Sustainability & Impact Report

2025

KARTESIA

Contents

PART. 1

Kartesia at a glance

About Kartesia

Kartesia is a privately owned European asset manager that specialises in private corporate lending, providing tailor-made, long-term liquidity and credit solutions to European lower mid-market borrowers. Kartesia has offices in Amsterdam, Brussels, London, Luxembourg, Madrid, Milan, Munich, and Paris.

€7bn
Assets under Management (AuM)

4
complementary investment strategies

6
generations of credit funds

4
impact deals

19
awards (5 ESG-linked awards)

8
Funds SFDR article 8

1
Fund SFDR article 9

→ **Since 2014:** signatory of the UN Principles for Responsible Investment (PRI)

→ **Since 2022:** member of European Leveraged Finance Association (ELFA) CLOs and ESG committees

→ **Since 2023:** member of France Invest

→ **Since 2024:** member of European Leveraged Finance Association (ELFA) AI and DE&I committees

→ **Since 2024:** member of Global Impact Investing Network (GIIN)

107
professionals
(as of 31/12/2024 and including Flexam)

3
ESG professionals

9
offices

100%
colleagues benefiting from training opportunities

→ **For Kartesia:** 25 new colleagues in 2024 (26% organic growth)

→ **For Flexam:** 3 new colleagues in 2024 (30% organic growth)

2024 - 2025 Main Sustainability Milestones

JANUARY 2024

- Support and engagement launched for CSRD compliance at portfolio level
- New Stewardship Policy published

FEBRUARY 2024

- Collaborated on a research paper focusing on the rise of the circular economy in private equity and debt finance with Invest-NL and Route Circulaire

MARCH 2024

- Assurance report on our SFDR annexes by PwC
- Annual Carbon Footprint Assessment of the management company

APRIL 2024

- First climate risk assessment at portfolio level with S&P Global Sustainable[1]

SEPTEMBER 2024

- Joined DE&I committee of ELFA

OCTOBER 2024

- Implementation of a new carbon tool, Carbometrix, at management company, Flexam and portfolio level

DECEMBER 2024

- Joined Global Impact Investing Initiative (GIIN)

JANUARY 2025

- Francisca Almiro joined as Sustainability Data Trainee

FEBRUARY 2025

- Publication of our Impact Investing Policy

MARCH 2025

- Assurance of PwC on SFDR Annexes
- Full implementation of new carbon assessment tool Carbometrix

APRIL 2025

- Ana Garcia Vivancos (Investment Associate at Kartesia) appointed co-chair of the ELFA DEI Committee

1. Carbon pricing exposure and physical climate risks. Refer to Climate section for more details.

PART. 2

Kartesia ESG Report

Responsible investing at Kartesia

→ Responsible investment approach

At Kartesia, we believe that companies with high environmental, social and governance standards are typically better run, have fewer business risks and ultimately deliver better value for investors. We therefore consider the assessment and management of ESG issues as a key component of the application of its values and have anchored responsible investment into our investment philosophy and process.

→ Responsible investment process

At Kartesia, we have formalized all our ESG processes and initiatives in policies (Sustainability Policy, Climate Policy, Stewardship (or "engagement") policy) that are publicly available on our website. The ESG process undergoes regular inspection or readiness assessment. The latest one was a Readiness Assessment performed by PwC in Q3 & Q4 2024.

To be up to date with all ESG changes, specific trainings and updates are given to the investment team on a regular basis.

1 → Deal origination

As the first ESG filter in deal origination and as part of our Responsible Investment policy, we apply the sector exclusions and conduct a critical examination of activities considered as sensitive.

2 → Pre-investment

A detailed ESG due diligence questionnaire, which is regularly updated based on the evolution of regulation, is completed for all deals. Based on this questionnaire and other information collected, our investment team allocates an ESG risk scoring to the deal opportunity and drafts a dedicated ESG section in the investment memo, with the support of our Sustainability team. The ESG due diligence section covers ESG risks, the sponsor, the good governance principle as defined by SFDR, etc.

Our Head of Sustainability attends all investment committees and has an ESG veto right.

3 → Investment holding

We deploy our active engagement policy with all our loan portfolio companies, which enables us to support them in their ESG journey. We engage on ESG with all our participations, for instance identifying relevant ESG KPIs to monitor going forward, setting up a full ESG improvement plan and supporting on DE&I. We also launch portfolio-wide initiatives.

Our ESG due diligence questionnaire is completed by all the portfolio companies on an annual basis. We extract KPIs from that questionnaire and regularly monitor and track the ESG performance of those companies.

We assess the annual carbon footprint of all our holdings via proxy and perform an annual Climate risks assessment with the help of an external service provider. We also have a Weekly Press monitoring process in place to monitor for any potentially harmful ESG information that would be shared in the press.

We share the main ESG & SFDR KPIs consolidated at fund level with our LPs in our quarterly reports.

→ Climate strategy

Tackling climate change is crucial to Kartesia's long-term success- both at the corporate and investment levels. We aim to integrate climate considerations across all levels of analysis, decision-making, and active ownership practices.

Strengthening Our Carbon Footprint Assessment

As part of our corporate sustainability strategy, Kartesia has continued to improve the accuracy and scope of our carbon footprint analysis. In 2024, we marked our seventh consecutive year of assessment by transitioning to a new external provider, Carbometrix, which allowed for a more comprehensive evaluation of our GHG emissions across Scopes 1, 2, and 3.

This shift supports our broader ambition to adopt advanced, data-driven methodologies in carbon accounting. The Carbometrix platform enabled a streamlined data collection process and efficient aggregation of emissions data across Kartesia, Flexam, and our portfolio companies. We actively encourage these companies to adopt the same solution provider as part of their own sustainability strategies.

A key improvement in this year's assessment was the inclusion of additional Scope 3 categories previously excluded due to limited data. This enhancement allows us to better understand Kartesia's climate impact and take more targeted action.

We follow the GHG Protocol, the internationally recognized standard for quantifying and reporting greenhouse gas emissions.

Our methodology takes a bottom-up approach, leveraging accounting statements from all Kartesia's offices - Brussels, London, Paris, Amsterdam, Luxembourg, Madrid, Munich, and Milan - and supplemented with physical data where available.

At portfolio level, Kartesia actively engages with its portfolio companies to enhance climate-related disclosures and improve their climate practices. Over the past year, we have successfully encouraged several of our portfolio companies to conduct a GHG emissions assessment, supporting them in their journey toward greater transparency. This effort has been strengthened by our recent partnership with Carbometrix, who assessed the carbon emissions and set up a net zero trajectory for several of our participations.

With more portfolio companies conducting carbon footprint assessments, our measurements are becoming more accurate, shifting from estimates to actual reported values. Currently, across all our funds, more than half of our loan deals perform a carbon assessment.

We use proxy to cover the remaining companies in our portfolio that still have limited carbon reporting, supported by S&P Global Sustainable[1], with whom we have partner for the fourth consecutive year. Leveraging their expertise, we estimate the carbon emissions profiles of our portfolio companies using sector-based emissions factors from the Trucost universe, which covers over 20,000 companies and represents more than 99% of global market capitalization. This dataset integrates both company-disclosed and modelled emissions, allowing us to build a more comprehensive emissions assessment. Through this collaborative effort with S&P, we strive to assess the annual carbon footprint of all our portfolio companies (Scopes 1, 2 and 3), and mitigate the environmental impact of our portfolio, contributing to a more sustainable future for all stakeholders.

TRUSTFUL EXPERTS AS PARTNERS:

- **Carbometrix is our new Climate partner that enables us to create a streamlined data collection process and efficient aggregation of emissions data across Kartesia, Flexam, and our portfolio companies**
- **S&P Global Sustainable1 supports us in calculating proxy to cover portfolio companies that still have limited carbon reporting**

1. Carbon pricing exposure and physical climate risks. Refer to Climate section for more details.

Carbon Footprint overview

In 2024, Kartesia's total carbon footprint amounted to 1,537,434 tCO_2e, broken down as follows:

→ Scope 1

Direct GHG emissions related to Kartesia's energy combustion from company vehicles

22.5 tCO2e.

→ Scope 2

Indirect GHG emissions related to Kartesia's energy consumption (electricity)

31 tCO2e.[1]

→ Scope 3

Due to the nature of our investment activity, Kartesia has the particularity of having a Scope 3 which is divided into two parts:

- Direct: direct GHG emissions related to Kartesia's upstream and downstream value chain, corresponding to purchased goods and services (category 1), Capital goods (category 2), fuel and energy related activities (not included in scope 1 or scope 2) (category 3), waste generated in operations (category 5), business travel (category 6) and employee commuting (category 7). Notably, three Scope 3 direct categories were assessed for the first time this year, representing 82% of total emissions from Kartesia Management.
  1,985 tCO2e.
- Investments: indirect GHG emissions related to Kartesia's investments, corresponding to "Investments" (category 15) for Scope 3 emissions according to the GHG Protocol.
  1,535,395 tCO2e.

We expanded the scope of our management company's carbon footprint this year by including three additional Scope 3 categories: purchased goods and services, business travel, and employee commuting and food. These improvements help us better understand and manage our internal impact.

→ Purchased Goods & Services (Category 1): For the first time, we assessed emissions from suppliers such as insurance, banking, consulting, and transaction service providers-representing 39% of total internal emissions. This analysis was based on financial spend data and will be refined in the coming year with a supplier sustainability survey to gather more granular emissions information.

→ Business Travel (Category 6): Although essential to our relationship driven investment model, we aim to reduce emissions from travel. In 2024, we achieved a 28% reduction in flights and a 74% increase in train usage, reflecting our internal travel policy encouraging lower-emission transport where possible.

→ Commuting & Food (Categories 7 and 1): We conducted our first employee sustainability survey, gathering data on commuting modes and eating habits. With a 59% response rate, we were able to estimate the carbon footprint of meals, commuting, and remote working per office. Employees also received personalized CO_2e emission estimates to raise awareness and inspire climate-friendly behavior.

1. Market based emissions

Funds weighted average carbon intensity (WACI)

We calculate the weighted average carbon intensity (WACI) of each of our funds, weighting the carbon intensities (direct and first-tier indirect emissions) of individual portfolio companies according to their proportion in the fund. To benchmark performance, we compare each fund's carbon intensity against S&P Europe 350, which represents the 350 largest companies in Europe by market capitalization.

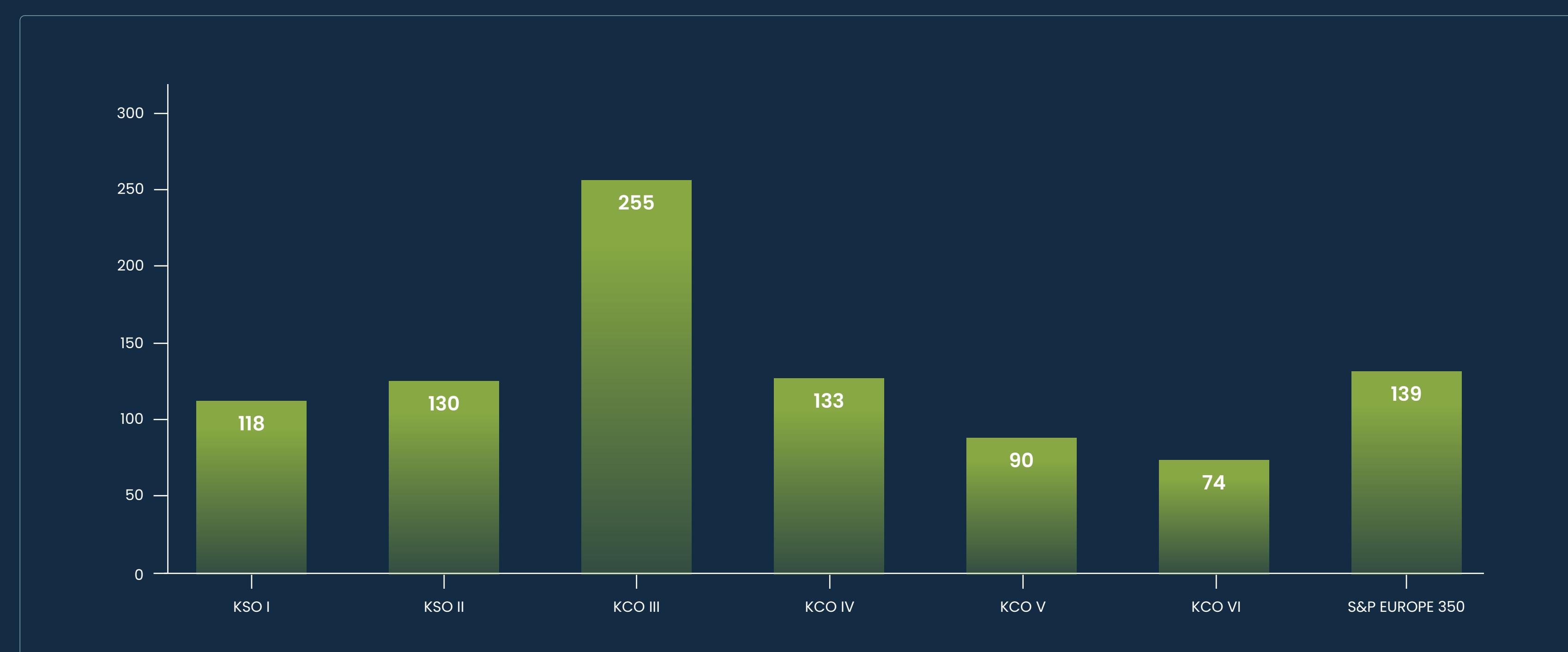
As we prioritize actual emissions data overestimates, this assessment incorporated both reported and modelled emissions. Over the last years, a growing number of portfolio companies have conducted carbon assessments, allowing us to replace proxy data with more accurate, company-disclosed Scope 1 and 2 emissions.

