporate carbon credits from carbon removal and avoidance projects

2022
- Annual financed emissions reporting started
- Bespoke climate change training for investment professionals provided by PwC
- Formally started supporting the TCFD
- SBTs set and verified by Science Based Targets initiative ("SBTi")

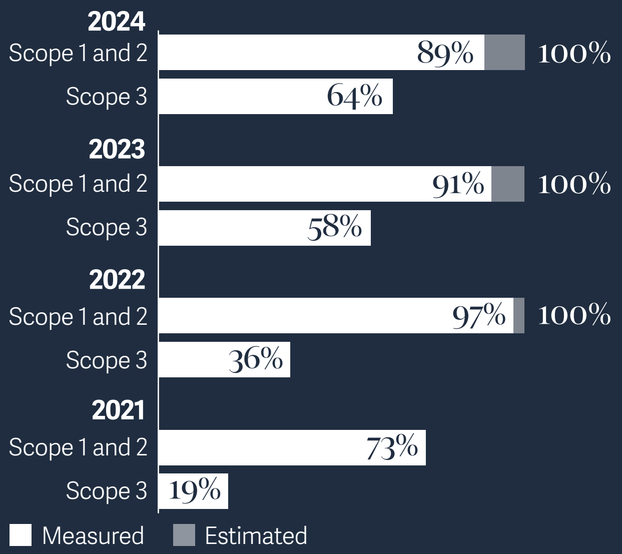
2023
- Reported on 100% of IK's financed scope 1 and 2 emissions
- First portfolio Sustainability Forum held, including a decarbonisation strategy and SBTs-setting workshop by South Pole
- IK listed in "Future 40 Climate Change Champions" list, published by Real Deals

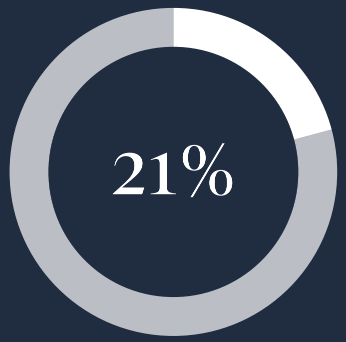
2024
- Altitude by AXA Climate integrated
- IK Climate Policy adopted
- Portfolio-wide climate scenario analysis conducted
- First IK TCFD Report published
- Became Early Adopter of the TNFD
- Won 'PE House of the Year: Mid Cap (avg deal size >€250m)' at The Real Deals ESG Awards 2024

2025
- IK RI Policy last reviewed
- Novata Carbon Navigator made available for portfolio
- First IK TNFD Report published
- Training on utilising climate scenarios in board discussions

Highlights

IK Portfolio





Portfolio coverage of majority-owned investments by invested capital that have set or have committed to setting SBTs

Assets Under Management ("AUM"[2]) assessed for nature-related risks

Scope 1 and 2: Year-on-year increase in the IK portfolio coverage[1] measuring and reporting scope 1 and 2 emissions

Scope 3: Year-on-year increase in the IK portfolio coverage[1] measuring and reporting scope 3 emissions

171,107,132 kWh
Total renewable energy used by portfolio companies ("PCs")

8%
Scope 1 and 2 emissions from all majority and minority investments that have set or have committed to setting SBTs

IK Operations

939 tCO_2e
Total IK operational emissions[3]

68%
Total electricity consumed comes from renewable sources

c.1000 tCO_2e
Emissions avoided from 144 Solvatten units purchased

1) The % portfolio coverage is calculated using the unrealised value of investments as of December 2024.
2) Please note this excludes a minority shares ownership of Netel (IK VII Fund).
3) Covering scope 1, 2 and 3 (Categories 1-14).

TCFD Report

Overview of the Disclosures Aligned with TCFD Guidance

At IK, we believe that climate change has detrimental effects on the planet, people and economy. The increasing frequency and severity of physical climate impacts, along with the scale of effort required for climate mitigation and adaptation, create a systemic risk with potential material financial implications.

Established in 1989, IK is a European mid-market private equity ("PE") firm with a strong local presence and in-depth approach focused around four key sectors: Business Services, Healthcare, Consumer and Industrials. Since inception, it has been our mission to improve operating performance and generate lasting value for our investors and the businesses we partner with. By partnering with management teams we believe in, our Investment, Capital Market and Operations teams continue to support the accelerated growth of our PCs.

With the objective of enhancing and delivering value to our investors and businesses, IK is well-positioned to identify, assess and manage material climate change risks and opportunities.

In doing so, we may also contribute to the transition to a low-carbon and climate-resilient economy.

Recognising the importance of disclosing how climate change risks and opportunities are addressed, to enable effective decision-making for our investors and in line with FCA requirements, this report follows TCFD recommendations and provides details on IK's climate efforts across the four core pillars: Governance; Strategy; Risk Management; and Metrics & Targets.

This report specifically pertains to IK Investment Partners Ltd, the UK-incorporated investment advisor to the Alternative Investment Fund Manager ("AIFM"), which is within scope of the FCA's regulatory requirements.

Governance

Built around the IK RI Policy and well-established governance capabilities, IK has an effective approach to governance of climate change-related risks and opportunities comprising of:

- Clearly-defined oversight and management roles;
- IK Climate Policy;
- Relevant climate training for IK investment professionals; and
- Transparency and reporting to our investors.

Strategy

Our strategic approach, based on our fiduciary duties, is focused on identifying material climate risks and employing actions to manage them, while taking advantage of opportunities that can be leveraged across:

- The investment process;
- Our investment strategy;
- Decarbonisation commitments; and
- Collaborative initiatives.

Based on the portfolio-wide scenario analysis using Altitude by AXA Climate, overall, IK's portfolio is exposed to limited levels of physical and transition climate risks.

Risk Management

IK is well-positioned to assess and manage climate change risks and opportunities both within its own business operations and throughout the investment cycle.

From the pre-investment stage and at least annually across ownership, IK utilises Altitude by AXA Climate to assess the exposure of portfolio assets to physical and transition risks and opportunities.

Findings from the climate scenario analysis inform our engagement with PCs. These insights enhance our understanding of the material climate risks and opportunities they may face and encourage the disclosure of relevant sustainability-related information, including carbon emissions and energy consumption.

Metrics & Targets

We are committed to maintaining transparency with our investors and continue our efforts to monitor and report 100% of IK's financed scope 1 and 2 emissions, expanding coverage to include scope 3 emissions, along with IK's operational emissions.

Progress against our SBTs, set and verified by SBTi in 2022, is monitored and disclosed annually.

01

Governance

We continue to strengthen our climate-related governance practices, having adopted a dedicated IK Climate Policy in 2024 and ensuring ongoing oversight of its implementation within our management governance structure.

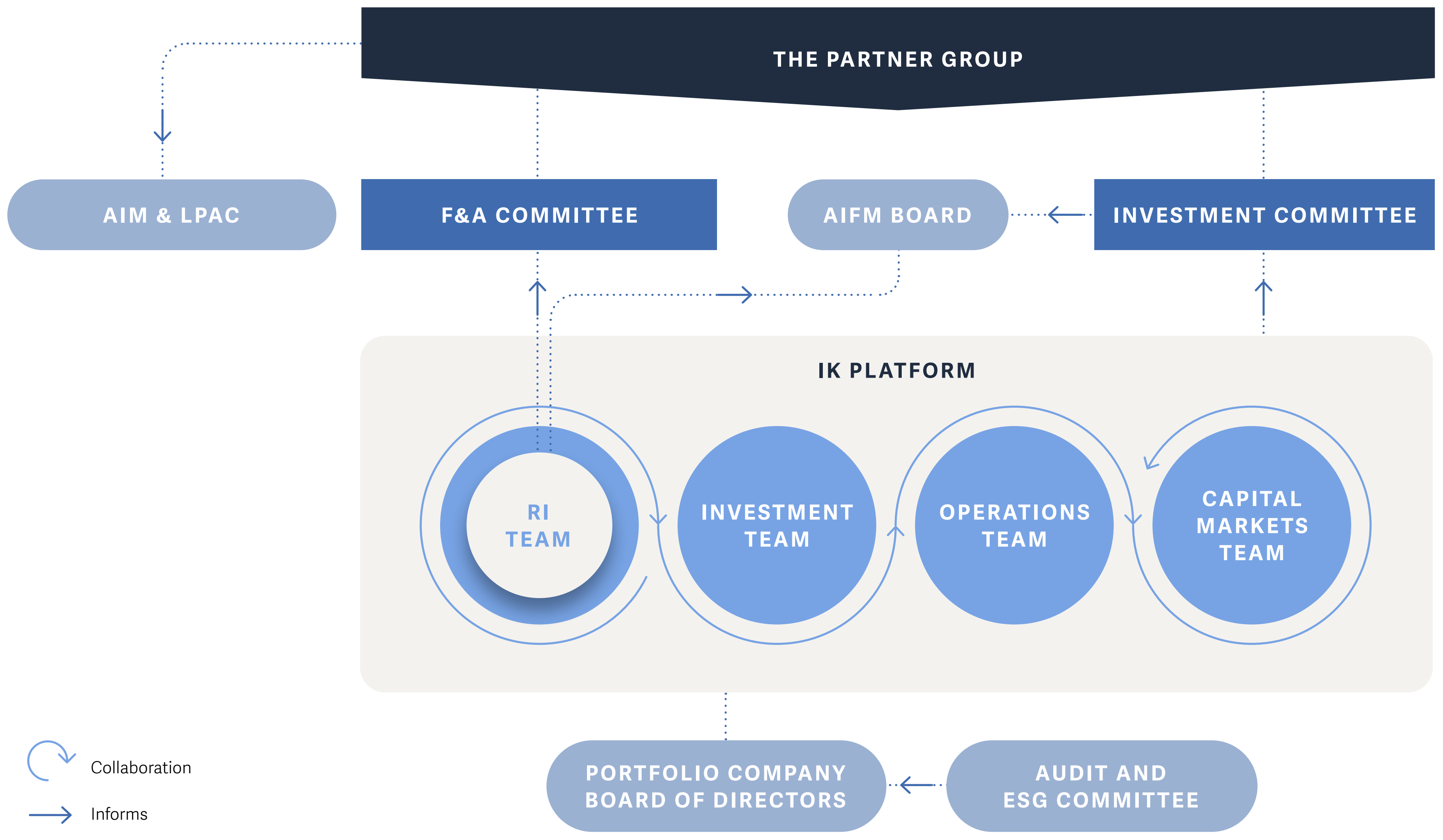
Governance Structure

As a PE business, the IK Partners Group comprises several entities, including IK Partners AIFM, incorporated in Luxembourg and IK Investment Partners Ltd, incorporated in the UK. The latter is authorised and regulated by the FCA and provides investment advisory services in support of the AIFM's fund management activities. Together, these entities work to deliver operational improvement across PCs and strong, consistent returns to our investors, in line with IK's strategy, RI approach and our fiduciary duties.

Applicable to all IK Partners Group entities and funds, the IK Climate Policy sets out our approach to incorporating climate-related considerations into both our investment strategy and operations. The policy covers 100% of AUM.

Figure 1 provides an overview of the governance structure relevant to the oversight of the IK Climate Policy implementation.

FIGURE 1: IK GOVERNANCE STRUCTURE



Governance Structure (continued)

Board Oversight and Management Responsibilities

Our CEO, with the support of our Partner Group, holds ultimate responsibility for the IK Climate Policy and oversight of its implementation. Being responsible for IK's investment strategy, risk management and profile of each financial product, the CEO and Partner Group are well-positioned to integrate considerations of climate change – where relevant – over the short, medium and long term. When it comes to individual investments and funds, our CFO is responsible for the valuation of material sustainability-related risks, including climate-related risks (at a fund level) in line with the IK Fund Valuation Policy.

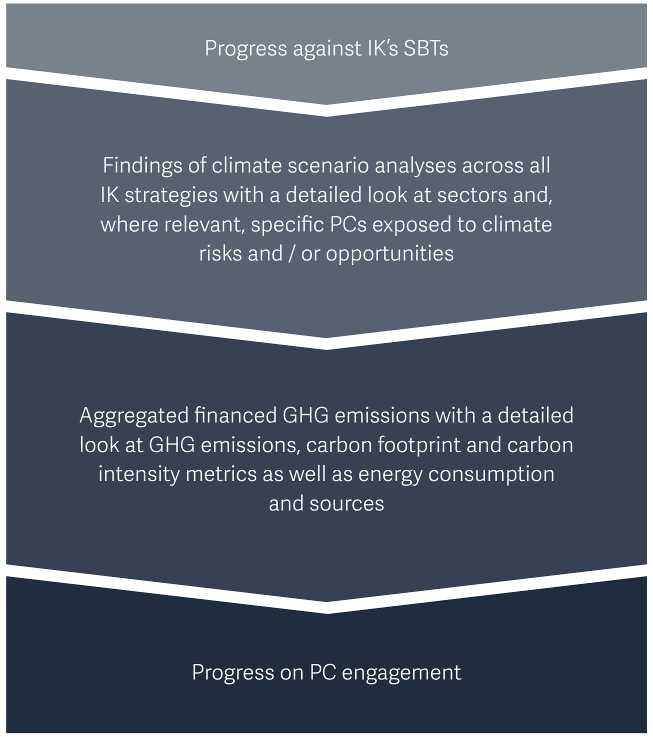
The IK Climate Policy applies in conjunction with other relevant policies, especially our RI, Fund Valuation and AIFM Risk Management policies. The IK RI Policy sets out our RI principles, commitments and referral list, while also outlining our approach to the integration of material sustainability factors in the investment process, including climate change risks and opportunities.

