

Climate Action Plan 2025

Anthos Fund & Asset Management



CLIMATE ACTION PLAN 2025

As a values-based asset manager, we recognize the urgency of climate change and the role we must play in addressing it. Since setting our Net Zero target, we have steadily worked to embed climate into our investment strategy and operations. Over time, our ambition has grown more grounded.

We remain committed to the Paris Agreement's 1.5°C pathway, but with an ever greater understanding of the limitations, trade-offs and practicalities that shape implementation at a fund-of-funds level. This Climate Action Plan outlines the concrete steps we are taking to deliver on our ambition.

TIMELINE

2019

Anthos signs the Climate Agreement for the Dutch financial sector and commits to achieve Net Zero by 2040.

2021

Anthos publishes its first TCFD report, including first measurement of scope 1&2 emissions and adopt an IIGCC aligned target setting methodology.

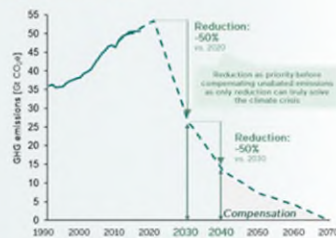
2024

Anthos publishes its guidelines specific to climate investing and its Climate Action Plan 2025+.

BUILDING BLOCKS

STRATEGIC DIRECTION

Target setting methodology
Following **IIGCC guidance** for target setting, we adopt a carbon intensity budget 'pathway', to align with the Paris Agreements.



Net Zero Lever: Policy Advocacy



Bring our support to climate regulations and more sustainability transparency through PRI, DUFAS, IIGCC, GIIN



Participate in consultations to define future climate standards (e.g. IIGCC Working group on target setting for funds of funds)

Net Zero Lever: Engagement by Anthos

Engagement by Sustainalytics

Engagement with external managers

Anthos Client engagement



SELECTION & MONITORING

Net Zero Lever: Manager selection

Investment with managers that have robust ESG integration, including a credible understanding of the climate risks and can deliver returns in line with our ambition

Net Zero Lever: Divestment from high emitters

• Controversial fossil fuels to the exclusion policy

Measurement & monitoring
Measurement methodologies aligned with PCAF for most of the asset classes we manage for scope 1&2 emissions and starting with scope 3 in 2024. Monitoring in live dashboards.

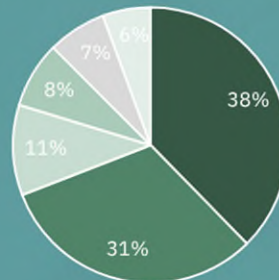


TRANSPARENCY

Climate maturity level by asset class

Industry guidance on measurement, target setting, standards adopted by companies, etc... is more developed for equities than for hedge funds

- Equities
- Fixed Income
- Private Equity
- Real Estate
- Not applicable
- Hedge Funds



OBJECTIVES

2025

Near term

Investments in line with Net Zero pathway which follows a 25% reduction rate by 2030 of the carbon budgets.



2030

Mid-term

• Investments in line with Net Zero pathway which follows a 50% reduction rate by 2030 of the carbon budgets.

• 100% of investments covered as soon as data and methods are available

• Increase reported emissions by 90% by 2030

2040

Long term

• Net Zero emissions by 2040

• Increase coverage of investments with formal (e.g. SBTi) targets aiming to have 100% by 2040

Engage with all relevant stakeholders

- With our clients: to explore challenges and opportunities
- With our managers: to maintain emissions reduction effort and increase commitments
- With companies and the industry: Support provider led engagement programs and industry led groups

Improve monitoring of risks and outcomes

- Climate risk monitoring: Improved scenario analysis and fossil fuel exposure
- Monitoring and measurement: Improve coverage of scope 3 emissions and reported emissions

Align with evolving best practices and guidance

- Net Zero Lever - Asset level alignment targets: Assess investments with asset level alignment guidance (fund of fund)
- Offset strategy: Develop a good quality offsets strategy

GOING FORWARD: 2025-2030

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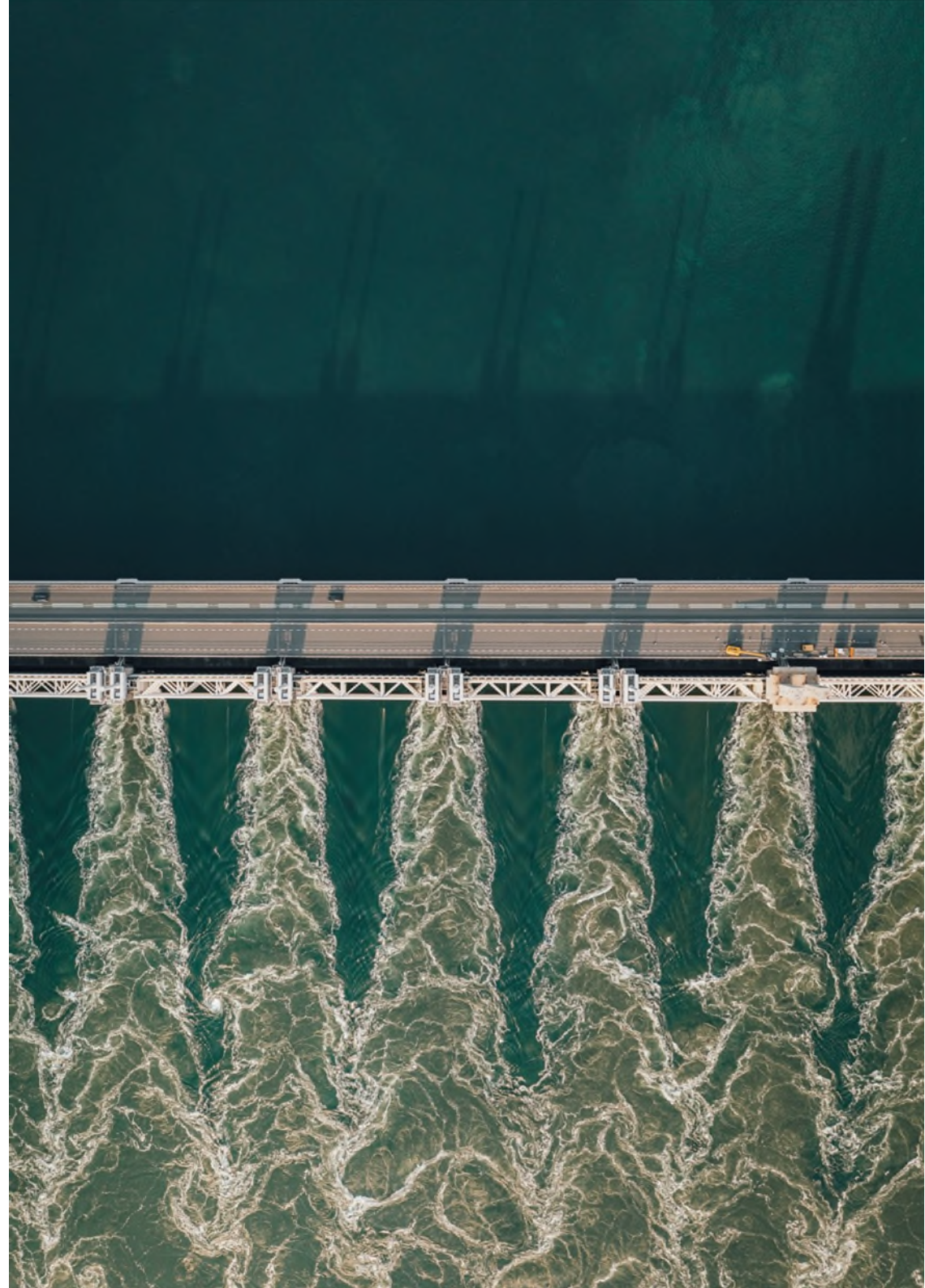
Introduction

Anthos Fund & Asset Management (Anthos) is a values-based asset manager that invests mainly through fund selection. We are based in Amsterdam and invest globally. For generations, we have been entrusted with the responsibility of providing comprehensive values-based asset management services for the Brenninkmeijer family and related pension funds. Our approach is inspired by the values of sustainability, human dignity, and good corporate citizenship.

