



AMBIENTA

Environmental Investments

The background of the lower half of the page is a composite image. On the left, a portion of the Earth is visible, showing blue oceans, white clouds, and green landmasses. This transitions into a dense, vibrant green forest that fills the rest of the frame. The text is overlaid on the right side of this image.

Sustainability drives value

ESG & Environmental Impact
Report 2023

Ambienta manages one of the leading capital pools with a focus on investing in private and public companies driven by environmental megatrends

We look for investment opportunities amongst companies whose products and/or services generate a Resource Efficiency or a Pollution Control improvement.



A M B I E N T A

Environmental Investments

Table of contents

- Opening Statement pag. 4
- Ambienta at a glance pag. 6
- Our Purpose-built Business Model pag. 11
- Fondazione Ambienta pag. 37

Since 2007 we invest to solve one of the greatest challenges of our time

Message from our Managing Partner and Founder

As we reflect on 2023, we celebrate a year marked by exceptional growth. In private equity, despite the challenging M&A environment, we were successful in strategically deploying, already in the first year, approx. one quarter of the capital raised for our latest flagship fund Ambianta IV - the largest European private equity fund investing exclusively in environmental champions. The year was marked not only by record breaking financial performance across our private equity portfolio, now counting 14 active platforms across numerous sectors, generating approx. €2bn in revenues in ca. 150 countries with annual organic EBITDA growth of around 13%, and across our public markets platform, but also by substantial advances in our sustainability and ESG initiatives.

But let us pause here - what do sustainability and ESG mean?

There has been ample noise over terminology in this past year, yet we must be very clear – sustainability and ESG are two entirely different concepts. For Ambianta sustainability means asking “**What** is the business model of a company? Is it sustainable?”. Sustainability assesses whether a business improves resource efficiency and pollution control in a way that is meaningful and measurable for the long-term. ESG asks a very different question: “**How** is this business managed?”. It is effectively a risk management tool assessing good governance and sound business practices.

An oil and gas company with impeccable ESG credentials will achieve top marks on the “**How** is a business managed” question. Yet on asking “**What** is the business model” it will fall desperately short. A business anchored on fossil fuel consumption cannot be sustainable. Therefore anyone considering ESG metrics in isolation without taking sustainability into account is missing the essence.

ESG does not equate to sustainability.

When we founded Ambianta in 2007, now almost two decades ago, long before sustainability was on the agenda for most mainstream players, we did so on the firm belief that sustainability drives value, growth and delivers long-term performance. We recognised that to support current levels of global population and economic growth, the world must transition approx. US\$100 trillion of economic activity towards sustainable practices.

In the face of the market and geopolitical headwinds of 2023, this philosophy has not changed. We are still guided by the conviction that companies who have found a way to use resources more efficiently and pollute less will, in light of the ever-increasing pressures on natural resources, enjoy a growing, long-term competitive advantage. And let us remind ourselves that throughout 2023 we have become witness to these pressures on nature intensifying at an unprecedented pace – temperature increase has accelerated beyond forecasts, oceans are acidifying ten times faster today than when a mass extinction of marine life last occurred, Alpine glaciers are on course to lose more than 90% of their glacier volume by the end of this century.

Our approach to investing has always been based on science. On the one hand we nurture and develop a deep understanding of the most acute planetary environmental pressures. On the other, we build out knowledge on industries and value chains most significantly impacted by these environmental challenges. Developing this holistic understanding is delivered by our Sustainability & Strategy (S&S)

division, a team of scientists and engineers, who sit at the core of Ambianta. It is this scientific approach, which informs the identification of companies, which are environmental champions presenting compelling investment opportunities.

With this in mind, and an unwavering resolve, we have continued to integrate both environmental sustainability and apply ESG leadership across the full spectrum of our investment strategy over the past year.

Our S&S division has not only grown in size but also in scope, refining our methodologies and enhancing our capabilities to understand and exploit these environmental trends more effectively than ever before. The team tailored our proprietary Environmental Impact Analysis (EIA), the framework via which we quantify the materiality of each company's impact, and our *ESG in Action* programme, which is the blueprint for engagement, to our new Private Credit division. We continue to demonstrate that Ambianta's vision can be applied across the entire asset class spectrum. The S&S team also enhanced engagement practices across the Ambianta X public markets division with our first successful collective engagement exercise, setting a new standard for investor collaboration in driving ESG advancements.

As an institution, true to our pioneering spirit, we also significantly raised the bar of our decarbonization ambition and committed, as one of very few asset managers, to the Science Based Targets initiative (SBTi). We continue to scale our operations and attract outstanding talent – in the past year we reinforced key functions across Compliance, Risk and Marketing with strategic senior hires. As we look to the future, we are motivated by the challenges and opportunities that lie ahead. The global shift towards sustainability is gaining momentum, and Ambianta is at the forefront of this transformation.

Thank you for your continued support and trust. Together, we are building a sustainable future, creating value that transcends financial returns to encompass environmental impact on a global scale. Our commitment to environmental sustainability has never been stronger.

Nino Tronchetti Provera



A handwritten signature in black ink, which appears to read 'Nino Tronchetti Provera'. The signature is fluid and cursive, written on a white background.

2023 marked significant milestones in sustainability and ESG integration for Ambienta

Message from our Head of S&S

Since inception in 2007 Ambienta has been exclusively focused on environmental sustainability driven investing. In 17 years, we witnessed the cleantech bubble collapsing, responsible investment practices proliferating, impact investing influencing mainstream strategies across asset classes and, most recently, an increasing skepticism around ESG approaches being value accretive. Throughout this time and across all trends, we never wavered and remained solid and consistent in our investment strategy: we exclusively invest on environmental champions that improve resource efficiency and/or pollution control in their respective sectors. Our proprietary Environmental Impact Analysis has been used to verify and communicate our portfolio impact for almost 10 years now. Our proprietary and award-winning *ESG in Action* programme has been in place for 12 years, since we signed the UN PRI, and we firmly believe it supports value creation and risk mitigation in all asset classes.

As we look back to 2023, we first want to thank Stefano Bacci, former Partner of our Private Equity investment team and member of our Board of Directors, for its relentless and visionary contribution in developing our *ESG in Action* programme from the ground up. 12 years ago, it was Stefano's unabating belief in ESG as an approach focused on actions and changes we can drive as stakeholders of companies, rather than reporting, that helped shaped our thinking and still drives our approach. As he retires from operating roles, we are pleased to announce he will remain as an advisor to the Sustainability & Strategy team.

We want to acknowledge 2023 will be recorded as a pivotal year in the fight against climate change. On one hand, for the first time ever we saw COP 2023 recognizing the role of Oil & Gas in driving climate change and agreeing the world should "transition away" from fossil fuel. On the other hand, 2023 goes on record as by far the hottest year ever. Scientists defined it as "climate change effect entering an uncharted territory". The increase in global average temperatures exceeded 1.5° over pre-industrial levels (as per the Paris agreement) for a third of the year, tripling any previous record. The ecological ramifications of this across the biosphere appear every day more profound: sea temperatures reached 4-5 degrees above long term average, the number of species going extinct continues to grow at mass extinction rates while invasive ones alter the ecosystems. These non-exhaustive examples already highlight the inadequacy of public capital and global decision-making processes such as COP to steer concrete action at the pace we need, even when their objectives are positive.

We have never been stronger in our belief of the decisive role of private capital aligned to climate and environmental objectives. As we continue to apply our investment strategy across asset classes, we decided in 2023 to double down on our decarbonization efforts, beyond previously existing targets of emission reduction at corporate level and portfolio level, by committing to the Science Based Target Initiative (SBTi), to which our funds across asset classes will progressively align once our targets are validated. We believe our investment

strategies, already exclusively investing in environmental sustainability across Private Equity, Private Credit and Public Market, will benefit from our growing decarbonization commitment.

In this report we present an overview of our investment strategy across asset classes, our proprietary impact methodologies and our engagement activities across our portfolios and at corporate level, including our foundation, Fondazione Ambienta, dedicated to environmental education in primary and middle schools in Italy.

We look forward to sharing our achievements with you.



Fabio Ranghino





Ambienta at a glance

Ambienta at a glance

2023 year in review



Firm

Started deployment of
Ambienta IV
of €1.55bn

Launched **Ambienta Sustainable Credit Opportunities**

+58%
increase in Ambienta employees since 2021

Achieved our
>40%
target of female representation

Enhanced integration of ESG metrics in the remuneration process



Sustainability & ESG commitments


SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
commitment
at firm level and across asset classes

Fine tuned *ESG in Action* organization and tools in PE to increase effectiveness

Ramped up Ambienta X engagement process & first collaborative engagement

EIA and *ESG in Action* set up for AmSCO

 **PRI** | Principles for Responsible Investment

top performances in 2023

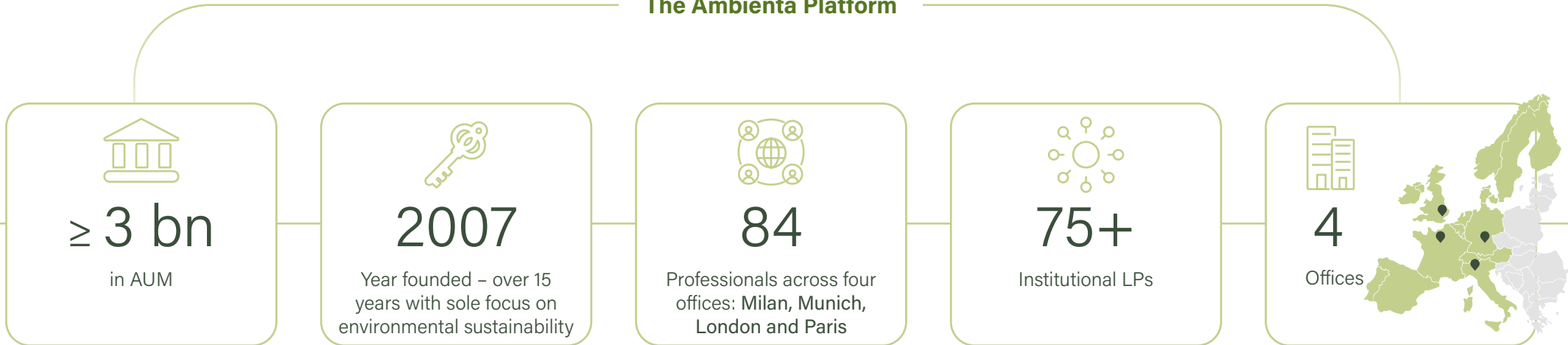

IIGCC
The Institutional Investors Group on Climate Change

participant in Net Zero Working Group for Credit

Ambienta at a glance

Over 15 years of leadership in sustainability

The Ambienta Platform



Private Equity

Pan-European mid-market buyouts - Environmental Sustainability Champions

- Ambienta IV: €1.55 billion
- Ambienta III: €635 million
- Ambienta II: €324 million
- Ambienta I: €218 million

