ADAMANTEM CAPITAL

CLIMATE AND NATURE POLICY

POLICY APPROVED - NOVEMBER 2025

STRICTLY CONFIDENTIAL

1. Introduction

This Climate and Nature Policy outlines Adamantem Capital's approach to integrating climate change and nature considerations into investment decisions, portfolio company stewardship activities and our own operations. It applies to all funds managed by Adamantem Capital ("Adamantem").

The specific consideration of climate change and nature risks and opportunities forms part of Adamantem's broader approach to sustainability, and this Climate and Nature Policy should be read in conjunction with Adamantem Capital's Investment Management Framework, Investment Policy, Portfolio Company Stewardship Policy and Sustainability and Impact Policy, which collectively outline Adamanatem Capital's approach to integrating sustainability and when relevant, impact considerations into investment decisions, stewardship activities with portfolio companies and our own operations.

This Climate and Nature Policy sets out how we incorporate climate change and nature considerations across the full investment cycle as well as within our own operations. It is structured around the following four pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

2. Our Approach

In order to deliver outstanding financial returns for our investors and positively contribute to social and environmental outcomes, it is critical for us to assess and address risks and opportunities that may result from a changing climate and dependencies and impacts on nature.

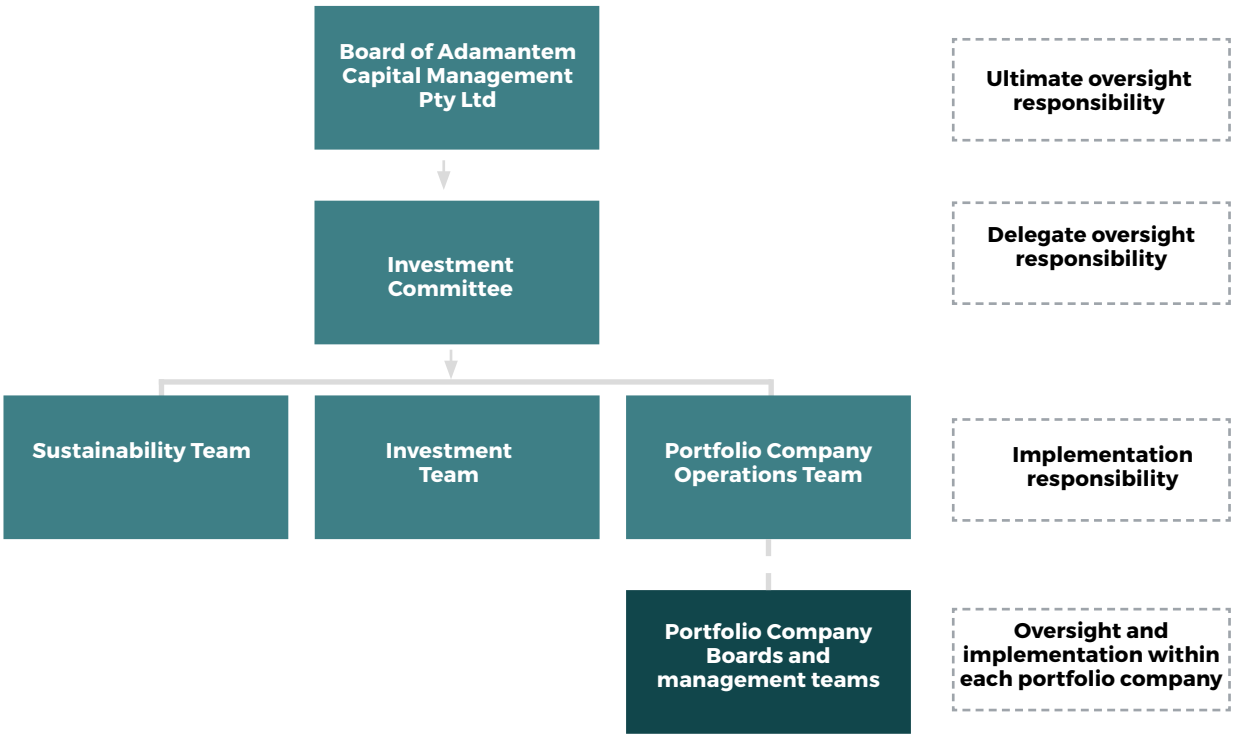
Climate change and nature are the most important components of the "Environmental Sustainability" pillar of our sustainability strategy, which we define as "reduced impact on the natural environment and contribution to climate solutions to avoid deterioration of natural resources".