Climate change is one of the greatest challenges defining our era. By signing the Paris Agreement in 2016, 196 countries committed to holding the increase in global average temperatures to well below 2°Celsius above the pre-industrial levels by the end of the century and pursue efforts to limit the temperature increase to 1.5°C. In September 2019, Anthos signed the Climate Agreement of the Dutch sector, thereby committing to reduce our emissions and support the goal of reducing GHG emissions by 49% by 2030 (compared to 1990). As part of this commitment, we publish this climate action plan, to explain how we plan to deliver on our Net Zero ambition.

IIGCC Recommendation: Develop and disclose the transition plan comprising each Net Zero Investment Framework 2.0 section and lever, explaining implications and reasons for any omissions.

To structure this climate action plan, we use the sections of the latest Institutional Investor's Group on Climate Change (IIGCC) guidance: Net Zero Investment Framework v2 (NZIF) and focus on the core recommendations. Where there is improvement to be made, we include it in a table with a link to our plan. Where we already implement the IIGCC recommendation, we include it in a box for information. This Climate Action Plan is subject to periodic updates as we conduct reviews to align with evolving best practices, regulatory guidance, and developments within the financial industry.



1 Objectives

We have an ambition to have our influence and actions contribute to accelerating real-world impact when it comes to addressing climate change. We think we have a role to play in the transition to a low-carbon economy through our investment activities and the action that we take within our own operations.

1.1 Our climate principles

- We believe that the energy transition presents portfolio opportunities for active investors.
- We apply a top-down portfolio perspective to integrating climate risks, opportunities and impacts. One framework applicable to all, with asset class-specific implementation.
- We pursue a beyond-exclusions strategy because we believe that engagement is a more effective lever of influence than a purely exclusionary approach. Integration of ESG risks and opportunities into asset allocation, manager selection, engagement and investment for a positive real-world impact are therefore our primary instruments for integrating climate risks into our investment strategy.
- We encourage positive investments – for example, in renewable energy and in technologies that enhance energy efficiency and support resilience and adaptation – across all asset classes.
- We integrate our net zero climate ambitions in all asset classes and investment strategies to the extent possible and we continuously look for ways to integrate the net zero climate ambition when there is no clear-cut solution yet.

1.2 Net Zero for our corporate emissions

Despite our primary lever of influence and impact being the transition of our clients' investments, we also believe we should lead by example through our own operations with ambitious targets and actions.

IIGCC recommendation: Set a target to reduce operational scope 1 and scope 2 emissions in line with a suitable global net zero pathway.

In 2021, we have set a Science-based target to reduce our scope 1 and 2 operational emissions by 2030, together with all other COFRA businesses. COFRA is developing an offsetting strategy for all businesses of the group, searching for high quality carbon credits. We are offsetting our Scope 1 and 2 emissions and aligning with COFRA on their strategy.

1.3 Net Zero for our portfolio emissions

The vast majority of our GHG emissions exposure comes from the investments we make and manage on behalf of clients, which is why we have set a Net Zero ambition for our investments.

IIGCC recommendations: Commit to achieving net zero portfolio emissions in line with a suitable global net zero pathway, or sooner, and gain explicit endorsement by the board.

Set and disclose medium term portfolio level reference objectives to inform asset allocation and monitor progress, based on portfolio Scope 1 and 2 emissions and disclosing its associated rationale: Portfolio decarbonization reference objective: <10 years CO2 emission reduction objective.

Anthos is dedicated to achieving net zero emissions by 2040, reflecting its commitment to climate responsibility and aligning with the Paris Agreement to limit global warming to well below 2°C and pursue efforts to limit it to 1.5 °C.

We translate this ambition in the following targets:

Emissions from our investments in funds that invest in companies:

- Align our emission intensity with Anthos' Net Zero pathway: the pathway for this ambition is shown in the figure below and follows an overall 50% reduction target by 2030 (vs 2019 as a baseline year) and a further 50% reduction by 2040. Being cognisant of the fact that, in the best-case scenario, the majority of the global economy will follow the 2050 target year stated in the Paris agreement, Anthos most likely has to deal with residual carbon emissions in the portfolios for which we will develop a compensation strategy.

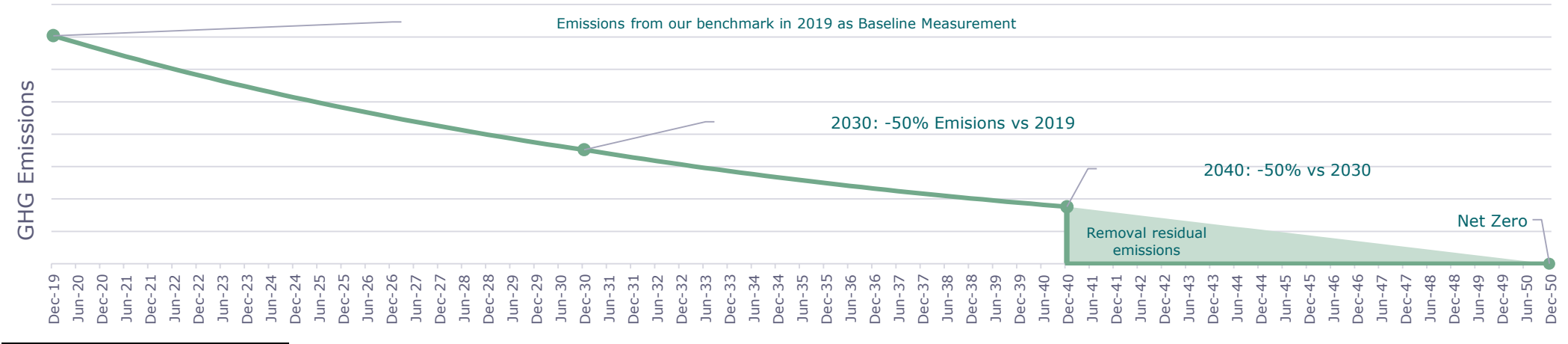
- Increase reported emission figures of our investments to 90% by 2030: We calculated and set our target using reported emissions. It is notable that we find estimates to be challenging for steering conversations with both managers and clients, so we only measure reported emissions against the targets¹. For this reason, we also target 90% of portfolio assets to have reported emissions available by 2030. Increasing the number of managers and underlying issuers that report on emissions is important for improving and focusing our engagement efforts, as we find engagement on industry estimates not specific enough for our portfolio.
- Increase coverage of investments with formal (e.g SBTi) targets to 100% by 2040
- Exclude companies deriving revenues from thermal coal, oil sands, arctic drilling in segregated mandates and maintain exposure below 5% in external liquids pooled funds.
- Monitor exposure to fossil fuels to explore potential divestment by 2030.

Anthos translates its Net Zero commitment into emission reduction pathways using a benchmark-relative approach based on economic GHG intensity. This metric, which isn't influenced by AUM changes, allows for better portfolio comparisons but can be affected by market price fluctuations.

IIGCC recommendation: Disclose the methodology used to calculate portfolio level objectives, including an assessment of the quality of underlying information used.

Emission targets aim for a 50% reduction by 2030 and another 50% by 2040, relative to a 2019 baseline. This pathway applies only to assets with reported emissions data, emphasizing the importance of transparency. Please refer to our methodology document for more info. As new guidance came out in 2024, Anthos aims to update its methodology to align with emerging best practices and new climate recommendations.