In our governance structure, two of IK's committees – the Finance & Administration ("F&A") Steering Committee and the Investment Committee ("IC") – are integral to our climate risk management.

The F&A Steering Committee, comprising the CEO, CFO, partner in charge of Investor Relations and RI Director, periodically reviews the policy.

The RI Director provides regular updates to the committee on the progress and implementation of the relevant IK policies, including applicable regulatory developments.

The updates generally cover the following climate-related items:



The IC is responsible for making an investment recommendation to the AIFM after careful consideration of relevant information, including material climate-related risks and opportunities.

The AIFM Board also receives regular updates from the RI Director on the implementation of the IK Climate Policy and relevant regulatory developments.

When it comes to our corporate entity, the responsibility lies with the CFO to identify and assess climate-related risks and opportunities in IK's operations, determine what mitigating actions will be taken and oversee their implementation.

IK Climate Policy Implementation

All our investment professionals have a responsibility to integrate considerations of material sustainability and climate change risks as well as opportunities throughout the investment lifecycle, in line with the IK RI and Climate policies and to ensure that decisions are made after thorough examination. More details on how climate-related risks and opportunities are assessed and incorporated into each stage of the investment process can be found in the Risk Management section.

The IK Capital Markets, Operations and RI teams are seamlessly integrated throughout the entire investment process to support the Investment teams in the implementation of the IK Climate Policy. The RI team is also in charge of proposing updates to IK's sustainability-related policies, advancing our monitoring and reporting approach as well as strategic partnerships with industry peers and initiatives to drive progress.

As per the IK Remuneration Policy, the management of material sustainability-related risks and the implementation of sustainability initiatives in the investment process are embedded into the annual performance review and remuneration structure.

At the portfolio level, IK investment professionals devote a significant amount of their time to managing the current portfolio through both their involvement with the management team and the board. In PCs where IK has a controling stake, we always look to have a minimum of one representative on the Board of Directors. Where appropriate, IK encourages the formation of an 'Audit and ESG Committee'.

Capacity Building, Disclosures and External Reporting

At IK, we are dedicated to building strong internal capabilities to enable the successful implementation of our RI and Climate policies, which we believe help us preserve and unlock value for our investors.

Our RI team provides the required support to our investment professionals and other teams, including pre-investment screening tools, analytics, assessments, training and other relevant materials. The RI team is further reinforced by a strong network of external partners – in our key investment geographies – who have leading climate and sustainability expertise.

All new joiners complete a structured onboarding programme, which includes a separate session on IK's RI approach and integration of material sustainability-related matters – covering climate change – throughout the investment lifecycle. 100% of new joiners in 2024 completed the RI-focused induction session.

Our investment professionals also receive periodic training on climate change-related issues and how to incorporate these into the investment process, delivered by the IK RI team or external partners. Further dedicated climate training sessions are planned for IK investment professionals in 2025.

We also support our PCs by raising their awareness of climate-related risks and regulatory changes, as well as developing management practices to remain resilient or act on the presented opportunities. In 2024 and for the second year running, we organised a Sustainability Forum for our PCs. As part of this event, ERM delivered an information session on the topic of the commercialisation of decarbonisation initiatives.

Committed to maintaining transparency with our investors, a regular sustainability-related update is provided during the Annual Investor Meeting and Limited Partner Advisor Committee Meetings, featuring any relevant climate-related developments.

Finally, IK is committed to continuously improving disclosures and reporting to our investors, thereby enabling them to integrate this information into their analysis and decision-making processes.

TCFD

Taskforce on Climate-related Financial Disclosures

- A publicly available entity-level TCFD Report, prepared in accordance with the requirements of the UK Financial Conduct Authority
- Voluntary product-level TCFD reports available to IK funds' investors

FOR MORE INFORMATION, VISIT:
WWW.FSB-TCFD.ORG
WWW.FCA.ORG.UK

T N F D

Taskforce on Nature-related Financial Disclosures

- IK among TNFD Early Adopters
- A publicly available entity-level TNFD Report

FOR MORE INFORMATION, VISIT:
WWW.TNFD.GLOBAL

IK PRESS RELEASE

ESG Data Convergence Initiative

ESG Data Convergence Initiative ("EDCI")

- Portfolio reporting since 2021

FOR MORE INFORMATION, VISIT:
WWW.ESGDC.ORG

PMDR Private Markets Decarbonisation Roadmap

Private Markets Decarbonisation Roadmap ("PMDR")

- IK portfolio alignment published since 2024

FOR MORE INFORMATION, VISIT:
WWW.BAIN.COM/HOW-WE-HELP/PRIVATE-MARKETS-DECARBONIZATION-ROADMAP

02

Strategy

Centred around our core principle of delivering lasting returns to our investors, we aim to identify material climate-related risks and opportunities and integrate their considerations into our investment strategy. Our climate approach targets both pillars of our activities – our corporate operations and the management of our investment portfolio.

Identified Climate Risks & Opportunities and Their Potential Impacts

Following the TCFD recommendations, when identifying potential financial impacts of climate change, IK considers both physical risks and transition risks as well as opportunities.

Physical Risks

Physical risks arise from acute or chronic changes in climate patterns which vary between timeframes and across geographies.

Acute Risk – Immediate extreme weather events, such as a flash floods, hurricanes or wildfires.

Chronic Risk – The long-term variability of weather patterns which cause changes to the climate system, such as rising sea levels and increasing mean temperatures over a longer timeframe.

Transition Risks

Transition risks are driven by the transition to a low-carbon economy, which requires policy, legal, technological and market changes to accommodate climate change mitigation and adaptation. Although transition drivers are also expected to have universal global effects, their short-term impacts vary significantly across different business sectors and geographies. This variation depends on local policy responses and stakeholder pressures.

Policy and Legal Risk – The rapidly evolving legal and regulatory landscape aimed at mitigating and adapting to climate change. For example, carbon pricing, enhanced reporting obligations, mandates on and regulation of existing products and services and exposure to litigation.

Technology Risk – The technological developments and associated costs to support the transition to a low-carbon economy. For example, the requirement to substitute existing products and services with lower emissions options and unsuccessful investment in new technologies.

Market Risk – Changing market conditions due to – for example – changes in customer behaviour, uncertainty in market signals and changes in the cost of raw materials.

Reputational Risk – The risk of a negative reputation and changing perceptions of an organisation due to shifts in customer preferences and expectations – for example, increased stakeholder concern / negative feedback and the stigmatisation of sectors.

Transition Opportunities

The transition to a low-carbon economy as well as the mitigation and adaptation actions required, also create opportunities for companies. Identifying and utilising the opportunities is of strategic importance to become a leader and stay competitive in the transitioning market.

Resource Efficiency – Use of more efficient modes of transport / production / distribution / buildings / water usage and so on.

Energy Sources – Use of lower emission sources of energy, new technologies and participation in the carbon markets.

Products and Services – Development and expansion of lower emissions goods and services, new products and climate adaptation / insurance risk solutions.

Markets – Access to new markets, use of public sector incentives and access to new assets and locations.

Resilience – Ability of the organisation to build adaptation capacity to respond to changing climate.

Both physical and transition risks and opportunities are a source of potential financial implications for an organisation which can materialise by affecting revenues, expenditures, assets & liabilities, capital and financing. For example, physical risks can have direct impacts on a company by damaging assets and infrastructure or indirect impacts by disrupting supply chain operations. Transition risks — depending on the magnitude of transition efforts in various jurisdictions — may affect a company's ability to generate revenue and access markets, or damage reputation and market competitiveness.

As an advisor and manager of IK Funds, we focus on identifying impacts of climate risks and opportunities which could affect our investments and thus the ability to deliver sustainable value to our investors and generate profits. When conducting this analysis, we consider three separate time horizons spanning the short, medium and long term. The time horizons reflect different aspects of private investing, encompassing the lifecycles of individual investments, funds and a long-term investment strategy.
This approach enables us to have a holistic perspective when identifying climate change impacts and incorporating them into our investment process and strategy.

Figure 2 (overleaf) provides a summary of climate change risks and opportunities and examples of potential impacts we identified across different time horizons. These impacts were identified based on qualitative analysis using the internal expertise and capabilities of our RI team and a track record of integrating climate change factors into the investment process, as per the IK RI and Climate policies.

Identified Climate Risks and Opportunities and Their Potential Impacts (continued)

FIGURE 2: POTENTIAL CLIMATE CHANGE IMPACTS ON IK

Climate Risks and Opportunities

PHYSICAL RISKS	TRANSITION RISKS	TRANSITION OPPORTUNITIES
Acute; Chronic	Policy & Legal; Technology; Market; Reputation	Resource Efficiency; Products & Services; Energy Sources; Market; Resilience

Examples of Financial Implications & Channels

Income Statement			Cash Flow Statement				Balance Sheet		
Physical damage, increased insurance premium	Reduced revenue	Increased litigation	Increased CAPEX and OPEX, compliance costs	Reduced asset valuation	Reputational damage to the laggers	Shifts in consumer behaviour and preferences	Disruptive technologies	Access to new markets, low-carbon goods and services	Lower energy price volatility, lower OPEX

Examples of Potential Impacts

Short Term (1-7 years)	Medium Term (7-15 years)	Long Term (15+ years)
This period corresponds to the average holding period of an individual investment which could suffer from the following materialised climate change impacts:	This period corresponds to the average life of a fund, which could experience materialised impacts of climate change, such as:	This period corresponds to the long-term business strategy and resilience, which need to consider the following potential implications of climate change:
• Reduced profitability and increased OPEX and CAPEX for PCs • Reduced valuation of PCs • Increased compliance cost for a fund manager	• Reduced fund performance and ability to generate profits due to high concentration of climate vulnerable assets • Reputational damage can influence ability to raise capital for new products	• Intensified physical climate impacts in the long-run will require drastic measures from the regulators and technologies, negatively affecting competitiveness and demand for financial products that are unable to align their investment strategy with climate goals
• Reduced operational costs for PCs	• Creation of new products can attract new climate change mitigation-oriented investors	• Resilient investment strategy and operations can enable long-term returns to investors and sustainable revenue generation

IK Climate Approach

Our climate approach focuses on identifying material climate risks, taking actions to manage them and seizing related opportunities. It is built on four core pillars:

1 Investment Process

Climate change considerations are integrated into each stage of the investment process.

The implementation of the IK RI and Climate policies, which set out our approach to the integration of climate considerations in the investment process, is overseen by the CEO with the support of our Partner Group. The policies are periodically reviewed and amended.

In the pre-investment stage, Altitude by AXA Climate enables the screening of potential investments for exposure to climate-related risks and opportunities on an asset level.

During ownership, we also utilise Altitude together with other available analyses to perform a forward-looking climate scenario analysis to inform our engagement with PCs.

All IK PCs should measure and report scope 1 and 2 GHG emissions and are encouraged to monitor and report scope 3 emissions. The collection of high-quality emissions data is essential for ongoing engagement, as well as for fulfilling IK's reporting and transparency commitments.

In addition and where appropriate, climate topics may be considered during exit preparations.

More details on the investment process can be found in the Risk Management section.

2 Investment Strategy

We strategically consider climate change opportunities in line with any fiduciary duties. For example:

- By expanding the selection of IK's core sub-sectors to invest in businesses benefiting from the climate mitigation / adaptation related tailwinds; and
- When defining the investment strategy for IK Funds and developing new products.

3 Decarbonisation Commitments

In 2022, IK set SBTs and had them verified by SBTi.

IK is committed to:

- Achieving 100% portfolio coverage by invested capital in majority investments with verified SBTs by 2040, from a 2021 baseline year and with an interim target of 26% by 2026; and
- Reducing its operational scope 1 and 2 emissions by 52% by 2030 from the 2019 baseline.

To meet our commitments, we encourage our PCs to measure their emissions, directly engaging with them – where relevant – to support the identification of emissions-reduction opportunities and setting SBTs.

We will also continue to take steps to identify and implement GHG emission-reduction measures internally to meet our operational target, as well as support innovative carbon removal and avoidance solutions through the purchase of carbon credits.

You can find our progress against the targets in the Metrics and Targets section.

4 Strategic Collaboration

We strongly believe that collaboration and participation in industry initiatives can contribute to finding solutions to global sustainability challenges.

For example, IK is an active member of the iCI and collaborates with leading UK and European universities by participating in student consulting projects in the field of climate and sustainable finance.

Climate Scenario Analysis and Portfolio Resilience

We perform a forward-looking scenario analysis annually to identify and monitor physical and transition risks and opportunities, as well as to improve understanding of the resilience of our portfolio. The portfolio-wide scenario analysis – covering 100% of AUM[1] – is completed using Altitude by AXA Climate, supplemented with insights from the IK RI Team.