However, due to inconsistencies in Scope 3 calculation methodology and reporting, these emissions remain fully modelled in this WACI analysis.

Companies within our Kartesia Impact Fund (KIF) are excluded from this assessment, as these businesses demonstrate a higher level of sustainability maturity. For impact investments, we require an annual carbon footprint assessment to ensure that sustainability remains at the core of our impact strategy.

This year's analysis revealed that the WACI of all Article 8 funds remained below the benchmark, except for KCO III. Last year this fund was also below the benchmark. As it enters its divestment phase, only one remaining portfolio company was included in the assessment. This company operates in a high emitting industry.

Weighted average carbon intensity per fund (as of Q4 2024 - in tCO_2e per mEUR)



Climate Risks Assessment at Portfolio level

Climate change presents material risks to businesses, both from the physical impacts of extreme weather events and from the policy shifts required for a low-carbon transition. Kartesia is committed to understanding how these risks affect the company and its portfolio companies and has partnered with S&P Global Sustainable[1] to assess both carbon and physical climate risks. This assessment leverages the Unpriced Carbon Cost (UCC) metric and physical risk scores to evaluate potential financial exposure across the funds.

→ Carbon pricing risk

To assess this risk, we analyze the Unpriced Carbon Cost (UCC)- the estimated gap between what companies currently pay for carbon emissions and what they may need to pay under future regulatory scenarios. This allows us to estimate potential earnings at risk across our portfolios.

Carbon pricing is becoming a central tool in global climate policy, with over 50 pricing mechanisms implemented or planned worldwide. As carbon prices rise, companies may face both direct costs (on their own emissions) and indirect costs (passed on from suppliers). The analysis also considers pass-through factors to estimate how much of these costs may be absorbed by portfolio companies.

Across the assessed funds, EBITDA at risk ranged from 1% to 5%. Notably, six portfolio companies show an EBITDA at Risk above 10% under the high carbon price scenario for 2030[1]. It's important to note that this metric is influenced by both expected future carbon costs and company profitability- companies with higher profit margins are generally better positioned to absorb additional costs.

As expected, across the portfolio companies the sectors with the greatest exposure are industrials and consumer discretionary.

This forward-looking analysis relies on a set of simplifying assumptions. Specifically, both company earnings and absolute emissions were held constant to isolate the impact of carbon pricing. This approach does not assess a company's future ability to adapt but rather estimates how well a company could absorb potential future carbon costs if they were incurred today.

Globally, the portfolio presents limited transition risk exposure; however, we continue to monitor these developments closely and engage with higher-risk companies as needed.

1. Carbon pricing exposure and physical climate risks. Refer to Climate section for more details.

→ Physical risk

As part of our ongoing commitment to climate-related risk management and transparency, Kartesia conducted a physical climate risk assessment in collaboration with S&P Global Sustainable1. This analysis evaluated the exposure and potential financial impact of climate-related physical hazards across our portfolio, aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The physical risk analysis is conducted in 10-year increments up to 2090, allowing us to assess potential impacts across short, medium, and long-term horizons.

The assessment covered both acute risks (e.g., tropical cyclones, floods, wildfires) and chronic risks (e.g., extreme heat, drought, water stress), projecting risk levels across four climate scenarios from the 2020s through the 2090s. The two key outputs are:

- Exposure Scores (on a scale of 1-100): Reflecting the relative risk of physical climate hazards at asset locations, independent of the characteristics of the asset at a given location.
- Financial Impact Estimates: Representing potential climate-related losses (e.g., CapEx, OpEx, or business interruption) as a percentage of asset value.

Key findings of the physical risks assessment are the following:

- Across Kartesia's investment strategies, composite exposure scores remained generally below the benchmark (S&P Europe 350). This indicates limited near-term exposure to physical climate hazards at a portfolio level.
- The weighted-average financial impact of physical risks was estimated to be below 2% of asset value across nearly all funds.
- Of the nine climate hazard types assessed- coastal flood, fluvial flood, pluvial flood, extreme heat, extreme cold, tropical cyclone, wildfire, water stress, and drought- the most significant risks across the portfolio were identified as extreme heat, water stress, drought, and pluvial flood. These findings are consistent with broader regional trends and reflect the primary hazards affecting the S&P Europe 350 benchmark.
- When analyzing exposure scores by geography, the results highlight specific hazard concentrations in countries where Kartesia has portfolio exposure:
  - In Spain, Belgium, Italy, Luxembourg, and Germany, water stress is the most significant hazard type.
  - In France, drought is the most pressing concern, followed closely by water stress.
  - In the United Kingdom, the most relevant hazards are fluvial flooding, followed by extreme heat and drought.
  - In the Netherlands, key risks include drought and fluvial flood.

These insights provide valuable inputs for our investment decision-making and long-term risk mitigation efforts. We intend to integrate physical climate risk considerations more systematically into our due diligence process, particularly in carbon-intensive and climate-sensitive sectors. While no material impacts from climate-related issues have been observed to date, we remain proactive in preparing for future risks.

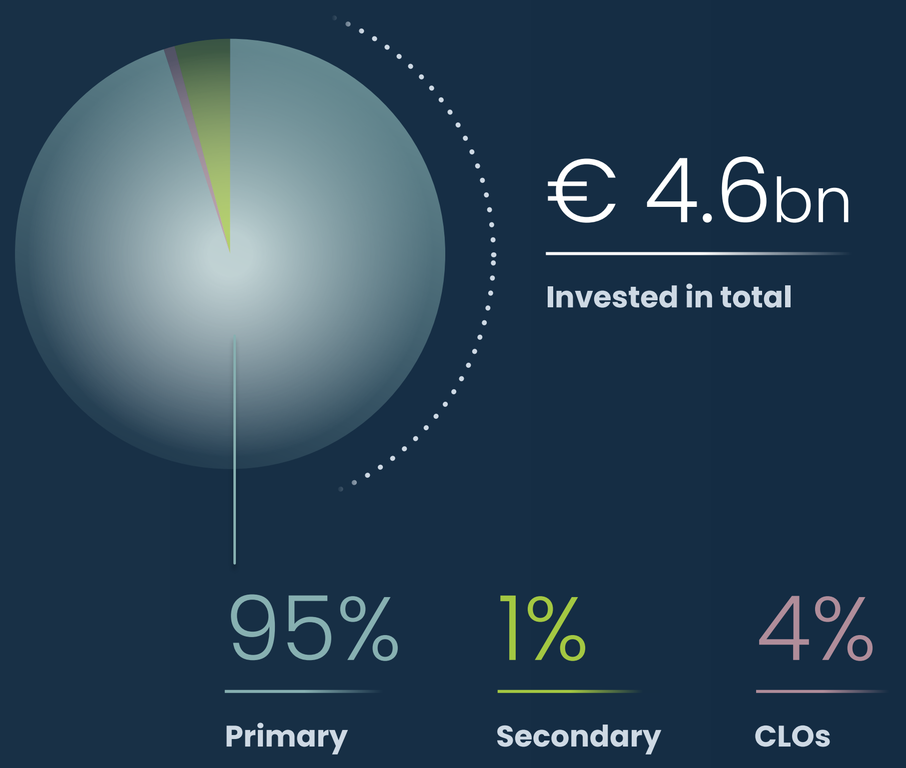
Sustainability performance of our loan portfolio

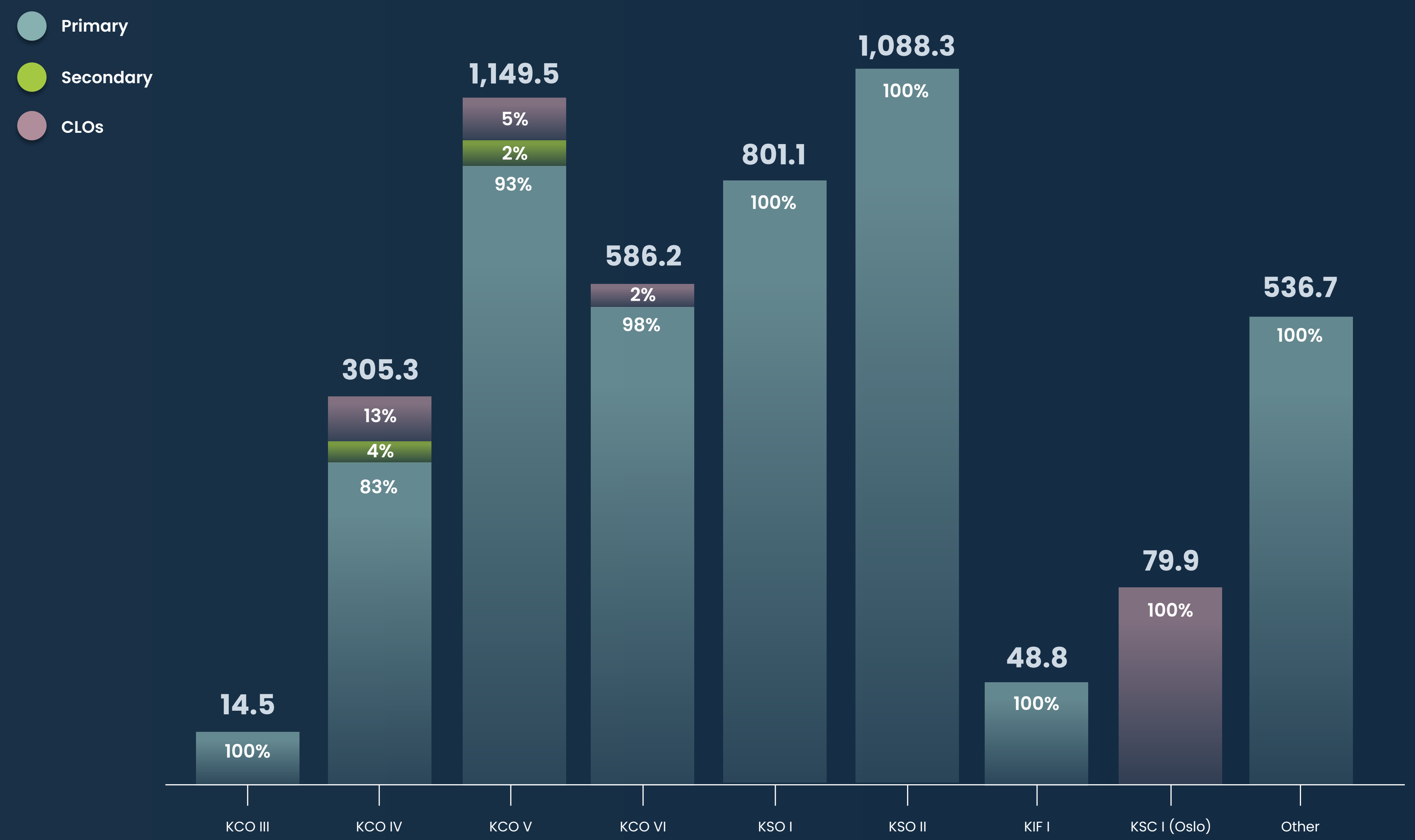
→ Portfolio at a glance

As a leading European provider of capital solutions, Kartesia invests across the full spectrum of the European primary and secondary leverage loan market (senior debt, mezzanine, high yield, and CLO liabilities). Our focus is on the small and mid-cap segment, with seven credit funds and one impact fund under management.