Public Markets - Ambienta X

Over €700m across long-short, long-only and multi asset low volatility strategies

- Ambienta X Alpha
- Ambienta X Sustainable Leaders
- Ambienta X Environmental Mid Cap

Corporate Credit

Mid-market, senior-focused, opportunistic private credit targeting European environmental sustainability champions

- Ambienta Sustainable Credit Opportunities: targeting €500 million
- First close achieved in Jan. 2024 with 50% of target

Article 9 compliant across all asset classes¹

Ambienta at a glance - A firm-wide commitment

Ambienta was first to recognize that sustainability and ESG were pivotal for value creation



Sustainability leadership

Leader in generating top-tier financial performance through solid, measurable environmental impact



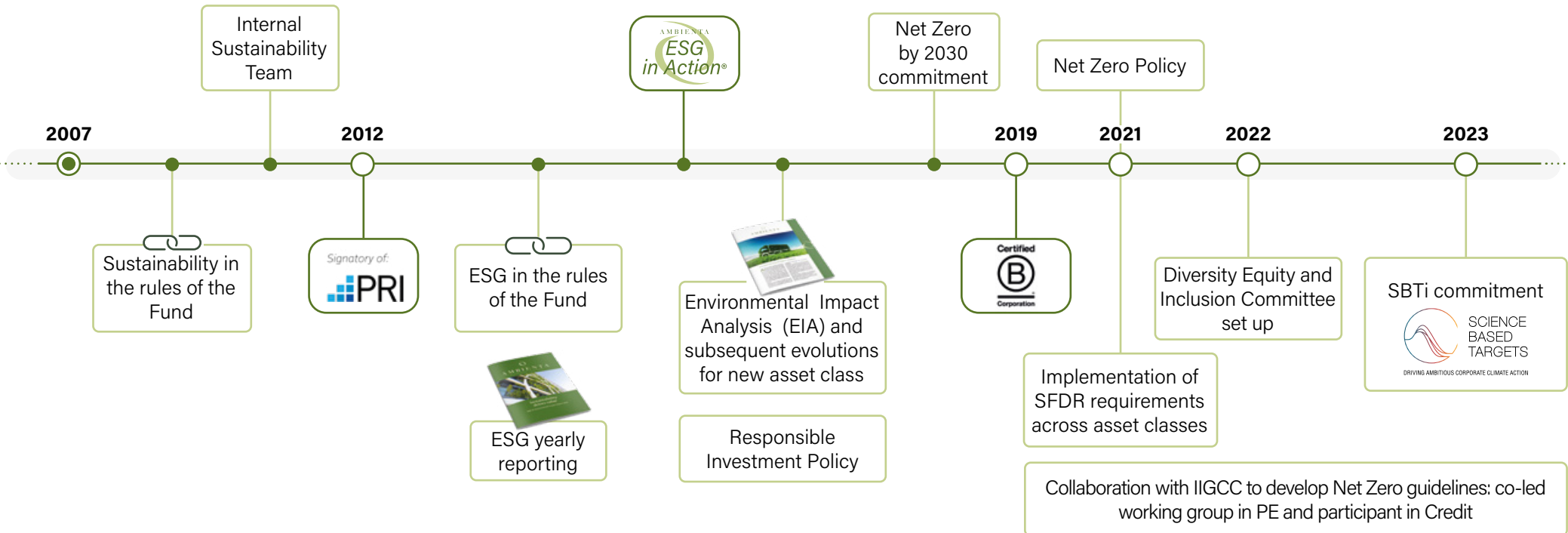
ESG integration

Ambienta's *ESG in Action* programme is deeply rooted in its culture and operations



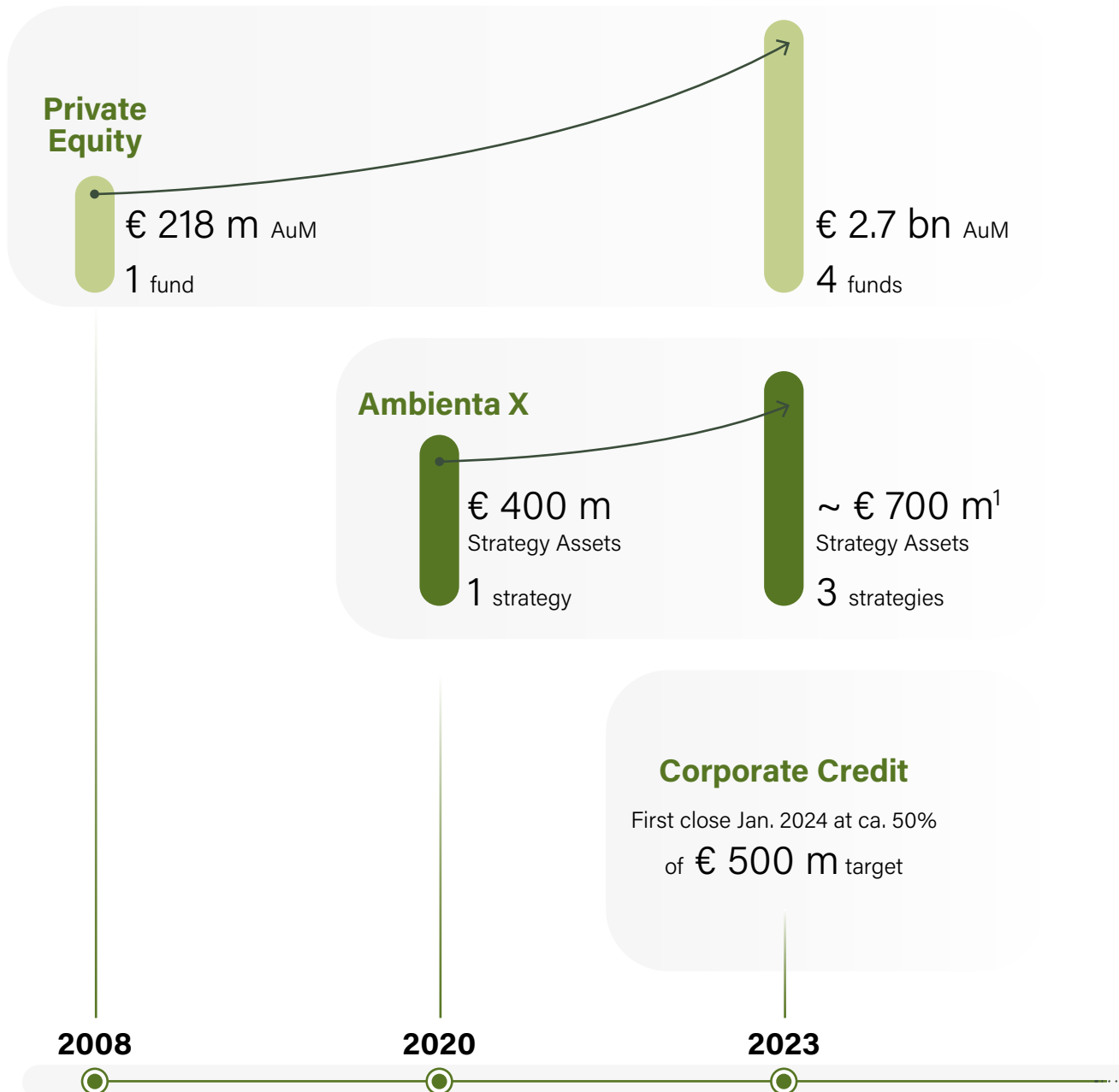
International recognition

Our approach to sustainability investing and ESG integration has allowed us to be at the forefront in the implementation of standards



Ambienta at a glance - Sustainability and ESG integration embedded across assets

Built for sustainability: 100% of our investments



Key 2023 Sustainability & ESG highlights per asset class

- Annual full Scope 1, 2 and 3 carbon footprint analysis for portfolio companies
- Mandatory decarbonization plan
- Commitment for Board diversity

- First collaborative engagement activity
- Reinforced engagement process
- Reinforced ESG integration in proxy voting process

- Set up of Environmental Impact Analysis and *ESG in Action* for Credit

¹ Includes directly managed funds and funds with investment management agreement



Our Purpose-built Business Model

Our Purpose-built Business Model

Ambienta was purpose-built in 2007 to invest in the environment

1

Our Sustainability & Strategy team

A team of 10 sustainability experts

2

Our People

84 as at 31.12.2023: +58% vs. 2021

42% female representation

3

Advanced proprietary Impact metrics

Environmental Impact Analysis for Private Markets divisions (EIA)

Ambienta Sustainability Index for Public Markets division (ASI)

4

Our Commitment

PRI signatory since 2012

B Corp since 2019

SBTi commitment in Q3 2023



Sustainability



Our Accountability

ESG managed at Partner and Board level
ESG in investment team's Remuneration Policy

5

100% ESG integration: PE

ESG in Action focused on value creation and risk mitigation activities with Board level responsibility
Independent ESG implementation verification by external auditor

6

100% ESG integration: PM

ESG in Action focused on active stewardship and engagement
Enhanced collaborative engagement process and ESG integration in proxy voting

7

International recognition

UNPRI consistent top performance
Notable industry awards and recognitions over the years

8

1 A centralized team fully dedicated to the understanding of sustainability

Our Sustainability & Strategy team

Ambienta's unique Sustainability & Strategy (S&S) function is fully dedicated to understanding how Resource Efficiency and Pollution Control trends shape industries and create investment opportunities across asset classes. The S&S team continuously maps and

researches compelling environmental investment opportunities across our divisions, leads the development of proprietary sustainability measurement approaches and implements ESG strategies and integration activities within our firm and across our asset classes.

A centralized team working across asset classes



Fabio Ranghino

Partner and Head of S&S

Fabio joined Ambienta in 2011 and leads the development of Ambienta's approach to sustainability driven investments across asset classes. Previously, Fabio was a consultant at Value Partners where he worked across a range of sectors and industries. He holds a BSc and an MSc in Aerospace Engineering from Politecnico University of Turin and has an MBA from INSEAD.