Based on the implemented scenario analysis, IK's portfolio exhibits an aggregated medium-low level of exposure to climate-related risks within the defined scope. This report provides an overview of the portfolio-wide assessment, while product-level results will be available in the individual product level reports accessible to IK's funds, investors on the investor portal.

Please note that there are limitations inherent to climate scenario analysis due to the high levels of complexity and uncertainty, black box-based climate modelling as well as portfolio data quality and availability. Moving forward, we remain committed to engaging with AXA Climate and refining our approach to scenario analysis. Furthermore, we will continue our efforts in advancing the data quality from our portfolio and will conduct periodic assessments to monitor and report on our exposure to climate risks to our key stakeholders.

FIGURE 3: POTENTIAL GEOGRAPHICAL CLIMATE RISK EXPOSURE

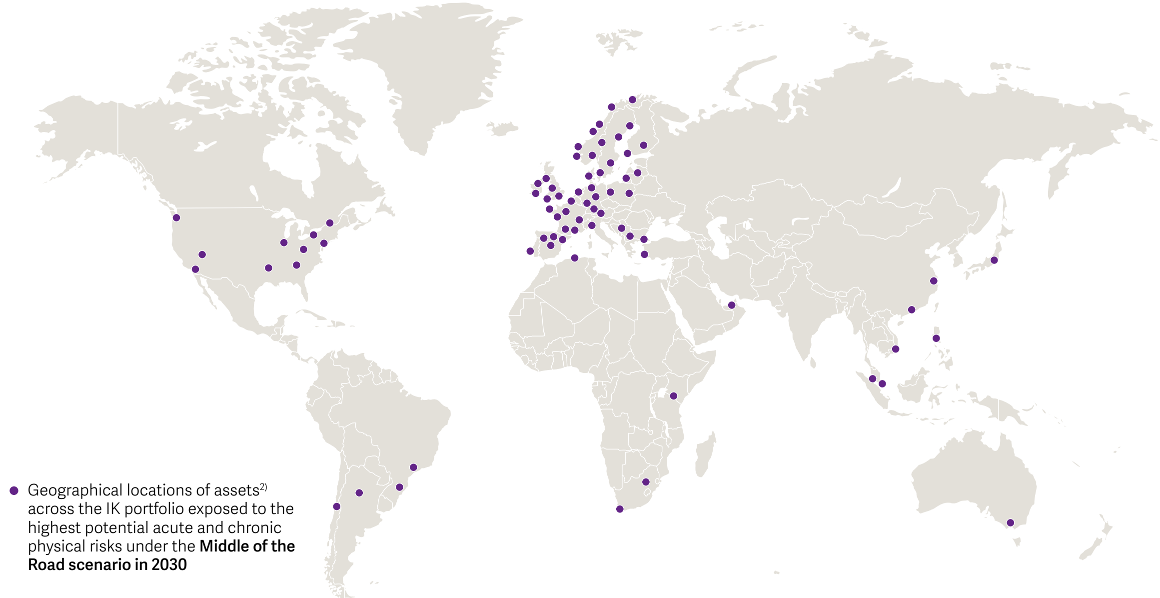
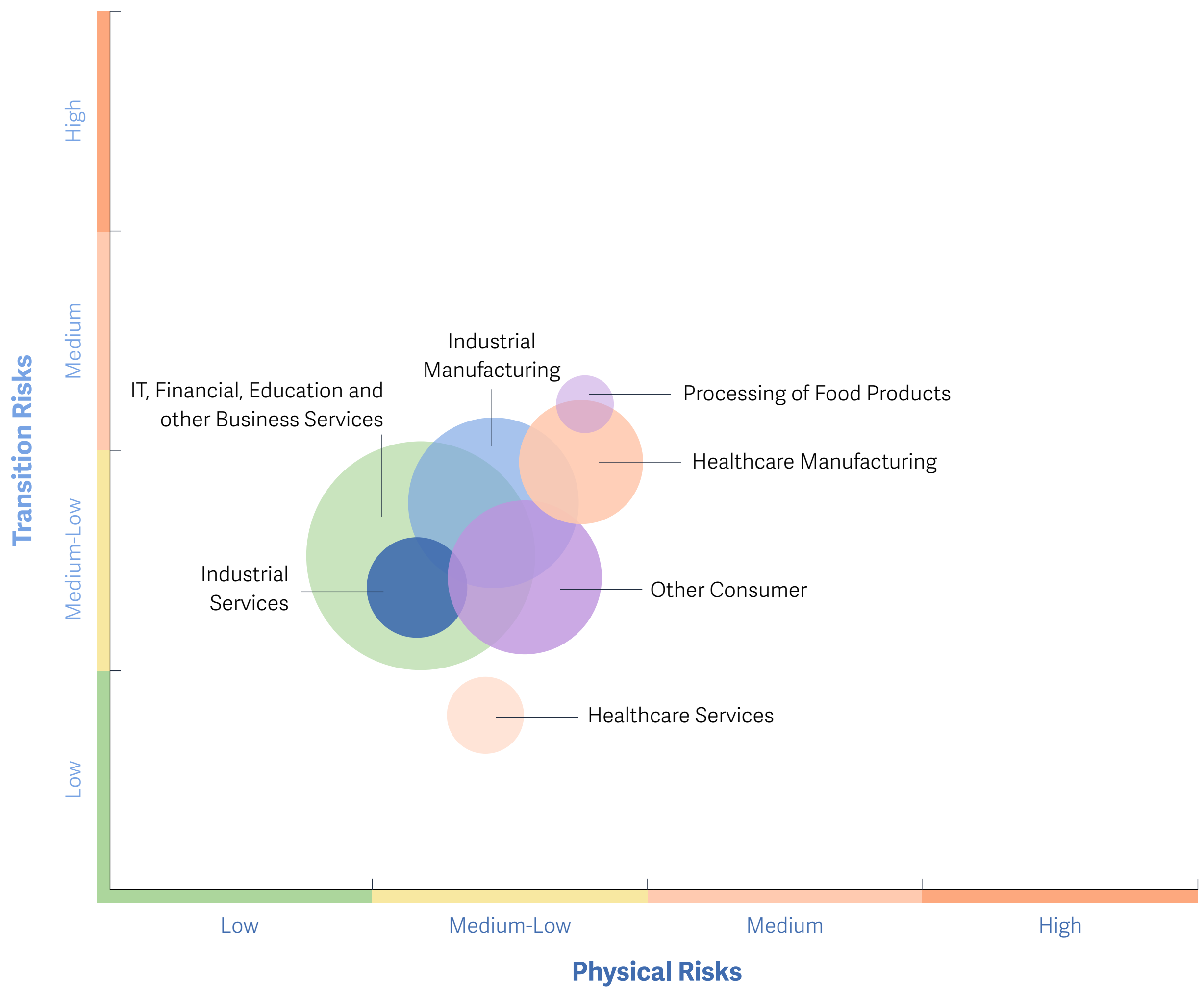


FIGURE 4: POTENTIAL PORTFOLIO EXPOSURE TO CLIMATE CHANGE RISKS ACROSS SECTORS[3]



1) IK portfolio as of December 2024. Please note this excludes a minority shares ownership in Netel (IK VII Fund).
2) All asset types, except offices, exposed to potentially high physical climate risks based on the results of the Altitude by AXA Climate analysis. Please note that not all assets are presented; this is for illustrative purposes only, showcasing the concentration of assets.
3) Based on company-level average risk scores for transition and physical risks derived from the Altitude by AXA Climate analysis and company-specific insights from the IK RI Team, weighted by unrealised value as of December 2024.

Climate Scenario Analysis and Portfolio Resilience (continued)

Physical Risks Scenario Analysis

When assessing physical climate risks, Altitude by AXA Climate enables us to analyse assets in the IK portfolio individually, based on their specific type and precise geolocation. Following the Intergovernmental Panel on Climate Change definition, the tool evaluates physical climate risks as a function of three pillars: Hazard; Vulnerability and Exposure. The tool covers 16 natural hazards, both chronic and acute hazards. Each hazard peril is evaluated using one or more metrics derived from Global Climate Models and additional resources specialised in separate hazards. Altitude then computes 30-year averages (monthly, seasonally, yearly) around 2000, 2020, 2030 and 2050 to monitor the evolution of climate hazards over time. Climate hazards are computed for three emissions scenarios.

The scenarios used for the physical climate scenario analysis include:

Orderly	**Optimistic Scenario – SSP1-2.6** The temperature increase stabilises to 1.8 °C by 2100.
Disorderly	**Middle of the Road Scenario – SSP2-4.5** The realistic scenario of warming to be limited to 2.7°C by 2100.
Hot House	**High-Reference Scenario – SSP5-8.5** The pessimistic scenario of temperature rise to 4.4°C by 2100.

For each assessed asset, a risk score of low, medium or high is provided based on the physical hazard metrics identified as material for an asset type. In cases where PCs have multiple assets, a consistent rule is applied to get an aggregate risk score at the company level. The risk score is then consolidated at the portfolio level by aggregating and weighting individual companies' scores by the unrealised value and re-categorising risk levels into five categories: low, medium-low, medium, high and very high. Altitude results are then further adjusted by the IK RI Team based on company-specific insights.

A heatmap (Figure 5) shows the portfolio aggregated risk levels across each climate hazard in the scope of the analysis in three forward-looking scenarios and two time periods. Based on the results, IK's portfolio has the highest exposures of high level to flood and medium level to water stress and landslide hazards, consistent across the three scenarios and both timelines.

Risks heatmap
- Low
- Medium-Low
- Medium
- High
- Very-High

FIGURE 5: POTENTIAL PORTFOLIO EXPOSURE TO PHYSICAL RISKS

Climate Physical Risks	2030 Orderly	2030 Disorderly	2030 Hot House	2050 Orderly	2050 Disorderly	2050 Hot House
Chronic						
Changing air temperature	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium	Medium
Changing wind patterns	Low	Low	Low	Low	Low	Low
Changing precipitation patterns	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low
Water stress	Medium	Medium	Medium	Medium	Medium	Medium
Sea level rise	Low	Low	Low	Low	Low	Medium-Low
Soil erosion	Low	Low	Low	Low	Low	Low
Acute						
Extreme heat	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium	Medium
Extreme cold	Low	Low	Low	Low	Low	Low
Wildfire	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low
Tropical cyclone	Low	Low	Low	Low	Low	Low
Storm	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low
Drought	Low	Low	Low	Low	Low	Low
Extreme precipitation	Low	Low	Low	Low	Low	Low
Flood	High	High	High	High	High	High
Landslide	Medium	Medium	Medium	Medium	Medium	Medium
Earthquake	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low
Subsidence	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Medium-Low

Climate Scenario Analysis and Portfolio Resilience (continued)

Transition Risks & Opportunities Scenario Analysis

When it comes to transition risks and opportunities, Altitude relies on the AXA Climate expertise to identify material transition risks and opportunities for each company based on its sector. This materiality assessment is based on a qualitative assessment of potential impacts on the revenues, OPEX and CAPEX of PCs. The top two to three sector-relevant climate transition risks and opportunities for each company are then modelled using three forward-looking NGFS proxy scenarios across multiple timeframes – 2020, 2030 and 2040 – and geographies. Based on projected changes by 2030 relative to a Net-Zero 2050 scenario, indicators are assigned a low, medium or high qualification. If no proxies are available, only specific sectors' risks and opportunities are considered and targeted market research is used. This includes sector-focused reports such as those published by McKinsey & Company and the World Economic Forum.

The scenarios used for the transition climate scenario analysis include:

Orderly	**Net Zero 2050** This scenario limits global warming to 1.5°C by 2100 – through stringent policies and innovation – with the aim reaching net zero by 2050.
Disorderly	**Delayed Transition** This scenario assumes global annual emissions do not decrease until 2030 and highlights the need for the establishment of strong policies to limit global warming to below 2°C by 2100.
Hot House	**Nationally Determined Contributions** This is a business-as-usual scenario based on current pledged policies.

