



AltamarCAM
PARTNERS

Corporate ESG Report 2023



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1

Foreword – letter from our CEO



José Luis Molina
Global CEO

Letter from our CEO

Since our founding in 2004, we have firmly believed that integrating sustainability aspects in activities enhances our resilience to risks, enables us to deliver a better value proposition to clients and aligns us with our long-term, responsible vision. This approach not only makes us a better business partner for our clients, but also benefits society. Recent preliminary correlation analyses between ESG performance and the financial performance of our funds have reaffirmed our view.

2023 has been a year of significant progress in integrating ESG considerations in AltamarCAM's investments and operations. We firmly believe that incorporating ESG factors, while harnessing technology, is essential for the long-term success of any business. This year, leveraging artificial intelligence, we refined our ESG scoring calculation by digitising the quantitative data collected via our online asset-specific ESG due-diligence questionnaire and integrating the results into our corporate database. Furthermore, rigorous portfolio-level analyses have become a fundamental part of our due-diligence processes.

Additionally, we have continued to adapt actively and transparently to growing sustainability regulations. We reported our first non-financial information statement and have ensured that our procedures comply with new rules derived from both the European Union's sustainable finance plan and other applicable jurisdictions. As part of our transparency efforts, we have also, in 2023, become members of the ESG Data Convergence Initiative (EDCI).

In response to the climate emergency, we have advanced in line with our climate action plan to reduce and offset operational emissions, achieving carbon neutrality for the fifth consecutive year.

At the investment level, we have deployed a new climate risk analysis, based on the Task Force on Climate-Related Financial Disclosures' recommendations and, this year, significantly increased our scope 3 data collection coverage.

In the area of diversity, equity and inclusion (DEI), we are proud to announce the approval of a formal policy, reflecting AltamarCAM's traditional commitment to the growth and professional development of female talent, with 42% of women in the team and 52% of women among 2023's promotions.

Our significant developments in sustainable investing have been acknowledged through several renowned industry-recognised awards. Notably, AltamarCAM secured the 2023 PRI Assessment Report's maximum score of five stars and received the prestigious 2023 ESG Real Deals award in the 'LP – Fund of Funds' category.

As we approach the end of the year and the closing of our first triennial ESG strategy, we deeply appreciate our team members' invaluable contributions, the partnership with our investments and the trust placed in us by our investors, while adapting to the continuously evolving ESG landscape. We are confident that the proactive integration of ESG practices and the consolidation of a culture built around sustainability values will not only prepare us for the future, but also significantly contribute to our mission of becoming a leading, trusted, responsible adviser for our investors, while generating lasting value.

José Luis Molina
Global CEO





2

Reflections on sustainable value creation



A Q&A session with Miguel Zurita (Co-Chairman of PE and Chairman of ESG) and Jörg Höller (Chief ESG Officer)

How has the investment with ESG criteria in private equity firms evolved over time? How important are ESG strategies to private equity firms, in relation to their core investment strategy?

Miguel Zurita – Based on strong values integrating sustainability principles, AltamarCAM was founded in 2004, when the concept of ESG was still emerging. Today, responsible investment in the private equity sector has experienced significant growth, reflecting a broader shift towards sustainability's integration with investment decision-making. Increased investor interest in sustainability, coupled with stringent regulatory requirements (such as the Corporate Sustainability Reporting Directive (CSRD) and the sustainable finance disclosure regulation (SFDR)), has driven substantial advancements across the financial value-creation process in private markets.

For fund managers, applying ESG principles can be complex, owing to the cross-cutting nature of these criteria and the need to tailor them to each business model. Despite these challenges, there is a growing sophistication and strategic approach to ESG integration, especially among institutional investors. However, we observe varying degrees of commitment to sustainability among managers, particularly between Europe and the US, where these issues have recently taken on a more political edge.

If we focus on 2023, according to sources like Morningstar, there has been an overall decline, over the past year, in the registration of article 8 and 9 funds. How do you interpret this trend? Is it reflected in AltamarCAM's product offerings?

Jörg Höller – Despite the initial consolidation of article 8 and 9 funds, recent generalised stagnation in the registration of funds has been observed. Investors' enthusiasm for sustainable investment strategies appears to have waned amid persistent macroeconomic uncertainty, a high-interest-rate environment and geopolitical pressures. While the ESG market saw its strongest growth in 2020 and 2021, the tightening interest rates and fears of recession may have affected the launch of ESG-related products in 2023. Additionally, concerns over greenwashing have also affected investors' confidence in sustainable instruments, leading to misaligned asset allocations.

Nevertheless, despite these challenges, significant inflows into sustainable funds, particularly in Europe, continued in 2023. A recent [Morgan Stanley survey](#) indicated that more than half of individual investors plan, in the coming year, to allocate more funds to sustainable investments, with over 70% believing that strong ESG practices can lead to higher returns. In any case, to navigate this complex situation, clear communication about a

fund's sustainability traits is crucial. Misunderstandings can arise from inconsistent disclosure, weak transparency or omissions of relevant information.

At AltamarCAM, our commitment to responsible investment begins with every opportunity we evaluate. Driven by both our dedication and our investors' demands, we currently manage 17 sustainable and impact funds, classified under article 8 and 9, according to SFDR, with seven of these registered during 2023. Our due-diligence procedures and assessment mechanisms are followed meticulously, with updates reported twice a year to the ESG committee. To ensure accountability, we had an external supervisor review our 2023 PRI report before submission. Engaging with stakeholders and actively seeking feedback help us to ensure that our sustainability efforts are credible, effective and aligned with investors' priorities.



In light of the ‘green’ transition and the evolving concept of ‘sustainability’, what are the challenges faced by private equity firms, particularly regarding the regulatory environment?

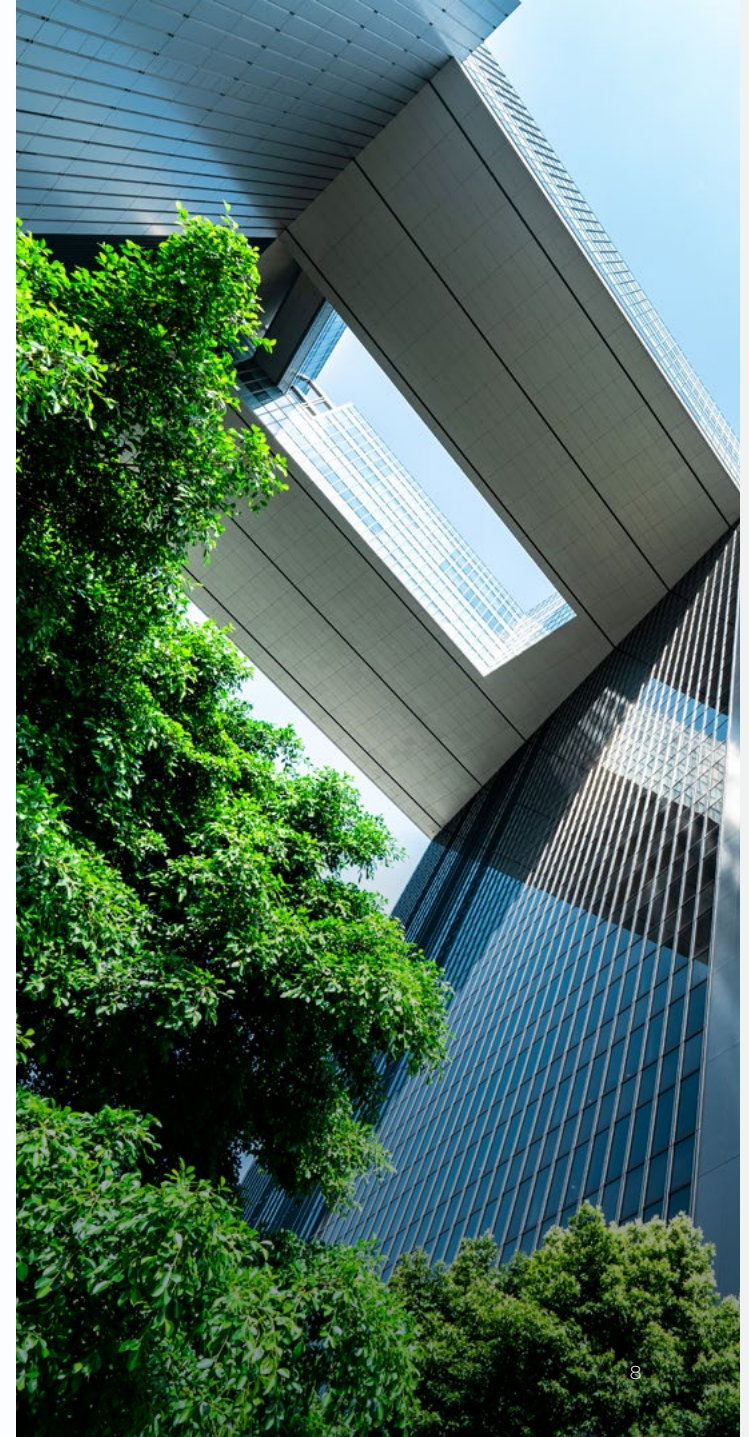
Jörg Höller – The ‘green’ transition and evolving concept of ‘sustainability’ present unique challenges and opportunities for private equity firms. The regulatory environment is becoming increasingly complex, requiring firms to be proactive and adaptive. Disclosure requirements are becoming stricter, with measurement of ESG performance remaining a challenge for private market players, as data collection does not necessarily advance at the desired pace across the financial space.

Moreover, consolidating engagement efforts with investors and managers is crucial to accelerate the integration of ESG issues in the investment cycle, increasing their relevance in clients’ decision-making, as many still perceive ESG to be an added-value option, rather than a determining factor in investment decisions.

Finally, benchmarks’ standardisation is still developing, despite efforts by regulatory bodies to establish common frameworks. Collaborating with industry-leading entities (such as UN PRI, Invest Europe and the ESG Data Convergence Initiative) is key to achieving universal standards.

Has the inclusion of ESG indicators influenced the financial performance and/or profitability of investment portfolios? In terms of investors’ expectations, how important is it to demonstrate a clear link between financial performance and sustainable outcomes?

Miguel Zurita – Including ESG indicators provides a framework for effectively managing each fund’s risks and opportunities, aligning business practices with sustainability goals and driving long-term value creation. In our experience, considering this information in our analyses offers a better understanding of our portfolio, as companies inevitably operate in a social, environmental and governance context which can entail additional risks which need to be known, understood and adequately managed – to ensure their good performance. Regarding the impact on returns, at AltamarCAM, we have a research line aimed at understanding the correlation between the financial performance of the underlying funds in our investment vehicles and their ESG scores. After several analyses, conducted over the last three years, we have found no evidence that the integration of ESG aspects is detrimental to financial returns, while there are some benefits as described above. In this sense, and in line with our fiduciary duties, we seek to generate the best-possible returns for investors, while also aligning with robust sustainability policies.



How have political and regulatory challenges across regions affected the implementation of sustainable investment strategies?

Miguel Zurita – The surge, in various regions, of antiESG legislation has introduced new complexities to implementing sustainable investment strategies. In the United States, several states have introduced laws aimed at curbing ESG initiatives, arguing that they prioritise political or social goals over financial returns. This legislative pushback generates a fragmented regulatory landscape in which companies face different rules depending on their location, hampering the implementation of coherent ESG strategies. For example, a company operating in multiple states might encounter proESG policies in one state and antiESG laws in another, leading to legal battles and increased compliance costs. This inconsistency hinders businesses' ability to integrate ESG principles uniformly across operations.

Despite these obstacles, the European Union (EU) remains a beacon of stability and commitment to ESG principles, having implemented its robust regulatory framework, creating a more predictable and attractive opportunity for sustainable investing. Moreover, investors' demand for ESG remains strong worldwide, driven by a growing recognition of the tangible benefits which sustainable investing can deliver. The global shift towards ESG is likely to persist, with the EU leading by example and influencing sustainable investment practices globally.





3

AltamarCAM at a glance



2023 in figures¹

20+

years' experience²

Aiming to achieve attractive returns, combined with downside protection, across economic cycles.

280+

professionals

80+ of whom are investment professionals. Our success is driven by the talent, experience and commitment of an exceptional team.

15,000+

clients

Diversified and global limited partner (LP) base: 500+ institutional clients and 14,500+ direct clients through private banks.

7

offices

Global presence in five countries and three continents: Barcelona, Cologne, London, Madrid, Munich, New York, Santiago de Chile.