Stefano Bacci

Board member and Advisor¹

Before joining Ambienta in 2012, Stefano was a Partner at Palamon Capital Partners (London), Senior Manager at Boston Consulting Group, and worked at BASF in Basel. Stefano graduated in Chemical Engineering from Politecnico University of Milan, holds an MBA from Helsinki School of Economics and MIT in Boston, and completed Postgraduate studies in Physical Chemistry at the Technische Universität Darmstadt.

Environmental Solutions Research



Guido Fucci
Manager



Saverio Zefelippo
Manager



Federica Mallone
Associate



Luca Zerba Pagella
Associate



Alice Massimiani²
Analyst

Responsible Investing & ESG team



Daniela Popa
Manager



Caterina Campagna Weiss
Manager



Francesco Anichini
Associate



Simona Cristofanelli
Associate

1 Sustainability & Strategy identifies investment opportunities across assets

Our Sustainability & Strategy team



1. Idea generation



Environmental Issue



Causes & sources



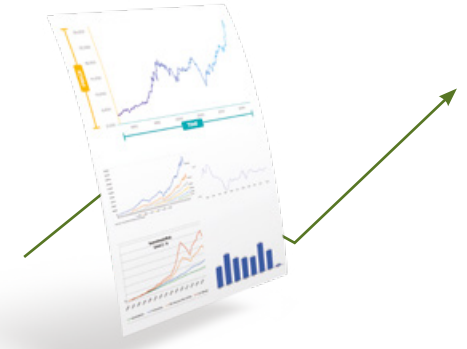
Solutions

Book of Sectors



- Analyze how environmental trends shape industries
- Identify sustainability hot topics to highlight investment opportunities
- Share monthly analysis with the investment teams

Investment cases across asset classes



- Propose investment ideas
- Support origination activities
- Identify sustainability leaders and laggards



2. Investment Committee activity

The Head of S&S is an integral part of the investment decision, through his presence on both the private equity and the public market Investment Committees.



3. Portfolio management

- Support continuous due diligence and strategic development of portfolio companies
- Complete annual update of proprietary impact methodologies (EIA & ASI)
- Lead ESG integration through the *ESG in Action* programme

1 | Ambianta Sustainability Lens, shring our perspectives on environmental trends

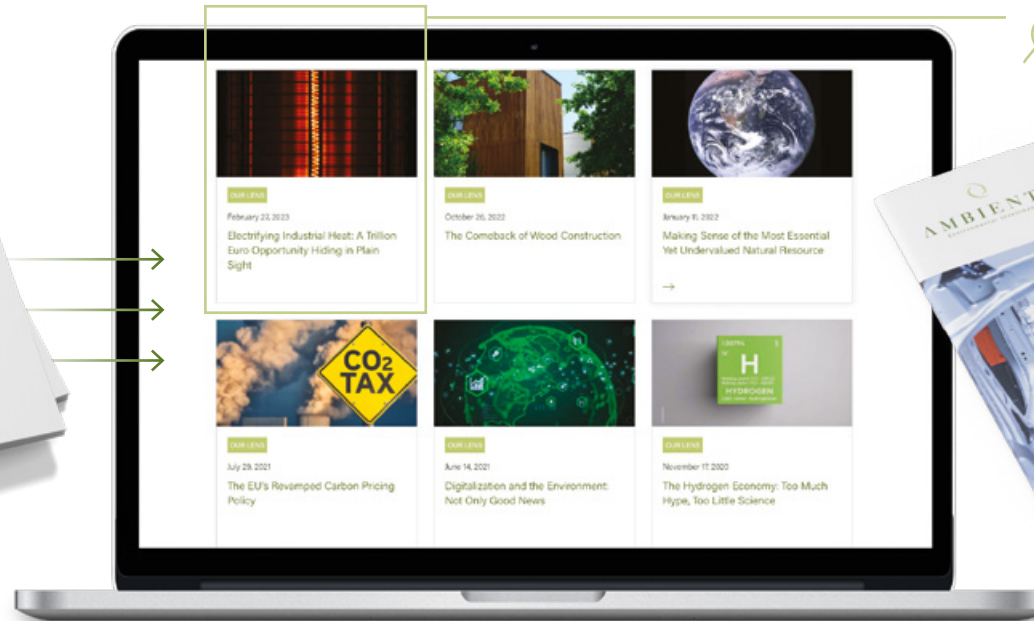
Our Sustainability & Strategy team

Ambianta is founded on the notion that environmental sustainability trends, namely Resource Efficiency and Pollution Control, can be a source of competitive advantage. These trends represent a theme that cuts across traditional sectors, shape industries and value chains and ultimately drive value for companies and investors. Internally, our S&S team provides valuable support to the deal sourcing process by proposing investment ideas able to generate

significant Environmental Impact. Opportunities are reviewed and evaluated together with investment teams during regular monthly meetings contributing to the generation of the Book of Sectors. Bi-annually, based on relevance and environmental trends, the team selects a couple of topics that are detailed in the "Ambianta Sustainability Lens", publicly available newsletters featuring our perspective on environmental investment opportunities.

Monthly Book of Sectors
for internal idea generation

Periodic "Ambianta Sustainability Lens"
for external knowledge building



2 | We crafted a top-tier, balanced team to drive long-term value creation

Our People

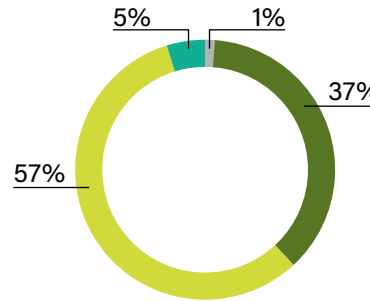
People are Ambienta's most valuable asset in driving our success over time. Through robust recruitment, retention, and development efforts, Ambienta cultivates an inclusive environment with high ethical standards. These have been reinforced with the recruitment of our Head of HR in 2021.

2023 Ambienta Professionals

84
+58% vs. 2021

♀ 42%

♂ 58%



- Baby boomer
- Gen X
- Gen Y
- Gen Z



"Ambienta's success is built on the talents who through their work contribute every day to our growth and development. The HR function strives to provide all the tools to foster a diverse, inclusive and desirable workplace attracting and retaining the right talents."

Michela D'Isita
Head of HR

Key HR areas of development

Career opportunity & employer branding

- Review and digitalization of the annual performance appraisal process
- Extension of the coverage of ESG KPIs as part of the performance appraisal and remuneration processes to all relevant functions cross the firm

Learning & development

- Launch of language courses and an executive coaching program

Diversity Equity & Inclusion

- Our DEI Committee initiated:
- Launch of a new Smart Working Policy
 - Reached our >40% target of female representation across the firm

Empowerment

- Strengthening the performance and team culture

Highlights of 2023 achievements

3 Unique approach to sustainability: a mega trend reshaping all industries

Advanced proprietary impact metrics

Ambienta invests in businesses whose products or services generate a Resource Efficiency or Pollution Control impact. Impact is assessed by means of two ad hoc proprietary measurement methodologies. We apply our internal Environmental Impact Analysis ("EIA") to assess and

measure the Environmental Impact of our private portfolio companies. We leverage the Ambienta Sustainability Index ("ASI") to analyze and monitor total econometric exposure to environmental sustainability of our listed assets.

Private Markets

Public Markets

Resource Efficiency

-  Energy Saved
-  Water Saved
-  Materials Saved
-  Land(fill) Saved
-  Food Saved

"EIA"

Environmental Impact Analysis



Examples







- ← Process automation →
- ← Pollution monitoring →
- ← LED-based lighting fixtures →
- ← Natural cosmetics →
- ← More efficient equipment →
- Cleaner chemicals

"ASI"

Ambienta Sustainability Index



Pollution Control

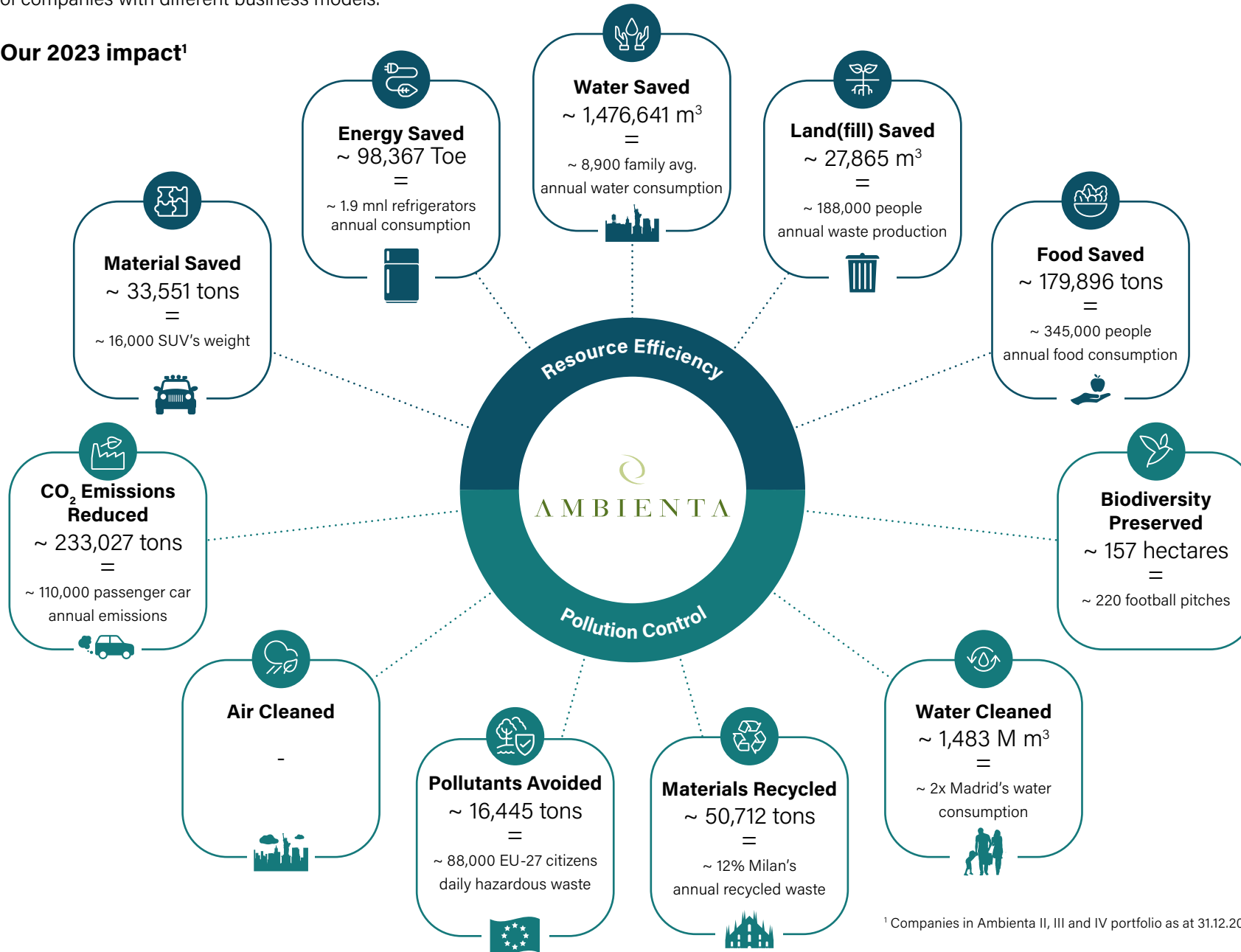
-  CO₂ Emissions Reduced
-  Air Cleaned
-  Pollutants Avoided
-  Water Cleaned
-  Materials Recycled
-  Biodiversity Preserved

3 We measure sustainability of our Private Equity portfolio every year

Advanced proprietary impact metrics

Ambienta's proprietary Environmental Impact Analysis, the "EIA", applies a wide range of standardized metrics to capture the full Environmental Impact of companies with different business models.