As of December 31st, 2024, we have invested €4.6bn in 86 primary loan deals (including 3 from our impact strategy), 3 secondary loan deals, and 62 CLO vehicles (34 from our KSC I fund dedicated to CLOs).

We have adapted our responsible investment approach for the different types of investments. This helps better assess the ESG performance of portfolio companies and accordingly improve them. We also have targeted ESG tools and KPIs for each of our asset classes.





→ Portfolio ESG Engagement

Active engagement continues to be an integral part of Kartesia's responsible investing strategy. Through active engagement, we believe we can support our portfolio companies in contributing to a better society on a healthier planet. We define ESG engagement in our Stewardship policy that is publicly available on our website.

As of December 31st 2024, we are proud to have engaged with 100% of our loan deals across our KCO and KSO strategies: 87% on environmental topics; 90% on social topics; and 93% on governance topics.

→ **We engage with our portfolio companies on ESG issues on an individual basis on various topics, including company-wide CSR and ESG action plans, climate, DE&I and cybersecurity.**

→ **To further support on the ESG performance of our portfolio, Kartesia sits on the Board of 85% of our investments across KCO and KSO.**

Our engagement policy

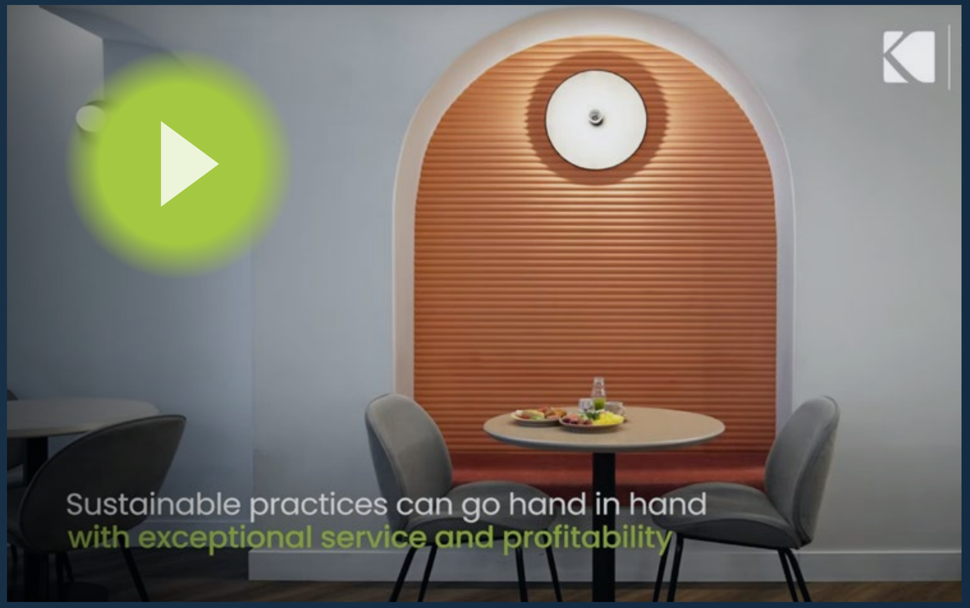
In order to strengthen our engagement initiatives, we have a formalized a Stewardship Policy which is publicly available on our website In this policy, we chose to start promoting long-term engagement on three key conviction topics.

- Energy transition: The main objective of engagement with portfolio companies on this topic is to improve our access to the information we need to effectively assess a company's exposure to climate risks and opportunities.
  It will also encourage carbon footprinting, with specific efforts to improve Scope 3 disclosures, and support alignment with TCFD recommendations.
- Fair working conditions: This topic reflects our commitment to evaluate whether relevant policies, plus human and material resources, are in place in each of our portfolio companies, to ensure the proper prevention, detection of, and response to, unethical practices.
- Business ethics: We place a particular emphasis on the prevention of corrupt business practices and the transparency and fairness of tax practices.
  Our objective is to evaluate whether relevant policies, as well as human and material resources, are in place to prevent and respond to unethical practices, while promoting zero tolerance and a framework for continuous improvement.

CASE STUDY

→ Hotelatelier

In 2024, Kartesia partnered with Hotelatelier, a leading hospitality company, to develop a comprehensive ESG roadmap. This ESG engagement initiative underscores our commitment to integrating sustainability into every facet of Hotelatelier's operations, aligning with Kartesia's overarching ESG objectives. Through this collaboration, we aimed to enhance environmental stewardship, social responsibility, and governance practices within the hospitality sector.



→ Our loan portfolio in numbers

The insights presented below are derived from our annual ESG questionnaire, which incorporates a comprehensive set of ESG Key Performance Indicators and aligns with the Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Impact (PAI) indicators. This process not only supports regulatory compliance but also deepens our understanding of the ESG performance across our portfolio.

Through the annual collection of ESG data and proactive engagement, we aim to foster responsible corporate behavior, mitigate ESG risks, and enhance the long-term sustainability of our portfolio companies.

Governance Metrics

SHARE OF FEMALE BOARD MEMBERS

17.5%	14.3%
KCO	**KSO**

Our Board gender ratios at portfolio level are consistent with the France Invest 2023 Gender Parity Barometer for SMEs : 66% of funds surveyed indicate that the Boards of their portfolio companies comprised of less than 20% women.

Still Board diversity remains a key priority. While KCO currently shows a slightly higher percentage of female board representation, we are committed to driving further progress. Through our ESG engagement efforts, we actively encourage portfolio companies to strengthen diversity and inclusion initiatives at leadership levels.

INDEPENDENT BOARD MEMBERS

56%	48%
KCO	**KSO**

Independence at the board level is essential for promoting accountability and robust decision-making. We continue to work closely with portfolio companies to promote the adoption of strong governance frameworks, including the appointment of independent directors.

CODE OF ETHICS ADOPTION

76%	91%
KCO	**KSO**

The existence of a formal Code of Ethics is a key indicator of responsible corporate conduct. We work actively with portfolio companies to develop and operationalize codes of ethics that reflect best practices in governance and integrity.

Social Metrics

TRAINING AND DEVELOPMENT PROGRAMS

83%	87%
KCO	**KSO**

A strong commitment to employee development is evident across both strategies. We support portfolio companies in expanding training and development initiatives to foster skills growth and ensure long-term resilience.

EMPLOYEE TURNOVER

20%	20%
KCO	**KSO**

Employee turnover rates are relatively stable across both strategies, yet remain marginally higher than the European overall average. According to data compiled by Cedefop (an EU agency) from Eurostat, the average employee turnover rate across sectors in Europe typically ranges from about 10% to 18% annually and is highly industry dependent.

We continue to engage with portfolio companies to enhance employee engagement, improve workplace satisfaction, and build resilient organizational cultures.

Environmental Metrics

CARBON REDUCTION INITIATIVES

67%	88%
KCO	**KSO**

CARBON FOOTPRINT ASSESSMENTS (OVER THE PAST THREE YEARS)

50%	64%
KCO	**KSO**

Conducting carbon footprint assessments and setting up reduction initiatives is fundamental to managing environmental impacts. We continue to encourage and support portfolio companies in conducting regular assessments and using the findings to inform strategic action plans. Through our engagement initiatives, we aim to raise awareness on the importance of conducting a carbon footprint assessment and implement effective environmental management practices to transition toward lower-carbon operations.

→ Contribution to the UN SDGs through our corporate loans[1]

The SDGs represent a vital and globally recognized framework for addressing the world's most pressing challenges. Achieving these goals demands coordinated efforts from governments, businesses, and investors to unlock between $5 trillion and $7 trillion in annual investments needed to drive progress by 2030.

As a loan provider, we at Kartesia recognise our responsibility in this matter. Beyond the quantitative insights derived from our ESG questionnaire, we therefore aim to showcase how our portfolio companies contribute to advancing the SDGs.

Kartesia recognizes the importance of addressing SDG analyses with awareness of potential pitfalls and has therefore adopted a recognized methodology to ensure a robust and reliable approach.

Our loan portfolio SDG alignment

To assess the impact of our loan portfolio on the SDGs, Kartesia aligns with the Sustainable Development Investment (SDI) taxonomy[2]. The SDI Asset Owner Platform (SDI-AOP) is an investor-led initiative designed to help identify Sustainable Development Investments (SDIs) by categorizing businesses based on the percentage of their revenue aligned with the SDGs. The mission of the SDI-AOP is to accelerate investment in sustainable development, thereby driving progress toward the SDGs while supporting long-term investment outcomes for end beneficiaries.

Defining a clear and standardized approach to SDG-aligned investing remains a challenge for businesses and investors alike. The SDI Asset Owner Platform addresses this by offering a rigorous and transparent taxonomy that provides a structured, standardized, and open-source framework for sustainable investment decisions. The SDI Taxonomy offers guiding principles and a structured methodology to assess both the positive and negative contributions of portfolio companies to the SDGs.

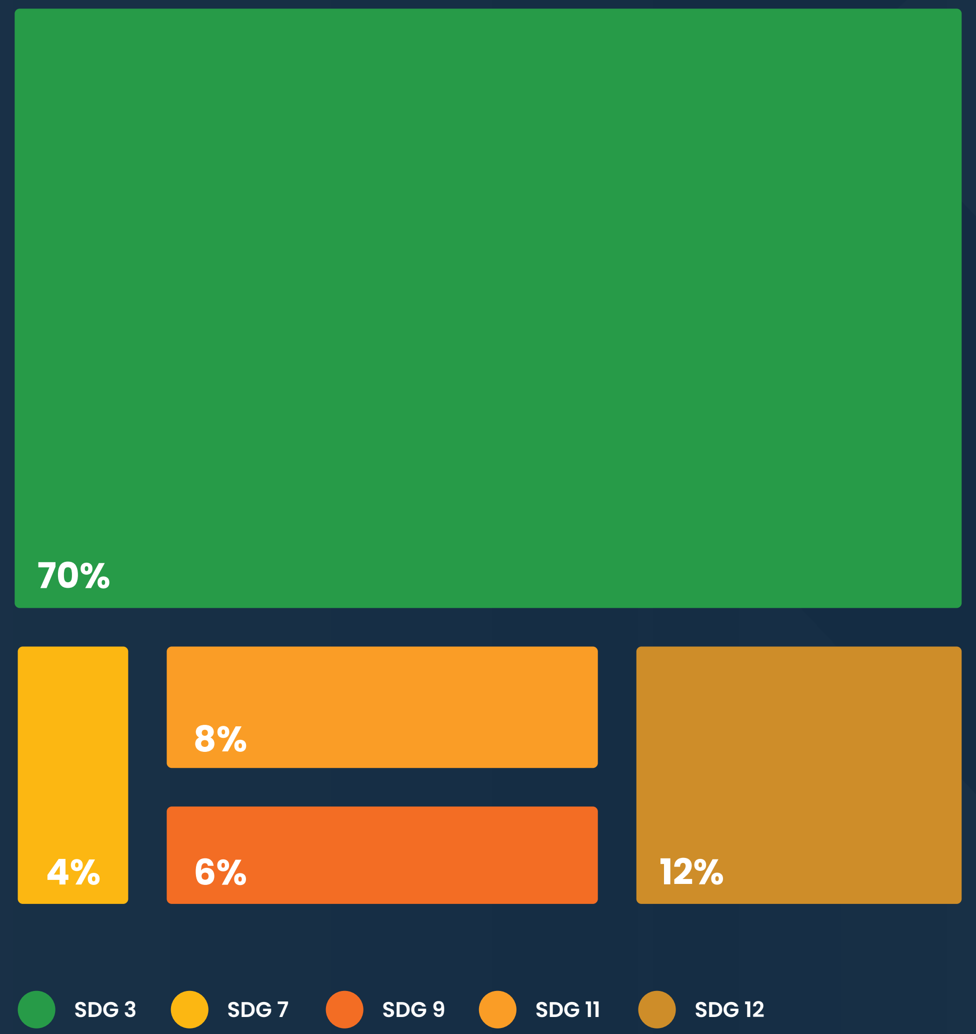
In 2024, our investments contributed €807 million to the SDGs, accounting for 21% of our total invested capital. The distribution of our contributions across various SDGs is depicted in the graph below.