Adamantem Capital seeks to design our investment decision-making processes and portfolio company stewardship activities to support the transition to a net zero and nature positive economy. We are committed to actively supporting our portfolio companies in this transition, including by participating in industry collaborations and advocating with regulators and within the broader investment community.

3. Governance

We have a robust governance structure with clear allocation of oversight and implementation responsibility for the consideration and management of climate change and nature risks and opportunities:

- The Board of Adamantem Capital Management Pty Limited ("Board"), as the manager of the Adamantem Funds, holds ultimate oversight responsibility for:
  - managing climate change and nature risks and opportunities within the Adamantem Funds ("Fund Climate Change and Nature Considerations"); and
  - managing climate change and nature risks and opportunities within Adamantem's own operations through the Adamantem risk management framework.
- The Board delegates the oversight responsibility for Fund Climate Change and Nature Considerations to the Investment Committee, which considers climate change and nature risk and opportunities in investment decisions and through the annual Fund climate risk review described in Section 4B of this Policy.
- The Investment Team is responsible for integrating climate change and nature considerations in pre-investment due diligence, with the support of the Sustainability Team.
- Climate change and nature considerations are managed through our active approach to portfolio company stewardship, as set out in more detail in the Portfolio Company Stewardship Policy.



4. Strategy and Risk Management

A. Investment decision-making

We carry out climate and nature risk assessments for every potential investment that reaches the final stages of our Investment Committee process. We may do this through engaging external experts to carry out the assessment on our behalf or internally with the support of our Sustainability team.

Climate risk assessments

The climate risk assessments use scenario analysis to enable us to analyse how climate-related risks and opportunities might impact an investment under different possible climate scenarios. Depending on the nature of the investment, it's exposure to climate risks and the availability of data, this analysis may be qualitative or quantitative.

We use a minimum of two scenarios to assess both transition risks and physical risk:

1. A Transition Risk Scenario, with a high transition risk and low physical risk profile

2. A Physical Risk Scenario, with a high physical risk and low transition risk profile

This allows us to stress test company performance under a range of conditions and exposures reflecting the different risk profiles of the companies we invest in. For each scenario we seek to consider short, medium and long term impacts, taking into account our likely hold period.

To support the efficiency and consistency of our climate risk assessments—both for potential investments and annual portfolio reviews—we may use technology platforms which combine climate data alongside proprietary algorithms to assess climate risks.

We review our scenario and/or selection at least annually to ensure it remains relevant and robust in light of evolving climate science, policy developments and investment exposures.

Nature risk assessments

Alongside our climate risk assessments, we also leverage publicly available tools such as ENCORE[1] and IBAT[2], enabling both sector-level and asset-level analysis of nature risk.

Through this approach, we are able to qualitatively seek to identify, where possible, material interfaces with nature in the operations and material supply chains of the business.

As the field of nature-related risk assessment continues to evolve, we remain committed to developing a more comprehensive framework that reflects the specific operational and geographical contexts of our portfolio companies. Over time, we aim to build on this foundation, aligning with emerging standards and methodologies as data availability and analytical tools mature.

I. ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool developed by the Natural Capital Finance Alliance that helps financial institutions understand how environmental change can affect the economy by mapping the dependencies and impacts of economic sectors on nature

2. IBAT (Integrated Biodiversity Assessment Tool) is a global biodiversity data platform developed by BirdLife International, Conservation International, IUCN and UNEP-WCMC. It provides access to authoritative information on protected areas, threatened species and key biodiversity areas to support decision-making and risk assessment

B. Portfolio company management[3]

Climate risks and opportunities

Where appropriate, a summary of the climate risk assessment carried out in the investment decision-making phase is presented to the Board of each portfolio company and may be used as the basis for developing a strategy for climate transition and resilience within each portfolio company. Adamantem Capital expects each portfolio company to undertake an annual deep dive review of its climate change risks and opportunities as part of its risk management approach.