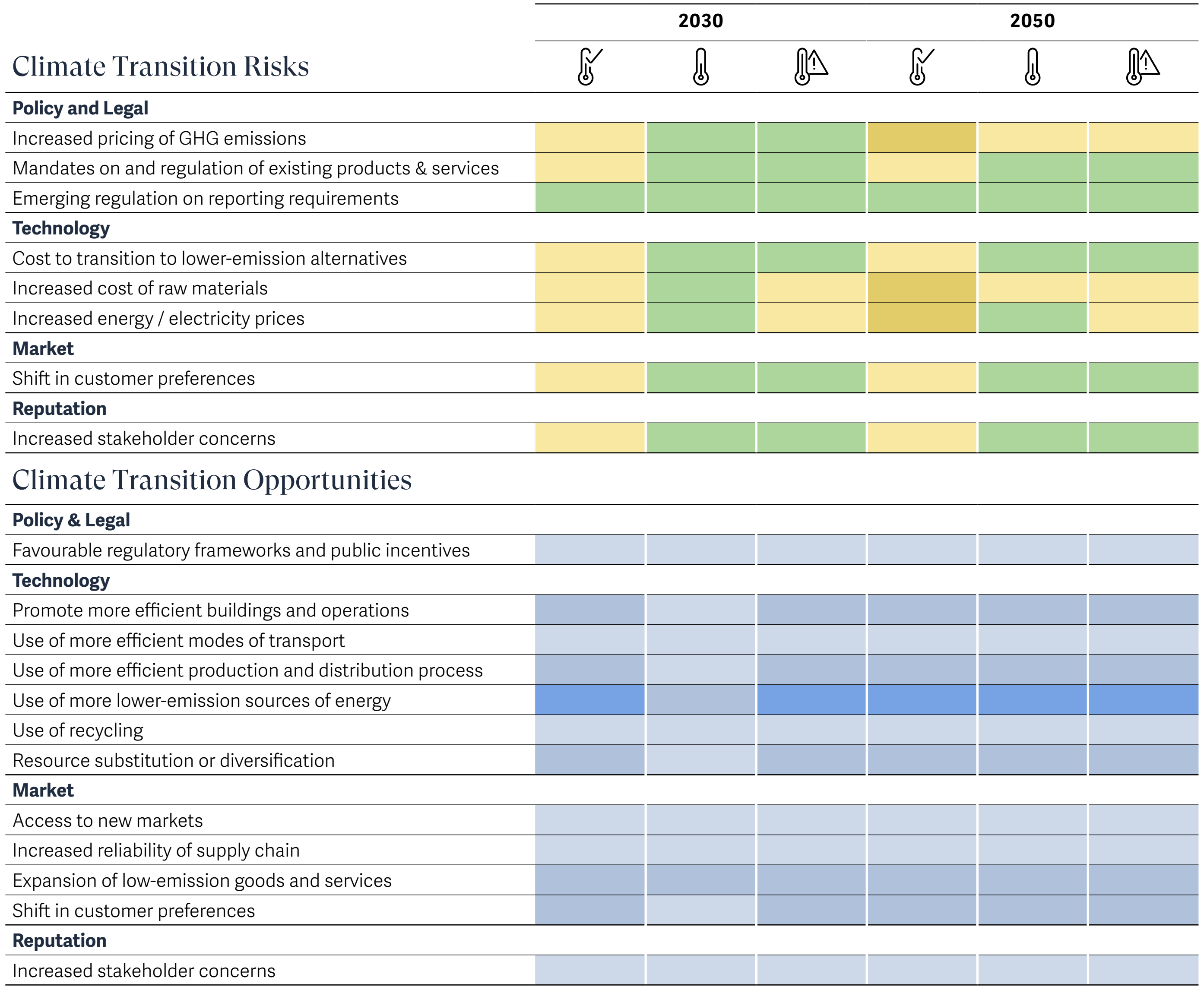
A risk or opportunity score is then aggregated at the portfolio level, weighted by the unrealised value and re-categorised into five categories: low, medium-low, medium, high and very high. Altitude by AXA Climate results are further adjusted by the IK RI team based on company-specific insights.

A heatmap (Figure 6) represents a list of transition risks and opportunities identified as material for the sectors that IK PCs belong to. Based on the results, increased pricing of GHG emissions and higher raw materials costs were identified as the most material transition risks in 2050 across all scenarios and emerging at medium level in 2030 under the Net Zero 2050 and NDC scenarios. Among the key opportunities, the use of low-emissions energy sources was identified as relevant across the portfolio.

Risks heatmap
- Low
- Medium-Low
- Medium
- High
- Very-High

Opportunity score
- Low
- Medium-Low
- Medium
- High
- Very-High

FIGURE 6: POTENTIAL PORTFOLIO EXPOSURE TO TRANSITION RISKS AND OPPORTUNITIES



03

Risk Management

Recognising that climate change can potentially arise in different risk factors affecting our investments and operations, IK is committed to integrating material climate change-related risks into our overall risk management system and investment processes. Moving forward, we will continue to enhance our climate risk assessment and management capabilities.

Identifying, Assessing, Managing and Monitoring Climate-Related Risks within IK's overall Risk Management System

IK takes a proactive and effective approach to managing risks and has an established risk management system which aims to identify, measure, manage and monitor all risks relevant to the IK Group.

IK's risk management framework categorises the group's risks between financial (corporate and investment), regulatory, reputation and strategic, which can broadly be divided into investment risk and corporate operational risk. Both risk pillars consider financial and non-financial factors, including climate change-related risks.

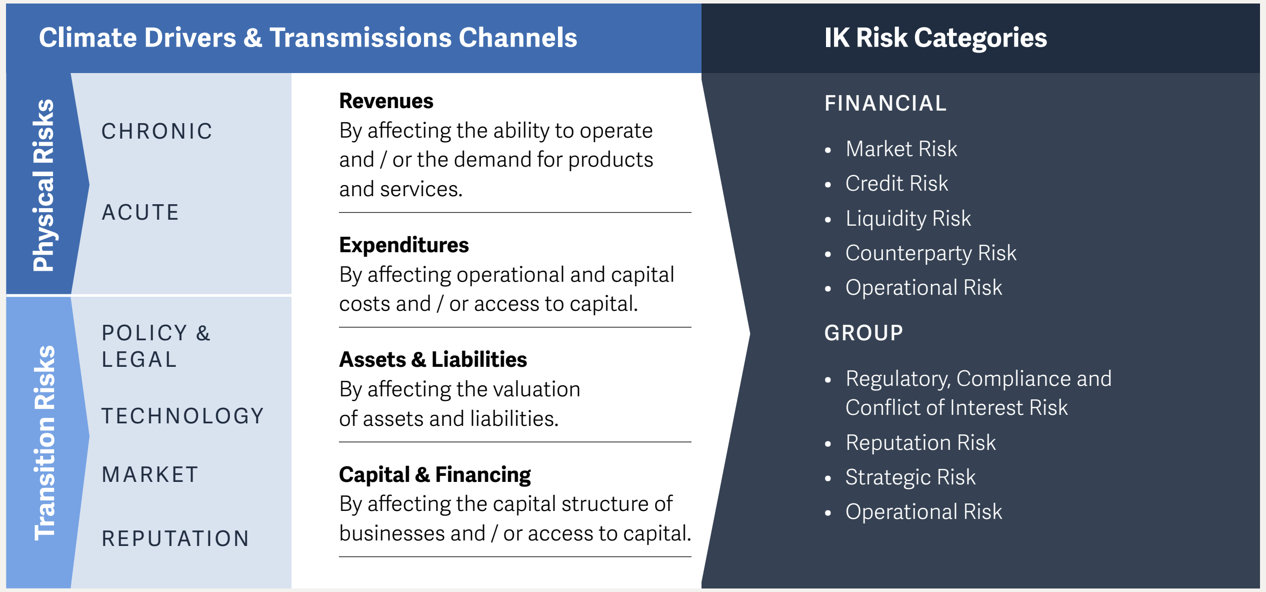
Given the nature of our business, we consider climate impacts on IK's corporate operations to be quite limited, with the risks potentially materialising in our investments affecting the funds' performance and as such, ability to deliver lasting returns to our investors and generate revenue. As described in Figure 7, the identified climate-related risks in the previous section have the potential to manifest in the core IK risk categories. As next steps, we will continue to refine our approach when it comes to assessing the potential impacts of climate change and, where possible, quantify them to ensure effective management practices are applied – where considered relevant.

Currently, our climate risk assessment and management efforts are focused on the investment process and continuous portfolio risk monitoring. IK integrates climate change factors throughout each stage of the investment process in line with our Climate and RI policies. In addition, a forward-looking climate scenario analysis is conducted by our RI team to assess the exposure of individual assets and IK Funds to material climate change risks and potential opportunities. The results of the assessment can feed into our engagement strategies with companies to support them in recognising and managing associated risks or acting on value-creation opportunities. Furthermore, climate scenario assessments enable us to maintain transparency with our investors, communicating on exposure and resilience of our funds to climate change factors.

As climate change-related factors could potentially affect the value of the investments in our funds, our policy allows for the incorporation of climate change risks along with other material sustainability-related matters into valuation, where considered relevant. As per the IK Funds Valuation Policy, the final valuation outcome may include a weighted-scenario adjustment wherein probabilities and weightings based on materiality are considered. The integration of a sustainability-related approach may consider the assessment of the relevant sustainability-related criteria for a given sector, the comparison of the performance of a company to such criteria and the calibration of the valuation parameters (such as market multiples) to a company, to consider its relative performance against market peers based on selected sustainability-related criteria. An important point of attention is avoiding double-count sustainability-related valuation impacts on sustainability-related matters such as specific risk premia or discount in the discount rate.

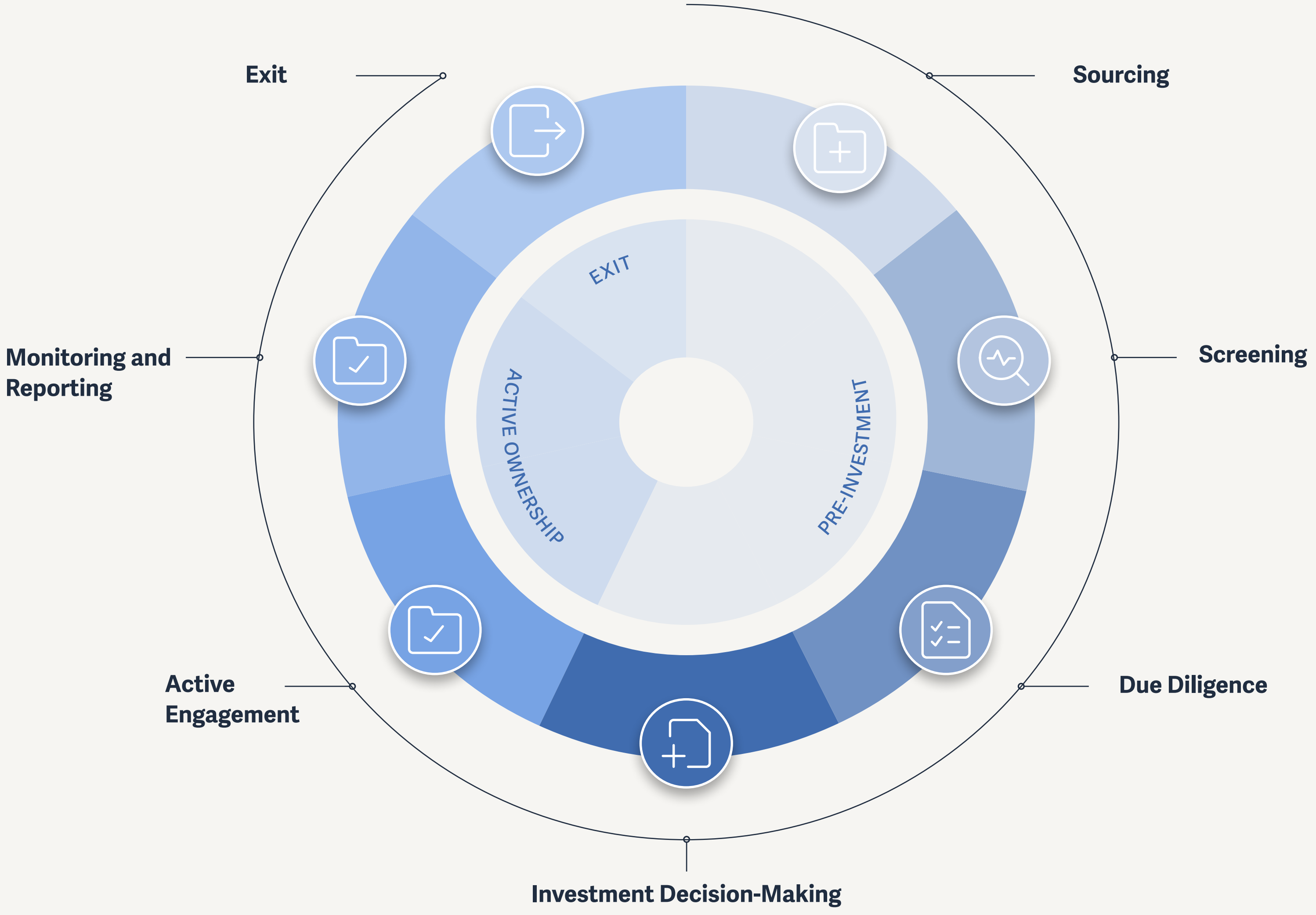
In a similar vein, the IK Investment Partners AIFM's Risk Management Policy aims to identify, measure, manage and monitor all relevant risks in relation to the alternative investment funds and incorporates sustainability risks – including climate change – where considered material.

FIGURE 7: THE IK RISK CATEGORIES POTENTIALLY IMPACTED BY CLIMATE RISKS



Integration of Climate Risks and Opportunities into the Investment Process

FIGURE 8: STAGES IN THE INVESTMENT PROCESS



Pre-Investment

Sourcing

All existing and prospective investments must be compatible with our RI commitments and exclusions. As per the IK RI Policy's referral list, IK will not invest in companies that have an unacceptably high GHG footprint and have failed to take reasonable steps to reduce these emissions, each as determined by IK.

Screening

Climate change risk screening is conducted for all potential investments – at a minimum – by using Altitude by AXA Climate[1]. The tool allows us to screen a target for exposure to climate change physical & transition risks and opportunities, as well as biodiversity risks at an asset level using the geographical location of assets, their types and sector of business operations.

Due Diligence

Based on the findings of the climate change risk screening and when considered appropriate, further analysis of climate change risks and opportunities is integrated into due diligence, which is conducted – as per best practice – by external specialists for all advanced target investments.