A significant portion of our contribution comes from companies operating in the healthcare sector, with approximately 70% of our SDG-aligned invested capital supporting the targets of SDG 3 "Good health and wellbeing". Additionally, 12% is aligned with SDG 12 "Responsible Consumption and Production", mainly through our investment in Eco Wipes. SDGs 7 "Affordable and Clean Energy", SDG 9 "Industry, Innovation and Infrastructure", and SDG 11 "Sustainable Cities and Communities" each account for between 4% and 8%. These contributions stem from investments in companies such as Jecture (SDG 3), Phitaal (previously Intergrin) (SDG 3), Green Mobility (SDG 11) and Excom (SDG 9) as detailed in some of the case studies section below.

1. The United Nations Sustainable Development Goals (SDGs) serve as a guiding framework for our sustainability strategy. However, we acknowledge that our initiatives are not intended to represent direct contributions to the official UN-defined targets.
2. SDI AOP Taxonomy
3. SDI AOP Taxonomy, Kartesia portfolio data, Indefi analyses

Distribution of SDI-aligned investments by UN SDG, as of 31 December 2024[3]

The SDI Taxonomy is built on principles of transparency, which Kartesia upholds in communicating both positive and negative contributions. In our loan portfolio, 1% of the invested amount has a negative impact on UN SDG 7 and SDG 12. This is due to two portfolio companies serving clients in the Oil & Gas industry and one company generating revenue from disposable plastic products.



Case studies: how our portfolio contributes to the SDGs

Based on these results, we decided to deep-dive on a series of case studies to assess and demonstrate how our portfolio companies contribute to SDGs.

CASE STUDY 1

→ Excom

Company Overview

Excom is a Spanish telecommunications operator that provides broadband, mobile, and telephony services across a wide range of territories — from urban centers to rural and underserved areas. While the company operates at a national level, it maintains a strong commitment to bridging the digital divide in small towns and remote regions, ensuring that no community is left behind in the digital transition. Through fibre optics, WiMAX, mobile, and landline technologies, Excom enables digital inclusion, supports local SMEs, and fosters social and economic development.

Key SDG Contributions and metrics

Excom plays a vital role in promoting inclusive digital development by combining technological deployment with social engagement.

- SDG 9, target 9.1: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Deployed optic fiber infrastructure and mobile connectivity across diverse geographies, including rural and hard-to-reach communities
- Offers affordable internet packages, including additional mobile lines for just €6
- Connects over 180,000 clients, 35% of whom live in rural areas
- Invested €3 million in rural connectivity infrastructure in 2024

CASE STUDY 2

→ Phitaal (previously Intergrin)

Company Overview

Intergrin, which since October 2024 rebranded into Phitaal, is a Dutch mental healthcare provider that supports individuals dealing with a combination of mental and physical (pain) complaints. Phitaal focuses on helping people regain balance in their lives through personalized and effective treatments. The provided healthcare services include support for a.o. anxiety disorders, depression, stress management, chronic pain, and trauma.

Key SDG Contributions and metrics

By offering specialized care for non-communicable diseases (NCDs) and promoting mental health and well-being, Intergrin contributes to SDG 3.4.

SDG 3, target 3.4: reducing mortality from non-communicable diseases and improving mental health care

- Share of SDG-aligned revenues: 100%
- Operates 10 treatment centers in the Netherlands
- Received an 8.9/10 satisfaction rating in 2024 from clients under the anonymous and independent Dutch Patients Federation

CASE STUDY 3

→ Green Mobility

Company Overview
Green Mobility Holding facilitates cost-efficient access to (e-)bikes for leading companies and their employees through direct-to-consumer platforms, advanced processes, and last-mile service solutions.

Key SDG Contributions and metrics
By promoting e-bike adoption in corporate fleets, the company supports the deployment of sustainable transport systems.

SDG 11, target 11.2: Safe, affordable, and sustainable transport systems for all

- Promotes sustainable mobility through corporate e-bike solutions
- Encourages corporate sustainability initiatives for greener urban mobility
- Deployed c.59k bikes in Germany and Austria in 2024

CASE STUDY 4

→ Jecture

Company Overview
Jecture specializes in the manufacturing of cannulas and cannula systems, which are essential for injections, infusions, and biopsies. By providing high-quality medical devices, the company plays a crucial role in improving healthcare delivery and patient care.

Key SDG Contributions and metrics
Jecture contributes to SDG 3.8 by supporting access to safe, effective, and high-quality medical procedures, ultimately enhancing the efficiency and reliability of healthcare systems.

SDG 3, target 3.8: Achieve universal health coverage, access to quality essential health-care services and access to safe, effective, quality and affordable

- Supplies high-quality cannulas and cannula systems for medical procedures
- Supports safe and effective patient treatment through precision medical technology
- Certified ISO 13485 for its quality management systems

→ Sustainability within our Firm

Kartesia is committed to integrating responsible and sustainable practices at both the portfolio and management company levels. At the management company level, using the SDGs as a guiding framework enables us to identify and implement initiatives that drive progress in key areas, including employee well-being, environmental impact management, and corporate governance. The goal is to align with major sustainability challenges to ensure actions are both meaningful and effective.

Our people, our value

Our success is driven by the satisfaction, knowledge, expertise, and dedication of our team. That's why we strategically invest in training and development, as well as DE&I.

We have a formalized Staff Training and Development policy. By encouraging continuous learning and development, we help to ensure that all our employees have access to training opportunities that enhance their skills and contribute to a more diverse and talented workforce. We are committed to ensuring that 100% of our colleagues benefit from comprehensive training opportunities. Some training programs are mandatory, reflecting our business environment and its regulatory framework. Additionally, we offer a variety of other training and learning opportunities, including soft skills development, degree programs, and more technical training. To ensure these opportunities meet the needs and expectations of our employees, discussions are held twice a year between each employee and their line manager. These discussions are then actioned with the support of the HR department.

As part of our CSR strategy, we ensure our employees—particularly investment teams—undergo ESG investment training through the CANDRIAM Academy, ESG CFA or internal trainings, and participate in initiatives that promote diversity, equity, inclusion, and philanthropy.

Additionally, we have a Diversity, Equity and Inclusion task force actively involving 6 team members, including the Head of HR and the Head of Sustainability. Our internal Diversity, Equity, and Inclusion Taskforce is actively involved in fostering a diverse and inclusive workplace. We have been working on various initiatives to ensure a more inclusive and supportive work environment. These include the successful completion of DE&I training for our senior management team which reinforced our commitment to creating a culture that values diversity and equality. We have an equal pay policy that extends to our maternity and paternity leave, ensuring that no employees face financial setbacks while growing their families and we adhere to guidelines that ensure equal opportunities within our talent acquisition processes. As a result of these efforts, our firm proudly employs individuals from 25 different nationalities and 42% of our colleagues are female collaborators.

In 2024, Kartesia became a member of the ELFA AI and DE&I Committees. That same year, we launched a new Unconscious Bias Training, which was completed by 100% of our staff.

In 2025, Our colleague Ana Garcia Vivancos appointed co-chair of the ELFA DE&I Committee.

To further strengthen employee engagement and gain deeper insights into their experiences, Kartesia gathered staff testimonials and compiled them into a series of videos under the hashtag BeyondTheOrdinary, which can be viewed here:

By taking the following SDG targets into account, we are reinforcing our commitment to responsible and sustainable growth.

1
DE&I taskforce

25
different nationalities

42%
female collaborators

100%
colleagues following Unconscious Bias Training

PART.1 KARTESIA AT A GLANCE
PART.2 KARTESIA ESG REPORT
PART.3 KARTESIA IMPACT REPORT
PART.4 FLEXAM
PART.5 KARTESIA PHILANTHROPY

SDG 5.1
End all forms of discrimination against all women and girls everywhere

SDG 5.5
Ensure women's full and effective participation and equal opportunities for leadership at all levels [...]

INITIATIVES

- → **Member of the ELFA AI & D&I committees since 2024** (NEW)
- → **Kartesia DE&I Task Force**

INDICATORS

42% — of female employees

20% — of women at executive level

SDG 8.5
Achieve full and productive employment and decent work for all women and men [...]

SDG 8.6
Substantially reduce the proportion of youth not in employment [...]

INITIATIVES

- → **Kartesia DE&I Task Force**
- → **Access to weekly sport classes** (NEW)

INDICATORS

25 — new joiners representing 30% organic growth in 2024

100% — of new joiners attending the Get Acquainted with Kartesia welcome day

100% — of employees having access to weekly sport classes

SDG 10.2
Empower and promote the social, economic and political inclusion of all [...]

SDG 10.3
Ensure equal opportunity and reduce inequalities of outcome [...]

INITIATIVES

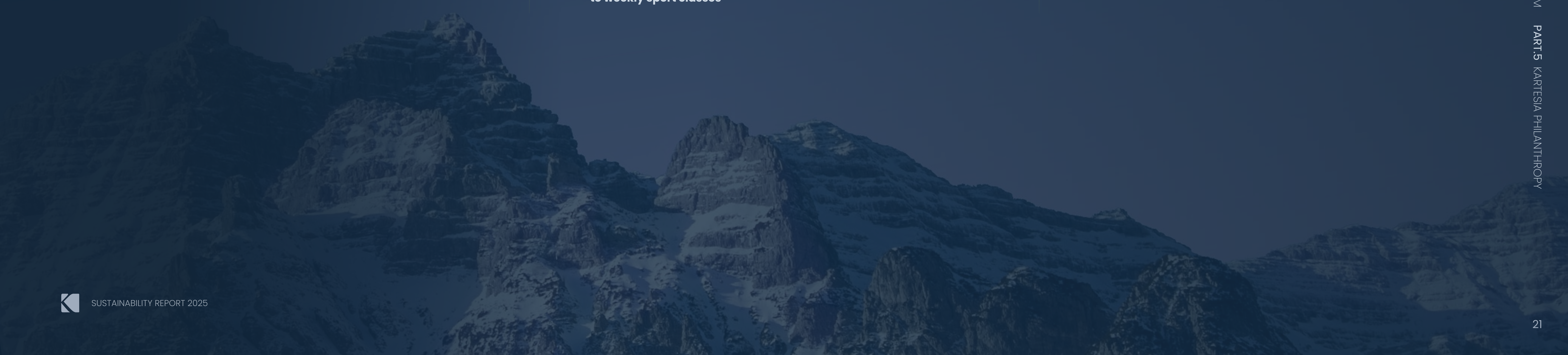
- → **Unconscious Bias training** (NEW)
- → **Kartesia DE&I Task Force**
- → **Staff Training and Development policy**
- → **#BeyondTheOrdinary video series**

INDICATORS

25 — nationalities

27 — languages spoken

100% — of staff receiving Unconscious Bias training in 2024



Managing our environmental impact

We recognize the environmental impact of our operations and have made climate action a key priority. As detailed in the Climate section of this report, Kartesia implemented Carbometrix, a climate solution provider and tool designed to enhance climate data and actions at both company and portfolio levels.

Additionally, initiatives like Kartesia Going Green and our partnership with SYLVO help reducing our environmental footprint through eco-friendly practices such as energy savings, waste recycling and carbon compensation initiatives.

We specifically use SDG 12 and SDG 13 to guide our actions and initiatives for responsible consumption.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG 12.5
Substantially reduce waste generation through prevention, reduction, recycling and reuse

INITIATIVES

- **Kartesia Going Green Initiative**
- **Collaboration with non-profits to recycle smartphones**
- **Collaboration with non-profits to recycle hardware and furniture**

INDICATORS

100%
of offices equipped with recycling equipment

50+
computers, 20+ smartphones and few IT networking equipment's or accessories collected in 2024 across offices for donation in 2025

13 CLIMATE ACTION

SDG 13.2
Integrate climate change measures into [...] strategies and planning

SDG 13.3
Improve education, awareness-raising [...] on climate change mitigation, adaptation, impact reduction and early warning

INITIATIVES

- **Carbometrix tool implementation** (NEW)
- **Kartesia Going Green Initiative**
- **SYLVO Partnership**

INDICATORS

2
reforestation projects financed with SYLVO

5/8
Kartesia offices now operate on 100% renewable electricity tariffs or Guarantees of Origin (GoOs)

Please refer to our Climate section for more details.