Figure 1. Anthos Emission reduction pathway (illustrative)



¹ The extent to which the targets can be established is very data-dependent: it is subject to data availability. When data availability is an issue for an asset class, it is exempted from the specific target that cannot be measured. However, when the necessary information becomes available, these asset classes will automatically fall under the respective target setting.

Emissions from our investments in funds that invest in real estate:

- Align owned square meters of our real estate investments with the 1.5 degree aligned CRREM pathway by 2040 for scope 1 & 2 emissions, and by 2050 for scope 3 emissions
- Increase owned square meters of our real estate investments included in the CRREM pathway to 90% by 2030

IIGCC recommendation: Disclose the AUM committed to be managed in line with net zero, explaining reasons if this cannot be 100% of AUM.

While our Net Zero ambition applies to all our AuM, we do not manage all our clients’ assets in line with this objective, as not all our clients have explicitly mandated this in the investment agreement. For this reason, we add the following commitment:

- Engage with clients to align 3rd party assets’ investments guidelines with Anthos’ Net Zero objectives

IIGCC recommendations:	Disclose how targets represent fair share contributions towards global GHG emissions reduction efforts.
RI plan 2025	<ul style="list-style-type: none">○ Review Anthos climate targets against the latest climate guidance from 2024 to ensure our climate ambition is in line with science○ Investigate feasibility of new targets and translate new targets into our climate action framework
Strategy 2025-2030	

1.4 Public climate commitments

- Dutch Climate agreements: in 2019, Anthos signed the Climate Commitment for the Dutch Financial sector. The Climate Commitment for the Dutch Financial sector is an agreement between many organizations and companies in the Netherlands to combat climate change. The government’s central goal in the National Climate Agreement is to reduce GHG emissions in the Netherlands by 49% by 2030, compared to the 1990 levels. In 2022, the Dutch government increased their goal for 2030 to a CO2e reduction of 55% at the minimum.

- Task Force on Climate-related Financial Disclosures (TCFD): We aim to report in line with TCFD guidance and align our annual reporting with the TCFD recommendations. The Financial Stability Board established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system’s exposures to climate-related risks. In 2023 we have continued to voluntarily align our climate-related reporting with its recommendations.
- IIGCC: We participate in working groups led by the IIGCC to support standard setting for the financial industry and follow the IIGCC guidance for this climate action plan and our climate strategy. The IIGCC works with businesses, policymakers, and fellow investors to help define the investment practices, policies, and corporate behaviors required to address climate change. It has defined program areas to address key issues, works closely with other investor groups, and plays a leading role in global investor initiatives on climate change.
- Partnership for Carbon Accounting Financials (PCAF): We use the PCAF methodology to measure and report on our emissions. PCAF has developed greenhouse gas (GHG) accounting methodologies applicable to any financial institution. The methodology currently covers various asset classes, including listed equity and corporate bonds, business loans and unlisted equity, project finance, mortgages, commercial real estate, and motor vehicle loans.

2 Governance

2.1 Climate governance

Climate governance follows the same governance structure as our RI governance. Please refer to our RI policy section governance. The governance of climate change within Anthos places the ultimate responsibility and accountability for the implementation of our RI policy and our Net Zero objective with our Board.

IIGCC Recommendation: Assign implementation responsibility for the net zero strategy to the investment committee and implementation oversight to the board.

Ensure senior leadership have sufficient knowledge to effectively oversee implementation of the transition plan.

Our senior leadership receives annual trainings which may include climate knowledge specifically or include environmental and societal challenges indirectly through leadership training on transformative generation. Day-to-day responsibility and accountability for implementation and coordination lie with our investment department (see **Section 5** to see how we implement our Net Zero objective in our investment process).

At Anthos we work through cross-departmental working groups convened around specific issues such as climate, human rights, SFDR and regulatory changes, the measurement of impact, and other relevant topics. The specific working group on climate change is the Climate Change Advisory Group, chaired by the Head of Investment (Management team) and the Head of Responsible Investments, which works at monitoring the progress on the climate action plan as well as identifying topics to be raised to the attention of the management team.

² Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

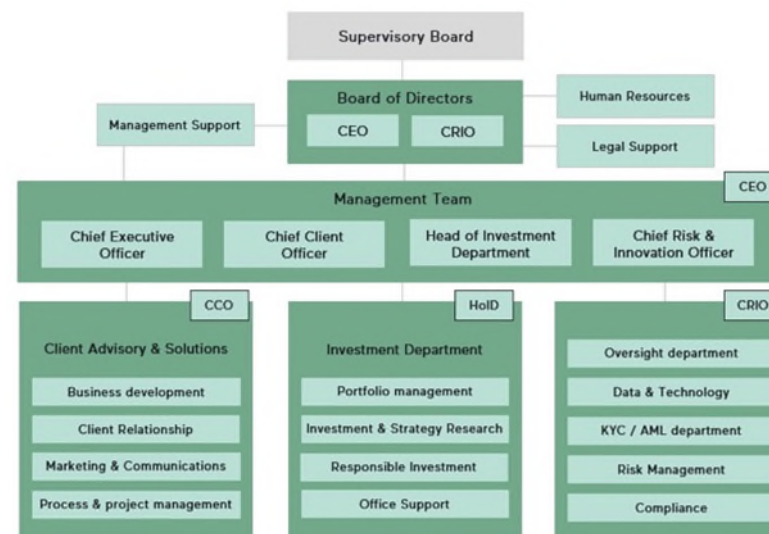


Figure 1: Anthos governance structure

2.2 Climate risk management

Anthos sees climate change as a global systemic risk, that potentially affects performance negatively as well as provides opportunities that investors should consider in their investments.

IIGCC recommendation: Assess and disclose climate financial risk assessment in line with legal obligations, fiduciary duties, and industry best practice (e.g. TCFD and ISSB) and reasons for any omissions.

In second line risk management, Anthos has an Enterprise Risk Management (ERM) framework to ensure we have robust processes to identify and mitigate risks, which now includes sustainability risks and specifically climate related risks. In line with the Task Force on Climate-Related Financial Disclosures (TCFD), the key risks for our business and their potential financial impact comprise of transition risks² and

physical risks³. The key risks will be translated into Key Risk Indicators, which are to be monitored on a quarterly basis by the Business Risk Committee. We report on the risks identified on an annual basis as well as the mitigation strategies in place in our annual RI Report.

In first line risk management, climate risks are monitored and managed on two levels:

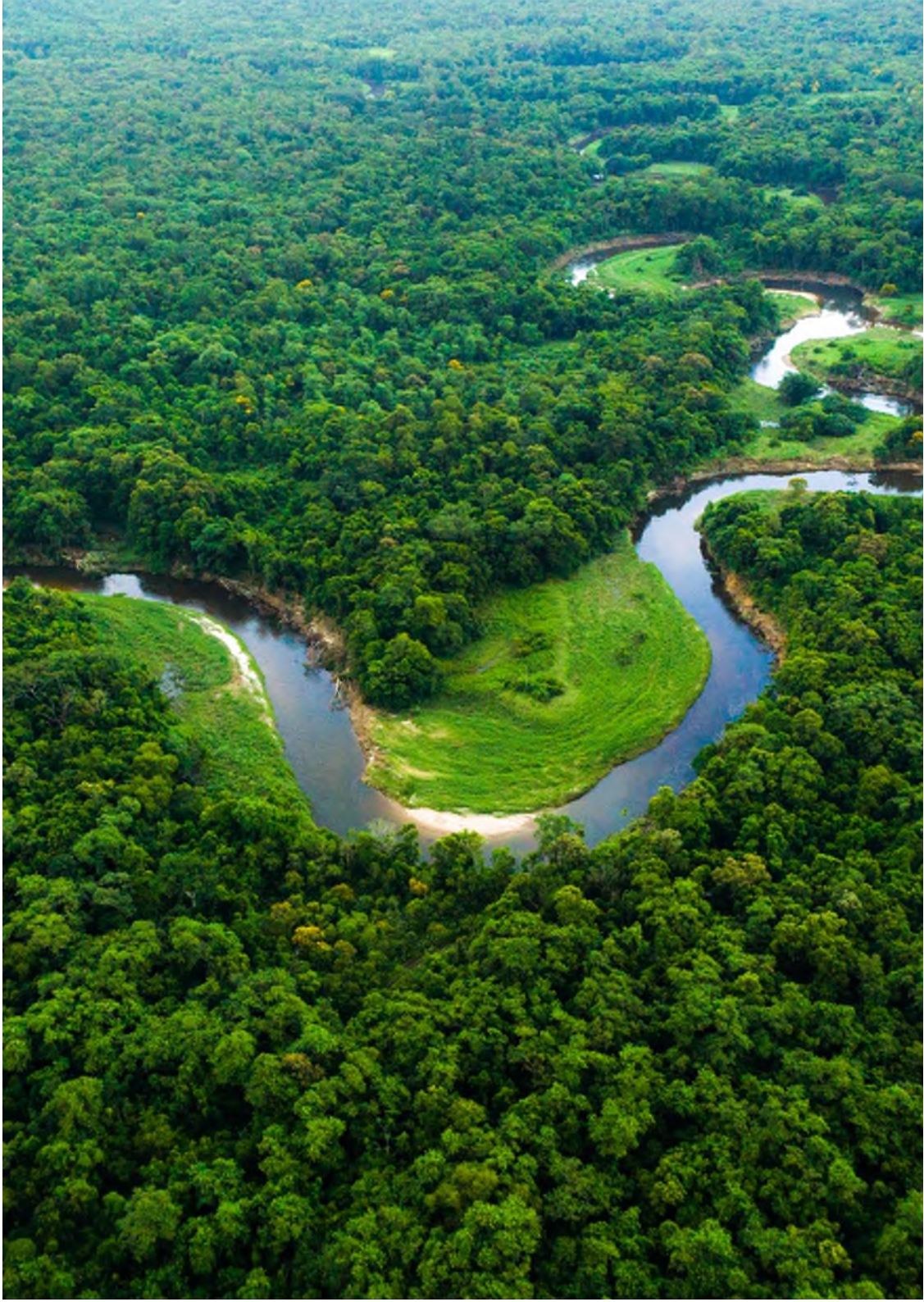
- a) External manager’s risk management: It is key for Anthos to partner with fund managers that have a strong understanding of climate related risks and opportunities and have risk mitigating processes in place. This assessment is performed through our due diligence and monitoring process, where we ask detailed questions about our external manager’s climate framework.
- b) Climate monitoring: The portfolio emissions for which we have reported emissions are included in the first line monitoring dashboards and monitored against Anthos’ Net Zero pathway.

2.3 Climate KPIs embedded in remuneration and incentives

The investment teams have annual Responsible Investment KPIs, which includes contributing to Anthos Climate Ambition and engagement objectives.

IIGCC recommendation:	Incorporate the transition plan into mandates and objectives for investment and portfolio managers, and review progress over time.
RI plan 2025	Currently, our portfolio managers’ incentives are not directly aligned with Net Zero achievement, as their bonuses do not depend on whether their portfolios meet Net Zero targets. We recognize the importance of aligning financial incentives with climate goals and are actively monitoring industry guidance on incorporating climate KPIs into remuneration structures.
Strategy 2025-2030	We will explore the extent to which we can translate our firm commitment into the investment products we offer and would update our portfolio managers’ incentives accordingly.

³ Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate



3 Strategic asset allocation

We believe scenario analysis is the best tool for climate risk assessments. A climate scenario is a forecast used to assess the resilience of our strategy regarding climate-related risks and opportunities. The climate scenario analysis is intended to provide insight into:

- The potential cost of achieving significant reductions in our portfolios' GHG emissions in various policy, technological and socio-economic scenarios.
- The warming potential of our current portfolios if no additional efforts are made to curb GHG emissions and/or to contribute to technological or other climate solutions.
- Where the biggest opportunities lie regarding capital allocation decisions to reduce our portfolios' future GHG emissions and/or increase exposure to GHG reductions from technology and innovation.

We have chosen to adopt the MSCI Climate Value-at-Risk ('Climate VaR') framework for our scenario analysis as it is the most effectively aligned approach for measuring our contributions to keeping global warming below 1.5°C and is also aligned with the risk taxonomy and recommendations of the TCFD.

In other words, Climate VaR shows the cumulative performance likely to be incurred in a chosen scenario due to climate change. While the MSCI model of climate change risks and opportunities extends all the way to 2080, our analysis focuses on the first 15 years. We believe this medium-term carve-out of the MSCI data is sensible because the modelling for the first 15 years is more precise, while policy transition risks and technological opportunities are likely to materialise in the next decade or two, and the duration of an equity security is 15-20 years.

Anthos has identified three policy scenarios as being the most relevant for tracking the climate transition and technological opportunities: the 1.5°C scenario, the 2.0°C scenario and the 2.0°C late-action scenario. Note that Anthos has committed to keeping global warming below 1.5°C by 2040. All three scenarios project a peak in emissions in 2020. Both the 1.5°C and 2.0°C scenarios project a sharp decrease in GHG emissions after 2030, with the 1.5°C scenario becoming emission-neutral by 2055 and the 2.0°C scenario by 2100. In the 2.0°C late-action scenario, the transition only starts accelerating to more or less converge with the 1.5°C scenario in 2030.

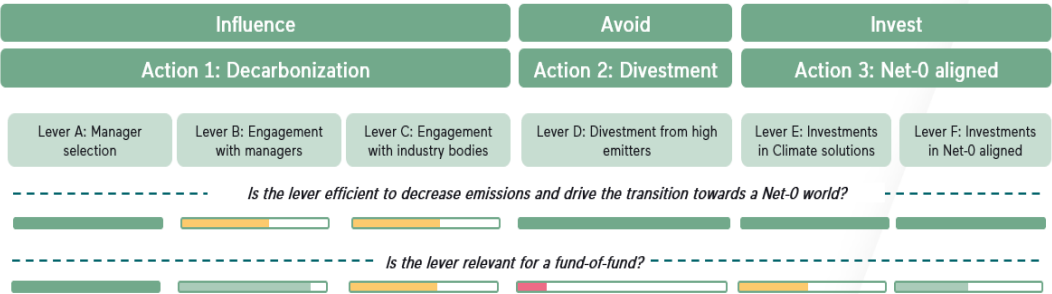
IIGCC recommendations:	Undertake scenario analysis to update capital market assumptions, asset level risk/return expectations, and stress test portfolios.
RI plan 2025	Explore how to supplement Strategic Asset Allocation with CVAR constraints
Strategy 2025-2030	Investigate how to follow up on the other core recommendations from the IIGCC v2: <ul style="list-style-type: none"> ○ Supplement standard financial objectives with portfolio-level net zero objectives. ○ Update investment benchmarks, when possible and relevant, to ensure that climate-related objectives are specified in sufficient detail and performance objectives are clearly defined. ○ Integrate net zero objectives into portfolio construction alongside standard indicators. Additional alignment objectives should ideally cover both decarbonisation and climate solutions.

4 Strategy & levers

4.1 Net Zero guidance for funds of funds

It’s important to note that the context of the Anthos investment strategies is that we are a fund-of-fund investor, which has implications for a decarbonization approach as there is a degree of separation between us and the GHG-emitting assets (via external managers). Many investors, particularly asset owners, rely on external managers to interpret and implement their net zero goals and objectives. IIGCC acknowledges that the Net Zero the role that these investors have in setting clear expectations of external managers, creating shifts in behaviour, where possible, and promoting transparency.