Investment Decision

A summary of findings from the climate change screening and sustainability due diligence must be included in the IC Memorandum ("IC Memo") alongside the investment case.

When making a decision on a prospective investment, the IC will seek to take into account – alongside other considerations – information on climate change as presented in the IC Memo in the sustainability section.

Depending on the risk appetite of the financial product and the materiality of climate change risks identified, IK may choose to pursue an investment opportunity as the risk levels are considered acceptable and, where needed, seek to embed risk management during the holding period.

If the IC concludes that the climate-related risks of a target company are too high and / or cannot be appropriately mitigated, no investment recommendation will be made.

1) Altitude by AXA Climate was fully integrated in 2024, prior to that starting from 2020, a proprietary climate risk screening tool developed by EY was used.

Integration of Climate Risks and Opportunities into the Investment Process (continued)

Active Ownership

Active Engagement

Relevant action points, identified during due diligence, related to any material sustainability risks and opportunities – including climate change –are typically integrated into the Full Potential Plan.

To advance our efforts in assessing climate change risks and opportunities, IK performs a portfolio-wide scenario analysis following the TCFD recommendations using Altitude by AXA Climate. This analysis informs our future engagements with PCs.

All of our PCs are part of the Annual Review process which includes a sustainability-related section and all PCs' boards should discuss any material sustainability-related topics at least once a year.

The RI team, supported by external partners – where relevant – actively engages with PCs on climate change issues, encourages emissions monitoring and reduction targets setting and provides necessary resources, tools and materials to enable them to identify, assess and mitigate climate change-related risks.

Building on the findings of the independent reviews, climate scenario analysis and data monitoring, we aim to support our PCs in advancing their efforts to mitigate any material risks, while also looking to identify opportunities for unlocking value in preparation for exit.

MAJORITY OWNERSHIP

MINORITY OWNERSHIP

In our engagement strategy with PCs, IK is generally focused on:

		Majority ownership	Minority ownership
01	RAISING AWARENESS OF CLIMATE CHANGE RISKS / OPPORTUNITY VIA: • Dedicated sessions during the Sustainability Forum for PCs • Ad-hoc webinars and information sessions	●	●
02	INTEGRATING CLIMATE CHANGE RISKS AND OPPORTUNITIES INTO THE SUSTAINABILITY ROADMAP, WHERE RELEVANT	●	
03	MEASURING AND REPORTING GHG EMISSIONS	●	●
04	IDENTIFYING EMISSIONS REDUCTION OPPORTUNITIES	●	
05	DEVELOPING AND IMPLEMENTING DECARBONISATION STRATEGIES	●	
06	SETTING SBTS AND GETTING THEM VERIFIED BY SBTI	●	
07	UNLOCKING CLIMATE-RELATED OPPORTUNITIES	●	
08	ENGAGING WITH BOARDS OF DIRECTORS AT PCS	●	●

Monitoring and Reporting

All IK PCs should monitor and report scope 1 and 2 GHG emissions and are encouraged to monitor and report scope 3 GHG emissions, in line with the GHG Emissions Protocol.

The emissions data – along with other metrics such as energy consumption, availability of decarbonisation strategy and SBTs – is monitored annually across all IK Funds[1]. The data collected plays a vital role in informing our engagement strategies and feed into the IK Annual Reviews.

Ultimately, the data is used when reporting to our investors and may be sent to industry projects such as the EDCI to further enhance the availability of climate-related metrics in private markets and inform decision making.

Exit

Depending on the structure of the exit process and nature of the investment, climate change-related factors may be integrated into the IK Exit Presentation and included in Sustainability Vendor Due Diligence and Independent Sustainability Assessment – if and where appropriate.

1) Water and waste-related metrics are monitored for selected companies across the Mid Cap, Small Cap and Development Capital funds.

Metrics and Targets

We believe decision-useful, high-quality data is essential for understanding and managing material climate-related risks, in addition to enabling investors to achieve their climate and investment goals. We are committed to continuing our efforts in measuring and reporting our emissions as well as progress against our targets, improving data quality and maintaining high levels of transparency with our investors.

IK Financed Emissions

Realising the scale of our portfolio carbon footprint relative to our corporate operations, our efforts have been focused on supporting our PCs in starting to measure their emissions and integrating climate-related data into the investment process. All our PCs should measure and report at least scope 1 and 2 emissions annually and are encouraged to monitor and report scope 3 GHG emissions, in line with the GHG Emissions Protocol.

We are proud to be able to report 100% of IK's financed emissions covering scope 1 and 2 across our entire portfolio since 2022. Of the total emissions reported, 89% of emissions were measured and only 11% were estimated using Altitude by AXA Climate. The tool's calculation approach is based on environmentally extended input-output analysis used to estimate emissions for a given sector and revenue levels.

We have seen an increasing number of our PCs measure their emissions as they develop their decarbonisation strategies and feel the importance of supporting their stakeholders on this journey. In 2025, all our companies had access to the Novata Carbon Navigator tool, which supported them in measuring emissions.

It is important to note that, while we strive to report high-quality data, there are some potential limitations of the calculations. These predominantly come from inconsistencies and – in places – a lack of transparency around the data reported to IK as well as high-level estimations using sector and revenue proxies when applying Altitude by AXA Climate. For this reason, we also monitor a partnership for carbon accounting financials ("PCAF") score for the scope 1 and 2 emissions reported and will continue to revise our methodology where needed and work on the data quality of the disclosures we make.

TABLE 1: FINANCED ABSOLUTE EMISSIONS

IK portfolio level data, product level metrics will be available in the product level report to IK Funds' investors

Metric	Units	2024	% of portfolio covered[1]	% measured	% estimated	2023
Absolute Scope 1 Emissions	tCO_2e	143,626.57	100%	89%	11%	120,019.8
Absolute Scope 2 Emissions (Market-Based)	tCO_2e	67,752.82	100%	89%	11%	83,314.7
Absolute Scope 2 Emissions (Location-Based)	tCO_2e	77,995.7	82%	82%	0%	91,591.1
Absolute Scope 3 Emissions	tCO_2e	3,114,989.3	66%	64%	2%	2,620,518.9
Energy Consumption	kWh	486,544,096.7	74%			810,028,090.5
Renewable Energy Consumption	%	35%	74%			23%
Weighted PCAF Data Quality Score	1=high, 5=low	2.2	100%			2.2

TABLE 2: EMISSIONS INTENSITY METRICS

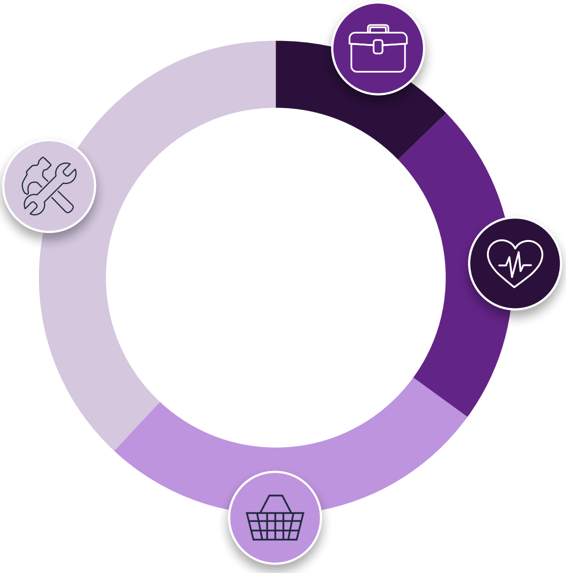
IK portfolio level data, product level metrics will be available in the product level report to IK funds' investors

Metric	Units	Methodology[2]	2024	2023
Total GHG Emissions (scope 1 and 2)	tCO_2e	$\sum_{n}^{i}\left(\frac{\text{current value of investment}}{\text{investee company's EV}} \text{*investee company's scope 1 and scope 2 GHG emissions}\right)$	39,058.7	37,989.3
Carbon Footprint	tCO_2e / MEUR current value	$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}}{\text{investee company's EV}} \text{*investee company's scope 1 and scope 2 GHG emissions}\right)}{\text{current portfolio value (MEUR)}}$	81.6	77.3
Carbon Intensity	tCO_2e / MEUR revenue	$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}}{\text{investee company's EV}} \text{*investee company's scope 1 and scope 2 GHG emissions}\right)}{\sum_{n}^{i}\left(\frac{\text{current value of investment}}{\text{investee company's EV}} \text{*investee company's MEUR revenue}\right)}$	928.08	887.2
Weighted Average Carbon Intensity ("WACI")	tCO_2e / MEUR revenue	$\sum_{n}^{i}\left(\frac{\text{current value of investment}}{\text{current portfolio value (MEUR)}} \frac{\text{*investee company's scope 1 and scope 2 GHG emissions}}{\text{*investee company's MEUR revenue}}\right)$	176.36	164.6

1) The % portfolio coverage is calculated using the unrealised value of investments as of December 2024.
2) Metrics calculated for the portfolio as of December 2024, using the unrealised value, enterprise value and revenue of PCs as of December 2024.

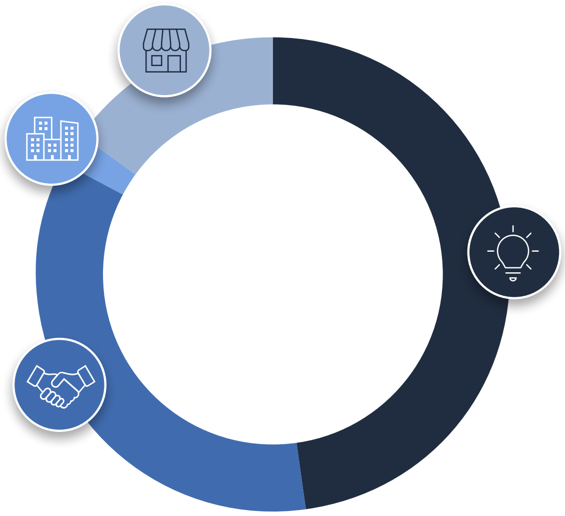
IK Financed Emissions (continued)

FIGURE 9: FINANCED SCOPE 1 AND 2 EMISSIONS BY IK SECTOR



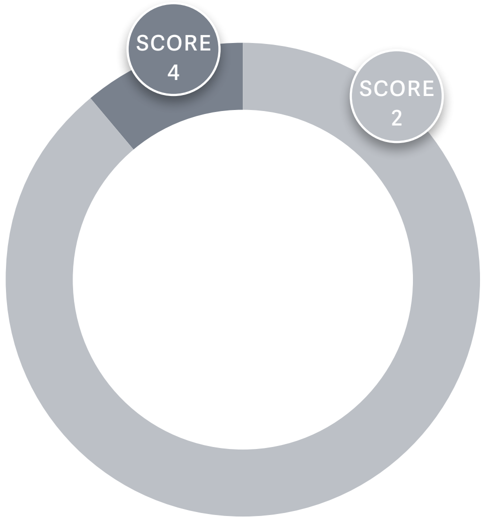
		Number of companies
Business services	**13%**	27
Healthcare	**22%**	14
Consumer	**27%**	8
Industrials	**38%**	19

FIGURE 10: FINANCED SCOPE 1 AND 2 EMISSIONS BY IK STRATEGY



		Number of companies
Mid Cap	**48%**	27
Small Cap	**35%**	18
Developmental Capital	**2%**	11
Partnership Fund	**15%**	12

FIGURE 11: PCAF[1)] SCORE ACROSS THE PORTFOLIO FINANCED SCOPE 1 AND 2 EMISSIONS



Score 2: Outstanding amount in the company and total company equity plus debt are known. Unverified emissions calculated by the company are available.	**89%**
Score 4: Outstanding amount in the company, total company equity plus debt and the company's revenue are known. Emission factors for the sector per unit of revenue are known (for example, tCO_2e per euro or dollar of revenue earned in a sector).	**11%**

1) PCAF data quality score ranges from 1 to 5, where 1 indicates high certainty levels and 5 high uncertainty levels, more details can be found in the Global GHG Accounting and Reporting Standard for the Financial Industry, PCAF, 2022.

IK Portfolio Target

Since 2022, we have been working towards achieving our Paris Agreement-aligned emission reduction targets, in line with a trajectory to limit global warming to well below 2˚C above pre-industrial levels.

In line with our portfolio coverage target, we are committed to 26% of our eligible investments[1)] by invested capital setting SBTi-validated targets by 2026 and 100% by 2040 from a 2021 base year.

We have made significant progress thus far, with over 21% of our eligible PCs setting the targets and being formally committed as of December 2024.

Development of decarbonisation strategies and setting SBTs have been integral to our engagement with PCs.