Our 2023 impact¹



Since 2022
with the investment in Cap Vert, we have been able to quantify our 11th EIA metric, "Biodiversity Preserved", completing our EIA model



We measure and publicly report the impact on a yearly basis



¹ Companies in Ambienta II, III and IV portfolio as at 31.12.2023

3 We align investments to the UN SDGs goals and subgoals

Advanced proprietary impact metrics

Our Environmental Impact methodology is fully aligned with the UN Sustainable Development Goals (SDGs) and subgoals. We leverage the SDGs as a framework to identify the challenges we invest in and to measure our portfolio companies' contribution to the 2030 Agenda for Sustainable Development. Below our contribution to the SDGs in 2023.

Portfolio company ¹	EIA Metrics					2	6	7	9	11	12	15
									9.4		12.4	
						2.4					12.2	12.4
								7.3	9.4			
									9.4	11.6	12.2	
									9.4		12.5	
						2.4	6.3		9.4			
								7.3	9.4		12.2	
										11.7		15.5
											12.2	12.5
									9.4		12.2	
									9.4		12.5	
											12.5	

of Portfolio companies



¹ Companies in Ambienta II, III and IV portfolio as at 31.12.2023

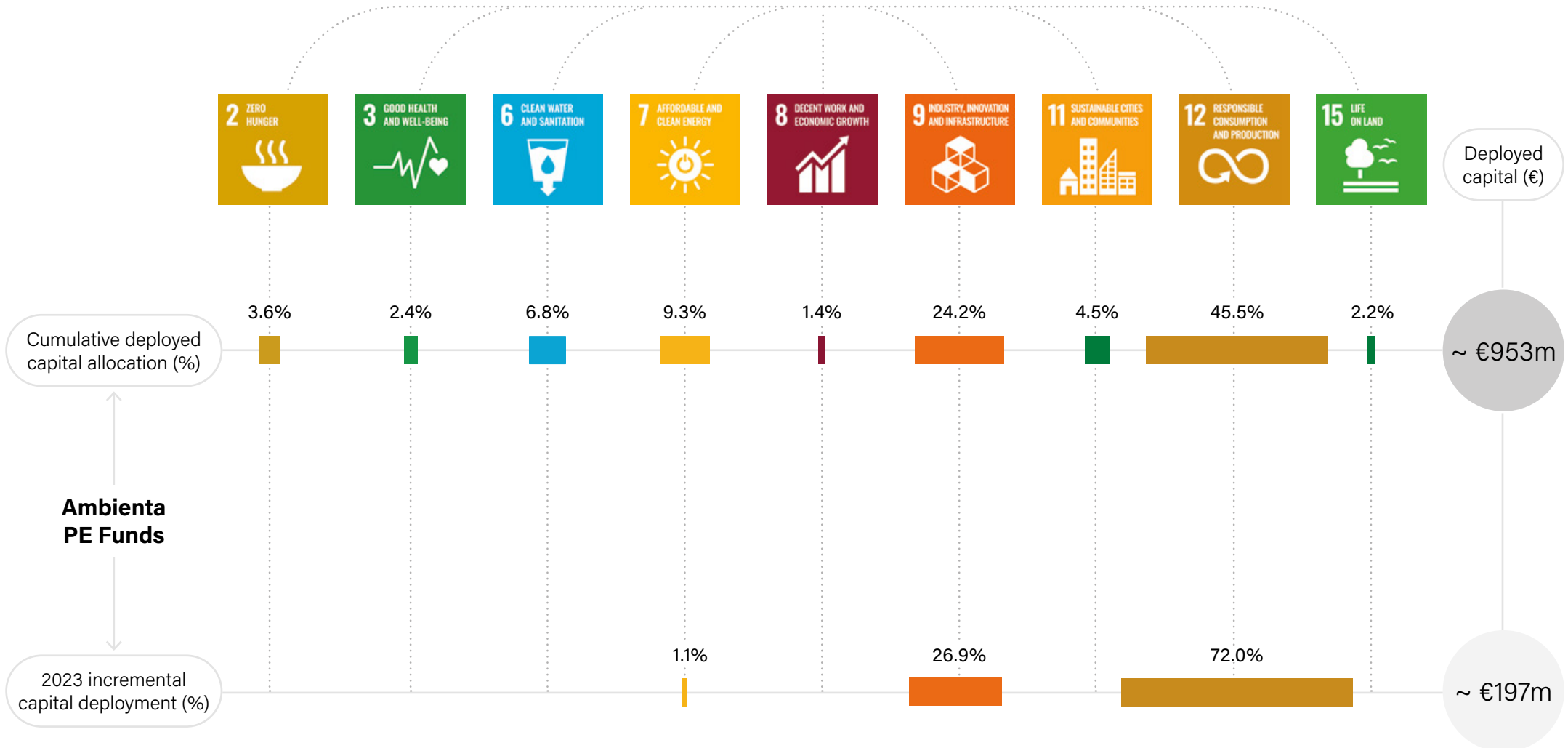
3 | Ambienta's deployment of capital towards SDG-related investments

Advanced proprietary impact metrics

We systematically analyze portfolio companies' exposure to the United Nations Sustainable Development Goals (SDGs) by applying our proprietary Environmental Impact Analysis. We measure our year on year contribution against each SDG and report our impact to investors and the general public.



Ambienta's deployed capital towards SDG-related investments



3 EIA methodology in Previro: leading plastic recycling technologies provider

Advanced proprietary impact metrics



Company description

Founded in 1922 and based in Anzano del Parco, Italy, Previro is the pioneer in the plastic mechanical recycling space, driving market innovation and delivering benchmarking quality standards. Previro developed an integrated value proposition, matching the increasing need of global recyclers to work with partners able to support in the design and commissioning of the full recycling line.

Environmental thesis

Global plastic production is responsible for more than 180 million tons of waste every year, of which only 15% is actually recycled while the vast majority ends up in landfills, is incinerated or dispersed into the environment.

The current linear model of plastic production, usage and disposal is unsustainable, triggering a concerted effort – promoted by local governments and global packaging brands – to drive plastics consumption into a circular economy.

Previro recycling solutions represent a key enabler of the transition towards plastic circularity, turning post-consumer and post-industrial plastic waste into high quality flakes with positive impact on material recycled, landfill and CO2 emissions saved.



EIA Screening

- Contribute to Resource Efficiency and/or Pollution Control?
 - Key enabler of the transition towards plastic circularity, turning post-consumer and post-industrial plastic waste into high quality flakes
- Is it measurable?
 - Applicable Ambienta's Environmental Metrics
 - Energy Saved
 - Land(fill) Saved
 - CO₂ Emissions Reduced
 - Materials Recycled
- Is it material?
 - Share of revenues linked to Environmental Metrics

Full EIA Development

- Collect relevant data from company
 - Relevant KPIs (e.g. processing capacity of lines sold, operating hours...)
- Validate thesis with external benchmarks
 - Find reputable sources to benchmark material impact
- Build full EIA model
 - Define full calculations down to the numbers

METRICS	Unit of Measure	2023
Energy Saved	Toe ¹	12,533
Land(fill) Saved	m ³	8,341
CO ₂ Emissions Reduced	tCO ₂	14,864
Materials Recycled	t	11,261

¹ Tons of oil equivalent

SDGs Taxonomy alignment



Previro's machines produce recycled plastic resin inputs for consumer products that are more resource efficient as recycled plastics consume less energy and emit less CO2 than virgin (Sub Goal 9.4)



Previro's recycling lines are a critical enabler of a circular supply chain for plastic (Sub Goal 12.5)