“Many investors, particularly asset owners, feel that the most impactful lever they have to manage climate-related risks and transition their portfolios to protect the long-term value of their investments, relates to engaging with and influencing the strategy and behaviours of the managers they invest with. Yet this lever has not been given adequate attention in



net zero target setting methodologies. This has led IIGCC to revisit manager engagement as a core lever of change.”⁴

To help adapting available guidance to funds of funds, we are now part of the IIGCC working group that focuses on translating the IIGCC Net Zero investment Framework v2 for external managers. Until further guidance becomes available from the IIGCC, we show below which Net Zero levers we identify as the most suited and efficient to drive progress against our Net Zero commitment.

⁴ Net zero strategies for externally managed investments: new levers and targets, IIGCC 2024

4.2 Levers applicable, limitations and associated targets

Below we describe the various levers that we have identified and that are available for investors and to what extent we believe the lever can have an effect towards decreasing emissions and drive the transition in the real economy. We also discuss to what extent a fund of fund can implement this lever. We elaborate on these three main categories and underlying levers below.

4.2.1 Influence

A. Manager Selection

Due to the degree of separation between Anthos and the underlying investments, our point of maximum influence therefore lies not with the GHG-emitting companies themselves, but with the fund managers that we select to carry out their investment program. For this reason, external funds selection is the lever that we identify as the most relevant and efficient for a fund of fund to decrease emissions and drive the transition towards Net Zero. Consequently, we have strongly focused on embedding the climate considerations and actions in our due diligence process.

Implementation within Anthos’ climate strategy: In selecting fund managers, we prioritize those with a demonstrated commitment to decarbonization, systematic climate risk assessment, and active portfolio engagement. Our Responsible Investment (RI) Scorecard categorizes managers by their ESG and climate integration, labeling them as leaders, professionals, novices, or laggards. This classification informs our decision, favoring managers with established emissions reduction targets and SBTi-aligned commitments. We value transparent reporting and expect managers to actively reduce emissions, track climate risks, and support industry initiatives. This rigorous selection approach, along with continuous engagement and climate-focused dashboards, supports our pathway toward delivering on our Net Zero ambition. See our process per asset class below.

B. Engagement with managers

We recognize that we – as a values-based investor – are well placed to advocate for climate change action and raising awareness around climate related risks in interactions

with our external investments managers. While we should always keep on advocating for these topics to ensure progress within the industry, we identify the following challenges:

- We, alone, can't drive the change as we are one of many investing in pooled funds.
- Engagement is a long progress that can take time to yield results.

Implementation within Anthos' climate strategy: Anthos' RI policy prescribes that all external investment managers should be monitored and engaged at least once a year. Please refer to section 5, to see which topics we monitor and engage on per asset class.

C. Engagement with industry bodies

Because we, alone, are not sufficient to drive the change, we strongly believe that the climate transition will only happen through changing of the various parts of the system. For this reason, the change needs to operate at different levels of society: government, consumers, market participants and other entities in the real economy. Engagement with industry bodies allows for that collaboration and involvement on various levels to learn and share knowledge in support of the change we like to see.

Implementation within Anthos' climate strategy: Anthos participates in engaging industry bodies in participating in working group to shape industry guidance (e.g IIGCC working group on Net Zero for sovereigns, Net Zero for external managers), in signing industry led initiatives, through memberships of climate and responsible investment organizations. See section 6.

4.2.2 Avoid

D. Divestment from high emitters

We believe excluding high emitting companies that do not show progress a credible transition path is an efficient lever to drive decarbonization efforts within the portfolio. However, Anthos mainly invests through pooled funds, where our ability to implement exclusions is limited. Nevertheless, we aim to avoid or lower exposure to excluded categories within the pooled funds, by selecting managers with similar policies, and engaging with the fund managers where possible to avoid or even exclude the relevant categories or companies. Overall, our target is to have 0% of AUM exposure to exclusions in segregated mandates, and no more than 5% exposure to issuers on the exclusion list in each product.

Implementation within Anthos' climate strategy: With specific regard to the climate goals, our focus is moving away from companies generating revenue from thermal coal, oil sands or arctic drilling. According to the International Energy Agency (IEA) scenario analysis (2020), no new investments in coal plants, coal mines or oil & gas fields can be allowed on the 1.5°C trajectory. Given that we cannot directly exclude, we monitor the exposure to these activities and aim to keep our exposure <5%. Please refer to our Exclusion policy.

SBTI recommendation	Divest from fossil fuels
RI plan 2025	Start monitoring exposure to fossil fuels producers (thermal coal, unconventional and conventional oil & gas)
Strategy 2025 -2030	Investigate divesting from fossil fuels producers by 2030

4.2.3 Invest

E. Investment in climate solutions

We recognize that climate solutions are a critical driver in the transition to net zero. However, within our fund-of-funds structure, climate solutions are often concentrated in funds with sustainable or impact-focused objectives, which may not always align with our investment guidelines or risk-return expectations. Examples of challenges we identify as a fund of fund investors for potential climate solutions investments:

- In our liquid investments, diversification is an important part of our portfolio construction and climate solutions are for now concentrated in certain sectors.
- In our private investments, climate solutions do not always have a viable and scalable commercial business yet, bear technological and upscaling risks which hinder the fit with our risk/return profile.

Implementation within Anthos' climate strategy: While this makes it challenging to set a firm target for increasing exposure to climate solutions, we remain committed to supporting their growth in our portfolio where feasible and continue to seek opportunities that align with both our financial and sustainability objectives. More specifically, we target those investments in our impact portfolios, where climate action, and as part of that access to clean and affordable energy, is one the areas of focus.

IIGCC recommendation	Set and disclose medium term portfolio level reference objectives to inform asset allocation and monitor progress, based on portfolio scope 1 and 2 emissions and disclosing its associated rationale: Allocation to Climate Solutions Objective: <10 years objective for allocating to climate solutions
RI plan 2025	Investigate where is it the most opportunistic and realistic to set a target on climate solutions
RI Strategy 2025-2030	Opportunities to explore: New products focused on climate transition Engage with our clients on setting Net Zero targets, including on climate solutions
IIGCC recommendation	Develop investment products and funds aligned with net zero objectives, strategy, and targets; and educate clients accordingly. Provide net zero aligned mandates to clients who want them
RI plan 2025	Engagement program with our clients and investigate whether they can commit to Net Zero if they have not already, and whether there is an appetite for Net Zero aligned products, or a decarbonization objective within their portfolios.
RI Strategy 2025-2030	



5 Asset level assessment & targets

Anthos has taken a commitment to achieve Net Zero by 2040. While our Net Zero ambition applies to all our AuM, we do not manage all our clients’ assets in line with this objective yet, as not all our clients have explicitly mandated this in the investment agreement:

- Third-party assets and portfolio managed on behalf of the client. These investments managed for individual clients might have client-specific requirements that deviate from our climate policy and Net Zero ambition. We explain our engagement ambition in section 6 and per asset class below.
- Third party assets where we provide advisory services. These investments are not managed by Anthos and therefore do not follow our RI policy and our investment process.

IIGCC recommendation: Set the scope of assets within each asset class for alignment action.