€19bn

historically committed capital by investors

A solid base of assets under management (AUMs) invested through primary and secondary investments, co-investments and platforms, including assets under distribution (AUDs).

€330m+

historically committed capital in AltamarCAM's investment programmes and funds

Committed by AltamarCAM Group's partners, shareholders and team.

330

investments in fund managers

Via underlying funds, monitoring 3,000+ managers historically.

6

investment strategies

Private equity, venture capital, infrastructure, real estate, private debt and life sciences investments are structured through commingled funds, customised segregated managed accounts (SMAs) and direct solutions.

¹Data as at 31 December 2023.

²Figure refers to when the original firms were founded and before their merger (CAM Alternatives in 1998 and Altamar Capital Partners in 2004).

ESG at the heart of our activities

5 stars

achieved in the 2023 UN PRI assessment report

in all reported categories.¹

3

ESG awards and recognition²

Received in 2023: LP – Fund of Funds, RIBI Avant Gardist status and 40 Future Climate Change Champions.

100%

of the team receives ESG training

Annual ESG training programme delivered by the ESG team to all employees in AltamarCAM.

19

nationalities

creating a multicultural team.

42%

female workforce

AltamarCAM's female representation is significantly above the industry average.

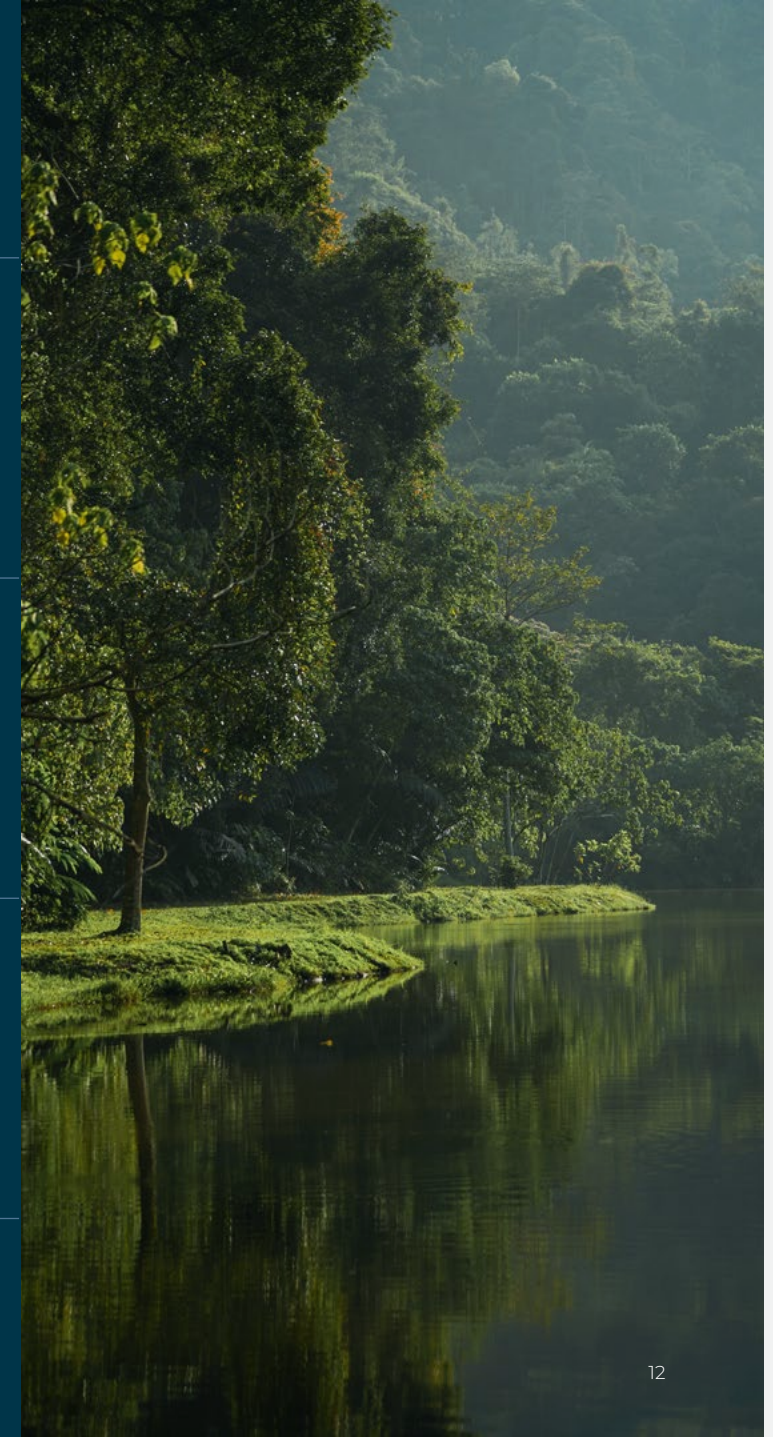
84%

of the team is actively involved in the AltamarCAM Foundation

through volunteer activities, supporting the foundation's team or donations.

¹Policy governance and strategy; indirect, fixed income, active; indirect, private equity; indirect, real estate; indirect, infrastructure; confidence-building measures.

²As a result of AltamarCAM's ESG performance: LP – Fund of Funds by Real Deals, Avant Gardist status recognised by Responsible Investment Brand Index (RIBI™) study and 40 Future Climate Change Champions by Real Deals





ESG at the heart of our activities

17

funds

classified under article 8 or 9, according to SFDR, are present in five out of the six asset classes as at December 2023.

5

years achieving carbon neutrality across operations

for scopes 1, 2 and reduced scope 3 (business travel and employee commuting) across all offices.

100%

of new investments incorporate ESG due diligence

the results of which are assessed and presented to the investment committee.

85%

of AUMs¹ are managed by GPs which are signatories of principles of responsible investment (PRI)

showcasing a clear and tangible dedication to integrating ESG considerations into their investment strategies.

97%

of AUMs¹ are managed by GPs which consider ESG-related risks in their investment process

87%

of AUMs¹ are managed by GPs which consider climate risks in their investment process

taking a responsible approach in mitigating their environmental impact and positioning themselves to successfully navigate the transition to a low-carbon economy.

83%

of AUMs¹ are managed by GPs which have exclusion policies in place

avoiding exposure to specific controversial industries, in line with AltamarCAM's approach when evaluating and screening investment opportunities.

73%

of AUMs¹ are managed by GPs which implement action plans with their investee companies

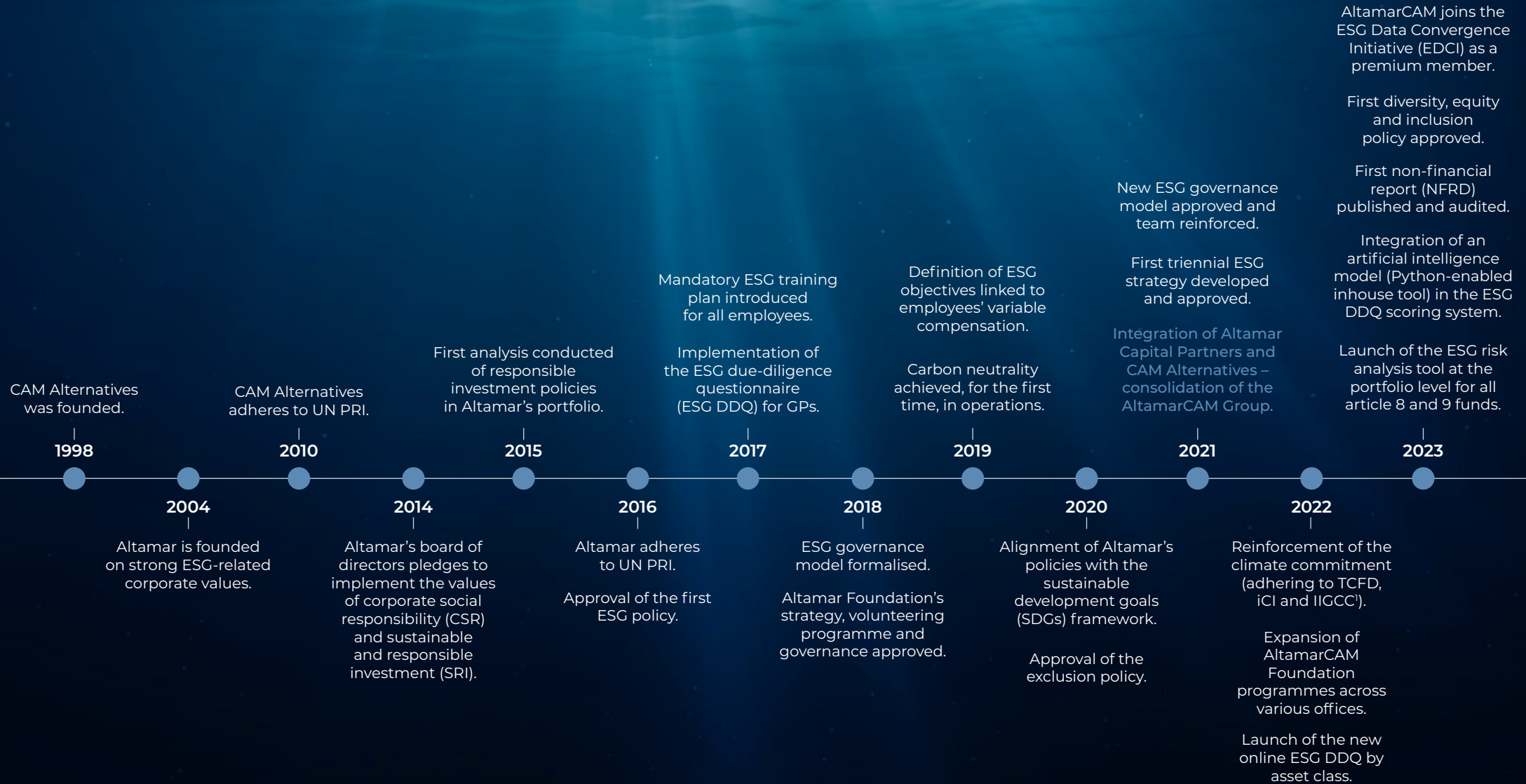
to monitor and improve their commitment to sustainability.

¹Figures reflect the ESG due-diligence questionnaire results across asset classes (excluding venture capital) as at 31 December 2023. Percentages calculated over total responses received (97% in terms of AUMs across asset classes). Liquidated GPs and discontinued relationships with GPs excluded from the sample.



4+

ESG journey



¹Taskforce on Climate-Related Financial Disclosures (TCFD); Initiative Climat International (iCI); Institutional Investors Group on Climate Change (IIGCC).



5

Business lines

The AltamarCAM Group is an independent, partner-led, private asset manager with approximately €19bn in assets under management or distribution, investing in private equity, venture capital, real assets, private debt and healthcare life sciences – through commingled funds, customised segregated mandates (SMAs) and direct solutions.

With more than 20 years' experience, AltamarCAM is positioned as a leading private market solutions provider. It aims to generate value for its investors in a sustainable way, forging solid, long-term relationships, based on trust, and leveraging technology to offer scalable, high-value-added solutions. Thanks to the analysis and continuous monitoring of numerous managers and portfolio companies for over 20 years, AltamarCAM has an in-depth knowledge of private assets, placing it in a privileged position to access the best opportunities and best managers in the market, providing superior risk-adjusted returns.

With over 500 institutional clients and more than 14,500 direct clients¹, AltamarCAM has a geographical presence in Barcelona, Cologne, London, Madrid, Munich, New York and Santiago de Chile, with over 280 employees² in total, of whom 80+ are investment professionals. The team and clients are truly aligned: AltamarCAM's executive partners, shareholders and team have invested over €330m in AltamarCAM's programmes and funds.

AltamarCAM's client base includes institutional investors (insurance companies, pension funds and asset managers), family offices and private banking clients, to which we offer unique and customised investment opportunities, incorporating primary, secondary and co-investment strategies. The firm deploys proven and diversified portfolio strategies to generate optimal returns, while maintaining its focus on capital preservation and risk mitigation. In short, AltamarCAM provides an integrated and tailor-made service, based on transparency, commitment and alignment of interests.

All figures on p17–18 are as at December 2023.

¹High-net-worth individuals.

²Excluding interns and collaborators.





Global presence

In line with its mission to generate added value, the group offers a wider range of services, providing access to complementary and exclusive investment strategies. The group's broker-dealer firm, Altamar Global Investments (AGI), provides institutional and professional clients in Portugal and Spain with direct access to funds from the best third-party managers – and, separately, the Altamar Advisory Partners team provides advisory and execution services for investment banking/corporate finance transactions.