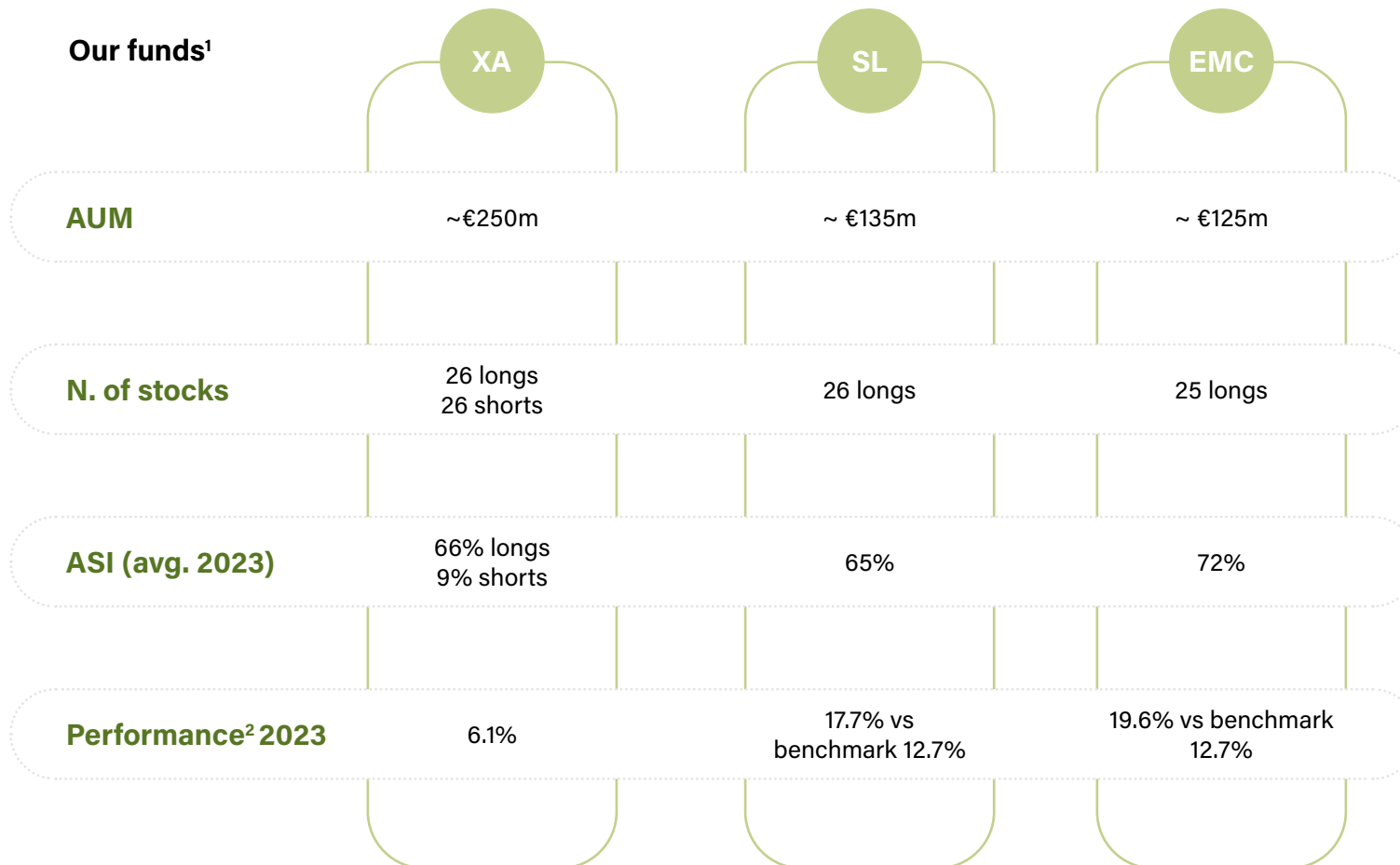
3 How we apply our EIA methodology to public companies

Advanced proprietary impact metrics

Ambienta X, Ambienta's Public Markets division launched in 2020, is a pioneer in applying environmental sustainability trends to liquid investments. It leverages a unique proprietary analytical scoring system to assess contribution to environmental sustainability.

Following the success of the flagship long/short X Alpha (XA) Fund, Ambienta continued its innovative path within the market, broadening the offering with new public market strategies: our first long-only equity strategies, Ambienta X Sustainable Leaders (SL) and Ambienta X Environmental Mid Cap (EMC), launched in early 2022.

Ambienta also manages two further funds, Alpha Green and Infrastructure Income in partnership with Banca Generali.



¹ Directly managed. Data as at 31.12.2023

² Net based on the lead share class

ASI

Measures the contribution to Resource Efficiency and Pollution Control of each company showing the estimated correlation of its value to environmental sustainability.



>280 ASIs completed to date



4 | We believe in a wide and active engagement

Our Commitment



In 2023 Ambianta committed to set near-term company-wide emission reductions in line with climate science with the SBTi. Joining the SBTi further accelerates Ambianta's efforts in reducing GHG emissions and fostering a more sustainable future, confirming its position as a sustainability leader in the industry. In Q1 2024 Ambianta sent its firm-level and asset class level targets to the SBTi for validation.



Since 2012 Ambianta is signatory of the United Nations Principles for Responsible Investments (UNPRI) which are deeply rooted in our approach to Responsible Investment and ESG integration. Ambianta has continued to receive top scores in the PRI Assessment Report in recognition of its best-in-class *ESG in Action* programme.



In 2019 Ambianta has been awarded B Corp certification. Certified B Corporations are for-profit companies that use the power of business to build a more inclusive and sustainable economy. As such, Ambianta demonstrated high verified standards in the areas of governance, social as well as environmental performance, transparency, and accountability.



Since 2020 Ambianta is a member of IIGCC, a leading global investor membership body and the largest one focusing specifically on climate change. As an active member, Ambianta aims to contribute directly and through institutional engagement to mobilise capital for the low carbon transition and to ensure resilience to the impacts of a changing climate. Following our work as a co-lead of the group, which developed the net zero guidance for the private equity sector in 2022 and 2023, Ambianta has now joined the group working on developing the net zero guidance for the private credit sector.



Ambianta is a member of Invest Europe Responsible Investment Roundtable and contributed to the Invest Europe guidance on climate change, developed to provide practical support to actors and stakeholders seeking to integrate and advance climate change considerations in their investment processes and management strategies.

4 | We strengthened our commitment towards decarbonization

Our commitment



“As the urgency to address climate-related challenges grows, we continue to recognize the crucial role that asset managers play in mobilizing capital towards sustainable solutions. By championing the SBTi, Ambianta reaffirms its commitment to driving environmental sustainability and embraces its responsibility to support portfolio companies in achieving their climate targets.”

Fabio Raghino
Head of S&S

Net Zero by 2030
at firm level and
commitment to
the Science-Based
target initiative
(SBTi)



1 Ambitious targets

Following our 2019 firm-level commitment to Net Zero in 2023 Ambianta committed to the SBTi extending its decarbonization commitments to all asset classes.



Targets

2023 Highlight ★

- **Firm-level Scope 1 & 2 emission reduction target** 2030 vs 2021
- **Coverage target** of eligible investments, across **private and public markets**, with approved science-based targets by 2030

2 Concrete decarbonization actions



Renewable electricity



Hybrids / electric cars



Company support, engagement and capacity building



Results



-40%
firm level Scope 1 & 2 emissions in 2023 vs 2021



100%
PE portfolio companies engaged on decarbonization

3 Engaging industry to drive action

Industry collaboration is essential to drive progress towards decarbonization. Ambianta has worked in recent years with industry entities (IIGCC, Invest Europe) to define guidelines on climate change / net zero

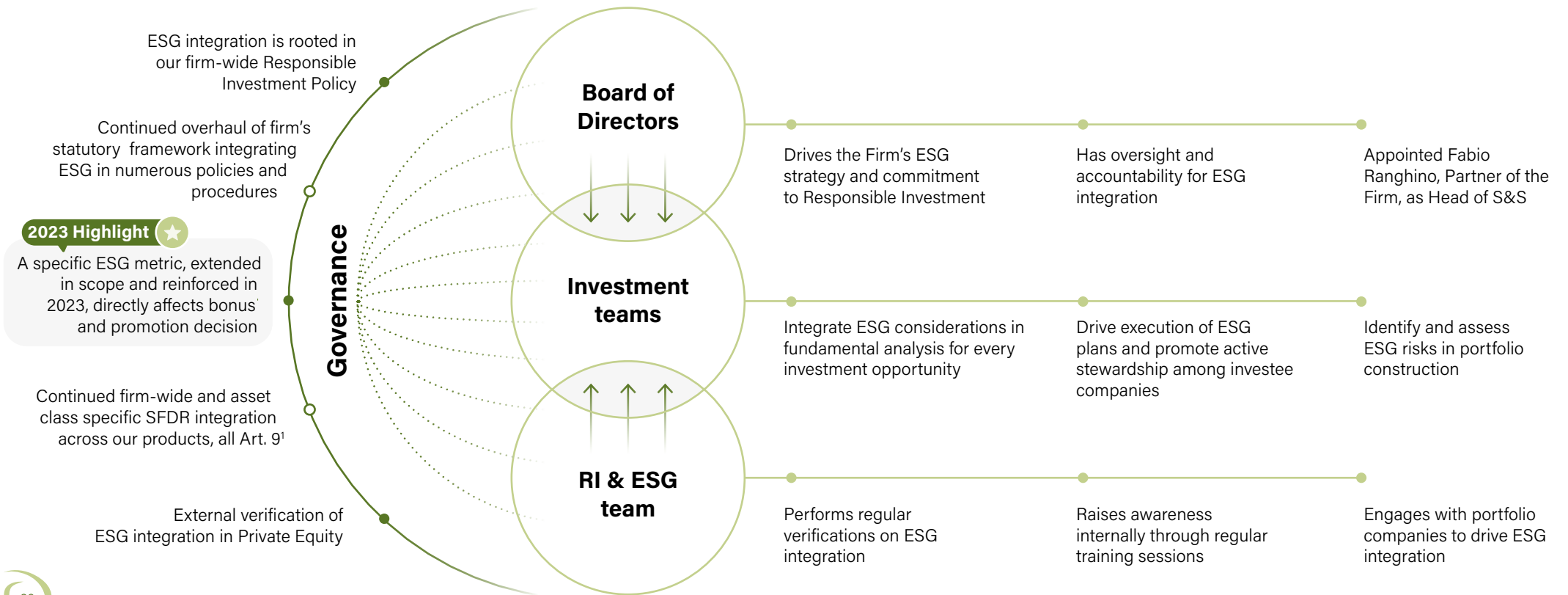
Co-led the IIGCC Net Zero for Private Equity working group