IIGCC recommendations:	<ul style="list-style-type: none">○ Assess and disclose the baseline alignment of assets in scope, using the specified criteria relevant to each asset class.○ Define and disclose which sectors have been considered as high impact.○ Set and disclose short term targets and implement approaches to improve alignment of assets by asset class:<ul style="list-style-type: none">• Asset alignment target: A 5-year target for increasing the % of AUM (or financed emissions) in material sectors that are ‘aligning’ or ‘aligned’ to a net zero pathway, or achieving net zero’ (see below for visual demonstration).• Engagement threshold target: A minimum proportion of assets (based on scope 1 and 2 of financed emissions are assessed as ‘achieving’ or ‘aligned’ to a
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	net zero pathway, or are subject to engagement, increasing gradually over time. This should be accompanied by a description of the investor’s approach or strategy regarding engagement with assets with material scope 3 emissions, at least for high impact material sectors.
RI plan 2025	Start reporting our AuM, using the new IIGCC v2 recommendations, showing how much of our AuM are: not aligned/committed/aligning/aligned to Net Zero
Strategy 2025-2030	Investigate how to set better targets aligned with the new IIGCC frameworks or any other recognized industry guidance.

Below, we explain how climate change is embedded into the investment processes followed by Anthos per asset class.

IIGCC recommendation: <ul style="list-style-type: none">○ Integrate net zero goals, objectives, strategies, and targets into asset manager selection, appointment, and monitoring processes.○ Define the influence of portfolio level objectives over investment decision making and communicate to investment managers.
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5.1 Liquid investments: Equity and Fixed Income corporate bonds

	Process
Due Diligence	Anthos aims to select managers with an understanding of climate related risks and opportunities, decarbonization target, climate strategy, monitoring and reporting.
Monitoring	Anthos monitors whether the managers' climate strategy (if any) remains credible based on monitoring conversations and underlying climate data metrics. Anthos fund's emissions are monitored against the Net Zero pathway.
Engagement	Anthos engages with its external investment managers on the following topics: <ul style="list-style-type: none"> ○ Exposure to our exclusion list (thermal coal, arctic drilling, oil/tar sands) ○ Ad-hoc issues in the portfolio in relation to progress or process changes related to climate change. ○ Emissions not in line with Net Zero pathway
Escalation	Should the Anthos fund's emissions be above the Net Zero pathway, the investment team should escalate to the Anthos' management team.
Reporting	Anthos will demonstrate how the investment funds contribute to Anthos' Net Zero ambition as well as aligning with industry climate standards by reporting on: <ul style="list-style-type: none"> ○ Pathway alignment: Scope 1 & 2 emissions intensity of our investments against the Asset class specific Net Zero pathway ○ Emissions coverage: % of AuM for which we have reported figures ○ Exposure to fossil fuels: % of exposure to thermal coal, arctic drilling and oil/tar sands, % of exposure to fossil fuels (supply side) ○ Asset alignment to Net Zero: % of assets with approved SBTi targets, % of assets committed/aligning/aligned to Net Zero ○ External managers alignment to Net Zero: % of external funds with a Net Zero target ○ Contribution to climate solutions: % of climate solutions

IIGCC recommendations	Incorporate the transition plan into mandates and objectives for investment and portfolio managers, and review progress over time.
RI plan 2025	Assess the impact of newly added manager's emissions on our Fund's emissions against the Net Zero pathway, and escalate, should the addition bring our fund's emissions to be above the Net Zero pathway.
Strategy 2025-2030	

5.2 Sovereign investments

The active sovereign funds managed by Anthos consist largely of Emerging market local currency sovereign bonds. These emerging countries are lagging their developed market peers on their path to Net Zero. Most countries have committed becoming Net Zero far after 2040 and some don't have any target set as of now. Funds in this universe don't have a Net Zero target in place. The most advanced funds on climate have integrated this in their sovereign risk frameworks and measure apportioned emissions.

Anthos was involved in developing guidance on how to set targets for sovereign bonds as part of an IIGCC working group, and as a result, aims to implement these recommendations as far as possible for a fund of fund investor, starting with measurement of emissions. Anthos already measures each sovereign bonds' apportioned emissions following PCAF standards and targets in the short term to expand these measurements by accounting for fair share of Emerging Market and Developing Economies (EMDEs) by assigning "common but differentiated responsibilities and respective capabilities" (CBDR+RC) considering the principles for "fair share". Anthos will also be actively participating and investigating new working groups and initiatives improving guidance on this asset class.

5.3 Real Estate investments

Investing in the sustainability of real estate provides an unequivocal way to support decarbonization. With almost three quarters of the world's population set to live in urbanized areas by 2050 – compared with 50% now – the need for smarter, zero-carbon cities is pressing. Decarbonizing new and existing buildings by making them more energy efficient will ultimately reduce costs, make buildings more comfortable for occupants,

and have a positive environmental impact. The real estate team recognize that both physical and transition climate risks threaten real estate cashflows and asset values. Integrating climate considerations into our investment decisions is essential for managing these material financial risks and capturing long-term sustainable returns.

	Process
Due Diligence	<p>All new managers must meet the following criteria:</p> <ol style="list-style-type: none"> 1. Integration into Investment Decisions: <ul style="list-style-type: none"> o Integrate climate-related risks and opportunities into investment decision-making o Assess and manage transitions and physical climate-risk 2. Decarbonisation <ul style="list-style-type: none"> o Have a Net Zero target and feasible decarbonization pathway in line with the appropriate sector and region's CRREM pathway 3. Reporting and Transparency: <ul style="list-style-type: none"> o Report to GRESB / Provide equivalent data as part of periodic reporting
Monitoring	<p>Anthos monitors whether the managers' climate performance is in line with the climate objectives and targets. Specifically, the managers will be monitored against the following KPIs:</p> <ul style="list-style-type: none"> o ESG representative on the investment committee o Climate risks explicitly incorporated in due diligence and portfolio management o % of portfolio with CRREM/CRREM/SBTi approved objectives o GHG emissions against the relevant CRREM pathway o % of energy inefficient assets o Reporting to GRESB o % coverage of reported emissions in GRESB
Monitoring	<p>Monitoring of the above KPIs should help over time to:</p> <ul style="list-style-type: none"> o Plot managers against targets o Understand where challenges are in different geographies, sectors and with managers o Baseline managers and identify a new frontier o Develop a targeted engagement strategy

Engagement	<p>In addition to engaging with managers as part of business-as-usual portfolio management activities, the climate-related engagement shall focus on:</p> <ul style="list-style-type: none"> o Engaging with Climate Leaders to understand best practice. o Engaging with rest of portfolio to drive continuous improvement towards best practice; and o Engaging with laggards to identify areas where improvements are required.
Escalation	<ul style="list-style-type: none"> o For Managers that have high climate risks that are not deemed to be appropriately managed, or are lagging on the climate performance (their climate-related performance against our climate KPIs is not improving as planned and they do not meet evolving market expectations), Anthos places them on a watch list for close monitoring and engagement in addition to the annual ESG engagement program o If improvement fails or risks are deemed to materially change of confidence in the manager, escalation is conducted in line with Anthos' escalation policy.
Reporting	<p>Anthos will demonstrate how the investment funds contribute to Anthos' Net Zero ambition as well as aligning with industry climate standards by reporting on:</p> <ul style="list-style-type: none"> o Pathway alignment: Scope 1 & 2 emissions intensity of our investments against the Asset class specific Net Zero pathway (CRREM 1.5 degree pathway) o Emissions coverage: % of AuM for which we have reported figures o Asset alignment to Net Zero: % of assets with approved SBTi targets, % of assets committed/aligning/aligned to Net Zero o External managers alignment to Net Zero: % of external funds with a Net Zero target o Contribution to climate solutions: % of climate solutions