PCs which contribute to 21% of IK's portfolio coverage

Targets verified by SBTi

MDT Technologies, Kersia, advisense, Kooi, Remazing

Formally committed to setting SBTs

Questel, Optimum Group

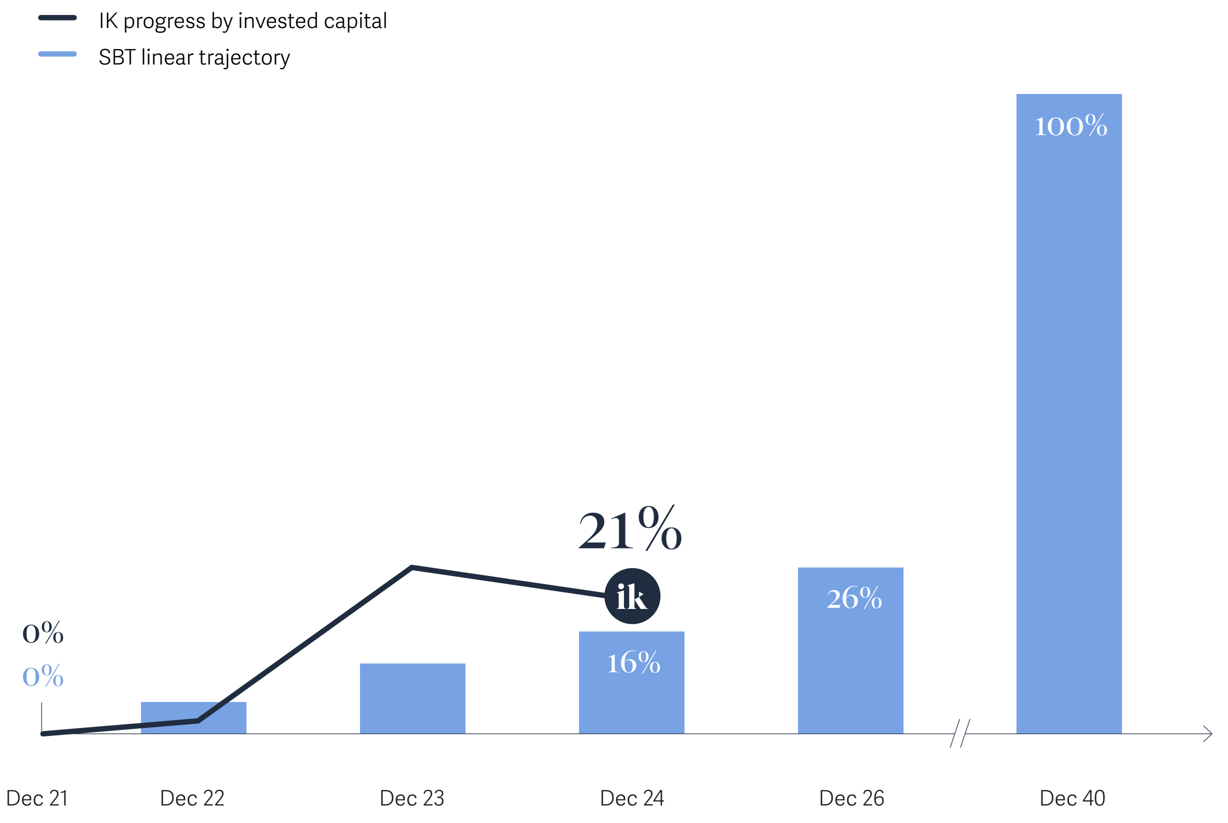
Minority ownership PCs which have set or have committed to setting SBTs[2)]

FORMUE, advania, NEVERHACK

Exited PCs which have set or have committed to setting SBTs[3)]

Løgismose, Carspect, Ascentiel Groupe, Mademoiselle Desserts

FIGURE 12: PORTFOLIO COVERAGE TARGET PROGRESS



1) Majority-owned investments with more than 25% of ownership and 1 board seat with voting rights.
2) These companies do not contribute to IK's portfolio coverage scope 3 target.
3) Exited PCs from December 2021 to December 2024.

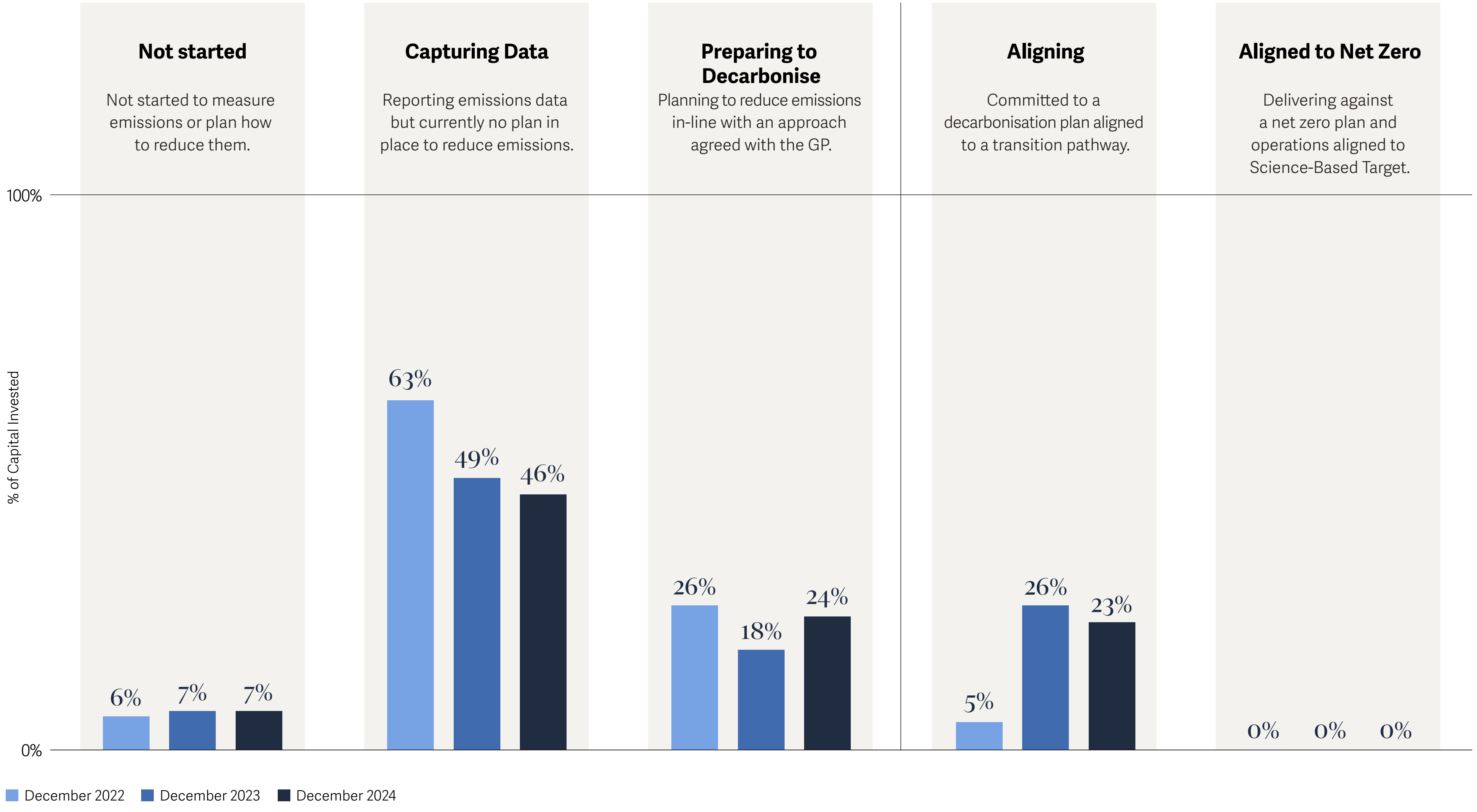
Alignment against the Private Markets Decarbonisation Roadmap Scale

We actively monitor portfolio climate action progress and, starting last year, are proud to report it using the Private Markets Decarbonisation Roadmap ("PMDR") framework.

Launched in November 2023 by the iCI and Sustainable Markets Initiative's Private Equity Task Force, the PMDR provides an industry-wide framework to track the progress of the portfolio decarbonisation initiatives.

The PMDR summary provides an overview of our entire portfolio – including both majority- and minority-owned investments – and their progress by the end of 2024 across five decarbonisation roadmap categories. We are continuously making progress, with the significant value of total invested capital shifting from 'Capturing Data' to 'Preparing to Decarbonise and 'Aligning' between 2022 and 2024.

FIGURE 13: IK PORTFOLIO AGAINST THE PMDR ALIGNMENT SCALE



IK Operational Emissions and Target

At IK, we have been monitoring emissions from operations since 2016 and we are committed to continue measuring and reducing our emissions in line with our target.

In 2023, IK's total emissions amounted to 939 tCO_2e covering scopes 1, 2 and 3 (categories 1-14). The largest share of our emissions comes from our business travel followed by employee commuting and purchased goods & services.

More information on the methodology and limitations of the calculations can be found in Methodology.

We are making significant progress towards meeting our SBT and aim to reduce our scope 1 and 2 emissions by 54% by 2030 from a 2019 base year. In 2024, we continued our transition to renewable energy, with the four largest offices now powered by renewable electricity.

While pursuing our efforts to reduce GHG emissions, IK continues to support innovative solutions which contribute to carbon removal and avoidance. In 2024, we purchased 144 new Solvatten units that have already been distributed to families in Kenya, enabling easier water sanitation and carbon avoidance of approximately 1000 tCO_2e.

52 tCO_2e
Scope 1

11 tCO_2e
Scope 2

877 tCO_2e
Scope 3

c.1000 tCO_2e
Avoided

FIGURE 14: IK HISTORIC GHG EMISSIONS (TCO_2E) AND EMISSIONS INTENSITY (TCO_2E/FTE)

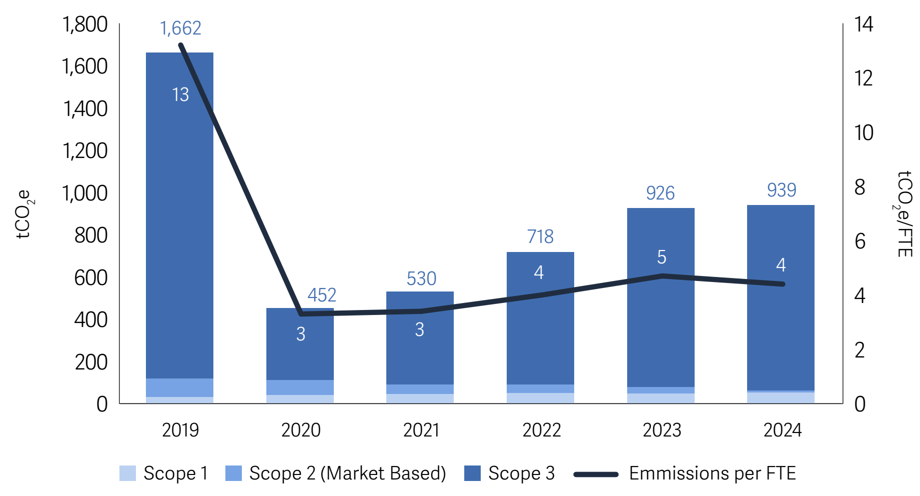
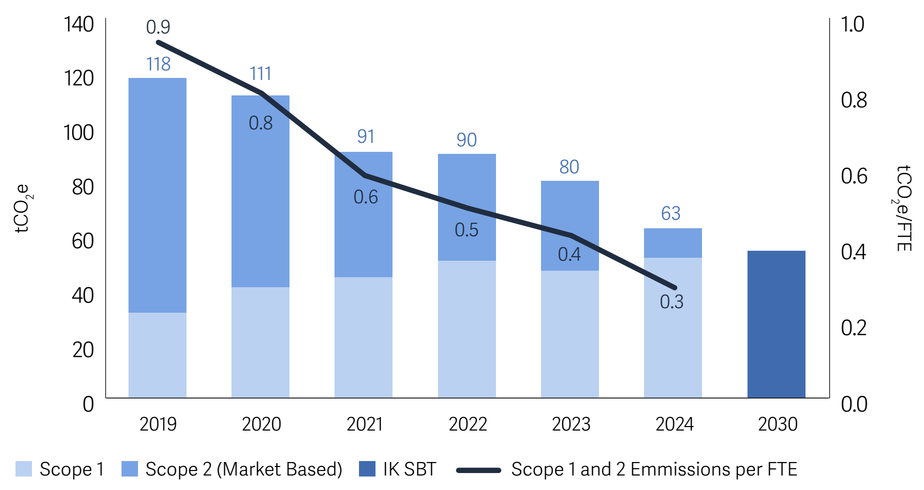