Long-term vision, excellence and responsibility are the fundamental pillars on which the firm's culture is built and transmitted. Environmental, social and governance factors are integrated into all areas of the organisation, with the entire team, regardless of specialisation, responsible for promoting and advancing the integration of these factors.

For further information on our business lines and strategy, please see our latest annual report.

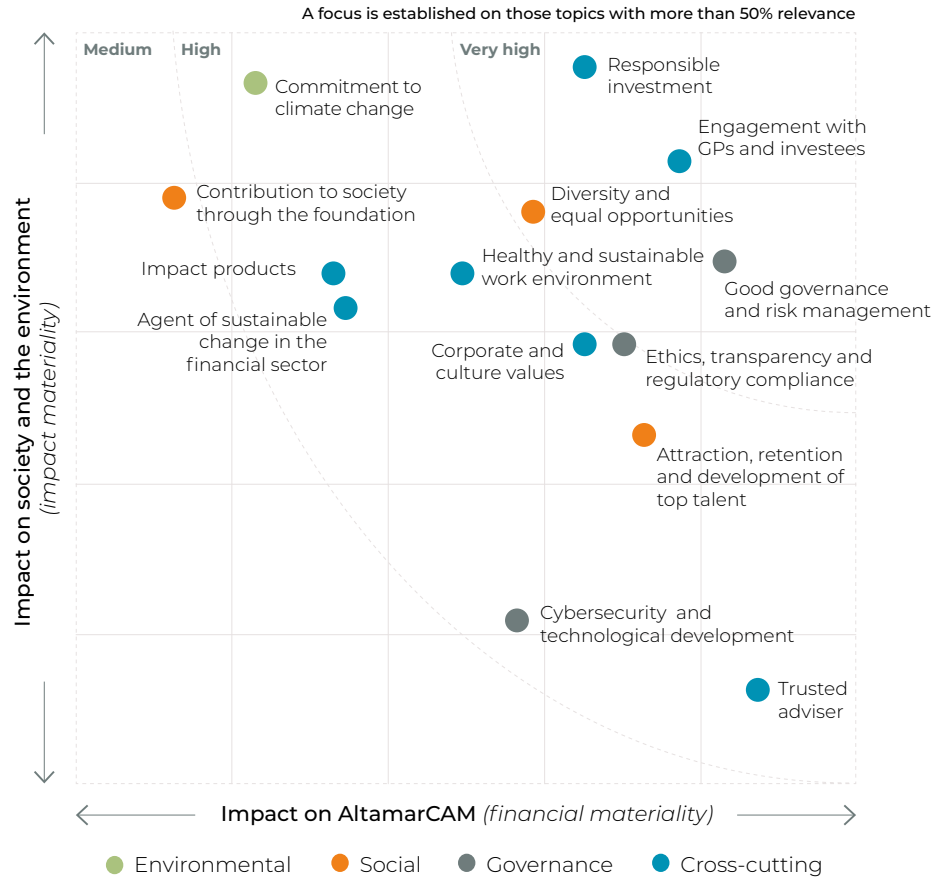




ESG approach



Materiality analysis of AltamarCAM



We envision becoming a leading private asset manager in integrating sustainability into our core operations. Our ambition is driven by the active involvement of our top management in shaping the firm’s ESG strategy, a strong focus on digitalisation for scalable solutions and dedicated engagement with stakeholders to enhance ESG awareness and commitment. We believe these elements to be crucial in identifying and managing significant ESG aspects across the business.

6.1 Culture and priorities

AltamarCAM’s ESG approach and framework are grounded on the double-materiality matrix, a tool which guides the firm’s trajectory, allowing it to focus on the entity’s fundamental priorities and measurable impacts. This assessment allows us to determine the degree of importance of relevant social, environmental and governance factors, according to the firm’s business and stakeholders, from a twofold perspective: the firm’s impact on society and the environment (inside-out approach – or impact materiality) and the impact on AltamarCAM (outside-in approach – or financial materiality).

This materiality assessment is the result of the exhaustive work done by the ESG team and the ESG steering group. It was conducted by following the European Double Materiality Guidelines document, published provisionally as a working paper by the EFRAG¹. Data and information to build the matrix were collected through interviews, bibliographic review, market analyses and surveys. Resulting from this work, 14 material topics were identified, the management approaches of which are outlined throughout this report.

“Understanding and structuring our ESG priorities through the lens of the double-materiality matrix are essential to ensure that our approach contributes to value generation. By focusing on the most relevant issues for both our financial health and external impacts, we make our efforts more meaningful and effective.”



Jörg Höller
Chief ESG Officer

¹European Financial Reporting Advisory Group

6.2 Governance

AltamarCAM recognises the essential role of strong corporate governance in today’s business environment. It is about not just reinforcing risk mitigation in the organisation, but also improving our ESG performance – connecting these aspects with our business strategy and long-term value-creation approach.

As detailed on the right, our governance structure is designed for efficient and timely decision-making, with its dedicated team of professionals and active involvement from top management and key areas of the firm. Moreover, AltamarCAM is committed to continuous dialogue and engagement with external stakeholders. This dynamic and cross-cutting governance framework demonstrates our commitment to excellence and responsible business operations, helping us to stay ahead of evolving market trends and the new requirements coming from investors and regulatory entities.

To ensure alignment of interests with the ESG strategy and processes, those members of the firm with ESG responsibilities have specific annual targets tied in with their compensation schemes. In 2023, these objectives, which applied initially to the ESG team, investment team and senior management, were extended to the investor relations team and the complete board of directors (both executive and non-executive members).

“We can proudly say that sustainability values are embedded in our culture, permeating through our daily activity. The active involvement of top management in our ESG strategy is crucial to safeguard this commitment.”



Claudio Aguirre
Chairman

6.2.1 General ESG governance structure



Board of directors

10 members
(including ESG chair)

five to six meetings a year

Direct involvement, through regular meetings and approval of related policies, in the accountability, endorsement and oversight of the ESG strategy's implementation.



ESG committee

10 members
(of whom six are board members)

biannual meeting

Promotion of sustainability at the highest level of the firm and among key stakeholders, as well as approval and monitoring of the ESG strategy and other related proposals.



ESG steering group

11 members
quarterly meeting

Representing all areas of the firm and advising the ESG team through the provision of innovative ideas, with the role of ESG advocates being to promote and monitor ESG processes in their respective areas.



ESG team

7 members
(with diverse backgrounds and experience)

daily activity

Responsible for defining and executing the ESG strategy and procedures. With members from various areas, the team's versatility (a key aspect of the governance model) leverages diverse expertise for systematic ESG integration.



6.2.2 Other governance units with ESG responsibilities

The execution of strategic goals defined in AltamarCAM's ESG strategy is not only performed by the ESG team, but also channelled through themed taskforces, by addressing specific ESG-related topics involving members from multiple teams.

ESG committee members



Miguel Zurita
Co-Chairman PE & Chairman ESG



Claudio Aguirre
Executive Chairman & Co-Founding Partner



José Luis Molina
Global CEO



Pilar Junco
Global Co-Chief Client Officer (GCO)



Paloma Ybarra
Global Co-Chief Client Officer (GCO)



Jörg Höller
Chief ESG Officer



Andreas Schmidt
Co-Head of Germany



Alexis von Dziembowski
Co-Chairman PE



Marcel Rafart
Head of Venture Capital



Irene Rodríguez
ESG Vice President and Secretary

Other teams involved in ESG functions



Investment team
80+ professionals*

*(six of whom are ESG ambassadors)

ongoing contributions

Responsible for integrating responsible investment (RI) processes across various investment cycle stages and contributing to RI process definition.



Investor relations team
35+

ongoing contributions

Responsible for staying informed about investors' ESG preferences and consistently including relevant and updated ESG content in material and meetings with investors.



Climate change
5 members

ad hoc meetings, depending on each project

Collaboration of team members involved in each task force to address the firm's most relevant ESG topics. During 2023, meetings were held to tackle best practice to fight climate change, understand investors' appetite for impact products, map the impact investing universe and elevate AltamarCAM's brand and position in the industry.



Impact investing
4 members



7

ESG integration in the investment process

AltamarCAM actively incorporates sustainability considerations into its investment process, tailoring its approach, when applicable, to the specific asset types and investment strategies in its portfolio. Beyond gathering information and analysing investment risks and opportunities, the firm focuses its efforts on engaging with managers. AltamarCAM has significant global access to top-tier managers, providing the group with extensive knowledge and examples of ESG best practices being applied in the industry. In this regard, AltamarCAM leverages this deep market understanding to drive continuous improvement in the ESG performance of its underlying managers and collaborators – through ongoing and constructive dialogue with them.

The firm's investment process comprises five key phases: screening, due diligence, formalisation of investment, holding period and exit. AltamarCAM's specific ESG integration practices throughout the investment cycle, including new developments made throughout 2023, are outlined as follows. While general guidelines are described, practical application varies across different products, owing to their unique characteristics, depending on the asset class (private equity, venture capital, life sciences, real assets and private debt) or investment strategy (primaries, secondaries, co-investments, direct investments and private market platforms). Further details of each specific investment approach may be found in the firm's ESG policy and exclusion policy, both updated in September 2023.



100%

of new investments incorporate ESG due diligence



100%

are screened against AltamarCAM's exclusion policy

“ESG is a core aspect considered during due diligence of our investment opportunities. Results from our ESG due-diligence questionnaire are thoroughly analysed, ensuring that the investment committee understands the target investment’s approach and material sustainability risks, if any, before making any final investment decision.”



Inés Soto
Private Equity Partner

7.1 Screening

ESG exclusion policy: Following its exclusion policy, AltamarCAM carries out negative screening against a list of restricted sectors and activities in which the firm does not wish to invest, since these are not aligned with its values and investment philosophy.

7.2 Due diligence

Included as a fundamental part of overall due diligence, AltamarCAM conducts a comprehensive analysis of GPs' sustainability approach. On the one hand, the investment team analyses the ESG aspects of the information package. On the other, the firm also requests that GPs complete the proprietary ESG DDQ and analyses the underlying portfolio companies through the 'portfolio company-level analysis tool' (more information about both models is included in figures 1 and 2 on page 26). The results are then reviewed by the ESG team and the investment team to identify any errors or inconsistencies, as well as any significant issues which would require further ESG team analysis.

7.3 Formalisation of the investment

ESG clauses (for example GPs' acknowledgement of the United Nations' principles for responsible investment, reporting any material negative incidents or complying with the group's exclusion policy) are included in legal documentation and requested from GPs through side letter clauses. In primary investments, the exclusion policy is applied by requiring GPs to include the list of restricted sectors as prohibited investments via side letter agreements.