Participant to the IIGCC Net Zero for Private Credit working group



ESG integration is a priority throughout the firm

Our Accountability



¹ Directly managed, excluding mandates

6 ESG in Action - Private Equity: value creation and risk mitigation

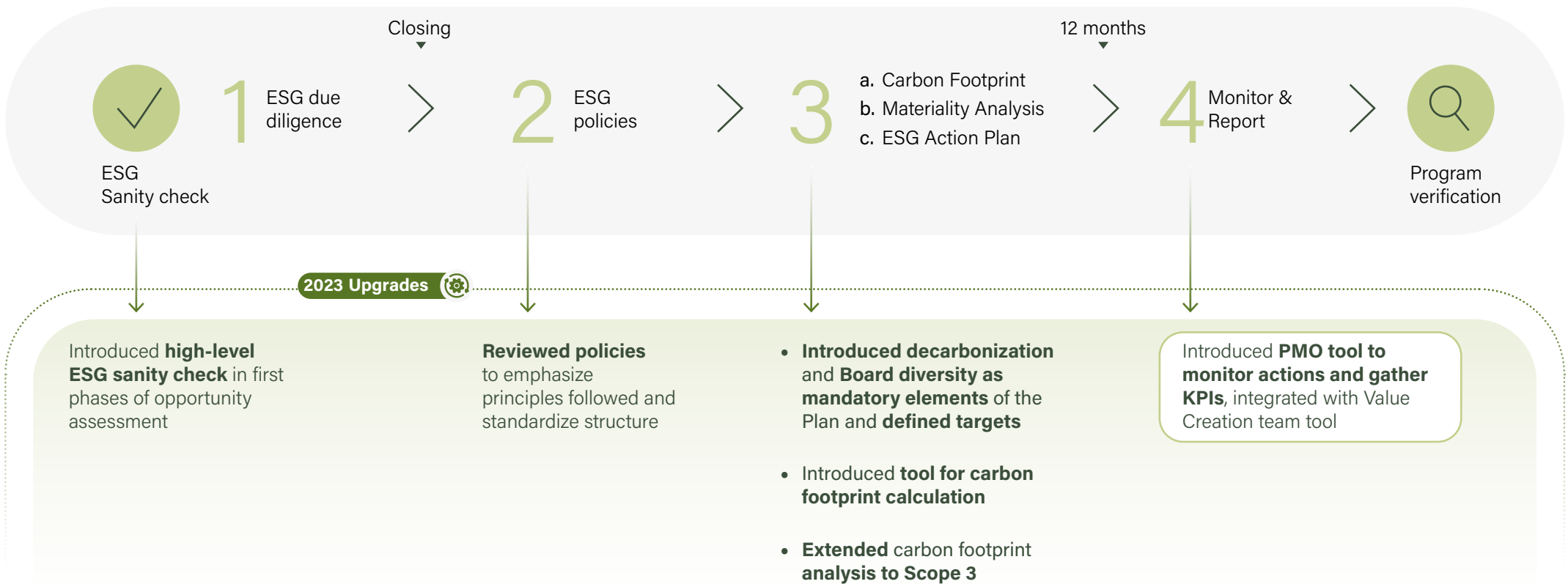
100% ESG integration: PE

Award-winning ESG integration approach applied systematically across portfolio

2023 Highlights ★

- Fine tuned organization and tools to increase effectiveness
- Set objectives to capture value creation through financial and non financial metrics

ESG in Action programme embraces the entire investment lifecycle with the objective to create value, mitigate risks and integrate ESG in company processes

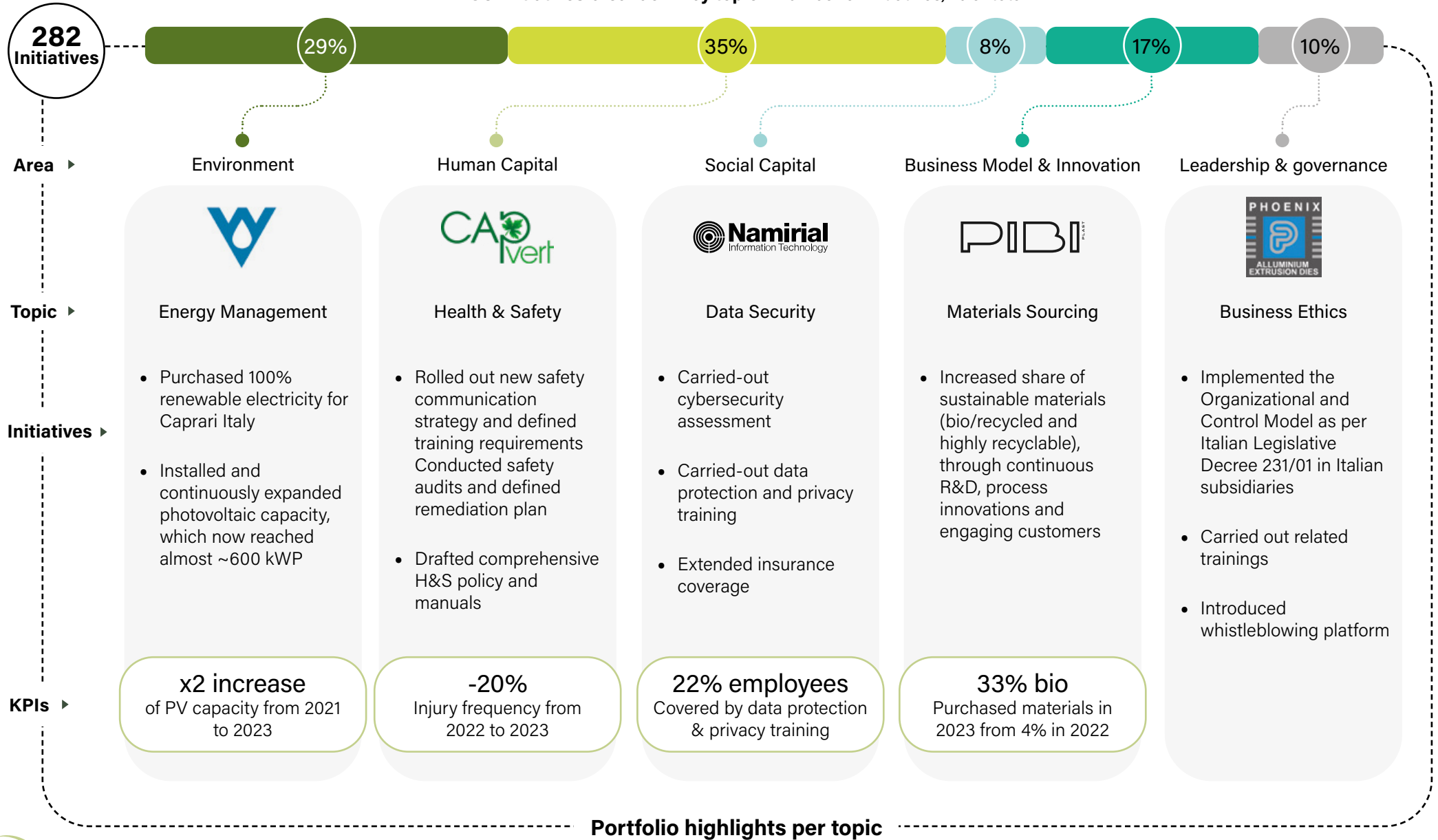


ESG in Action - Private Equity: extensive ESG deployment

100% ESG integration: PE

The ESG initiatives set during ESG Action Plan definition touch a wide range of topics

ESG Initiatives breakdown by topic - Number of initiatives, % of total

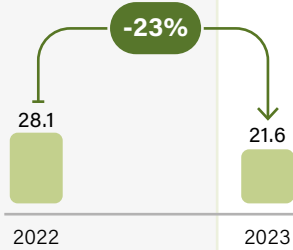


Portfolio highlights per topic

As part of our *ESG in Action* programme we regularly monitor and ask our portfolio companies to track and report on, a range of key ESG performance indicators¹. In 2023 we introduced a software for both ESG project management and KPI reporting that allowed us to reinforce our ESG data gathering and analysis capabilities, ultimately contributing to our value creation abilities.

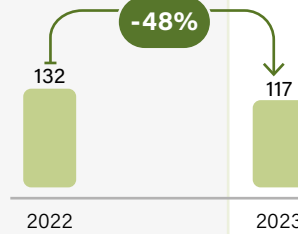
GHG Emissions Intensity

Tons of CO₂e (Scope 1&2) on m€ revenues



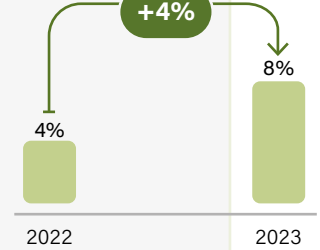
Energy intensity

MWh/m€



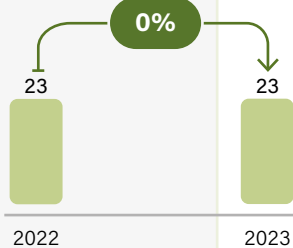
Share of renewable energy consumption

renewable energy consumption / total energy consumption (%)



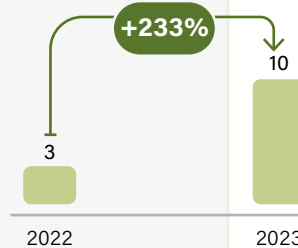
Women in workforce

n. of women / n. of total FTEs (%)



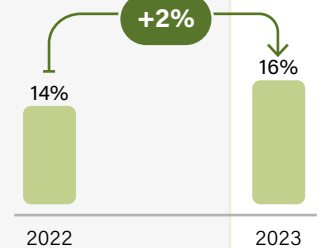
Training hours/employee

Hours/number of FTEs



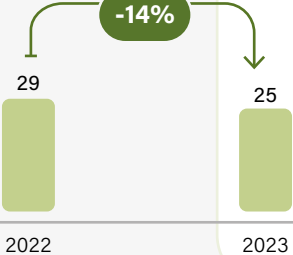
Turnover rate²

of FTEs leaving / # of FTEs previous year



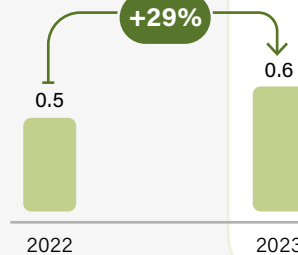
Injury frequency rate

of work-related injuries / worked hours x 1m



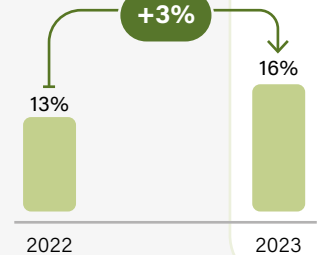
Injury gravity rate³

Days lost due to w.r. injuries/worked hours x 1k



Women on board

n. of women members / n. of total members (%)



¹ The perimeter of the reported KPIs includes all companies in scope at the end of the 2022 and 2023 reporting years. Therefore, although all KPIs are relative, performances may vary throughout the years also due to changes in the composition of the companies deriving from add-ons, new entries and exists.

² Slight increase due to consolidation and streamlining activities in two main portfolio companies.