Kartesia Going Green Initiative

While emissions from our direct operations are significantly lower than those linked to investments, we remain committed to managing and mitigating our internal footprint. This includes emissions from Scopes 1 and 2, as well as Scope 3 categories relevant to Kartesia's management activities.

Our Scope 2 emissions decreased by 24% (market-based) compared to last year, highlighting the success of our internal environmental initiatives.

Through the Kartesia Going Green program, we continue to promote eco-friendly office practices- from energy and water conservation to waste reduction. While we operate from leased buildings, our local office managers actively collaborate with landlords to enhance building sustainability.

Four out of our eight offices have sustainability certifications, reinforcing our commitment to greener workspaces:

- Amsterdam – BREEAM certified
- Luxembourg – Score A in CPE Certificate
- Madrid – LEED Gold Award, ISO 14001:2015 Certificate
- Munich – DGNB Gold Certificate

Additionally, five out of eight Kartesia offices (Brussels, Amsterdam, Luxembourg, Madrid, and Milan) now operate on 100% renewable electricity tariffs or Guarantees of Origin (GoOs), ensuring that their consumption is matched by renewable energy generation.

Kartesia & Sylvo

For 3 years, Kartesia has been collaborating with SYLVO on Low Carbon labelled projects in France. SYLVO is a union of 3 forestry cooperatives (CFBL, Forêt d'Ici, UNISYLVA) whose territory extends over 2/3 of France. They bring together 38,000 forest owners from different regions and cultures, representing a forest area of more than 700,000 hectares managed sustainably. They plant 4.5 million plants annually and are thus a major player in reforestation in France. Each year, Kartesia finances a (re)forestation project equivalent to its annual carbon footprint.

→ Digitalisation and Cybersecurity

Our business involves handling large volumes of sensitive data and leveraging various specialized software tools to facilitate the fast-paced activity of our investments. Therefore, we are continuously enhancing the security of our environment, safeguarding our data, and ensuring the continuity of our operations. Additionally, we assess our corporate and business tools with each dedicated team to ensure their efficiency and the coherence of our entire IT ecosystem.

We established our cyber defense strategy over three pillars: the robustness of the infrastructure at every location; the security of all endpoint devices; and the training and awareness of the users.

These efforts are essential to maintaining operational continuity and security - reflected in SDG 16.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16.5
Substantially reduce corruption and bribery in all their forms.

SDG 16.6
Develop effective, accountable and transparent institutions at all levels

INITIATIVES

- → **Yearly penetration test audit**
- → **Remote monitoring and real-time anti-vulnerability platforms**
- → **Monthly controlling reports and immediate alert notifications**
- → **MFA, SSO, and Conditional Access policies**
- → **Cybersecurity training**
- → **Phishing tests and remediation trainings**
- → **Security and business continuity / disaster recovery policies reviewed and tested yearly**
- → **Unified set of backup solutions with strict schedule**

INDICATORS

100%
of colleagues trained in cybersecurity awareness

100%
of laptops scanned daily

0
identified data loss

4
phishing test campaigns with an average phish-prone below industry benchmark by 10%

0
successful cybersecurity attack

→ Industry Engagement

As a financial company, we have a responsibility to promote policies and industry action to advance sustainable development.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16.B
Promote and enforce non-discriminatory laws and policies for sustainable development

INITIATIVES

- → **Signature to the UN Principles for Responsible Investment (PRI) since 2014**
- → **Member of ELFA CLO and ESG Committees since 2022**
- → **Member of France Invest since 2023**
- → **Member of Global Impact Investing Initiative (GIIN) since 2024**
- → **Member of the ELFA AI & DE&I committees since 2024**

PART. 3

Kartesia impact report

Foreword

Kamil Kapasi
Director and Deal Team Lead
for our impact strategy, Kartesia

At Kartesia, our mission is to provide flexible and innovative credit solutions that deliver value not only to our investors but also to society at large. With the Kartesia Impact Fund (KIF), we've combined our private debt expertise with Candriam's leading ESG capabilities. The fact that impact remains underserved in private debt — particularly in the lower mid-market — was the very genesis of the fund. We saw a clear opportunity to fill this gap by directing capital toward companies where we can drive both strong financial performance and meaningful societal value.

We recognize that many lower mid-market companies lack dedicated ESG resources or structured sustainability frameworks. Through KIF, we're equipping these businesses with the tools and support to build more sustainable, inclusive, and resilient models. Whether it's advancing workforce diversity, enabling circular economy practices, or fostering healthier communities, our focus is on creating lasting value for both our companies and society.

This is just the beginning of the KIF journey, and we are excited by the early results.

Pauline Descheemaeker
Senior Impact Specialist, Candriam

At Candriam, we've always believed that integrating environmental, social, and governance factors is essential for long-term, sustainable financial returns. That's why we partnered with Kartesia to create KIF—a fund that goes beyond simply managing ESG risks. The Fund actively seeks to invest in companies that directly and positively contribute to the global Sustainable Development Goals (SDGs).

Our approach is rooted in rigorous ESG analysis, drawing on Candriam's decades of experience in responsible investing. By leveraging this expertise, we are helping mid-market companies within the KIF portfolio to align their operations with key sustainability objectives.

In this first Impact Report, we are proud to showcase the initial outcomes of this collaboration. As we continue on this journey, our goal remains steadfast: to drive measurable impact and support companies in their transition toward a more sustainable future.

Our Investment Strategy / Our Ambitions

Driving Impact, Delivering Returns

At Kartesia, we believe impact investing is a powerful tool to tackle pressing social and environmental challenges while generating strong financial performance. Our approach goes beyond capital—it's about enabling companies to achieve both financial success and meaningful, measurable impact that aligns with the GIIN definition of Impact. As a proud GIIN Member, Kartesia is committed to upholding the highest standards in impact investing.

We are dedicated to driving positive change across environmental and social dimensions, in line with the Sustainable Development Goals (SDGs) defined by the United Nations. On the environmental front, our efforts focus on reducing carbon emissions, advancing circular economy practices, and preserving biodiversity to safeguard ecosystems. We champion responsible resource management, waste reduction, and water conservation — all essential to building a more sustainable and resilient future.

On the social side, we invest in people. By enhancing skills and employability, promoting safe and healthy lifestyles, and advancing diversity, equity, and inclusion, we aim to create opportunities that empower communities. We are equally committed to upholding human rights, ensuring fair labour practices, and fostering long-term community development.

Investing for a Sustainable Future

The Kartesia Impact Fund is an Article 9 fund that targets investments in growing SMEs driving the Sustainable Development Goals (SDGs) through the majority of their economic activities. We actively support businesses transitioning toward more impactful and sustainable models, through the two broad sustainability objectives of a "better society" and a "healthier planet".

Beyond impact alignment, our investments meet three essential criteria:

- They do no significant harm to environmental or social objectives.
- They adhere to strong governance standards and responsible business practices.
- They provide the data to monitor and report the defined impact KPIs and mandatory SFDR PAI indicators, reinforcing our commitment to transparency and measurable impact.

→ Our Impact Advisory Committee

→ **Vincent Compiègne**
Head of ESG Investments & Research at Candriam

→ **Wim Van Hyfte**
Global Head of ESG Investments & Research at Candriam

→ **Ella Etienne-Denoy**
Head of ESG, Continental Europe at CBRE

→ **Cécile Rousseau**
Director at Comply & Market

→ **Coralie De Maesschalck**
Partner, Head of Sustainability at Kartesia

Kartesia's independent Impact Advisory Committee was formed in 2022. The Committee adds further rigor to the asset and KPI selection process on each new investment opportunity of key sustainability and sectoral considerations. Members meet on a regular basis to review the pipeline, as well as on an ad-hoc basis, when new deals are in the final phase of due diligence.

The Committee is composed of four members and one observer. The four members are two senior managers at CANDRIAM and two independent external experts with expertise from decarbonizing real estate and chemical engineers focused on supply chains and recyclability of materials.

About Candriam:

Candriam is a global multi-specialist asset manager and a recognized pioneer and leader in sustainable investment. For more than 25 years, Candriam has offered innovative and diversified investment solutions across many asset classes including fixed income, equities, absolute return, asset allocation and illiquid assets.

Candriam's mandate in its partnership with Kartesia is to conduct the ESG due diligence for the Impact Fund investment opportunities, using Candriam's proprietary ESG methodology.

Through Candriam, we ensure the following advantages:

- Complete independence of the ESG teams
- Strong sectoral expertise

Candriam also supports Kartesia in setting up the ESG improvement plan of each Impact Fund investment.

Our Impact in Numbers / Key Figures

HIGHLIGHTS

5
investments[1]

>3,300
employees across portfolio[2]

100%
Carbon Footprint & reduction plan[1]

€104M
invested[1]

>22,500
beneficiaries across portfolio[3]

100%
Impact / ESG improvement plan over 5 years[1]

Consolidated Contribution to the SDGs[1]

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

1. Including our deal of Q1 2025 Eden Futures and our exited deal RCI
2. Excluded our exited deal RCI
3. Students for UCAM, patients for Eden Futures, beneficiaries for Delivery Associates (excluded our exited deal RCI and our deal Cumbria as no social objective)

OUR PORTFOLIO

COMPANY	INDUSTRY	COUNTRY	IMPACT THEME	SDGS
UCAM Universidad Católica de Murcia	Education	Spain	Better Society	4, 10
Delivery Associates	Impact Consulting	United Kingdom	Healthier Planet	6, 13, 3, 4
Cumbria Waste Group	Waste Management	United Kingdom	Better Society Healthier Planet	12, 13, 15
Eden Futures	Social Care	United Kingdom	Better Society	3, 8, 10

EXITED

COMPANY	INDUSTRY	COUNTRY	IMPACT THEME	SDGS
RCI (Respect • Courage • Innovation)	Social Care	United Kingdom	Better Society	3, 10

Intentionality

→ Our Themes / SDGs

We invest in companies that directly contribute to the UN Sustainable Development Goals (SDGs) while supporting their transition toward more impactful and sustainable practices. Our mission is to foster a better society on a healthier planet—ensuring long-term value creation for both people and the environment.

Building a Better Society:

KIF promotes equal access to opportunities for all by focusing on:

- Enhancing skills and employability
- Promoting safe and healthy lifestyles
- Encouraging diversity, equity, and inclusion

These efforts align with four key Social SDGs:

- **SDG 3:** Good Health & Well-being – Ensuring healthy lives and promoting well-being for all.
- **SDG 4:** Quality Education – Providing inclusive and equitable education for lifelong learning.
- **SDG 8:** Decent Work & Economic Growth – Supporting sustainable employment and fair labor practices.
- **SDG 10:** Reduced Inequalities – Reducing social and economic disparities.