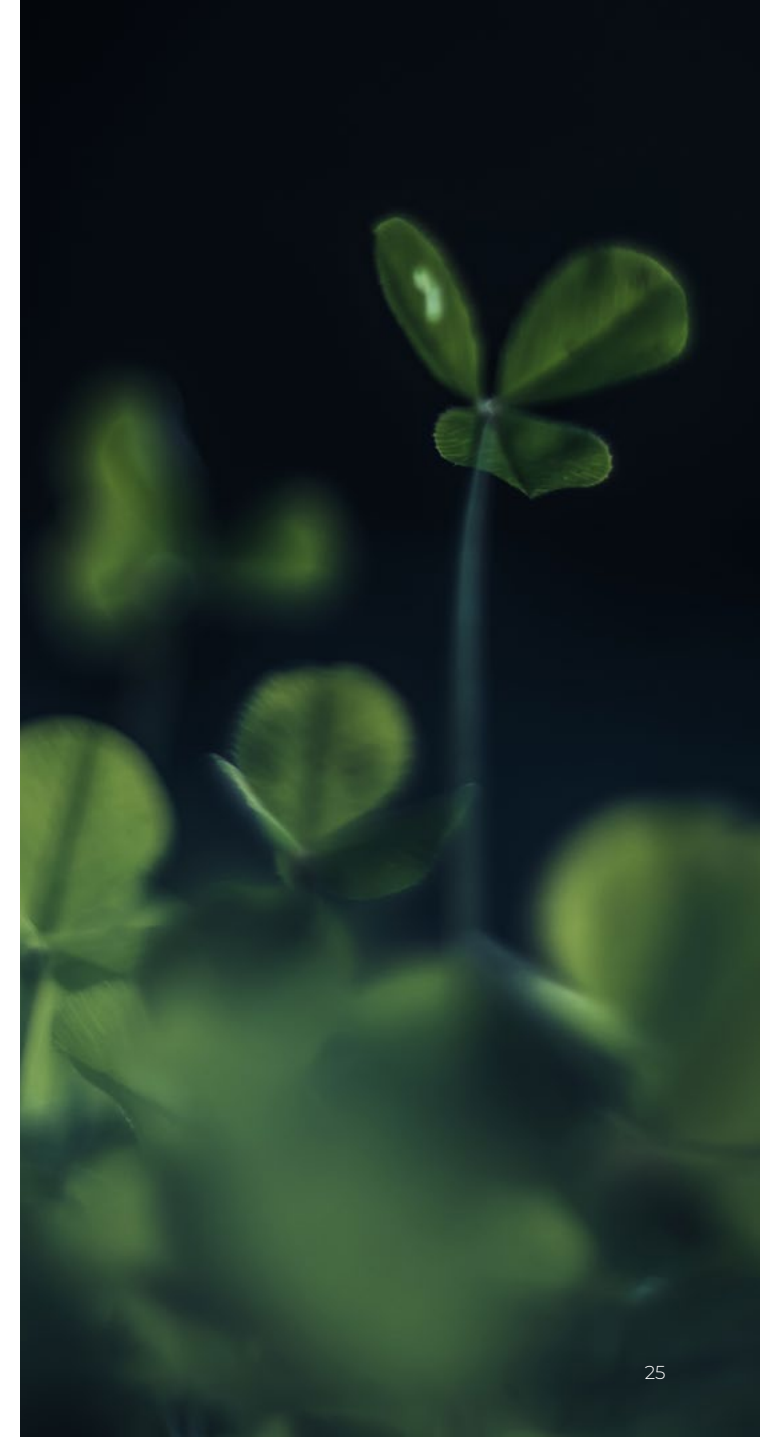
7.4 Holding period

Both the investment team and the ESG team monitor the GPs' ESG performance during the investment cycle. Updated ESG DDQ responses are analysed, together with any potential ESG incidents. The frequency with which the analysis is updated depends on the scoring result obtained by the GP (an annual update of the ESG DDQ is required for those GPs classified as beginner or compliant, while a biennial update is required for those GPs classified as good or outstanding). The portfolio company-level analysis is also updated annually for all funds classified as SFDR article 8 and higher.

Other information is analysed annually, including ESG information provided by GPs as negotiated in the side letters and records of the managers' AGMs, among others.

7.5 Exit

Regarding secondary transactions or divestments from direct investments, AltamarCAM conducts a comprehensive assessment of the fund or company's ESG performance, analysing its progress since acquisition, up to the fund/company's sale. Additional analyses may be conducted or ad hoc documents drafted to meet investors' specific requirements.



Exclusion policy in detail

Our exclusion policy¹ covers the following aspects (non-exhaustive list):



Environmental

- Severe environmental damage
- Production or trade of coal
- Non-sustainable oil and gas extraction methods and oil and gas companies (exploration, production or refining) lacking a net-zero commitment by 2050



Social

- Material breaches of human rights ●
- Tobacco-manufacturing
- Manufacture, sale or distribution of pornography products or prostitution
- Manufacture, trade, or maintenance of certain weapons ●
- Research, development or technical applications relating to human cloning for reproductive purposes



Governance

- Production, trade and/or distribution of products or activities deemed to be illegal ●
- Products, goods or services from countries subject to any economic/financial sanctions or trade embargoes

● Activities in which AltamarCAM has zero tolerance

Having analysed the current market trends, and in light of clients' requirements, amendments were made in 2023 to the exclusion policy, including new exclusions on the oil and gas sector, a zero-tolerance threshold for three clauses and the adaptation of the policy to the specific case of real estate and SMAs.

¹ Clauses corresponding to the latest approved version of the exclusion policy (September 2023).

Assessment models used throughout the investment process

ESG due-diligence questionnaire

AltamarCAM engages with GPs and analyses their ESG practices through the internally developed online ESG DDQ, comprising asset class-specific questions. An ESG score is given to each manager, based on the results, and is then classified as one of: beginner, compliant, good or outstanding. Both the ESG DDQ responses and the quantitative results (ESG scoring) are integrated in our system and digitalised into Power BI.

Figure 1. Example of the GP-level ESG DDQ results summary included in the investment memorandum

Portfolio company-level analysis

In 2023, a new model was developed to provide a more comprehensive analysis of sector-, region- and climate-related ESG risks at the portfolio level. This model is aligned with recognised international standards, such as SASB, TCFD and the Notre Dame Vulnerability Index, and is required ex-ante for secondaries and co-investments as part of the investment committee materials (figure 2) and applied in ex-post monitoring activities.

Figure 2. Example of the portfolio company-level analysis included in the investment memorandum of secondaries and co-investments

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7.6 ESG DDQ results

– assessing sustainability performance of AltamarCAM’s investments in underlying fund managers

“Our findings derived from the ESG DDQ are consistent with last year’s figures, generally reflecting a progressive increase in awareness and dedication to ESG integration. We have perceived significant evolution, since ESG best practices, which were considered well advanced only a few years ago, are now basic requirements for sustainability, irrespective of the asset class.”

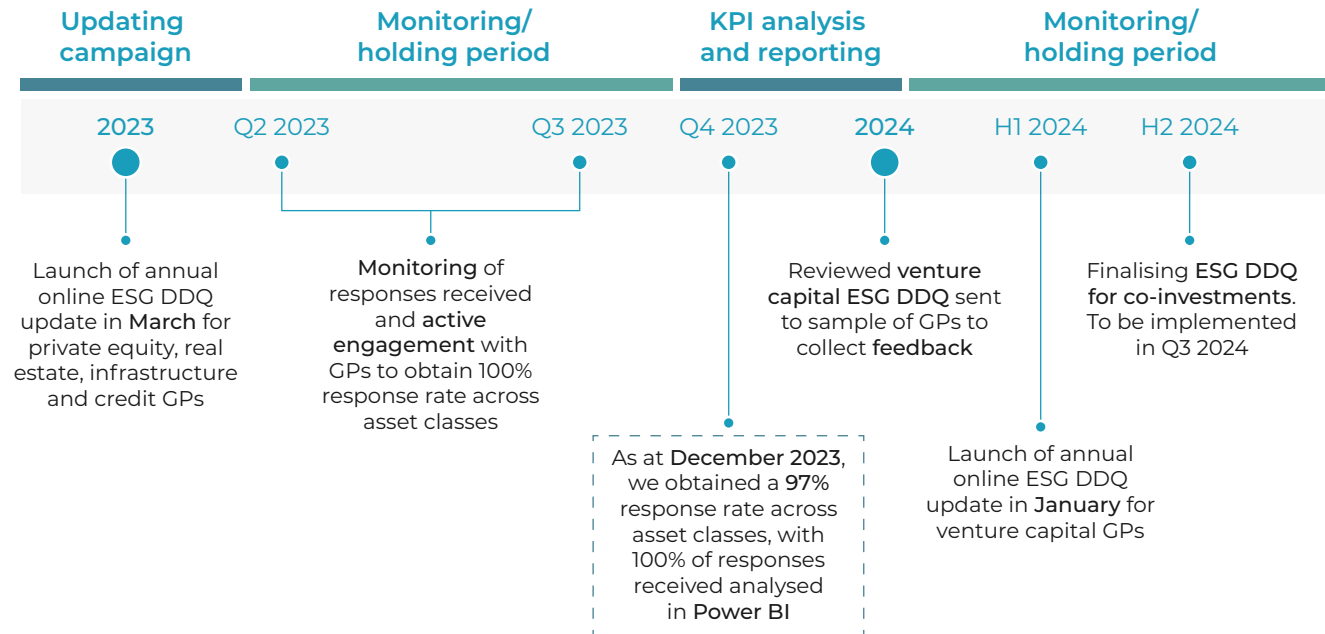


Miguel Zurita
 Managing Partner
 Co-Chair of PE and Chair of ESG

Like every year, in March 2023, we launched our annual ESG DDQ updating campaign to collect fresh information on managers’ evolution, in terms of ESG. We proudly achieved a 97% response rate (in terms of AUMs) across asset classes (excluding venture capital – DDQ campaign launched at the start of 2024).

Having analysed the results, we observed a general progressive evolution of managers in developing sustainable investment practices across the different asset classes.

The diagram below summarises the procedure followed for the annual 2023 ESG DDQ update.





7.6.1 2023 ESG due-diligence questionnaire results by asset class¹

	Private equity	Infrastructure	Real estate	Credit
Clear ESG objectives defined	79%	99%	82%	96%
PRI signatories	83%	95%	81%	100%
ESG risks considered	96%	100%	99%	94%
ESG dedicated staff	99%	100%	96%	100%
Exclusion policy in place	90%	60%	66%	100%
Investment-level objectives defined	73%	96%	58%	83%
ESG targets linked to compensation	7%	36%	7%	41%
ESG training	91%	100%	93%	100%
Net-zero targets defined	20%	41%	43%	31%
DDQ implemented	90%	100%	98%	N/A
Abandonment of investments entailing material risks	78%	91%	76%	90%
Action plans set with investee companies	72%	94%	77%	N/A
Portfolio emissions tracked	66%	91%	19%	69%
ESG considerations during exit phase	65%	85%	68%	N/A
Sustainability report published	70%	86%	50%	64%
SDG alignment	39%	87%	57%	43%
Climate risks covered	83%	100%	93%	94%

¹Figures reflect the ESG DDQ results across asset classes (excluding venture capital – DDQ campaign launched at the start of 2024) as at 31 December 2023. Percentages calculated over total responses received (97% in terms of AUMs across asset classes). Liquidated GPs and discontinued relationships with GPs are excluded from the sample.



7.7 ESG scoring and underlying fund returns analysis

Stemming from conversations with both GPs and LPs, we perceive a growing interest in learning whether there is any connection between returns and ESG integration. There is a clear interest in understanding whether positive financial returns can be explained by good ESG performance or, in contrast, whether ESG integration is detrimental to returns in any way.

At AltamarCAM, we have tackled this analysis, in the last few years, from various perspectives. During 2023, a preliminary approach was conducted to analyse the relationship between financial performance and ESG integration in our underlying fund portfolio. Leveraging the capabilities of our internal database and the data collected via the ESG DDQ, a correlation analysis was carried out, looking at the connection between underlying fund net multiple over invested capital (MOIC)¹ and ESG scoring (both category and score), with results as at 31 December 2023.

The main findings show that, despite the inexistence of a strong correlation between variables, there is no evidence that ESG integration is harmful, in any way, to financial returns. In fact, we consider that good ESG policies form a reliable indicator of the institutional quality of the investment. In line with our thesis, ESG commitment is more deeply rooted in Europe, compared with other regions, such as the US. Stemming from conversations with the GPs with which AltamarCAM invests, the awareness of the relevance of sustainability integration in investments is widespread in most European firms, with this reflected (albeit vaguely) in the analysis results. Nevertheless, there is no evidence that returns are harmed by ESG integration, which was, indeed, one of our main predictions before conducting the research. More details on the analysis can be found in the following [2023 LinkedIn publication](#), in which Miguel Zurita, co-chair and co-head of Private Equity and chair of ESG, explains our approach.

The rationale behind the lack of compelling and conclusive results is, in part, explained by the vintage of the funds in the sample. We believe that funds with younger vintages should tend to show greater commitment to sustainability than those whose investment period began years before the rapid surge in ESG concerns which we are experiencing today. Additionally, the sample analysed is biased, since we strive, at AltamarCAM, to invest with top-performing managers with strong ESG processes.

As part of our ESG action plan for 2024, this analysis will be updated and tackled from a different standpoint, incorporating the qualitative details of the data collected through the ESG DDQ, enabling deeper and more complex scenarios which will broaden the analysis and hopefully shed some light on the correlation between variables.

¹Net returns (MOIC) in underlying fund currency



8

ESG strategy



In February 2022, AltamarCAM approved the 2022–24 strategy, which defines the firm’s medium-term roadmap to meet its ESG aspirations. The strategy was based on four pillars or lines of action: tackling responsible investment from a corporate perspective; integrating ESG criteria in the investment cycle; fostering a sustainable working environment; contributing to a better society through the AltamarCAM Foundation. To achieve these objectives, 25 measures were defined, to be implemented over the next three years, requiring all of AltamarCAM’s teams’ involvement in a joint and co-ordinated manner.

As at 2024, we are currently in the action plan’s final year of execution, having successfully achieved 100% of the targets defined for 2022 and 2023, since inception.