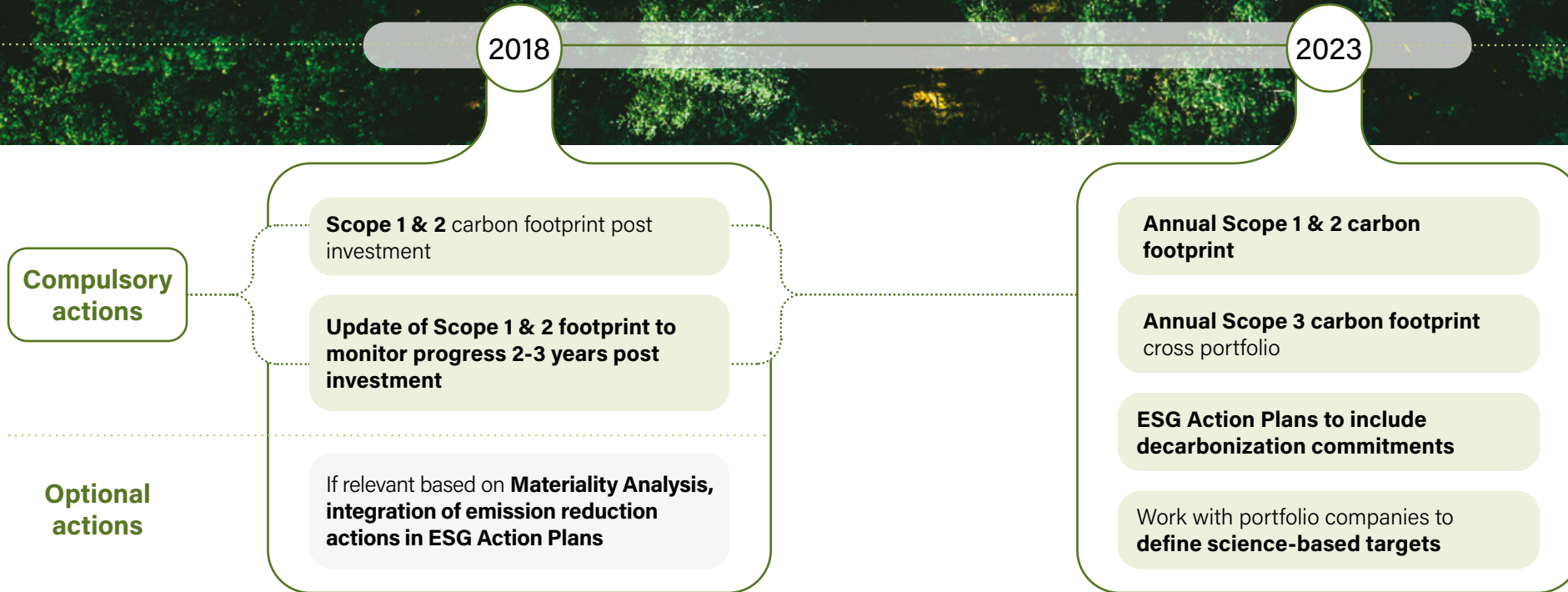
³ While the injury frequency rate has improved due to H&S initiatives put in place there has been, in one portfolio company, an increase in the average duration of injuries in 2023. The H&S function is studying remediation actions.

6 ESG in Action - Private Equity: key 2023 results

100% ESG integration: PE

In line with our commitment towards decarbonization Ambienta has reinforced its engagement with and support offered to portfolio companies to calculate emissions, identify decarbonization initiatives and set, where feasible, science-based targets.

Ambienta raised the bar on decarbonization with its SBTi commitment in 2023



Our portfolio's carbon footprint

Emission intensity¹



Relevance of Scope 3 emissions emerges clearly; emissions related to "use of sold products" category drives the value reported of the top 3 most carbon intense companies.

100% ESG integration: PE



Wateralia, a buy-and-build project promoted by Ambienta and acquired in February 2021, is the result of the merge of:

3 companies

135 countries served

4 production sites

>900 employees

>4,500 customers served



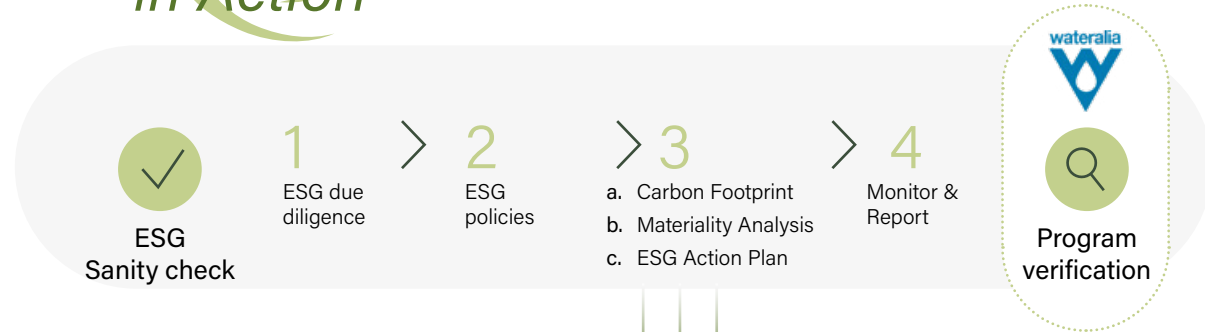
“Integrating ESG considerations is a vital factor for enhancing our competitive edge and driving business success. Since our acquisition we collaborated with Ambienta to identify the primary drivers of value creation and risk management for our organization. From this collaboration, we developed a strategic roadmap consisting of specific actions, KPIs and targets, which will steer our efforts in the coming years, aiming to unlock value and foster sustained sustainable growth.”

Federico De Angelis
CEO of Wateralia

ESG in Action programme implementation at group level



ESG integration activities are enabling us to address a renewed phase of growth for the Group supporting the integration of different companies and building a unified Group with solid ESG values.



ESG Action Plan main objectives



Create a healthy, safe, supportive work environment fostering competencies improvement



Become a leading player in the sector with respect to decarbonization best practices



Enhance env. sustainability as a key R&D driver



Foster a supply chain that adheres to high ESG standards



Enhance risk management practices

100% ESG integration: PE

Main objectives

Highlights of 2023 initiatives



Create a healthy, safe, supportive work environment fostering competencies improvement

- **Health & Safety reinforcement:** set up solid process in line with ISO 45001 certification
- **HR management:** employer branding initiatives carried out, incentive scheme introduced and welfare programme put in place



Become a leading player in the sector with respect to decarbonization best practices

- Full **Scope 1, 2, 3 Carbon Footprint**
- Extensive efficiency and decarbonization initiatives as renewable energy purchases, PV panel capacity increase and energy audits.



Enhance env. sustainability as a key R&D driver

- Preparatory work for **LCA assessment** on key products
- Switched packaging to lower impact materials



Foster a supply chain that adheres to high ESG standards

- **Integrated ESG criteria in supplier assessment process**



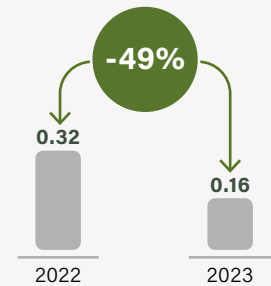
Enhance risk management practices

- Implemented Organizational and Control Model as per Italian Legislative Decree 231/01
- Introduced whistleblowing platform

Main results

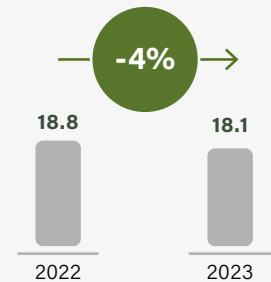
Injury gravity rate

Days lost due to w.r. injuries/ worked hours x 1k



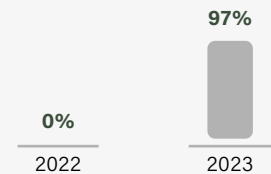
GHG Emissions Intensity

Tons of CO₂e (Scope 1&2) on m€ revenues



Significant suppliers evaluated based on ESG

%



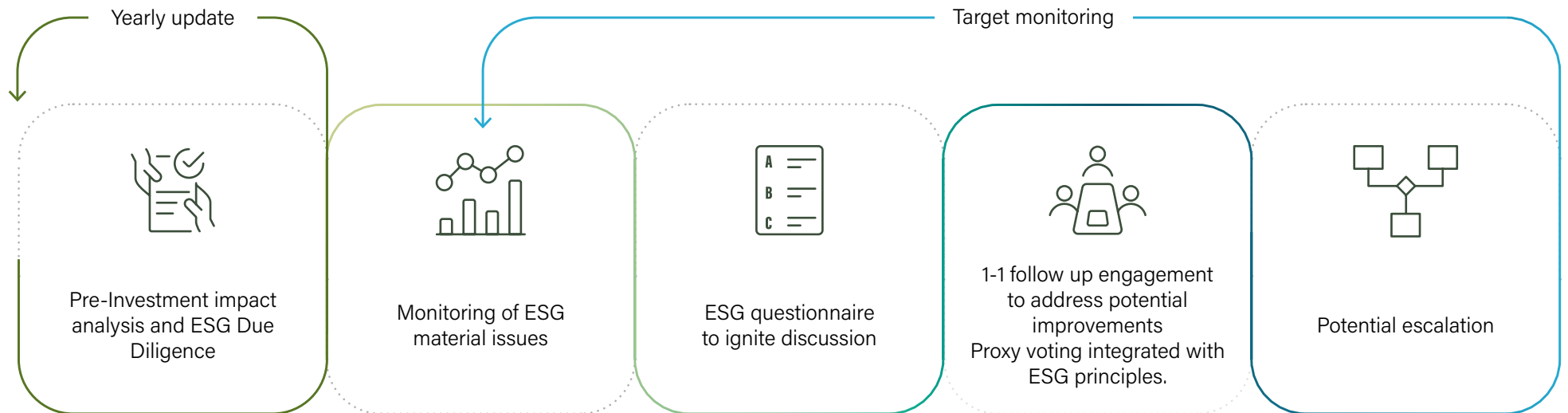
4 ESG in Action - Public Markets: our engagement effort

100% ESG integration: PM

ESG in Action programme in Public Markets focuses on engagement with the aim to drive outcomes and results

2023 Highlights

- ESG due diligence fully integrated in investment case discussion for 100% of targets
- Introduced new tools and processes
- Began collaborative engagement activities



2023 Upgrades

Added a second ESG metrics data provider to **support target company screening and monitoring.**

ESG questionnaire reviewed to increase effectiveness.

Increased number of companies engaged one-on-one.

First **case of successful collaborative engagement** with NGOs and other shareholders.