Protecting a Healthier Planet:

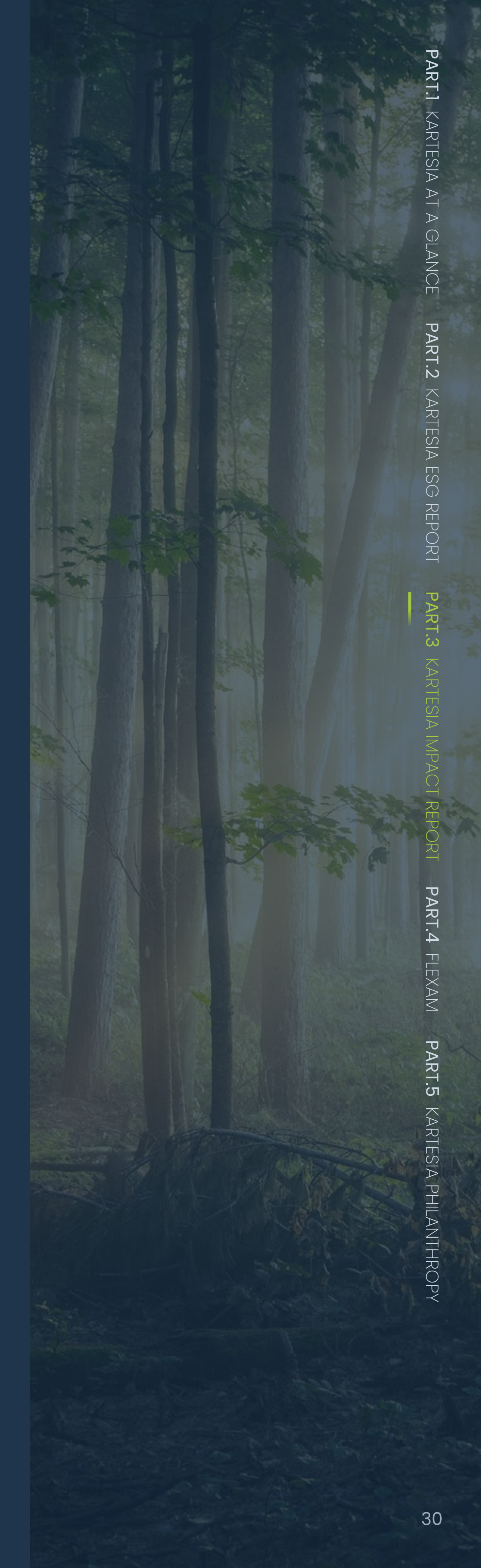
KIF drives environmental impact by enabling efficient and sustainable use of natural resources through:

- Accelerating the low-carbon transition
- Advancing the circular economy
- Improving air and water quality

These efforts align with seven key Environmental SDGs:

- **SDG 6:** Clean Water & Sanitation – Ensuring sustainable water and sanitation management.
- **SDG 7:** Affordable & Clean Energy – Expanding access to renewable and sustainable energy.
- **SDG 11:** Sustainable Cities & Communities – Creating resilient and eco-friendly urban spaces.
- **SDG 12:** Responsible Consumption & Production – Encouraging sustainable production and waste reduction.
- **SDG 13:** Climate Action – Combatting climate change through impactful solutions.
- **SDG 14:** Life Below Water – Protecting marine ecosystems and biodiversity.
- **SDG 15:** Life on Land – Safeguarding forests, land, and biodiversity.

Through targeted investments, KIF channels capital into companies that align with these 11 priority SDGs, ensuring measurable and lasting impact. Our goal is clear: financing businesses that drive both financial returns and meaningful, systemic change.



→ Theory of Change

Guided by its Theory of Change, KIF aims to achieve positive social and environmental impact alongside financial returns by investing in private debt. KIF targets companies that provide solutions to urgent global issues, driving meaningful and sustainable change in the sectors they operate in.

How we aim to achieve this:

Inputs	Expertise & knowledge: Deep market insight from Kartesia's experienced private debt team (50+ ESG and investment professionals) and Candriam's ESG specialists (25 professionals).
Activities	Sourcing & screening: Identify and assess potential investments based on financial viability, ESG alignment, and potential positive impact. A total of 125+ opportunities evaluated for potential investments since inception. Due Diligence & investment decision: Assess the risks, return potential, and positive impacts of the investment, ensuring alignment with KIF's social and environmental goals. Engagement: Work with portfolio companies to strengthen their ESG strategies, promote sustainable practices, and ensure they meet the agreed-upon impact goals. Monitoring & reporting: Track the social, environmental, and financial performance of investments, while regularly updating investors on outcomes and progress against KPIs.
Output	Investments in 5 Impact-Driven Companies: Capital invested in private companies with clear potential for positive social or environmental change. €104 M Invested: Total amount invested in impact-driven companies. 100% of Portfolio Companies with an Impact Trajectory: All portfolio companies have a clear roadmap toward achieving measurable impact. Impact indicators monitored[1]: 10 ESG and impact metrics to track positive social and environmental contributions (margin ratchet KPIs). ESG indicators monitored[2]: 40 ESG criteria tracked to ensure alignment with sustainability goals.
Outcomes	Catalyst for growth: Actively support portfolio companies in scaling their operations and strengthening their foundations for long-term growth. We provide strategic guidance and capital flexibility to help them reach their next stage of development. Enhanced positive impact: Strive to increase the positive impact of portfolio company activities by embedding ESG into their core strategy. This includes the implementation of two impact KPIs linked to the margin ratchet, as well as ongoing support in managing ESG risks and opportunities. Market transformation: Influence the broader market by demonstrating the value of integrating ESG considerations into private debt investing, setting a benchmark for responsible investment practices.
Long-term Impact	Contribution to the SDGs: Support the achievement of key SDGs. Social Impact: Promote access to education, ensure quality healthcare, empower vulnerable communities, etc. Environmental Impact: Reduce carbon emissions, reduce waste, promote the circular economy, etc.

1. 2 per transaction.
2. 8 per transaction.

→ Impact Investment Process

1 — Preliminary Screening: Identifying High-Impact Opportunities

- Business activity description
- Potential direct impact and SDGs contribution
- Do No Significant Harm (DNSH) Verification
- Compliance with exclusion & norm-Based Policies
- Impact/ESG strengths and weaknesses
- Due Diligence focus areas

2 — Investment Analysis

At this stage, four main elements are prepared to assess the investment's impact and ESG profile:

1 • **Impact and SDGs analysis:** Evaluate the company's positive contributions to SDGs using the Impact Management Norms Framework (What, Who, How, Contribution, Risk).

2 • **ESG Due Diligence (Candriam's ESG Analysis Model):** Assess the company's sustainable performance, identifying ESG risks and opportunities that could affect investment.

3 • **Improvement plan and Impact target definition:**
- **Impact/ESG Action Plan:** Define an actionable plan tailored to the company's activities and maturity level in addressing ESG issues. This plan will be closely monitored throughout the investment's life.
- **Margin rachet KPIs:** Include two key impact targets (aligned with the company's ESG objectives) in the term sheet, linking them to the financial incentive mechanism («margin ratchet down mechanism»).

4 • **Carbon footprint assessment:** A third-party expert conducts a carbon footprint analysis (Scope 1, 2, and 3) and defines a reduction plan. The assessment follows the Greenhouse Gas Protocol and is reviewed annually.

3 — Operational Monitoring

Kartesia rigorously monitors its investments throughout the holding period to ensure the implementation of the Impact/ESG Improvement Plan. The goal is to support investee companies in realizing their ESG potential through a collaborative, hands-on approach.

Kartesia's monitoring framework involves:

- ESG best practice support: Offering guidance and resources to investee companies to implement ESG best practices.
- Partnerships for ESG improvement: Encouraging investee companies to leverage Kartesia's platform and third-party expertise to drive sustainable change.
- Impact-driven collaboration: Collaborating closely with portfolio companies to establish a credible roadmap for improving ESG profiles, addressing risks, enhancing long-term resilience, and increasing shareholder value.
- Continuous ESG evolution: Kartesia's supports companies in refining their ESG strategies, ensuring they align with industry best practices and contribute to both financial and societal value.

Additionality

→ Support companies' growth strategy

Kartesia has a strong track record of driving international growth by providing strategic support and tailored financing solutions, enabling companies and shareholders to enhance and accelerate value creation. Kartesia's partnership approach and commitment to sustainability make it an ideal partner for companies to embark on their next phase of growth.

→ Improve Sustainability Performance

In the context of the Kartesia Impact Fund (KIF), our additionality as impact investors is driven by our ability to leverage both deep sector expertise and the robust capabilities of our partner, Candriam. Through our joint efforts, we not only contribute capital but also actively support the development and enhancement of sustainability profiles for our portfolio companies. This goes beyond mere financial backing to include the integration of impact-driven strategies at every stage of the investment process.

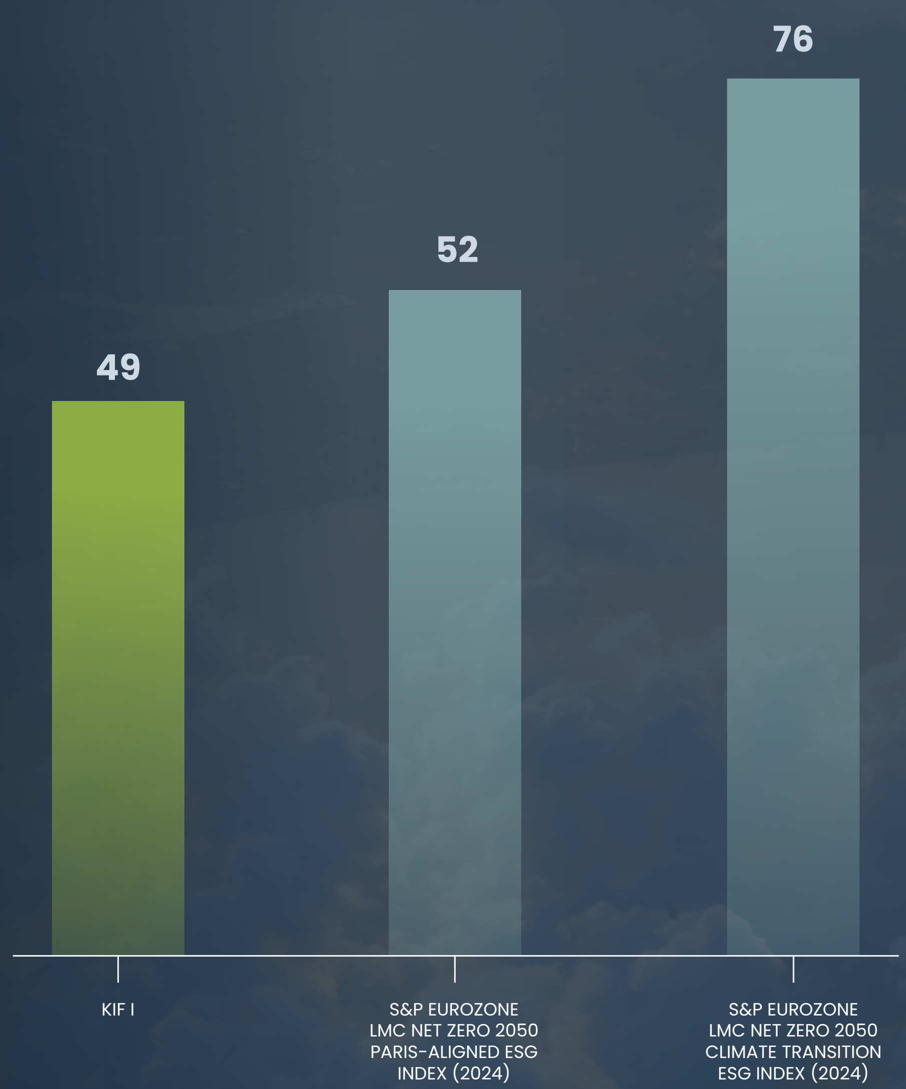
Candriam's strong ESG/impact expertise, backed by its large team of dedicated ESG professionals, provides KIF with invaluable insights and actionable guidance. This partnership ensures that we are well-positioned to identify and implement best practices across sectors, helping portfolio companies to improve their environmental and social impact while simultaneously enhancing their financial performance. Additionally, Candriam's involvement allows us to benchmark performance, establish tailored sustainability metrics, and ensure continuous alignment with global standards and evolving regulation.

Our collaborative approach allows KIF to not only meet but exceed typical investor expectations by providing hands-on support in achieving measurable impact. We share knowledge on effective impact measurement, risk management, and long-term value creation, ensuring that every investment we make contributes meaningfully to addressing critical global challenges. Through this alignment of resources, expertise, and commitment, KIF delivers additional value to both its investors and the broader communities it serves.