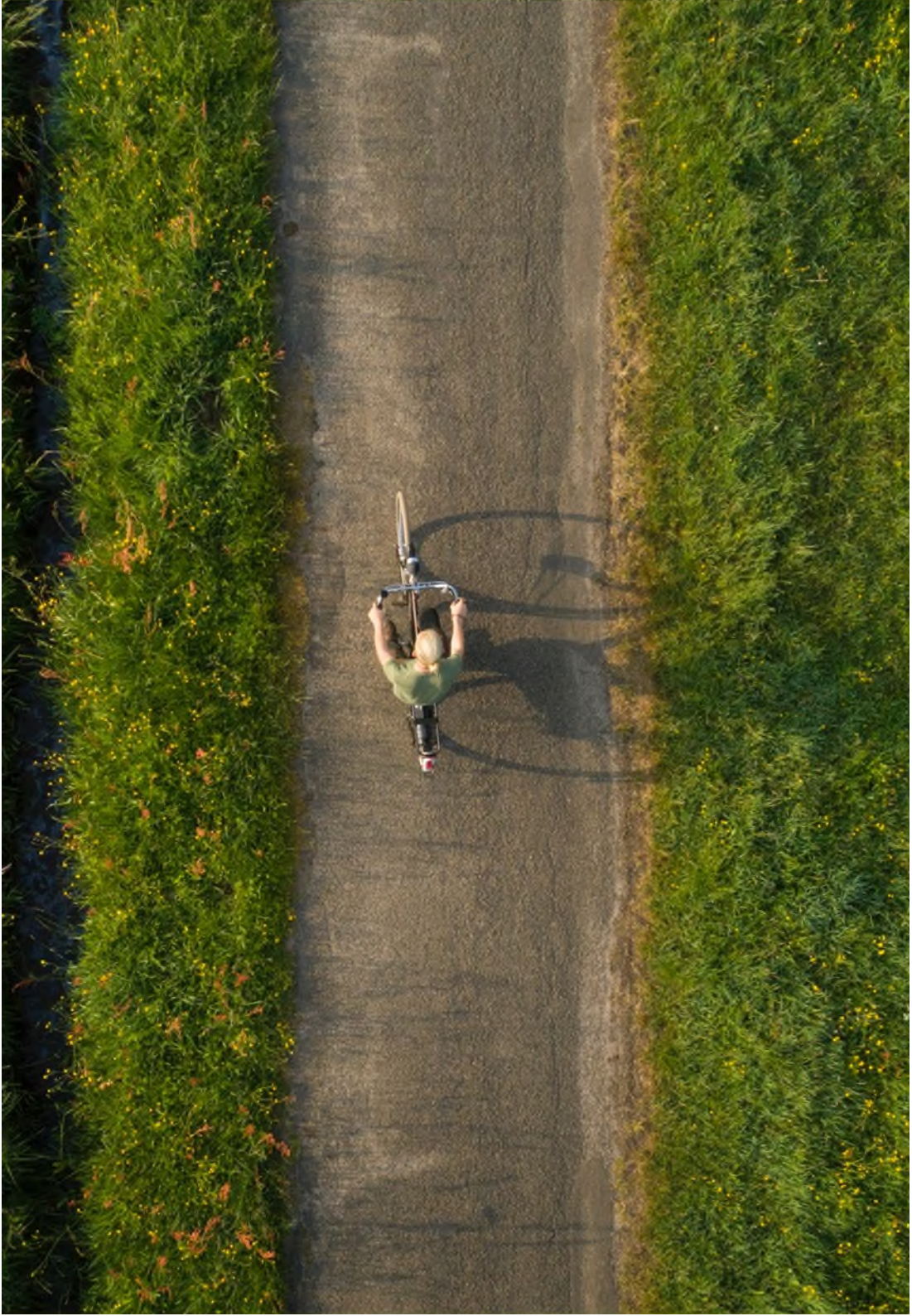
5.4 Impact investments

Anthos’ impact investments include climate action as one of the 4 focus impact themes the fund is pursuing.

The geographic scope of the impact portfolios being emerging markets, means that when investing in economic growth of these countries, emitting activities will be added. The Anthos impact investments will be restrictive towards allocating capital to high emitting activities, however recognizes that emerging markets are dependent on emitting activities to grow their economies and to realize social impact.

The impact portfolio, being a multi asset portfolio, is approaching the measurement of carbon emissions in different ways for the various asset classes. While measurement can for example be estimated for the VC/PE funds in the portfolio that are targeting MSMEs and have a largely social focus, the bulk of the emissions stand within the listed funds and the private funds that are targeting mid-sized and/or larger corporates and (real asset) projects. The process described below focuses on those strategies.

	Process
Due Diligence	<p>Anthos impact funds, within the climate action impact theme (as 1 of 4 impact themes), selects funds that aim to finance climate solutions (e.g renewable electricity generation, carbon removal, energy efficiency) or that have specific climate attributes such as: investing in low-emitting companies / no exposure to high emitting sectors, investing in activities that need financing to transition and have signaled their intention to decarbonize, funds with climate overlay (aiming for emission reduction throughout portfolio), and/or fund strategies with Paris Agreement aligned or Net Zero ambitions.</p> <p>However, Anthos recognizes that Paris Agreement alignment and Net Zero ambitions may not always be a priority focus for non-climate focused investment strategies in emerging markets.</p>
Monitoring	<p>As some of the impact portfolios are still in build-up phase and not yet fully matured, we can expect that the total emissions of the fund will increase over the next few years, due to new investment being added in the portfolio. Also, we recognize that emerging countries are dependent on ‘emitting’ activities in order to ensure the countries and their economies can grow.</p>



	Anthos shall monitor that: <ul style="list-style-type: none"> Where relevant, the external investment funds have a decarbonization and/or emission reduction strategy and work towards target setting for the fund. The emission intensity of the overall impact portfolio remains in line with Anthos Net Zero pathway,
Engagement	Anthos engages with its external investment managers on the following topics: <ul style="list-style-type: none"> Creating climate awareness Increasing reported emissions where relevant
Escalation	For listed investments, should the fund not align with Anthos' decarbonization pathway and not be in line with its climate investment strategy, Anthos shall follow the escalation process described in the Anthos RI policy.
Reporting	Anthos will demonstrate how the investment funds contribute to Anthos' Net Zero ambition as well as aligning with industry climate standards by reporting on: <ul style="list-style-type: none"> GHG emissions of the portfolio GHG emissions avoided in the portfolio <ul style="list-style-type: none"> Emissions coverage: % of Aum for which we have reported figures Exposure to fossil fuels: % of exposure to thermal coal, arctic drilling and oil/tar sands, % of exposure to fossil fuels (supply side) Asset alignment to Net Zero: % of assets with formal Net Zero targets <ul style="list-style-type: none"> External managers alignment to Net Zero: % of external funds with a climate reduction target Contribution to climate solutions: % of portfolio invested in climate solutions

When investing within one of the non-Climate impact themes, we will still assess Climate risk aspects, where relevant. In our selection of funds that are addressing one of the non-Climate impact themes, we will allocate additional scores to strategies that have a Climate overlay in their investment strategy and engage on climate awareness otherwise. As such Climate is a key aspect considered in our investment selection.

5.5 Private Equity

Our private equity fund is going through a joint venture. As part of this process, a joint climate strategy will be defined soon. We write below how our private equity assets have been managed up until now in regard to climate.