In line with the market’s best practices, and after analysing our lines of action, the ESG objectives for 2024 have been drafted, covering several relevant topics. Among others, targets have been defined to continue increasing reporting efficiency through digitalisation, while research will be conducted into potential collaborations with other entities on ESG matters – and TCFD recommendations will be further incorporated. We will also strengthen our engagement efforts through dialogue and close collaboration with stakeholders. In the climate arena, the firm will advance in line with the climate action plan approved in 2023 to reduce emissions at both the corporate and investment level. In June 2024, those objectives to be pursued in the 2025–27 ESG strategy will be presented to the ESG committee, with the formal strategy submitted by the end of the year for board approval.



9

Case studies:
investing in sustainability-driven
fund managers

9.1 Private equity example – FSN: credit facility sustainability-linked incentives¹

FSN Capital is a leading northern European private equity investment firm, focused on making controlled investments in middle-market growth-orientated northern European companies, seeking to support and transform them into more sustainable and profitable entities. AltamarCAM has been investing in FSN since 2016.

FSN sets ambitious ESG goals in the transformation process of those companies of which it has control, with a clear focus on creating net-zero sustainability leaders, with good governance and high ethical business standards. Of its numerous implemented sustainability practices, its engagement efforts at the portfolio company level are noteworthy – FSN not only sets targets to ensure that all of the companies build their own ESG strategy and implement ESG policies, but also ensures that those entities define science-based targets to tackle climate issues and encourages more than 25% of female board representation.

“We are proud to be collaborating with some of the most ESG-committed fund managers (GPs) in the industry. The following section highlights exceptional and innovative sustainability initiatives implemented, across various asset classes, by some of these GPs.”

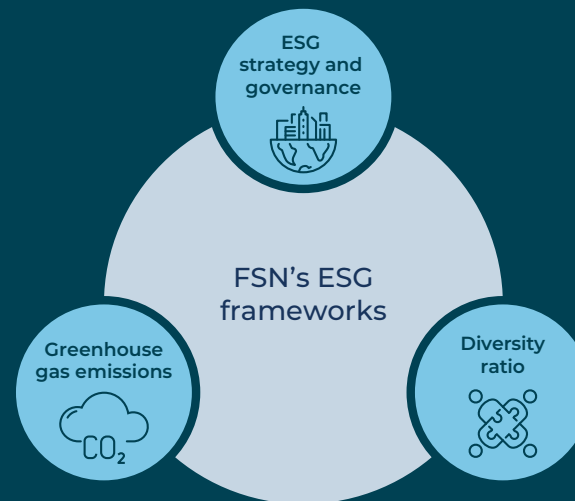


José Luis Molina
Global CEO

¹Source: FSN's official website – FSN's ESG report 2022 (p18-19). Initiatives have been summarised.

9.1.1 Sustainability-linked subscription credit facility

For Fund VI, FSN has developed a novel approach, comprising an ESG-linked subscription credit facility to motivate the implementation of FSN's ESG frameworks in portfolio companies. The interest rate paid by the manager is determined by the performance of the portfolio over its three-pillar ESG framework: ESG strategy and governance; greenhouse gas emissions; diversity ratio.



ESG strategy and governance

- ESG strategy and climate assessment** – every portfolio company must develop an ESG strategy and define specific annual goals.
- ESG ownership** – define board and management roles per portfolio company.
- ESG board meeting status report** – confirmation that ESG matters have been discussed twice a year by every company's board of directors.

Diversity ratio

Gender diversity ratio – incentivise portfolio companies to exceed 25% female board representation. When KPI is below 20%, interest margin increases.

Greenhouse gas emissions

- GHG reporting system** – every portfolio company should implement an online GHG emissions reporting system.
- GHG emissions scopes 1 and 2** – every portfolio company must report these two scope emissions.
- GHG emissions scope 3** – every portfolio company must, if relevant, report this scope.
- GHG emissions target** – every portfolio company should strive to set ambitious GHG reduction goals, aligned with net zero.



9.2 Venture capital example – Northzone: sector-specific materiality analysis¹

Northzone is a venture capital fund investing in multistage assets, from seed to growth, across European and North American countries, making commitments of €1–40m. AltamarCAM has been investing in Northzone since 2016.

Apart from tracking and calculating their underlying portfolio carbon footprint (scopes 1, 2 and 3) and monitoring specific KPIs to measure companies' progress on ESG matters, Northzone has developed a sector-specific materiality map for the 12 core investment industries and sectors which it targets, supporting companies in identifying and understanding the material ESG risks and opportunities which their activities entail.

This way, both parties involved in the deal are aware of their ESG concerns, and Northzone ensures that the companies in which it invests will prioritise areas with greater material impact. Below are the most material ESG areas of Northzone's portfolio identified in 2022:



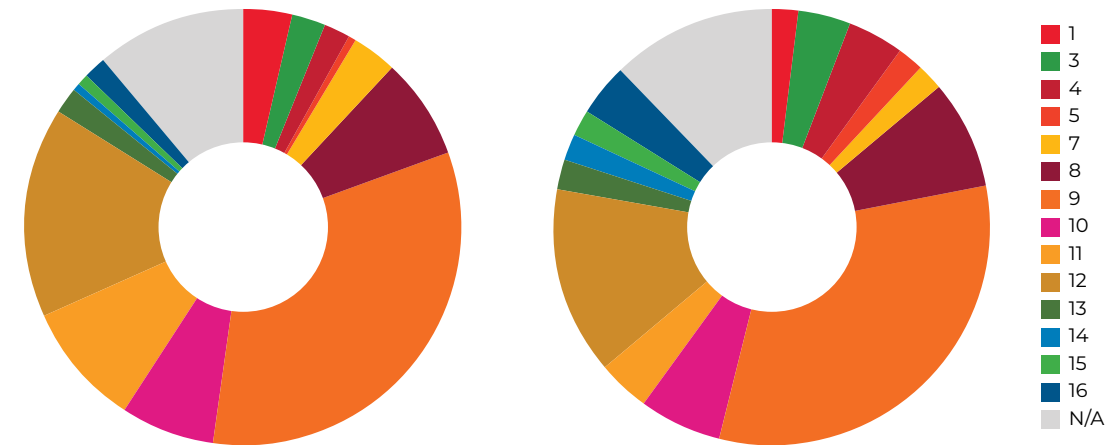
¹Source: Northzone's 2022 ESG report. Initiatives have been summarised. For more information, please visit: [Northzone's website](#)

The manager also carries out an annual impact and ESG survey, enquiring into the performance of its portfolio in the environmental, social and governance spheres. Derived from this survey, the manager tracks the potential positive impact which companies can have on SDGs, as shown below (figures for 2022):

Companies' potential positive impact (SDGs)

SDG positive alignment – by invested capital

SDG positive alignment – by companies



Finally, Northzone performs a benchmark of ESG indicators against the industry-estimated average.



9.3 Infrastructure example – DIF: renewable energy and energy-efficiency¹

DIF is a Netherlands-based investment management firm focusing traditionally on public-private partnership/concession projects, utilities (eg regulated gas, water, electricity networks and district heating) and renewable energy projects (eg solar PV, wind, hydro and waste-to-energy projects), with long-term contracted or regulated income streams. The manager targets a balanced portfolio, focusing on both brownfield and late-stage greenfield investments. AltamarCAM has been investing in DIF since 2013.

At the portfolio level, DIF makes a significant contribution to sustainable development by focusing on five main areas of action: governance; safety; community and people; environment; climate resilience. From the numerous outstanding case studies, the project with BluEarth Renewables highlights DIF's commitment to net zero and environmental protection.

¹Source: [BluEarth's official website](#). Initiatives have been summarised.



7,000+MW

of high-quality development projects

923,173

metric tonnes of CO₂ offset through renewable energy generation

165,000

homes powered annually

8

eco-certified facilities

9.3.1 BluEarth Renewables – renewable energy generation



In 2019, DIF invested in the North American firm BluEarth Renewables, with its ESG goal being to implement net-zero targets and emission-reduction plans across the portfolio.

BluEarth currently operates 305 MW of wind energy, 284 MW of solar energy and 131 MW of hydroelectric energy.

The company emphasises sustainability in its daily activities by fostering a resilient team, reinforcing its organisational culture, cultivating robust relationships, promoting environmental responsibility and maintaining strong governance. To achieve this, BluEarth commits to values rooted in health and wellness, safety, community engagement and DEI. Additionally, BluEarth collaborates with indigenous peoples to develop renewable energy projects which balance social value, environmental protection and shared revenue principles, while respecting their traditions and knowledge.



9.4 Real-estate example – NREP: commitment towards net zero¹

Nordic Real Estate Partners (NREP) is a Nordic private equity real-estate firm focused on generating superior risk-adjusted returns for institutional investors by investing in modern logistics, necessity-driven retail, self-storage and residential assets. AltamarCAM has been investing in NREP since 2020.

NREP is strongly committed to reducing the environmental footprint generated by the construction and operation of buildings – around 37%² of the global GHG emissions stem from real estate worldwide. As a result, the manager has developed an ambitious SBTi³-based approach to decarbonise its real-estate portfolio and operations by 2028.

Additionally, NREP has undertaken several ground-breaking and ambitious projects, among which the **UN17 Village** project and the building of **Resource Rows** are worth highlighting.

¹Source: [NREP's official website](#). Initiatives have been summarised.

²IIGCC (Institutional Investors Group on Climate Change) figures, also present in NREP's official website

³Science Based Targets initiative (SBTi)



Summary

Year of completion:	ongoing
Location:	Copenhagen, Denmark
Type:	five residential properties in one community
Size:	35,000m ² (living space), 500+ homes for rent (size approx. 40–100m ²)
Objectives:	contribute to biodiversity restoration, support well-being of the community, promote healthy lifestyle

9.4.1 UN17 Village project

NREP has launched the first real-estate project in Copenhagen addressing and incorporating the **17 UN global goals**. It will comprise a five-building climate-friendly residential portfolio, targeting different types of tenant and promoting co-living.

UN17 Village leverages artificial intelligence to optimise building design and its interaction with the environment. Sustainability certifications and tools have been deployed during construction to support: (i) construction materials,

energy and water usage during and after construction; (ii) social sustainability, to create an indoor ecosystem around health and wellness; (iii) healthy-living initiatives (access to healthy food and green public spaces, promoting biodiversity restoration, community building etc).

As part of its partnership with **C40**¹, NREP is committed to spreading this innovative building solution across the real-estate industry, towards a more sustainably built environment.

¹Source: C40's official website. Initiatives have been summarised.



Summary

Year of completion:	2019
Location:	Copenhagen, Denmark
Type:	residential properties
Size:	9,148m ² (29 row houses and 63 apartments) – 9% upcycled material
Objectives:	support modern lifestyle based on recycling materials during both the construction and operating phases

9.4.2 Resource Rows project

Given the growing interest in modern urban sustainable lifestyles, NREP has constructed more than 9,000m² of residential buildings in Copenhagen from upcycled material, reducing the CO₂ emissions derived from the construction phase. Façades, rooftop terraces and floors are made from **recycled wood** and **upcycled bricks**, with roof-mounted solar panels for the heating system.

Life cycle assessments were carried out considering both embodied and operational CO₂ throughout the building's life cycle. Resource Rows lead to a **12% reduction**² in CO₂ emissions. Regarding building operations, emissions went down by 48%, with a total of **20 tonnes of CO₂ (29%) saved** by the end of this innovative real-estate project.

²Considering construction materials.





December 2022¹

Approximately

100% AUMs

overall engagement initiatives implemented at portfolio level.

97% AUMs

engagement with companies on ESG reporting.

70% AUMs

engagement with companies on ESG topics/issues.

10% discount

on price agreed on with carbon footprint calculation service provider to incentivise Kartesia's portfolio companies to perform carbon footprint and set up reduction targets².

80% AUMs

with board representation (including observer)

9.5 Private debt example – Kartesia: strong engagement with investee companies³

Kartesia is a European privately owned asset manager providing private corporate lending services to low- and mid-market borrowers. The manager targets investments of €10–150m, focusing on building a diversified and sustainable portfolio. AltamarCAM has been investing in Kartesia since 2021.

Kartesia has established a comprehensive engagement policy for corporate loan investments, emphasising the crucial role of close interactions with underlying assets for successful ESG strategy execution and improvements.

¹ Figures exclude CLOs.