Impact Measurement

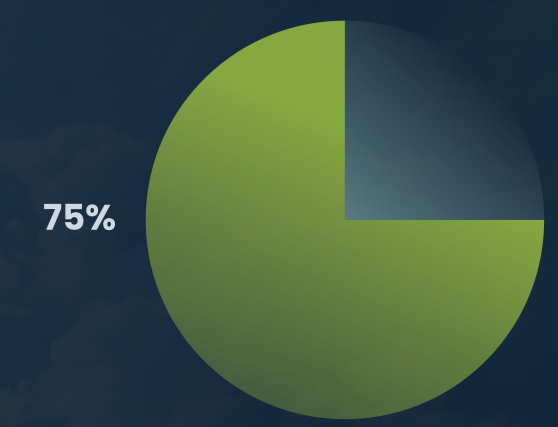
→ Aggregated KPIs[1]

Carbon intensity tCO_2 /M€ Revenue

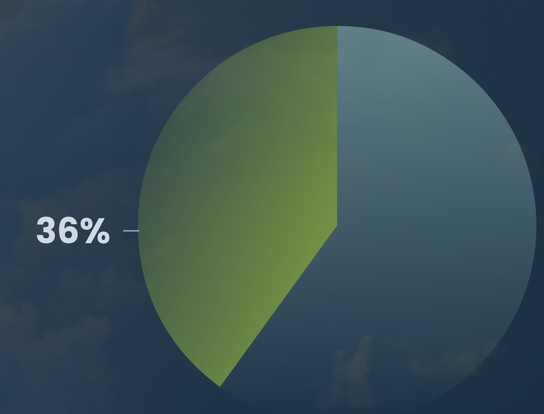


Gender Diversity at Fund level - % Female at Board

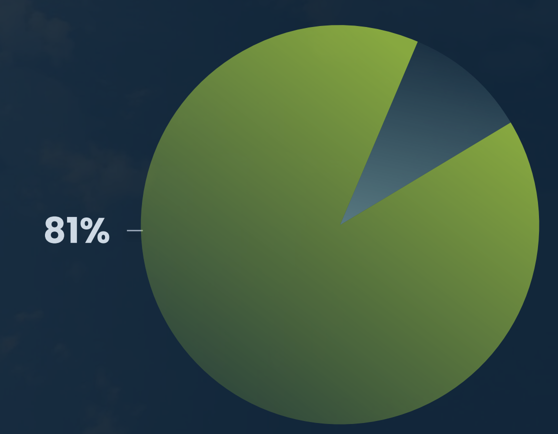
% margin ratchet KPIs reached - KIF I



Gender Diversity at Fund level - % Female in Management



% ESG plan KPIs reached - KIF I



1. FY 2024

→ Case studies

In this section, we provide an overview of the impact deals in our portfolio as of 31 December 2024, along with the investment rationale for each. The investment rationale outlines the strategic and impact-driven considerations behind each transaction, highlighting how the investment aligns with our sustainable objectives. As part of the Sustainability-Linked Loans (SLLs) issued to each portfolio company, borrowers are assigned and evaluated against at least two specific key performance indicators (KPIs), referred to as «Impact KPIs». These KPIs are directly linked to margin ratchets and serve as benchmarks for achieving the portfolio's sustainable investment objectives. Please note that, due to the public nature of this report, we do not disclose the specific KPIs.

UCAM

→ Key Facts

SECTOR	COUNTRY
Education	
IMPACT THEME	**SDGs**
Better Society	

UCAM (Universidad Católica de Murcia) is a private, non-profit university located in Murcia, Spain. It offers a wide range of undergraduate and postgraduate programs across various fields such as business, engineering, health sciences, law, and humanities. UCAM places a strong emphasis on academic excellence, innovation, and personalized attention to students. The university is committed to providing high-quality education and fostering research and development initiatives, while also promoting values like social responsibility and sustainability.

→ Investment Rationale

The rationale for investing in UCAM through KIF is rooted in its alignment with key social impact goals, particularly in providing affordable, high-quality education. UCAM specializes in health-related degrees, addressing the 4.5x demand/supply imbalance for such programs in Spain. With tuition 15-20% lower than the median for Spanish private universities, UCAM makes education more accessible. Over 10% of students are international, and the university grants substantial scholarships to support students from disadvantaged backgrounds. Investing in UCAM enables the development of essential skills, promotes employability, and reduces income inequalities, contributing to a more inclusive education system.

DELIVERY ASSOCIATES

→ Key Facts

SECTOR	COUNTRY
Impact Consultancy	UK

IMPACT THEME	SDGs
Better Society on a Healthier Planet	3, 4, 6, 13

Delivery Associates is a global consulting firm that partners with governments, non-profits, and organizations to help them design, implement, and scale public sector programs that deliver measurable positive outcomes. Specializing in areas like governance, education, health, infrastructure, and climate change, the firm works to enhance the effectiveness of public services and improve societal impact. The company works with some of the world's most renowned philanthropic organizations such as the Bill and Melinda Gates Foundation and Bloomberg Philanthropies.

→ Investment Rationale

The rationale for investing in Delivery Associates through KIF is based on their proven ability to address some of the world's most pressing humanitarian challenges through impactful consulting projects. Their work spans high-priority areas for governments and philanthropies, including climate change mitigation, access to education and healthcare, and promoting equitable outcomes for citizens globally.
As a trusted partner to governments and organizations, they have demonstrated the capacity to deliver tangible, measurable impact.

CUMBRIA WASTE GROUP

→ Key Facts

SECTOR	COUNTRY
Waste Management	UK

IMPACT THEME	SDGs
Healthier Planet	12, 13, 15

Cumbria Waste Group is a leading waste management and recycling company based in the UK, focused on providing sustainable waste solutions across the Cumbria region.
The company offers a wide range of services, including waste collection, recycling and disposal, with an emphasis on reducing environmental impact and promoting the circular economy.
They work with local authorities, businesses, and households to ensure efficient waste management while adhering to environmental regulations and best practices. With a commitment to sustainability, Cumbria Waste Group actively seeks innovative ways to minimize waste, enhance recycling rates, and contribute to carbon reduction efforts, playing a key role in managing waste responsibly for a greener future.

→ Investment Rationale

Cumbria Waste Group presented a compelling investment opportunity for the Impact Fund, given its focus on sustainable waste management and environmental stewardship.
The company prioritizes reducing waste generation through prevention, recycling, and material reuse, minimizing landfill waste and contributing to environmental sustainability.
Additionally, by producing clean energy as a by-product of its operations, Cumbria Waste Group actively supports the transition to a low-carbon economy.

PART. 4

Flexam

Kartesia Asset Finance

Foreword

→ **Fabrice Fraikin**
Managing Partner,
Flexam Invest Asset Management

At Flexam (Kartesia Asset Finance), our mission has always been to support European small and mid-cap companies in their growth and transformation journeys. Since 2011, we have provided innovative financing solutions for tangible assets, empowering businesses to thrive in fields such as supply chain optimization, essential services, and regional development. Over the years, this vision has allowed us to create significant value for our clients while addressing key challenges in sustainability and societal progress.

As businesses today navigate an increasingly complex landscape shaped by environmental challenges, we at Flexam firmly believe that integrating ESG principles into every aspect of our operations is not just a responsibility, it's an opportunity to redefine growth. Whether it's through decarbonization efforts or improving energy efficiency, we aim to empower companies across Europe to lead the charge toward a sustainable future. This commitment was recognized in 2024, when Flexam received the 'Best Energy Transition Finance Programme' award at the Sustainable Finance Summit—a testament to our dedication to making a meaningful impact.

Our ESG Committee serves as the cornerstone of this approach, ensuring that sustainability is embedded into our decision-making and investment processes. As we look ahead, Flexam remains unwavering in its efforts to drive tangible outcomes that positively shape our communities, economy, and planet.

About Flexam invest asset management

→ What is Flexam?

Since 2011, Flexam Invest Asset Management ("Flexam") has been supporting European small and mid-cap unlisted companies by financing their growth and transformation CapEx. This support is provided through the acquisition and provision of B2B mobile assets in the fields of supply chain (intermodal rail-road solutions, electric port vehicles, logistics robotics solutions), essential services (rescue helicopters, support vessels, etc.), and regional development. Since its inception, Flexam has financed €600 million worth of assets, which includes more than 220 club deal transactions and 2 funds (Flexam Tangible Assets Income Fund I – "FTAIF I" – and Flexam Tangible Assets Income Fund II – "FTAIF II").

Focused on growth, transformation, and European reindustrialization prospects, the strategy aligns with an ESG-driven approach aimed at decarbonization and high energy efficiency.
To achieve this, Flexam has implemented an extra-financial evaluation framework that allows it to analyse the ESG maturity level of counterparties as well as the impact of the assets the company may finance.

FTAIF II (vintage 2021) falls under Article 8 of the EU SFDR Regulation and promotes the following characteristics:

- Mitigating climate change
- Protecting ecosystems and biodiversity
- Energy efficiency
- Good governance and the fight against corruption
- Sustainable resource management
- Respect for human rights and the fight against discrimination

Sustainable Finance 2024
Summit & Awards
16 MAY 2024 | PARIS, FRANCE

Flexam won the 'Best Energy Transition Finance Programme' at the Sustainable Finance Summit Series in 2024.

4 funds

12 employees

1 office

4 nationalities

6 languages spoken

21% **female employees**

29%[1] **of employees working on ESG**

21% **of employees were previously interns**

100% **of employees having access to weekly sport classes**

→ Flexam's ESG committee

Flexam has set up a committee whose mission is to bring the company's ESG approach to life and to ensure its proper application. The ESG Committee is integrated into the management and investment process. It is composed of the following people:

- Olivier Fitoussi, responsible for preparing the ESG reporting of FTAIF II (and soon of the next vintage, Kartesia Asset Finance III - "KAF III") and of the company's CSR-related topics
- Fabrice Fraikin, responsible for taking ESG considerations into account during FTAIF II's (and soon KAF III's) investment committees

The ESG committee, meeting once a year, has a formal oversight over responsible investment strategy. The ESG committee directly reports to Flexam's management.

1. Cross ESG team: 1 investment team member / 1 IR colleague / 1 finance colleague / 1 MD

Decarbonization strategy

→ Our carbon footprint

For the first year, as part of our evolving corporate sustainability strategy, we have assessed the carbon footprint of both the management company and FTAIF II's portfolio. We have partnered with Carbometrix, based in Paris, to assess our greenhouse gas emissions for FY2023 across Scope 1, 2 and 3 under the GHG Protocol. This new partnership is born after selecting the most qualified provider to assess alternative funds' emissions.

Flexam aims at reassessing the carbon footprint of its internal operations and of FTAIF II and future vintages on an annual basis.

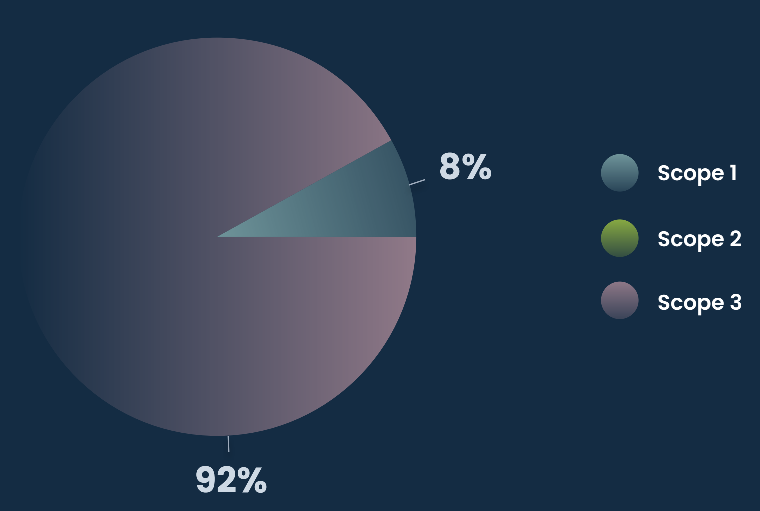
344 $kgCO_2$

/ m€ of AUM **(-25% vs. 2023)**

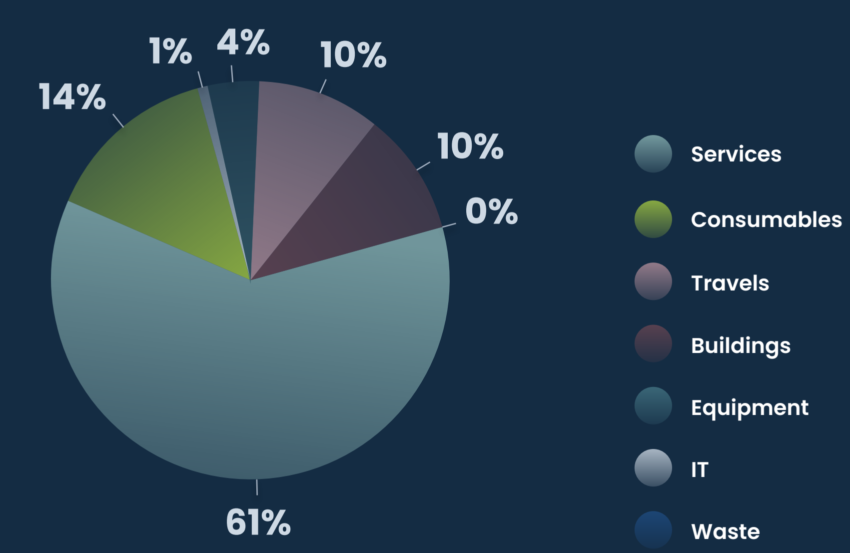
Carbon footprint at Management company level:

Most of Flexam's emissions are classified as scope 3 emissions. Services represent roughly 2/3 of our emissions. Travels' emissions are limited to 15% of the emissions, notably thanks to train being preferred to plane whenever possible. Flexam's GHG emissions per AUM (344 $kgCO_2e$/m€ AUM) and GHG emissions per employee (7.59tCO_2e/employee) is one of the lowest among asset management companies.