	Process
Due Diligence	<p>Anthos' Private equity portfolio has a strategic focus on sectors that are experiencing tailwinds due to sustainable trends. The sectors are Education, Technology, Energy Transition & Circular Economy, Health & Food. In the selection process managers that invest against these trends, or focus solely on different sectors, were not considered for investments.</p> <p>During the due diligence managers are tested to implement resilient measures and have a decent framework for implementing RI in their portfolio companies.</p> <p>Once due diligence is concluded, Anthos' exclusion list (including climate related exclusions like coal, arctic drilling and oil/tar sands) is shared in our side letter.</p>
Monitoring	During the holding period the team monitors all investments in general but puts extra emphasis on investments in sectors that are prone to high emissions or RI risks (e.g conventional energy)
Engagement	Anthos engages with its external investment managers on ad-hoc issues in the portfolio in relation to progress or incidents related to climate change.
Reporting	<p>Anthos will demonstrate how the investment funds contribute to Anthos' Net Zero ambition as well as aligning with industry climate standards by reporting on:</p> <ul style="list-style-type: none"> Pathway alignment: Scope 1 & 2 emissions intensity of our investments against the Asset class specific Net Zero pathway Emissions coverage: % of AuM for which we have reported figures <p>Exposure to fossil fuels: % of exposure to thermal coal, arctic drilling and oil/tar sands.</p>

5.6 Absolute return strategies

	Process
Due Dilligence	<p>Not all absolute return strategies are logically associated with a carbon footprint. In due diligence, Anthos assesses whether the strategy contributes significantly to a carbon footprint and whether to leave the strategy ‘out of scope’ or not.</p> <p>Anthos will assess the effect of adding new investments to the portfolio with regards to carbon emissions during the due diligence process.</p>
Monitoring	<p>Anthos monitors whether the managers’ climate strategy (if any) remains credible based on monitoring conversations and underlying climate data metrics. Anthos fund’s emissions are monitored against the Net Zero pathway.</p>
Engagement	<p>Anthos distinguishes how we engage with smaller managers that have smaller teams and capacity, and larger investment managers.</p> <p>With larger investment managers:</p> <ul style="list-style-type: none">o Engage actively with investment funds to set science-based emissions reduction targets (aligned with the Science-Based Targets Initiative). Push for public disclosure of their climate strategies and encourage them to adopt TCFD reporting.o Encourage funds to exercise voting rights on climate-related resolutions, particularly on emissions targets, board accountability, and sustainability governance. Encourage the election of board members with expertise in climate risk and sustainability. <p>With smaller investment managers:</p> <ul style="list-style-type: none">o Raise climate awareness and encourage capacity buildingo Share our climate expertise with the fund
Reporting	<p>Anthos will report separately gross long carbon and gross short carbon.</p>



6 Policy advocacy, stakeholder & market engagement

6.1 Policy advocacy at Anthos

The scope of Anthos' political advocacy remains quite limited to responding to policy consultations when relevant and shaping the public opinion through collaborations or via industry organizations. We aim to be transparent in our policy advocacy activities and report on it annually in our annual report.

The Anthos Management team reviews any industry initiatives that we would join and collaborate with and ensures that those are aligned with the values of the firm.

IIGCC recommendation: Disclose internal climate policy positions and that of industry associations, participation in any advocacy or lobbying activities and submissions, and an assessment of the alignment of industry association in alignment with the Global Standard on Responsible Climate lobbying.
Create procedures for robust internal oversight of policy advocacy efforts, including monitoring, review and transparency through disclosure.

IIGCC recommendations	Align direct and indirect policy advocacy efforts towards what is relevant for achieving global net zero emissions by 2050 or sooner. Participate in policy advocacy (directly or collectively) to international, national and sub-national policymakers to promote the implementation of climate and wider economic policies and regulations that support net zero objectives
RI plan 2025	Identify policy advocacy efforts that we can contribute to, in collaboration with other industry participants
Strategy 2025-2030	

6.2 Engagement with Anthos clients

While the ambition of Anthos is to achieve Net Zero for 100% of its AuM, not all AuM are in scope of alignment action. Indeed, we manage assets for which Anthos acts as the portfolio manager and not the fund manager, and therefore are not in the driver seat for all investment guidelines. Consequently, to achieve our Net Zero ambition, it is key for us to engage with our clients on:

- Adopting the same commitment as Anthos.
- Their alignment with our climate strategy and action plan by embedding the Net Zero commitment in the investment guidelines of their investments with us.

IIGCC recommendation	Engage with investment managers or clients on the need for net zero aligned policy advocacy to achieve net zero objectives
RI plan 2025	Start engagement program with APWM on aligning our decarbonization plan with theirs.
Strategy 2025-2030	Engage with clients to increase our AuM to be included in our Net Zero objective: % of clients (in AuM) with a Net Zero objective % of clients (in AuM) that have embedded the Net Zero commitment in their product

6.3 Engagement with external investment managers

Anthos' RI policy requires all external investment managers to be monitored or engaged at least once a year on their RI practices. Engagement efforts around the topic of climate change with external investment managers may focus on topics such as:

- Reviewing the climate related metrics of the fund or engaging for more climate measurement
- Ensuring that the manager considers relevant climate related risks within the portfolio

- o Raising climate awareness and encouraging our investments managers to set credible Net Zero targets and embed it in the strategy of the fund
- o Discussing certain securities in the funds and whether those are on a credible transition path

IIGCC recommendation: Engage external fund managers on the need to manage funds in alignment with net zero that is consistent with NZIF alignment criteria.

Engagement topics per asset class are described in section 5 of the action plan.

6.4 Engagement with market service providers

We mainly use MSCI as a data provider for our climate reporting for our listed investments. We encourage our data provider to align with the IIGCC and latest climate guidance available. We also participate in working groups to develop industry guidance on how to measure and set targets for climate and encourage all our investments across all asset classes to report on climate.

IIGCC recommendation: Undertake stewardship with market actors to ensure that their assessments, data and products are based on alignment criteria, robust methodologies and are consistent with net zero goals.

IIGCC recommendation	Participate in advocacy to market service providers (directly or collectively through industry networks) for the tools, data, and advice required to achieve net zero goals.
RI plan 2025	Climate reporting in private markets is still lagging. We have a target to achieve a coverage of 90% of our emissions by 2030. To ensure we achieve this, we could investigate the following: <ul style="list-style-type: none"> o Participate in GIIN working group on data convergence o Investigate available reporting solutions that fit the PE/VC space o Investigate whether there is a joint opportunity between BPEP, COFRA and Anthos to subsidy a reporting solution for our underlying funds.
Strategy 2025-2030	

6.5 Collaborative engagement

In addition to the engagement by the external managers we select, Anthos also aims to influence companies through the engagements provided by Sustainalytics. These engagements:

- o Address companies that violate global standards
- o Aim to improve the ESG risk profile of the companies in the portfolio
- o Improve the performance of the companies on relevant themes, including climate change and sustainable afforestation and financing.

IIGCC recommendation: Promote disclosure of corporate transition plans across industries, such as in accordance with the IIGCC sector neutral transition plan guidance and net zero standards covering high impact material sectors.
Undertake stewardship with industry peers to share expertise, experience and address common challenges in support of the achievement of net zero objectives.

We encourage industry initiatives and taking part in dedicated working groups to help shape industry standards. Examples of such industry initiatives include IIGCC working groups on Net Zero for sovereigns or defining industry standards for funds of funds.

7 Reporting

7.1 AuM level

On an annual basis, we will report on the way we:

- Progress on our improvement plan against the new IIGCC guidance as highlighted in this document.
- Identify, manage and mitigate climate related risks
- Progress against our current commitments:
 - Net Zero pathway (corporates): Emission intensity for scope 1&2 emissions of our investments for which we have reported data against our Net Zero pathway
 - Net Zero pathway (real estate): Emissions per square meter against the CRREM pathway 1.5 degree for which we have reported data
 - Coverage of emissions data available
 - % of companies with SBTi approved targets or formal climate reduction targets
 - % invested in climate solutions
- Progress against best practice climate metrics:
 - Total emissions: scope 1, 2 and 3 emissions per data quality (reported, estimated, unknown)
 - Climate risks within our investments: while we disclose the outcome of our risk assessment on a qualitative basis, we are still exploring which metrics are the most relevant to report externally or to clients.
 - % of investments that are not aligned, committed, aligning, aligned, achieving Net Zero
 - % of funds with a Net Zero commitment

7.2 Asset level

For client reporting, we will report on investment fund level the climate metrics mentioned in section 5 under each asset class.



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