² Source: [Kartesia's stewardship policy](#)

³ Source: Kartesia's 2023 sustainability report. Initiatives have been summarised. For more information, please visit: [Kartesia's website](#)

One of the ways in which Kartesia channels its engagement is through holding board observer positions on the board of portfolio companies. ESG-related engagement practices are classified into four categories ((i) environmental; (ii) social; (iii) governance; (iv) improved reporting), the latter being the most adopted.

Examples of Kartesia's environmental engagement efforts:



Kartesia analyses the exposure of its portfolio to those sectors affecting the environment through contaminated water emissions. As at December 2022, only two sectors were identified to have material risks related to water pollution: healthcare (85%) and industrials (15%). As part of its escalation procedure, Kartesia engages with those companies where a significant exposure to climate risks is identified, to address the issue and discuss existing initiatives to mitigate it. Annual audits are implemented to monitor the indicators' changes and to limit the companies' emissions in water.



The generation of hazardous waste in Kartesia's portfolio stemmed from five sectors as at December 2022, including consumer discretionary, healthcare and industrials, generating 94% of hazardous waste in terms of total volume. Discussions were held with the companies' management teams, setting action plans to improve the management of waste produced by the companies' activities.



9.6 Life sciences example – Launch of ACP Aliath Bioventures II FCR

ACP Aliath Bioventures II FCR is an **impact fund** and **AltamarCAM's first article 9 vehicle** under the sustainable finance disclosure regulation (SFDR). It aims to invest in sustainable companies operating in the healthcare sector, with a European focus. It is pioneering in the new era of impact investing in life sciences venture capital, a sector which remains significantly underdeveloped. To this end, Aliath has engaged actively in collaborative and ongoing dialogue with industry peers, seeking innovative solutions to develop and implement transparent, objective **impact frameworks** for life sciences investments, reflecting the unique value which these investments bring to society.



Definition of impact KPIs

Each portfolio company has a total of five impact indicators set at the moment of the investment, with the investment committee's approval.



Monitoring of KPIs

Impact is monitored through internally developed indicators, based on healthcare innovation cycles.



Measurement and reporting

Annual measurement and reporting.



10

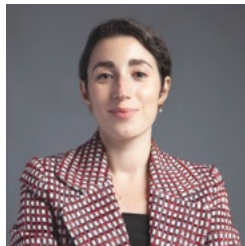
Driving sustainable change
in the private equity industry

10.1 Memberships

Once again, 2023 has been an active year in terms of the AltamarCAM team’s involvement in sustainability-driven initiatives. Our participation in important industry groups and public discussions, led by some of our team members, has been crucial to communicate our approach and share with stakeholders our views and strategies on different key topics. Moreover, as part of its efforts to drive convergence around indicators and standards in the financial sector, AltamarCAM has adhered to the advance initiative launched by UN PRI and become a premium member of the ESG Data Convergence Initiative (EDCI) in 2023.

On the regulatory side, we continued actively engaging with authorities and regulators, participating in numerous public consultations addressing critical sustainability issues. Our involvement has been extended to multiple working groups convened by relevant sectoral associations, such as Invest Europe, specifically targeting forthcoming changes linked to SFDR2 and CSRD. These collective efforts were directed at keeping up with regulatory developments, fostering collaboration and proactively adapting to evolving standards.

“Stemming from the growing demand for data from our investors, we have focused our efforts on initiatives to improve access to ESG performance KPIs. Our adherence to the EDCI will be extremely useful to us in this endeavour.”



Irene Rodríguez
ESG Vice President

¹Level 20 is a not-for-profit organisation founded in 2015, with the purpose of improving gender diversity in the industry through: mentoring and development; networking and events; outreach and advocacy; research.

Active participation in the responsible investment ecosystem:

- Miguel Zurita (ESG’s chair) was the former chairman of SpainCAP (2018–20). The ESG team collaborates annually with the organisation on a series of initiatives.
- AltamarCAM actively participates in consultations, events and working groups organised by PRI annually. Fabiola Fernández-Ladreda (ESG’s vice president) is part of the Spanish working group.
- AltamarCAM is a sponsor of Level 20¹, having representatives across all of the main European countries, and has actively collaborated with the Spanish board of Level 20 and participated in its mentorship programme. Currently, Inés Soto, an AltamarCAM private equity partner, actively participates in the Level 20 Spain committee.
- AltamarCAM participates in Invest Europe, the largest private equity association in the world, with Irene Rodríguez (ESG’s vice president) being part of the ESG working group.
- AltamarCAM is premium member of the EDCI platform and actively engaged in an innovative pilot project to improve LPs’ data access and analysis.
- Aliath Bioventures II, AltamarCAM’s impact fund, is adhered to and promotes the operating impact principles.

Partnerships and collaborations

The image displays a collection of logos for various organizations and initiatives. At the top, it says 'Partnerships and collaborations'. Below this, there are logos for BAI (Representing Alternative Investments), TCFD (Task Force on Climate-Related Financial Disclosures), Level 20, inverco, Invest Europe, ESG Data Convergence Initiative, EFRAG, ic (Initiative for Climate Action), seres (Fundación Social y Empresa Responsable), IIGCC (The Institutional Investors Group on Climate Change), PRI (Principles for Responsible Investment), advance (A Stewardship Initiative for Human Rights and Social Issues), Operating Principles for Impact Management, and SPAINCAP (Capital por un Futuro Sostenible). At the bottom, there is a grid of 17 Sustainable Development Goals (SDGs) icons, numbered 3 through 17, with their respective titles: 3 Good Health and Well-being, 4 Quality Education, 5 Gender Equality, 8 Decent Work and Economic Growth, 9 Industry, Innovation and Infrastructure, 12 Responsible Consumption and Production, 13 Climate Action, and 17 Partnerships for the Goals.

Latest PRI results

Following the 2023 PRI assessment scores release, we are pleased to announce that AltamarCAM has achieved the maximum score of five stars in all reported categories¹.

This has been the first unified PRI report published since the July 2021 integration of Altamar Capital Partners and CAM Alternatives, clearly reflecting the benefits of our enhanced combined team and efforts. This accomplishment marks a substantial improvement, compared with past results.

The results show objectively that AltamarCAM has exceeded the average of the signatories in all categories for the first time since the firms' integration. The PRI assessment methodology constitutes a framework against which we have benchmarked our action plans and strategy execution over the last two years, as well as serving as a basis for engagement and dialogue with investors.

“These outcomes highlight our firm’s dedicated sustainability efforts, reinforcing our position as a trusted adviser to clients and as a sustainable entity in the industry. They also prove the ongoing impact of our ESG policies and serve as a catalyst for further improvements to continue generating positive impact in society, while delivering top returns to investors.”



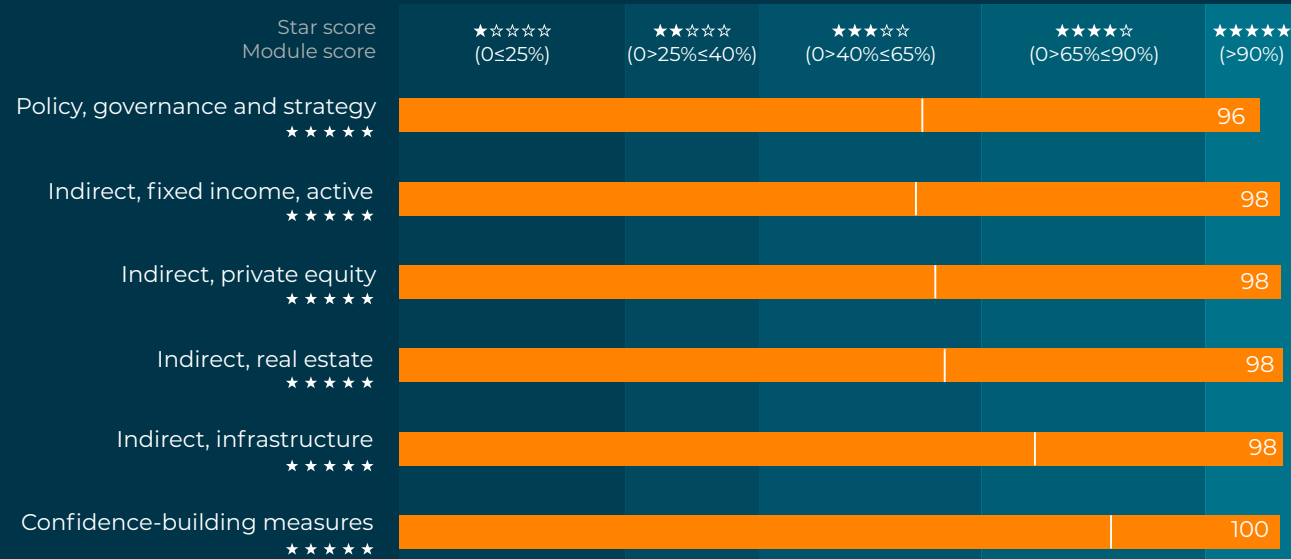
Jörg Höller
Chief ESG Officer

AltamarCAM Partners secured the maximum score of

★★★★★

in all reported categories¹ of the

2023 assessment report



PRI median | Module score

¹Including policy governance and strategy; indirect, fixed income, active; indirect, private equity; indirect, real estate; indirect, infrastructure; confidence-building measures.



10.2 Recognition for research and innovation in ESG

In 2023, we received several awards for our innovative work in the field of sustainability, reinforcing the firm's leadership position in this space and recognising its commitment to the development of science-based projects to respond to current social and environmental challenges.

3
awards
received in 2023

2023 awards and recognition



The firm has received the prestigious 2023 ESG Real Deals award in the 'LP – Fund of Funds' category. This recognition comes at a time when private equity firms have been compelled to both anticipate and adapt to emerging challenges, diligently working to integrate robust ESG strategies into their core operations. This award not only acknowledges AltamarCAM's commitment to advancing effective ESG policies, but also affirms our ongoing efforts to enhance societal and environmental outcomes, while continuing to generate strong returns.



The firm has been included in the fifth edition of the Responsible Investment Brand Index (RIBI™) study. AltamarCAM is notably recognised as a pioneering firm in ESG matters, with the statement: 'We see AltamarCAM Partners, a new entrant in the RIBI universe, arriving directly as number-two in southern Europe with an Avant Gardist status.'



AltamarCAM was recognised, by Real Deals, as one of the 40 Future Climate Change Champions. A panel of experts highlighted the firm's development of a thorough climate action plan, including defining specific climate-action targets, quantitative indicators and a detailed monitoring roadmap.



10.3 Action framework aligned with Agenda 2030

In 2015, the United Nations established 17 sustainable development goals (SDGs), framed under the title of Agenda 2030. This agenda establishes a prosperous and fair scenario for the near future, the achievement of which requires the implementation of a collective and ambitious action plan by business and governmental players.

AltamarCAM has identified those areas in which it can achieve the greatest impact, considering its core activity and influencing capabilities, by establishing six priority action objectives at the corporate level and two objectives for the AltamarCAM Foundation. A measurement framework was developed, including a set of indicators to enable annual progress-monitoring and the definition of improvement plans.

Sustainable development goals in 2023



Gender equality

(5.1, 5.5)

- Equal pay, regardless of gender.
- 75% of new appointed partners are women; 42% of women in the workforce.



Decent work and economic growth

(8.2, 8.3, 8.5, 8.6, 8.8)

- Investing in firms which promote economic growth and job opportunities, along with enhancing efficiency.
- 57 direct jobs created (of which 42% are interns); 89% of employees with career development plans; 47 recent graduates employed.



Industry, innovation and infrastructure

(9.3, 9.4)

- Leveraging technology and fostering cutting-edge initiatives by deploying capital in assets which drive sustainable development.
- €19bn in assets under management, contributing to the economic growth of private markets.



Responsible consumption and production

(12.2, 12.5, 12.6)

- Measures to reduce consumption across various offices (elimination of single-use plastics, recycling points on all floors, measures to reduce paper consumption, energy-saving initiatives etc).



Climate action

(13.2, 13.3)

- Carbon emissions reduction plan and carbon neutrality in operations achieved since 2019.
- c€100m invested in renewable energy, with two offsetting projects funded in 2023. Continued monitoring of emissions in all newly generated funds, with climate risk assessment performed at portfolio level.



Partnerships for the goals

(17.17)

- 100% of staff receive annual ESG training, with awareness also raised through our involvement in public consultations.
- Adherence to 14 industry-leading and sectoral ESG initiatives, actively participating in various working groups. Engagement with 100% of GPs through ESG DDQ.