The Investment Committee considers Fund level climate risk annually, based on the climate risk and opportunity due diligence conducted on portfolio companies during the investment decision-making process.

Nature risks and opportunities

Adamantem's annual sustainability reporting tool (which is required to be completed annually by all portfolio companies) contains a number of nature-related metrics, the responses to which are used to inform our ongoing assessment of nature risk across the portfolio.

Approach to emissions reduction

As part of our approach to portfolio company stewardship we require each portfolio company to:

- Conduct a baseline greenhouse gas emissions estimate; and
- Develop an emissions management plan that identifies a clear pathway to achieve, at minimum, a Paris Agreement-aligned target for Scope 1 and Scope 2 emissions. Additional emissions reduction commitments may be made in relation to investments in a particular Fund within that Fund's constituent documents.

Emissions reduction strategies may include all or any of:

- General energy efficiency measures
- Capital investment initiatives
- Renewable energy procurement
- The monitoring of future opportunities which may not be currently technologically or financially feasible but which could reduce emissions in future years as emerging technologies develop and become cost effective
- The procurement of carbon offsets for residual emissions that are otherwise unable to be abated.

In each case our approach to implementing initiatives in a portfolio company's emissions management plan will seek to prioritise the achievement of emissions reductions over the procurement of carbon offsets and take into account the return on investment and the impact of the initiative on the value of the portfolio company as part of the relevant fund.

Once a portfolio company has developed a Scope 1 and 2 emissions management plan and commenced annual reporting of its Scope 1 and 2 emissions on a regular basis, we seek to support portfolio companies to identify and estimate their material sources of Scope 3 emissions and identify ways to engage with their value chain to influence those Scope 3 emissions.

C. Reporting

Adamantem Capital reports on its approach to climate and nature risk assessment and management annually through its annual Sustainability Report.

3. This section 4B applies to portfolio company investments made after 1 January 2020.

D. Exit

Climate and nature considerations will be integrated into exit decision-making, where material, to ensure efficient pricing of climate and nature risks and opportunities.

E. Risk management - our operations

We manage climate and nature risks within our own business in accordance with our Australian Standard ISO 31000:2018-aligned risk management framework, including specific identification of climate change and nature risks in the risk register. These risks are managed through control measures which are assessed and reviewed on at least an annual basis.

As part of our approach to the management of climate risk within our own operations, Adamantem will:

- have our own emissions reduction plan in place, to be reviewed at least annually
- measure our operational Scope 1, Scope 2 and Scope 3 emissions on an annual basis. We purchase GreenPower to achieve zero emissions in Scope 1 and 2 as well as high quality carbon offsets for any non-financed Scope 3 emissions[4] that we cannot fully eliminate.

5. Metrics and Targets

Adamantem Capital will set climate-related targets in relation to its funds, portfolio companies and/or own operations in a manner it considers appropriate with respect to its overall approach to climate change risk and opportunity management. Adamantem Capital will disclose these targets through its annual Sustainability Report and measure progress towards achieving them through an appropriate set of metrics.

Adamantem Capital intends to develop an approach to setting nature-related targets as our approach to assessing and managing nature risk evolves.

6. Engagement

Adamantem is a member of a number of climate and nature related associations and working groups. Details of our memberships and associations are set out on our website and in our annual sustainability reporting.

4. This does not include Scope 3 financial emissions.

Contact

For any enquiries about this Policy please do not hesitate to contact us or Julia Koop, Director Investor Relations.

Yours sincerely

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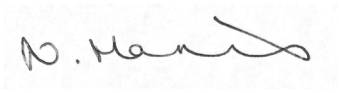

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