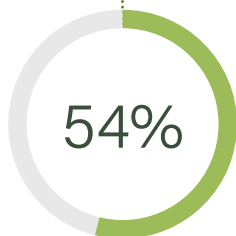
7 ESG in Action - Public Markets: our engagement effort

100% ESG integration: PM

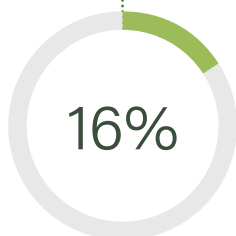
2023 engagement cycle summary



of portfolio companies¹ contacted



questionnaire return rate



of total portfolio companies engaged in follow ups

Evidences of portfolio practices '23 vs '22

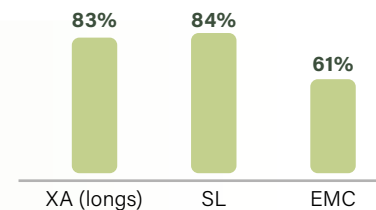
- Environment**
Climate Change
- Business Model & Innovation**
Value chain ESG oversight
- Human Capital**
Diversity, Equity, and Inclusion

↑
Good portion of our portfolio on track to be compliant with SBTi targets, committed or aligned

~
Panel companies have increased attention towards social issues in own and value chain operations though a good number must still implement more active engagement activities.

~
Improvements areas on disclosure on pay equity, minimum wage, female leaders in the organization and other DEI indicators.

SBTi committed capital²

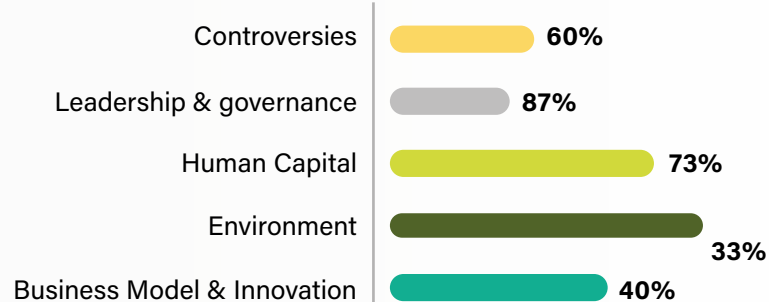


Engagement areas

Focus on three priority themes:

- material environmental and human capital issues;
- priority topics consistent with our environmental sustainability-driven investment strategy;
- board effectiveness and leadership for proper oversight and execution of ESG actions.

Frequency of topics coverage in 1on1 engagements



¹ Portfolio at end of end of July 2023 - ² Invested capital weighted average (%). Calculated as the average calculations made on 31 March, 30 June, 30 September and 31 December 2023.

7 ESG in Action - Public Markets: our first collaborative engagement

100% ESG integration: PM

Engagement case study

Thermo Fisher



Topic of engagement

From 2019 to 2022, Thermo Fisher was found to be indirectly supplying tools to Chinese police that were used to identify and persecute Muslim Uyghurs. Thermo Fisher assured NGOs of its “multi-level purchasing process” designed to prevent sales of human identification products to Xinjiang authorities but not to Tibetan authorities. Throughout 2023, the broader issue and Thermo Fisher’s involvement were prominent on the agenda of the US Congressional Executive Commission on China (CECC).



What was done

- Monitored the case and engaged with the company and NGOs
- As the topics continued to be signalled by NGOs and by the US CECC Ambianta:
 - Re-engaged management through a formal letter proposing implementation of stronger measures;
 - Co-filed a shareholder resolution with other investors and involved NGOs, demanding detailed disclosure of sales to law enforcement in at-risk countries.



Outcomes

Thermo Fisher agreed to collaborate with co-filing investors and NGOs to determine the best course of action to address the current issue and prevent the future misuse of its products.

At the beginning of January 2024, the company announced that it had stopped sales to the Tibet region.



“I was happy to collaborate with Ambianta to encourage Thermo Fisher to make the right choice and reject biometric repression as a tool of Chinese authoritarian surveillance. Working with values-driven investors like Ambianta to promote human rights is highly impactful, as Thermo Fisher’s decision to halt sales of DNA collection kits to Tibetan authorities shows. It is also an important way to mitigate potential harm to shareholder value from reputational risks.”

Sondhya Gupta
Campaigns Consultant for the International Tibet Network

Our efforts win a wide range of awards and industry recognition

International recognition

We are proud to share with you a selection of the accolades and awards received over the years



Ambienta has received the highest 5-star rating in 3 out of 5 categories (Private Equity, Hedge Funds, Confidence Building Measures) and 4 stars in the remaining two (Policy, Governance and Strategy and Listed Equity) ¹

¹ 2023 scores on 2022 data



Ambienta consistently in top decile of private equity managers by Stafford (formerly RobecoSAM).



Winner of the Best ESG Private Equity Initiative of 2022



Ambienta has received the highest 5+ star rating in Pantheon's annual ESG survey in 2023².

² Developed in accordance with Pantheon's 2023 Private Market Sustainability Index



Nino Tronchetti Provera, Founder and Managing Partner of Ambienta, is the very first recipient of the Hall of Fame Award, recognizing ESG leadership in the Private Equity realm



WINNER OF THE
"Environmental, Social and Governance - GP" Award



2021 WIN
Best Alternative Fund Prize in Mainstreet Partners' ESG Champions Awards



2021 WIN
Among the most sustainable firms in Italy



2020 WIN
Private Equity ESG Fund of the Year



2021-2020 NOMINATION & 2019-2018 WIN
ESG Best Practices Honours



2018 WIN
Best European Private Equity Growth Manager



2020-2017 WIN
A+ Score

A close-up photograph of a person's hand gently touching a tree trunk covered in vibrant green moss. The background is a soft-focus forest scene. A white rectangular box is overlaid on the center of the image, containing the text 'FONDAZIONE AMBIENTA' in a green, serif font. The word 'FONDAZIONE' is on the top line, underlined, and 'AMBIENTA' is on the bottom line.

FONDAZIONE
AMBIENTA

Ambienta's non-profit organization entirely focused on environmental education

Fondazione Ambienta

The values and culture of Ambienta have led to the creation of Fondazione Ambienta, a non-profit organization whose purpose is to invest in educational projects that foster environmental sustainability awareness across new generations.

Mission

- Provide environmental education for Italian school children - a topic not included in national school curriculum
- Encourage a culture of respect for the environment from a very young age
- Promote behaviours capable of reconciling industrial development and environmental sustainability

Objective

- Increase awareness of environmental sustainability among future generations through science-based material
- Encourage institutions to introduce environmental education programs in schools

Projects sponsored



"Tondo come il mondo" handbook is distributed to primary school children to raise awareness of environmental issues and opportunities



"Futuro" kit is provided to secondary school children to build a foundation to encourage responsible choices in the future

Achievements since inception



Total students involved

~ 758,000



Total individuals reached (incl. work-family enrichment)

~ 2,274,000

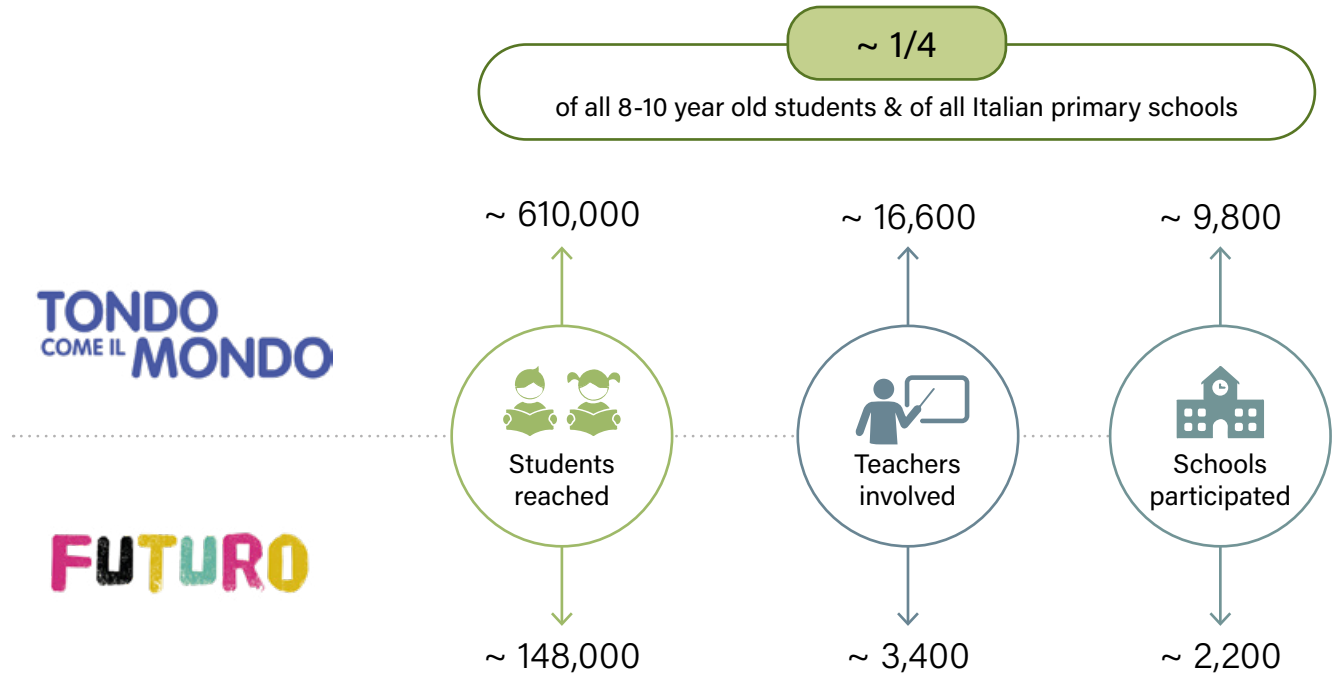
An initiative sponsored by Ambienta's stakeholders to spread environmental awareness

Fondazione Ambienta

Key figures and achievements

"Tondo come il Mondo" has allowed us to connect with about 610,000 primary school children in about a quarter of Italy's primary schools and to involve around 16,600 teachers. This figure represents about 25% of all 8-10 year old students in Italy.

"Futuro", over a seven-year period, has been distributed to over 2,200 Italian secondary schools involving around 148,000 young students and 3,700 teachers.




Our supporters over the years



Contact

MILAN

Piazza Fontana, 6
20122 - Milan

 +39 02 7217 461


LONDON

20 King Street, St James
London SW1Y 6QY

 +44 203 167 6430


MUNICH

Maffeistraße 3
D-80333 - Munich

 +49 89 44 33 55 44 0

PARIS

10 avenue Franklin Delano
Roosevelt
F-75008 - Paris

 info@ambientasgr.com



AMBIENTA

Environmental Investments

Milan - London - Munich - Paris
www.ambientasgr.com

FONDAZIONE
AMBIENTA

Milan - www.fondazioneambienta.it