FIGURE 15: IK'S PROGRESS AGAINST ITS SCOPE 1 AND 2 EMISSIONS REDUCTION TARGET



TNFD Report

Introduction to IK's Approach to Nature-Related Risks and Impact

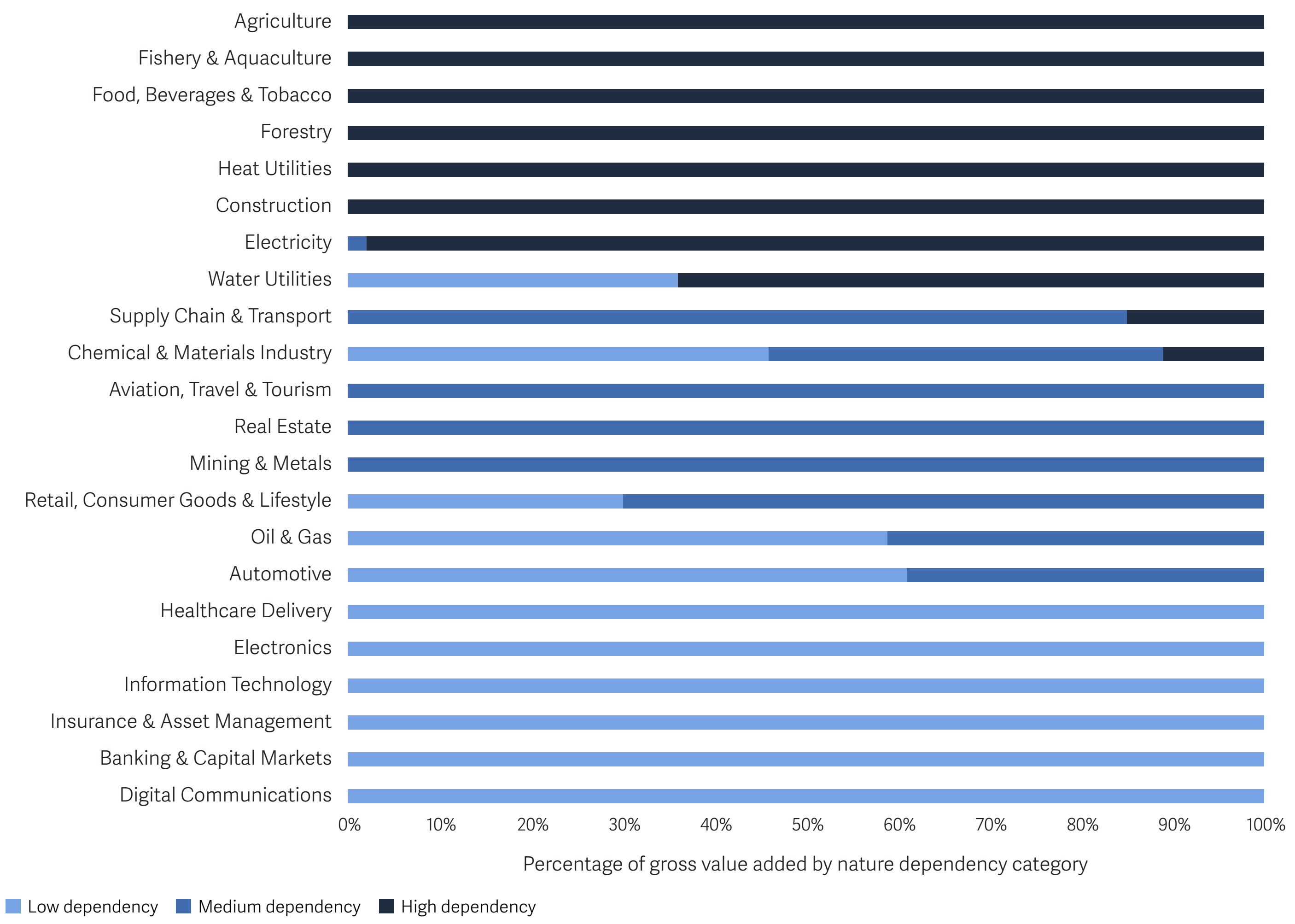
IK recognises the critical importance of nature and biodiversity in sustaining long-term business resilience and future-proofing companies within the IK portfolio. We became 'Early Adopters' of the TNFD framework in January 2024, committing ourselves to transparency and to integrating the recommendations to assess, disclose and manage financially-material nature-related risks and opportunities – complementing our established approach to climate-related financial risks.

Nature-related risks are increasingly material financially, particularly within certain sectors and geographies. The degradation of natural systems can disrupt supply chains, raise operational costs and heighten regulatory as well as reputational exposure. By proactively identifying and addressing these risks, we aim to protect investment value and support the long-term stability of our PCs. Considering material sustainability factors also enables us to mitigate risk, unlock value and deliver enduring returns for our investors – in line with our fiduciary duties.

This section provides an overview of our current activities and disclosures in this area. Governance, investment process and portfolio management frameworks referenced here are detailed in the main body of the 2024 TCFD report.

Climate and nature share a number of common risk drivers, including physical risks such as extreme weather events and biodiversity loss; transition risks driven by policy changes, evolving market demands and technological innovation; as well as systemic risks such as supply chain disruption and resource scarcity. Building on the work already undertaken to identify and manage climate-related risks, IK is now developing its approach to integrating relevant nature-related considerations into the investment process.

FIGURE 1: DEPENDENCIES OF INDUSTRIES ON NATURAL CAPITAL



Sources: MSCI ESG Research, November 2023; World Economic Forum and PwC. 2020. "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy.

50%
of global GDP is dependent on nature

75%
of global food crops rely on animal pollination

50%
of crops at risk due to soil erosion

Governance

Management of nature-related risks and opportunities is set out by the IK RI Policy. Beyond policy governance, oversight of nature-related risks and opportunities fall under the same governance structure as climate risks and other material sustainability-related matters, as outlined in TCFD Governance Structure of this report.

Strategy

We consider nature-related factors – such as biodiversity loss, water scarcity and ecosystem degradation – that may present financially material risks or opportunities for our PCs. In alignment with our climate strategy, we assess nature-related risks and opportunities, focusing on:

- Companies with reliance on raw materials or natural ecosystems;
- Exposure to regulatory changes related to land use and biodiversity; and
- Physical and transition risks impacting operational resilience.

KEY INITIATIVES

01

INTEGRATION IN THE INVESTMENT PROCESS:

- Screening using Altitude by AXA Climate during due diligence and including any material findings in the IC Memo.
- Ongoing portfolio monitoring using annual portfolio survey and Altitude by AXA Climate, complemented by use of other tools such as a portfolio-wide assessment in 2024 using EY's Nature Analytics Tool ("EY NAT"), and earlier assessment using the WWF Biodiversity Risk Filter.
- Engagement with PCs to increase awareness and risk management capability.

02

PARTICIPATION IN INDUSTRY INITIATIVES

03

MONITORING OF REGULATORY AND MARKET DEVELOPMENTS

Biodiversity Risk Screening

To strengthen our understanding of material nature-related risks and dependencies, IK makes use of Altitude, developed by AXA Climate. Altitude supports systematic screening by identifying both transition risks and physical risks associated with biodiversity, aligned to the foundational concepts set out in the TNFD framework.

The analysis of transition and physical biodiversity risks, covers 100% of AUM[2]. The assessment shows that the portfolio has an overall low dependency on ecosystem services, with medium dependency on fibres and other materials and medium to low dependency on ground and surface water.

TABLE 1: DEPENDENCY ON ECOSYSTEM-SERVICES[1]

Category	Ecosystem service	Dependency
Dependency on ecosystem – provisioning	Animal-based Energy	Low
	Fibres and other materials	Medium
	Genetic materials	Low
	Ground water	Medium-Low
	Surface water	Medium-Low
Dependency on ecosystem – regulation and maintenance	Bio-remediation	Low
	Buffering and attenuation of mass flows	Low
	Climate regulation	Low
	Dilution by atmosphere and ecosystems	Low
	Disease control	Low
	Filtration	Low
	Flood and storm protection	Low
	Maintain nursery habitats	Low
	Mass stabilisation and erosion control	Low
	Mediation of sensory impacts	Low
	Pest control	Low
	Pollination	Low
	Soil quality	Low
	Ventilation	Low
	Water flow maintenance	Low
	Water quality	Low

Key
Low
Medium-Low
Medium
High
Very-High

1) Based on Altitude by AXA Climate results, further adjusted by the IK RI team based on company-specific insights.
2) Please note this excludes a minority shares ownership of Netel (IK VII Fund).

Risk and Impact Assessment

Nature-related Risk Assessment Methodology

IK employs a structured approach to identifying and assessing material nature-related risks across its investment portfolio. This methodology incorporates recognised frameworks and tools, including alignment with the LEAP approach. Our assessment focuses on key risk areas such as water scarcity, deforestation, biodiversity loss and evolving regulatory requirements.

Alongside risk screening, IK also evaluates the portfolio's direct and indirect impacts on nature, considering the sectors in which they operate and related factors such as land use, emissions and resource consumption. These efforts support our broader objective to embed nature-related factors into investment decision-making, stewardship and transparent, decision-useful disclosures.

2024 Deep Dive on Nature

During 2024, we focused on advancing our approach to nature-related risk management and identifying key steps for an ambition roadmap towards full future alignment with the TNFD recommendations. Using the LEAP framework, we conducted a phased review of our practices, including a gap analysis, site-level impact assessments and commodity exposure analysis. This work has strengthened our understanding of nature-related risks and laid the foundation for future TNFD-aligned reporting.

Building on the advanced analysis conducted previously using the WWF Biodiversity Risk Filter and EY NAT, we further enhanced our approach. This earlier work incorporated analysis of PC location data and proximity to key biodiversity areas, protected sites and other ecologically-sensitive locations. With external expert support, we also refined our methodology to better reflect the nature and risk profile of different asset types. Depending on the type of asset, different zone buffers were defined and the depth of analysis was adjusted accordingly to help prioritise sites for future portfolio engagement on nature-related risks and opportunities.

In addition to the location-based analysis, all companies across IK's Mid Cap, Small Cap and Development Capital strategies were asked to confirm, via our annual ESG survey, whether they use any high-impact commodities within their operations. This process focuses on identifying potential risks associated with commodities such as palm oil, soy, beef, timber and others known for their environmental and social impacts.

FIGURE 2: LEAP APPROACH

Scoping

- Preliminary scan of internal and external sources to define assessment parameters and ensure alignment on goals and timelines.

Locate
the interface with nature

- Determine the geographies, sectors, value chain stages and direct operations to be assessed.

Evaluate
dependencies and impacts

- Identify environmental assets, ecosystem services and impact drivers associated with sectors, business processes or activities.
- Identify, measure and assess materiality of nature-related dependencies and impacts.

Assess
risks and opportunities

- Identify nature-related risks and opportunities.
- Adapt existing risk management processes.
- Measure, prioritise and assess materiality of nature-related risks and opportunities.

Prepare
to respond and report

- Decide risk management strategy and resource allocation.
- Set targets and measure progress.
- Report in line with the TNFD.

Metrics and Targets

To measure and track our progress, we have established the following key performance indicators:

- Proximity to protected and sensitive areas;
- Use of High Impact Commodities ("HIC"); and
- High impact sectors.

Analysis of proximity to protected and sensitive areas and to threatened species, as well as negative impact on nature is under evaluation.

These metrics align with global standards and TNFD-recommended disclosures, enabling transparency and accountability.

TABLE 2: KEY TNFD-ALIGNED METRICS ACROSS IK PORTFOLIO

Indicator	Metric Description	2024 Status	Target (if applicable)
Assessment of Nature-related Risks	% of unrealised value assessed for nature-related risks	100%	100%
Proximity to Protected Areas	Proximity to protected or sensitive zones	Under evaluation	N/A
Exposure to Threatened Species	Proximity to threatened species	Under evaluation	N/A
Negative Impact on Nature	Negative impact	Under evaluation	N/A
Use of High Impact Commodities	% of PCs by count exposed to at least one HIC[1)]	35%	N/A
High Impact Sector	% of PCs by unrealised value in high impact sectors[2)]	32%	N/A
Nature Controversies	% of PCs with known biodiversity / nature-related controversies and incidents[3)]	0%	0%

TABLE 3: TOP HICS USED IN THE PORTFOLIO BASED ON PC COUNT

HIC
Steel
Gasoline
Timber / roundwood (incl. its derivatives)
Copper
Oil palm
Pulp, cellulosics, paper, paperboard, cardboard, tissue (derived from timber/roundwood)
Farmed seafood / Aquaculture
Lithium
Natural gas (including LNG, CNG and others)

1) Based on self-reported data by PCs as part of the IK's 2024 Sustainability Survey.
2) Based on TNFD Additional Sector Standards.
3) Based on Auquan tool and data collected through IK's 2024 Sustainability Survey.

Next Steps and Continuous Improvement

IK is committed to enhancing its nature-related disclosures and integrating considerations of nature into our broader sustainability framework. Moving forward, we aim to:

- Enhance data collection and internal reporting systems for nature-related risks;
- Deepen PC engagement, especially on commodity, supply chain and water-related dependencies;
- Participate in cross-industry initiatives to strengthen market standards for TNFD alignment; and
- Continue the phased rollout of TNFD-aligned disclosure practices.

We will continue to engage with PCs to raise awareness on the topic and help them identify nature-related risks and opportunities. We will also support them in improving their capabilities for collecting and reporting good quality data and developing their own nature-related strategies.

Through these efforts, we reaffirm our dedication to responsible environmental stewardship and long-term value creation for our stakeholders.

This TNFD narrative serves as a preliminary disclosure and will be refined as we continue to integrate nature-related considerations into our business operations.

Methodology

TCFD

GHG Emissions

IK's GHG emissions are calculated in accordance with the GHG Emissions Protocol and the Partnership for Carbon Accounting Financials ("PCAF") Global GHG Accounting and Reporting Standard for the Financial Industry. We use financial control to help determine organisational boundaries and our carbon footprint analysis breaks down GHG emissions into scopes 1, 2 and 3 (Categories 1-14) from operations across all IK's offices and activities undertaken by all IK employees. Our analysis also includes scope 3 (Category 15) financed emissions from our investments, consolidated using the proportional ownership approach. Our GHG emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), a standard unit in carbon accounting that expresses the impact of the seven greenhouse gases regulated under the Kyoto Protocol, based on their global warming potential relative to CO_2.