11

Our path to a low-carbon future

AltamarCAM has been a proactive leader for many years in addressing climate-related challenges, focusing on both industry-wide and internal organisational improvements. Recognising the critical need for private-sector funding to limit global warming to 1.5°C, the firm has strategically managed a diverse range of investments aimed at supporting the energy transition.

We are committed to the Paris Agreement and the EU Green Deal, as well as being a member of three leading climate initiatives: Task Force on Climate Financial Disclosure (TCFD); Institutional Investors Group on Climate Change (IIGCC); Initiative Climat International (ICI).

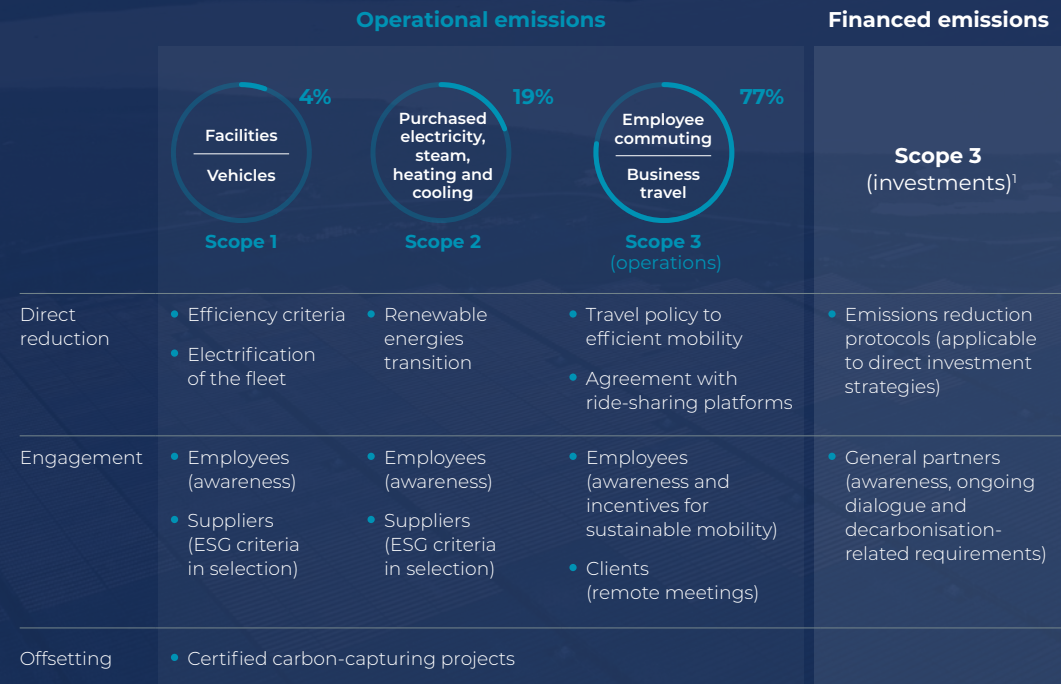
During 2023, AltamarCAM continued to strengthen its commitment to fighting climate change by executing its climate action plan, covering both the corporate and investment level (available on the corporate website) and offsetting remaining emissions.

“The achievement of the ambitious net-zero emissions targets set out in Agenda 2030 undoubtedly requires private funding. Our climate action plan has been designed to drive meaningful change towards a more responsible investment environment.”



José Luis Molina
Global CEO

At a glance: AltamarCAM's emissions composition and climate action plan



¹Work in progress: data being collected for portfolio emissions calculation.



Offsetting projects in 2023

AltamarCAM Forest by CO₂ Revolution, in Galicia, Spain

103 tonnes offset

Our third time investing in this project marks a significant carbon-capture milestone in the year: the continuation of the AltamarCAM Forest initiative. Based in Spain, this ongoing project remains dedicated to combating deforestation and addressing climate change, while also having a positive impact on society through collaboration with the Red Cross. Employing a blend of traditional manual reforestation methods and cutting-edge technologies (such as intelligent seeds and drones), the project continues its mission to restore tree coverage in the area, thereby enhancing the region's ecosystem, landscape and socioeconomic conditions. The project plays a crucial role in creating employment opportunities for those individuals facing social challenges, with over 50% of the workforce being women.

Blue carbon projects by SeaTrees, in Colombia and Kenya

430 tonnes offset

We have invested in two projects to offset our carbon footprint: the Colombia Pacific Watershed Projects (in which we have invested twice before) and Project Mida Creek Region of Kenya (the first time). The former is aimed at protecting 117,740 hectares of coastal watershed, generating 70m tonnes of emissions reductions over 30 years. This initiative improves the well-being of over 40,000 residents, promotes ecotourism and preserves critical biodiversity. The latter is focused on restoring over 100 hectares of degraded mangrove forest, creating jobs for 200+ people, providing education resources and safeguarding villages from sea-level rise.

11.1 Carbon neutrality

Operational emissions

In line with the above-mentioned climate plan, AltamarCAM has maintained its carbon neutrality at the operational level for the fifth consecutive year. Ongoing measures include, among others, replacing domestic flights with train journeys, using 100% renewable energy to power offices and automating lighting and heating systems. Any remaining emissions are offset according to the Oxford offsetting principles, prioritising local, externally verified projects which contribute to the SDGs.

Financed emissions

In 2023, we focused on addressing scope 3 financed emissions and expanding our data coverage, considering the private nature of the market information and the size of the underlying portfolio. Given the urgent need for private financing to address net-zero targets, this development is particularly relevant to AltamarCAM. To this end, in our questionnaires, we have included specific questions on portfolio emissions and are collecting this data through our membership with EDCl, having gathered approximately 50% of the overall portfolio to date. The ESG team continues to analyse the data obtained, to ensure consistency and comparability, while also engaging with GPs to increase the coverage of real data and persisting with our endeavours to reduce our carbon footprint, despite the challenges inherent to the Fund of Funds nature.



11.2 Climate risk management

As part of the ESG assessment performed, a double-edged climate-related analysis is incorporated into the due-diligence and holding-period stages. This analysis covers the climate-related risks and opportunities inherent in potential investments, from the perspective of GPs and the underlying portfolio.

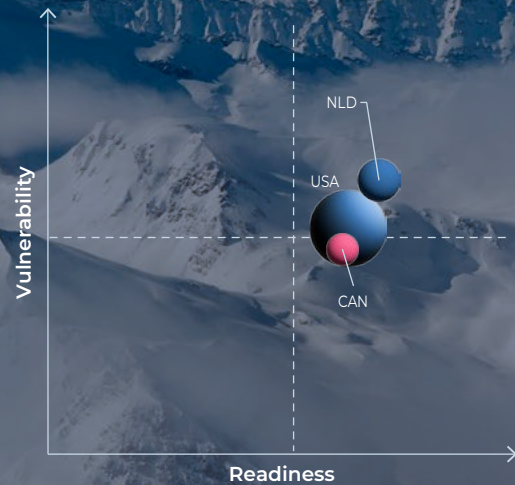
The GP-level analysis, based on the ESG DDQ, includes the assessment of the GPs' climate policies, emission targets, climate scenarios (qualitative and quantitative) and impact

of these matters on the investment decision. As for the underlying companies' perspective, the proprietary portfolio company-level analysis model is applied. Through this analysis, a risk heat map is developed, based on the recommendations of the TCFD standard, according to five main dimensions (physical, political, market, reputational and technological) and two transition scenarios (first 1.5°C – meeting the Paris Agreement; second – clear failure of the first). This analysis is combined with the Notre Dame

vulnerability index¹, considering the level of vulnerability and readiness of investments, based on their respective location. Additionally, location information at the asset level has been included for co-investments/single-asset investments, increasing the level of granularity in these cases.

Finally, through the exclusion policy, AltamarCAM defines a list of climate-related restricted investments in which the firm does not wish to participate (for further information, please refer to page 26).

	Scenario 1: Reaching 1.5°C ²	Scenario 2: Clear miss of target ³
Policy	Low risk	Very low risk
Technology	Low risk	Very low risk
Market	Very low risk	Very low risk
Reputation	Very low risk	Very low risk
Physical	Low risk	Medium risk



Vulnerability⁴

Propensity of human society to be negatively affected by climate hazards.

Readiness⁴

Readiness to make effective use of investments for adaptation actions, thanks to a safe and efficient business environment.

- Not prepared and great challenges
- Not prepared and no great challenges
- Prepared and great challenges
- Prepared and no great challenges

¹Source: [ND Vulnerability Index](#)

²Scenario 1: Meet targets of Paris Climate Agreement – temperature increase by 1.5°C.

³Scenario 2: Clear miss of targets of Paris Climate Agreement.

⁴Depending on the assessment of vulnerability and readiness, the country is assigned one of four categories in the bubble chart. For further information, visit: [ND-GAIN's website](#)



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Building trust and ensuring compliance



“As a responsible entity, AltamarCAM recognises its duty to maintain a system which ensures strict compliance with all legal provisions and fosters a culture of shared values, building trust in all relationships with clients, team members and society in general.”



Rocío Fernández
Chief Risk and Compliance Officer

¹Sustainable Finance Disclosure Regulation: (EU) 2019/2088

²Green MiFID II: (EU) 2021/1253

³Non-Financial Reporting Directive: 2014/95/EU

12.1 Compliance and risk management as fundamental pillars of the firm

AltamarCAM strives for an optimal control environment through proactive risk management, fostering the existence in the organisation of a risk-aware culture, reinforced through constant awareness plans. Through its regulatory compliance and risk management unit, with its total independence from the business side and reporting directly to the board of directors, AltamarCAM ensures strict compliance with applicable regulations in each of the jurisdictions in which it operates. To this end, policies, procedures and internal controls aimed at ensuring compliance play a fundamental role, covering areas (among others) such as data protection and confidentiality, antimoney-laundering, business continuity,

prevention of market abuse, criminal risk prevention and cybersecurity. AltamarCAM's code of ethics reinforces relationships of trust and promotes compliance with the highest standards of integrity and honesty. The control system is subject to an annual evaluation by an independent external party, via audit, as well as additional evaluations, if required, by regulatory bodies, depending on the jurisdiction.

Lastly, AltamarCAM has established communication channels which ensure the confidentiality and integrity of communications, managing all requests or complaints received.

12.2 Sustainability regulatory developments

With the increasing emphasis on sustainable investment and the evolving regulatory landscape, AltamarCAM is determined to adhere to regulatory requirements and maintain transparent disclosure practices.

In 2023, among others, the key ESG regulatory initiatives focused on three main regulations: SFDR¹, Green MiFID² and NFRD³.

The firm has continued to expand its portfolio of registered sustainable funds, encompassing both article 8 and article 9 classifications, with the registration during 2023 of a total of seven new funds under these categories. This raises the number of vehicles classified as article 8 and 9 under SFDR to 17 (16 article 8 and one article 9).

Regarding Green MiFID, the firm has thoroughly examined the suitability test administered with our clients (both

current and new), incorporating sustainability preferences. Furthermore, we have intensified our training initiatives for advisory teams to enhance their capacity in assisting investors in this matter.

In reference to the Non-Financial Reporting Directive, following compliance with the defined criteria throughout 2023, we anticipated issuing our first NFRD statement alongside the annual accounts by the end of April 2024. This comprehensive report will be readily available for consultation on our website, providing stakeholders with a transparent insight into our sustainability efforts and performance. Furthermore, the firm will fall under the Corporate Sustainability Reporting Directive (CSRD) in 2025, with plans to release our inaugural report in 2026, so demonstrating our ongoing commitment to transparent and accountable sustainability reporting practices.



12.3 Harnessing technology to achieve scalable processes

Thanks to the IT and portfolio analytics teams' expertise and dedication, client experience has been enhanced, processes have become more scalable and efficient and complex analyses have been possible to address clients' requests, while protecting the confidential information handled by the firm.

AltamarCAM has been attentive and proactive to new market trends and best practices, with the ability to adapt its procedures by developing an innovative technological infrastructure and in-house tools which allow it to provide accurate and reliable solutions to investors. The firm owns

a unique database in which every data point and indicator monitored by the organisation is stored and made available to all areas of the firm. ESG data is integrated in this database and visualised through a Power BI platform, alongside the other data points. We also have proprietary IT systems offering greater flexibility and adaptation of our business model and investors' needs. Altamar Plus is one of these systems, where information is stored at both the investor level and the underlying fund and company level. In addition, through the web portal, investors can always access information about all of their investments, in total confidence, with security and transparency.