Scope 1, 2 and 3 (Categories 1-14)

Data on primary activity was used and prioritised. It was collected directly from landlords, suppliers, travel agents, employees, as well as determined from invoices across all IK offices for all FTEs as of December 2024. Conservative proxies were applied where these methods were not possible. For instance, where there was a data gap or a delay in receiving the primary energy data, last year's data was used as a proxy.

For scope 1, the following activity was included: natural gas consumption. Scope 2 analysed the following activities: purchased electricity, heating and cooling. For scope 3, the focus was on the following categories: the purchased goods and services, (covering paper and beverage), capital goods (covering laptops, monitors and phones), business travel (covering air, rail and road), employee commuting and waste from paper and electronic devices.

For each scope, emissions were calculated by multiplying activity data by the relevant emissions factor. Emissions factors were sourced from the UK Department for Environment Food and Rural Affairs ("DEFRA") (2024), Association of Issuing Bodies ("AIB") (2024), The French Agency for Ecological Transition ("ADEME") (2024). We also used emissions factors from suppliers, where available, such as Lenovo, Apple and Dell, improving the accuracy of the results from last year's report, where generic emissions factors for electronic devices were used. 2023 emissions were then also recalculated to adjust for available and more precise emissions factors.

Scope 3 (Category 15 – Investments)

As per the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and PCAF Global GHG Standard, IK accounted for all financed emissions covering both majority- and minority-owned investments held in the active IK funds as of 31 December 2024.

Absolute scope 1, 2 and, where available, scope 3 emissions were collected from PCs which measured emissions independently in line with the GHG Emissions Protocol methodology by either doing the assessment internally, using an external expert partner or using the Carbon Navigator tool on the Novata platform, made available to all our PCs at the beginning of 2025. Please note that emissions from the previous reporting period were used as a proxy for PCs that were still in the process of the GHG emissions assessment at the time of this report publication, as well as those that reported their activity-based emissions in the previous reporting period but did not undertake the assessment this reporting period. Where PCs have not started the GHG emissions assessment, emissions were estimated using Altitude by AXA Climate, based on PCs' revenue and sector inputs.

Financed emissions were reported in IK's scope 3 (Category 15) as per the industry standard. The TCFD-aligned intensity metrics were calculated using the methodology on page 22 of this Report. The absolute scope 1, 2 and 3 emissions from PCs were allocated to IK using the attribution factor. In accordance with the PCAF standard, this factor represents the proportional share of the outstanding equity value invested by IK in a given company (Unrealised Value) relative to the total company value—defined as the sum of total equity and debt (Enterprise Value). The Unrealised Value, EV and Revenue for all PCs were taken as of 31 December 2024 for the 2024 reporting period.

The highest quality data was used to calculate the reported financed emissions and the corresponding PCAF data quality scores were provided. For Scope 1 and 2, emissions were calculated and reported to IK for 89% of the portfolio by unrealised value, based on activity data (Score 2:1b). This includes investments where activity-based values from the previous reporting period were used as a proxy. For the remaining 11% of the portfolio, emissions were estimated using Altitude by AXA Climate (Score 4: 3a).

For Scope 3, emissions were calculated and reported by portfolio companies for 64% of the portfolio by unrealised value, using a mix of spend-based and activity-based data. Scope 3 emissions were not estimated for the remaining portion of the portfolio due to current limitations in estimation methodologies, which may lead to unreliable or inaccurate results. Scope 3 emissions were, therefore, also excluded from the TCFD metrics.

Please note, 2023 financed emissions figures and TCFD metrics were updated based on the data received from PCs after the publication of the 2023 TCFD Report.

Potential Limitations

There are some potential limitations to this Report and the emissions calculation presented therein. More specifically, while we have been working on improving the data quality year-on-year and striving to use the highest-quality data available, there are some data gaps which affect the scope of the inventory boundary, data accuracy and reliability of results. For this reason, we provide transparent and comprehensive information about our methodology and the assumptions used to improve the validity of the report.

Climate Scenario Analysis

A forward-looking climate scenario analysis was conducted in line with the methodology outlined on pp.15-17 of this Report, using Altitude by AXA Climate.

Please note that since the previous reporting period, Altitude has implemented a number of model changes that have affected some of the risk levels presented. Due to the ongoing development of the underlying models, the climate scenario analysis results presented in this Report are not suitable for year-on-year comparison.

In particular, changes included:

- The addition of new risks: Changing wind patterns.
- The revision of previous models:
  - Flood Models: Updated to Fathom 3.0 and shifted from RP100 to RP1000 for a more conservative approach;
  - Transition Risk Models: Now based on the latest NGFS 5.0 database;
  - AAL Extreme Heat Models: Previously used the ERA5_Land database (0.1° granularity); now uses ERA5/CMIP6 with a 0.25° granularity.

PMDR

PMDR alignment was conducted across the entire IK portfolio, including both majority- and minority-owned investments, based on the GHG emissions data available at the time of this Report publication and the data reported by PCs through the IK Sustainability Survey 2024. PCs that collected activity data and measured their scope 1 and 2 emissions either during this reporting period or the previous one were classified as "Capturing Data". PCs that did not collect and report the data for two consecutive years were classified as "Not Started".

Please note that the PMDR alignment figures reported in the IK Sustainability Report 2024 were found to contain inaccuracies and have been corrected in this Report.

TNFD

For nature-related risks, Altitude by AXA Climate assesses:

- Transition risks, including:
  - Sectoral contributions to biodiversity loss, based on full value chain impacts (scopes 1, 2 and 3), drawing on sub-sectoral intensities and pressure indicators such as land use, climate change, nitrogen deposition, ecotoxicity and habitat fragmentation;
  - Proximity to threatened species, where assets are located near populations classified as endangered or vulnerable; and
  - Proximity to areas of biodiversity interest, including legally protected areas, internationally recognised areas, legally registered areas and sensitive areas.
- Physical risk, assessed through ecosystem service dependency, identifying companies that rely on natural systems (e.g., pollination and water regulation) which may be vulnerable to environmental degradation.

Altitude quantifies a company's biodiversity footprint using the mean species abundance per square kilometre ("$MSA.km^2$") metric, a globally recognised indicator used to evaluate ecosystem integrity. The footprint includes both static (historical) and dynamic (current year) impacts, covering terrestrial and freshwater ecosystems. For comparison and benchmarking, results are normalised using intensity measure such as $MSA.m^2$ per €k revenue and MSA parts per billion (MSAppb).

Confidentiality & Disclaimer

Endnotes

1. Certain information contained herein (the "MSCI Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. MSCI Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damage.

Compliance Statement

IK Investment Partners Limited ("IK Partners") is authorised by the UK's Financial Conduct Authority (FCA) and is an investment advisor to IK Partners Alternative Investment Fund Manager incorporated in Luxembourg. This 2024 TCFD Entity Report is published on behalf of IK Partners in compliance with the reporting requirements of ESG 2 in the ESG Sourcebook of the Financial Conduct Authority's Handbook. IK Partners TCFD in-scope business (as defined in ESG 2) consists of the "portfolio management" activities defined for ESG in the FCA Handbook. These disclosures pertain to the financial year ending 31 December 2024.

This TCFD Entity Report has been reviewed and approved by Christopher Masek, CEO, on behalf of IK Partners on 23rd July 2025. The disclosures in the TCFD Entity Report, including any third party or group disclosures cross-referenced in it, comply with the relevant requirements set out in chapter 2 of the FCA's Environment, Social and Governance (ESG 2) Sourcebook as at 27th July 2025.

Important Information

None of the information set out in this report is intended to constitute investment advice or a recommendation and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction from an economic, sustainability or other perspective.

References to portfolio companies throughout this report are intended to illustrate the application of IK Partners' investment process only. The use of terms such as 'material', 'principal' or 'relevant' in relation to sustainability topics are used in the context of the relevant applicable law or regulation only and are not intended to imply any other meaning.

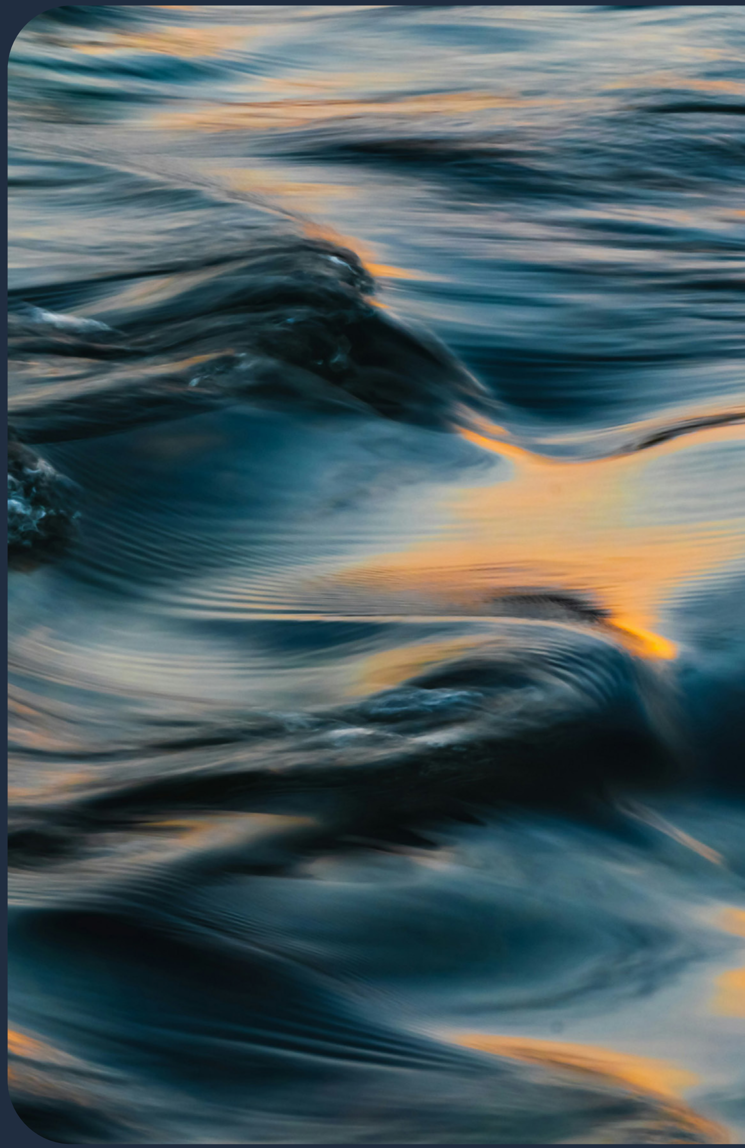
Any statements that are not statements of historical facts may be deemed to be forward-looking statements. When used in this report, the words "may," "anticipate," "target," "plan," "continue," "goal," "commit," "will,", "should," and similar expressions (or the negatives thereof) are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. Any forward-looking statement speaks only as of the date on which such statement is made, and IK Partners expressly disclaims any obligation or undertaking to update or revise any such forward-looking statements.

Any greenhouse gas emissions reductions or climate goals, targets, commitments, incentives or initiatives outlined in this report, are not binding on investment decisions or the management or stewardship of investments for the purposes of Regulation (EU) 2019/2088 and do not constitute a guarantee, promise or commitment regarding any actual or potential outcomes associated with investments made by funds managed and/or advised by IK Partners, unless otherwise specified in the relevant fund documentation.

IK Partners' intention to integrate consideration of climate matters into its investment process is subject to applicable legal, regulatory, fiduciary and contractual requirements and is expected to change over time. Any measures implemented in respect of climate goals, targets, commitments, incentives or initiatives may not be implemented in respect of or may not be immediately applicable to the investments of every fund managed and/or advised by IK Partners or its affiliates and any implementation may be overridden or ignored at the sole discretion of IK Partners.

Climate-related calculation methodologies and data collection practices as a whole are evolving, and other asset managers are implementing different frameworks, methodologies, and tracking tools. The criteria utilised or judgement exercised by IK Partners may consequently not align with the views, values, beliefs, internal policies or preferred practices of any particular third party or with market trends and such factors may not be applied consistently. The selection of such different but acceptable measurement techniques can result in materially different measurements. Further, these techniques are subject to measurement uncertainties resulting from inherent limitations in the nature and methods used to determine such data. The precision of different measurement techniques may also vary. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this report or on its completeness, accuracy or fairness, no representation or warranty, express or implied, is made or given by or on behalf of IK Partners or any other person as to the completeness, accuracy or fairness of the information contained in this report or the opinions expressed in it and no responsibility or liability is accepted by any of them for any such information or opinions.

Where data is obtained directly from a portfolio company, this data may be inaccurate, and the collection of such data may be limited due to human error and/or rounding errors when processing the data. In these situations, the quality and/or consistency will vary between portfolio companies based on potentially diverging approaches. Data contained in this report is neither assured nor audited.




IK Partners
ikpartners.com
www.linkedin.com/company/ik-partners
www.youtube.com/@ikpartners
responsibleinvestment@ikpartners.com