Digitalisation of ESG DDQ assessment

Online asset-specific ESG DDQ is sent to GPs during the due diligence of a potential investment and updated during the holding period of investments¹



Python-enabled in-house tool processes GPs' responses automatically, calculating the score per question in the ESG DDQ²

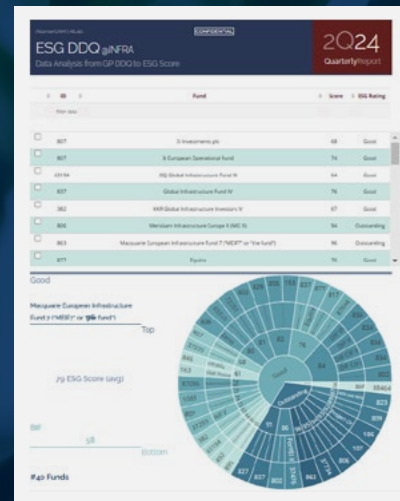


GPs' responses to the ESG DDQ are received and stored in an external database



Results for each GP are input into Power BI, with ESG scoring² automatically calculated

Output of AI-based ESG assessment tool



12.4 ESG analysis leveraging AI integration

In 2023, an innovative Python-based web app was developed by the portfolio analytics team to automatically calculate the ESG DDQ score and categorisation of the GPs in which we invest. The output generates a one-page report summarising the key findings of the ESG due-diligence questionnaire (shown left) and providing an average score of the sample of GPs processed.

Additionally, it automatically writes the results in the corporate database (Datamart) to be analysed in Power BI (Microsoft), our main visualisation tool, and made available to any team member. The second phase of the project (digitalisation of the qualitative information collected through the ESG DDQ) was launched at the end of 2023 and is expected to be in place during the second half of 2024.

Thanks to the Altamar Plus project, the firm has been awarded the Innovative Company certificate for R&D&I by the Ministry of Science and Innovation in Spain.

¹Updating criteria: annual update for compliant and beginner GPs; biennial update for outstanding and good GPs

²Outstanding >85%; good >60%; compliant >40%; beginner <40%



ESG

The value of people

280+

professionals

80

investment
professionals

12+

years

With over 280 employees, AltamarCAM strives to fulfil its core activity while pursuing the preservation of its values as a firm. Its success lies in the expertise and dedication of its exceptional team members, sharing their beliefs and commitments, enabling the business strategy's successful achievement.

13.1 A model based on strong corporate values

“Respectfully sharing diverse opinions is key to reaching great decisions, contributing to the firm’s growth. Each of us adds a unique point of view in every discussion – and this is what genuinely drives change in the organisation.”



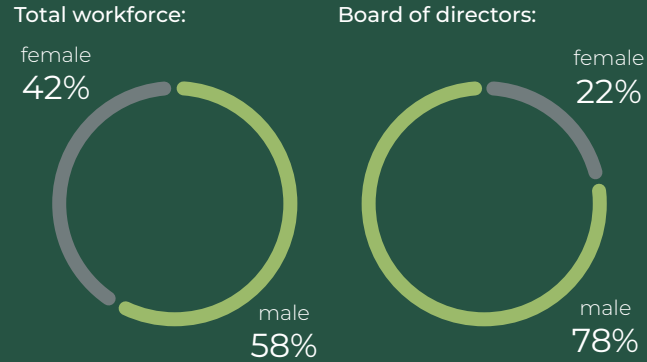
Stefania Repse
Talent Partner

Since its foundation, AltamarCAM Partners has fostered a people-focused culture, driven by the firm’s values and vision, upholding the belief that people are our greatest asset. The preservation of the firm’s culture is the result of a continuous effort, led at the highest organisational level. With this same philosophy, the group builds its talent-management strategy and policies, with the main objective of guiding, inspiring and motivating all of its members to work collaboratively towards the achievement of common goals. To achieve this, transparent, clearly defined processes are implemented which encourage both individual and collective contribution, consolidating the firm’s overall progress as a solidly established organisation in the private asset industry.

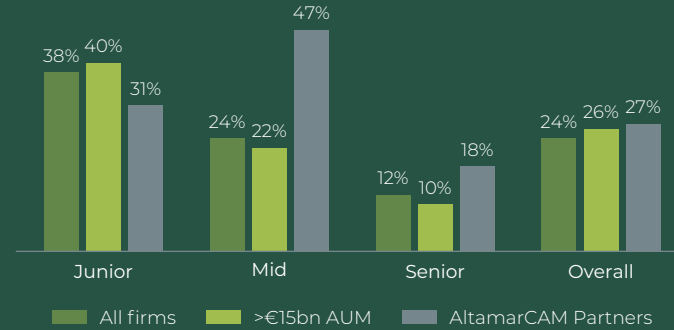
Career progression and remuneration policies are consistent with the commitment to the alignment of interests which sits at the core of the firm’s principles and values. Transparency, fairness and meritocracy lay the foundation for the firm’s corporate culture. Our talent policies reward meritocracy, commitment and long-term growth in the firm, with a professional career roadmap which culminates at the partner level.



Gender equality at AltamarCAM



Going beyond diversity targets: female representation in 260+ PE firms' investment teams¹



“To achieve an equal and diverse working environment, unlocking the potential of people, is essential, regardless of their gender or where they come from.”



Inés Andrade
Chair of AltamarCAM
Client Solutions

13.2 Diverse and inclusive working environment

AltamarCAM considers diversity and inclusion to be one of the most relevant ingredients in the value-creation chain, fostering safe spaces for all. As a group operating in an increasingly competitive international ecosystem, fostering excellent performance in this field goes far beyond an ethical obligation – it is a key aspect of the firm’s competitiveness, because the combination of each professional’s unique perspectives and capabilities reinforces corporate values and brings value to the client. At AltamarCAM, we believe the integration of DEI-related policies to be key to attract and retain the best industry talent.

Since its beginnings, AltamarCAM has placed a high value on nurturing female talent, with strong representation in junior and senior hires, plus fair opportunities for career development. Currently, 42% of the workforce is female, with many of these professionals having had a lengthy career in the firm, demonstrating a clear and long-standing commitment to the promotion and development of female talent.



Since its establishment in 2018, in Spain, the firm has been a sponsor of the Level 20 not-for-profit organisation, having also participated in its advisory board and in mentorship programmes. This strategic alliance allows the firm to contribute to the international objective of inspiring women to join and succeed in this dynamic sector, by creating opportunities for them to interact and learn from other women’s ideas and experiences.

In September 2023, we published our diversity, equity and inclusion (DEI) policy.

¹Level 20 is a not-for-profit organisation founded in 2015 with the purpose of improving gender diversity in the industry, through mentoring and development; networking and events; outreach and advocacy, and research.



13.3 Awareness and training

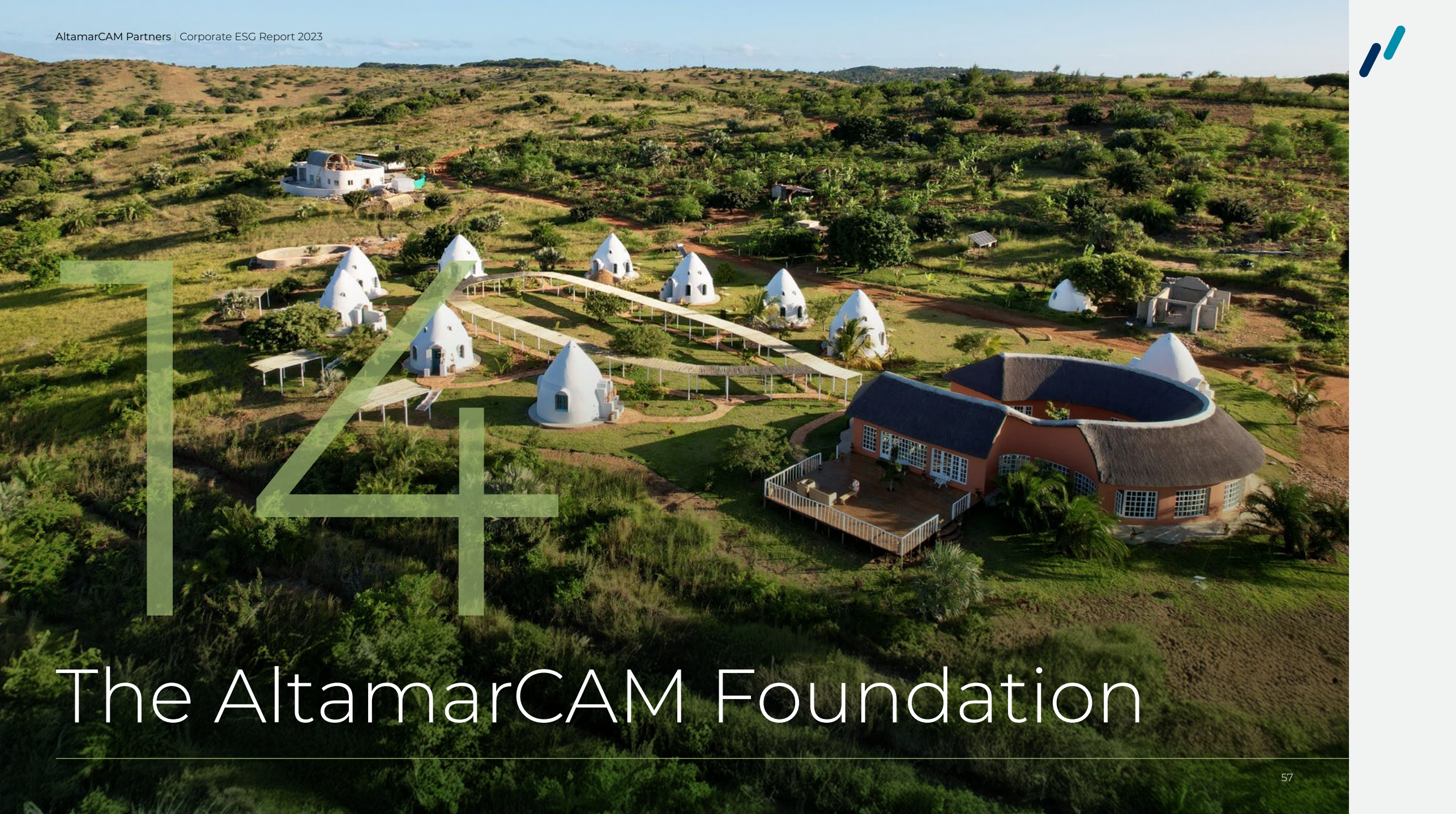


In addition to the regular training courses given to all employees, every year, AltamarCAM delivers an internal training session¹ to all staff following its annual training plan, ensuring that ESG principles permeate every level and role across the firm. To raise awareness of specific ESG-related topics, the firm shares an internal biannual ESG newsletter to communicate the most recent news on ESG initiatives and best practices in the market, as well as highlighting the ESG team's activity during the semester. Additionally, the entire AltamarCAM team gathers frequently in either local or global town hall meetings, where business results, objectives and recent initiatives, including ESG developments, are shared.

¹Training applicable from analyst positions onwards, excluding interns.



The firm promotes responsible consumption across all offices, eliminating single-use plastics and replacing them with reusable bottles and glasses. Materials provided to employees, such as computer cases and backpacks, come from circular suppliers using 100% recycled plastic. Furthermore, and through actively involving employees, greener mobility measures have been approved. AltamarCAM's main investor events are also carbon neutral, certified by an independent third party.



The AltamarCAM Foundation



AltamarCAM's focus on people drives the AltamarCAM Foundation, a not-for-profit institution founded by the firm and team members whose ultimate goal is to contribute to the progress of society and enact the values of social responsibility which have inspired the company's corporate culture since its creation. The foundation's programmes and activities aim for effective change, targeting social exclusion, education, job integration and healthcare. To fulfil its mission, the foundation allies with entities which execute projects which qualify in innovation, sustainability, impact on disadvantaged groups, excellence, participation and impact measurement.

In 2023, the foundation expanded its network of allied organisations in five countries, doubled the number of projects and increased its diversity and venture philanthropy initiatives. Board members and partners have joined forces, along with the rest of the team, working towards the foundation's growth objectives. This has resulted in providing technical and financial support to not only non-governmental organisations, but also

impact-driven companies which address social problems through their activities, leading to more sustainable and scalable solutions. This growth has also boosted volunteer opportunities, with 84% of employees participating in the foundation-promoted activities and programmes. To measure success and efficiency, the foundation's team has worked on the development of its 'theory of change', a methodology providing success indicators for key projects – aiding governance and resource maximisation.

For further details on the foundation's activities, please visit:





AltamarCAM
PARTNERS 