Flexam's GHG emissions by scopes in 2024



Flexam's GHG emissions by categories in 2024



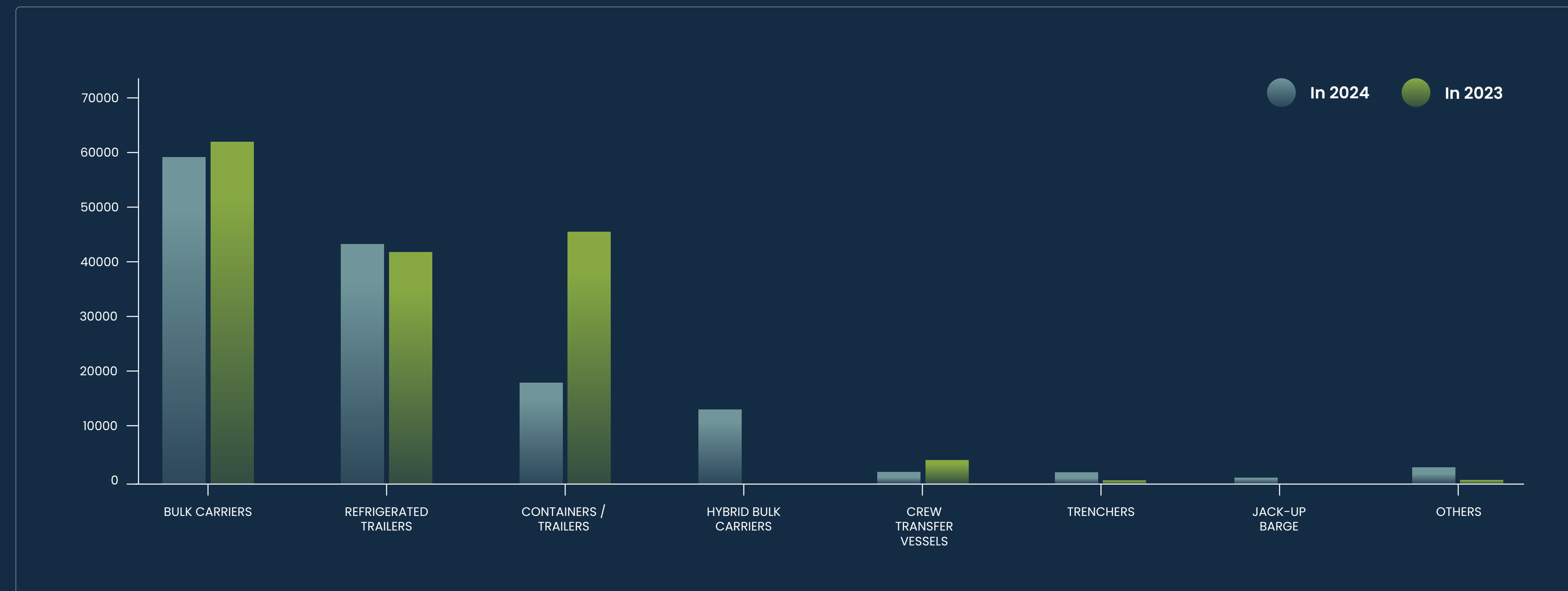
Carbon footprint at FTAIF II level:

In 2024, three main asset classes account for 86% of the portfolio's emissions. The main sources of emissions were bulk carriers, containers, and trailers, each presenting specific challenges to mitigate:

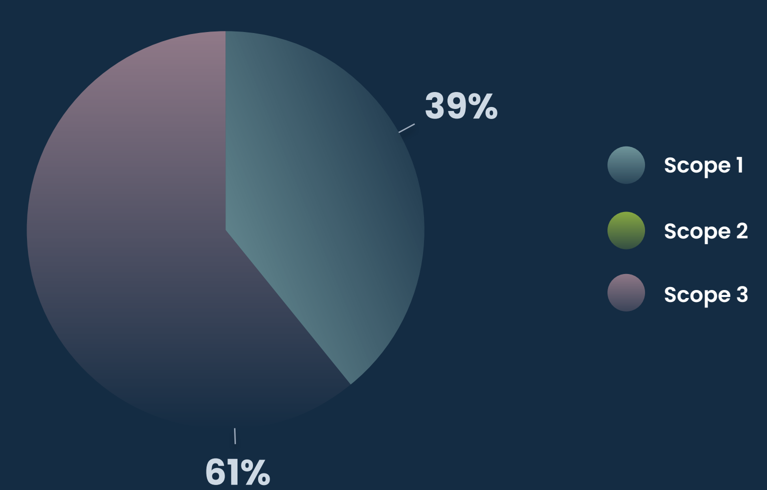
- Bulk Carriers: Due to their mass and the long distances they travel, these assets are the largest emitters in the portfolio, with high gross fuel consumption. However, they enable the transport of large quantities of bulk goods, optimizing emissions per ton. As a result, their emissions are lower than those of less efficient alternative transport modes, such as road transport over equivalent distances.
- Trailers and Containers: Emissions are primarily linked to the fuel consumption of the trucks used to transport them, which fall outside the financing scope. These assets have significant decarbonization potential: deploying them with lower-emission trucks (using biofuels or electricity) could substantially reduce associated emissions. This approach aligns with the fleet diversification strategy initiated by the operator and supported by FTAIF II.

Flexam supports logistics and transportation players in their decarbonization efforts. For instance, the automated storage solution contributes positively to the operator's decarbonization by optimizing the use of handling vehicles and reducing energy required for storage through space efficiency. While the logistics sector remains carbon-intensive, it is evolving with technological advances that gradually reduce its impact. Aware of these challenges, Flexam actively explores opportunities to integrate such solutions into future financing projects.

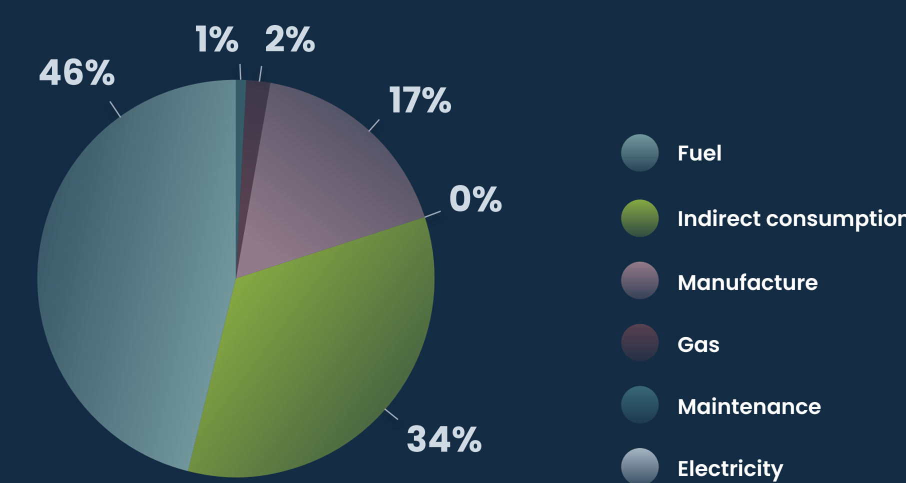
GHG emissions of assets (tCO_2e)



Flexam's GHG emissions by scopes in 2024



Flexam's GHG emissions by categories in 2024



Climate related responsible investment policies

As a stakeholder of the decarbonization process of the transport and logistics sectors, Flexam's ESG strategy aims at supporting companies towards energy transition. Flexam's investment team has an integrated and ambitious ESG approach through strict asset selection and portfolio construction process.

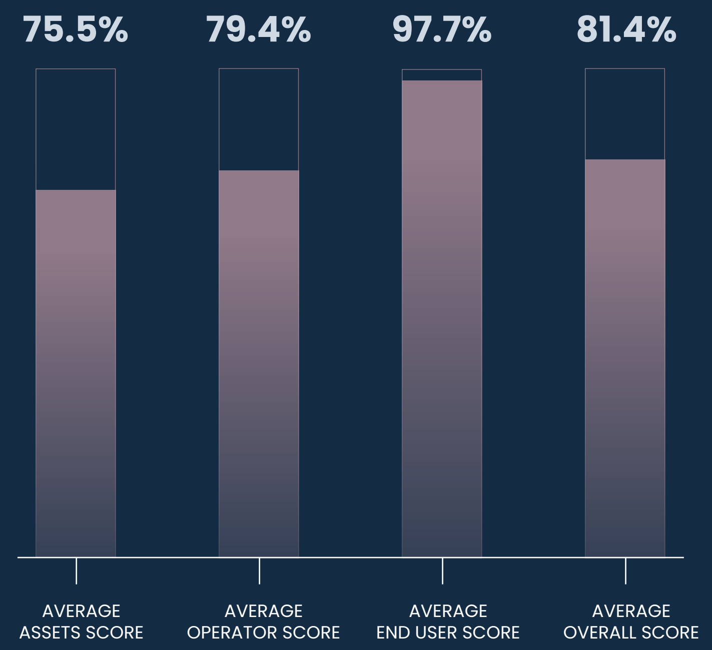
Climate related issues, as part of the ESG criteria, are determining factors in Flexam's investment decisions. Flexam has set ambitious objectives in the fight against global warming. Indeed, it wishes to align with Paris Agreement objectives, notably to maintain the rise of the global temperature to a level below 2°C by 2100 and to pursue efforts to limit the rise in temperature to 1.5°C. Flexam is committed to mobilizing the necessary resources to enable it. To reach these objectives, Flexam has set up different responsible investment policies.

ESG integration in investment decision making:

Flexam is committed to systematically considering environmental (as well as social and governance) factors in its investment decisions. To this end, together with EthiFinance, Flexam has developed a decision-making tool based on environmental, social and governance criteria. This tool takes the form of an extra-financial evaluation grid enabling it to analyse, on the one hand, the degree of ESG maturity of its direct counterparties (operators benefiting from financing solutions) and indirect counterparties (end-users) and, on the other, the environmental impact of the assets financed.

This grid is composed of 3 main families: Active, Operator and End User and gives a score per family and an overall score per operation.

2024 ESG scores



Exclusion policies:

Flexam has created a vigilance and exclusion policy that forbids investments that could represent a severe sustainability risk.
These exclusion policies are based on sectors, norms and predefined ESG criteria.

In terms of climate related exclusions, Flexam commits not to invest in assets involved in thermal coal projects or in non-conventional oil and gas projects. Additionally, it excludes from its investment scope assets that do not comply with the regulations and directives in force or that will come into force in terms of energy performance and security during the financing period and those that have caused environmental damage and for which no satisfactory corrective action has been implemented.

Climate related corporate actions

Flexam's ESG approach also reflects its desire to become a responsible player towards its stakeholders at the corporate level. Flexam is keen to limit its environmental impact by implementing several initiatives mainly aimed at:

- Reducing its carbon footprint: to limit business travel, the company favors train journeys and has deployed an optimal videoconferencing system.
- In addition, with the provision of a bicycle storage solution, employees are encouraged to use an alternative mode of transportation. Furthermore, since last year, Flexam has started to monitor its carbon footprint both at FTAIF II's level and at the entity level.
- Reducing its waste consumption: with the implementation of an efficient sorting system and the choice of a service provider with a CSR policy.

Other sustainability initiatives at Flexam

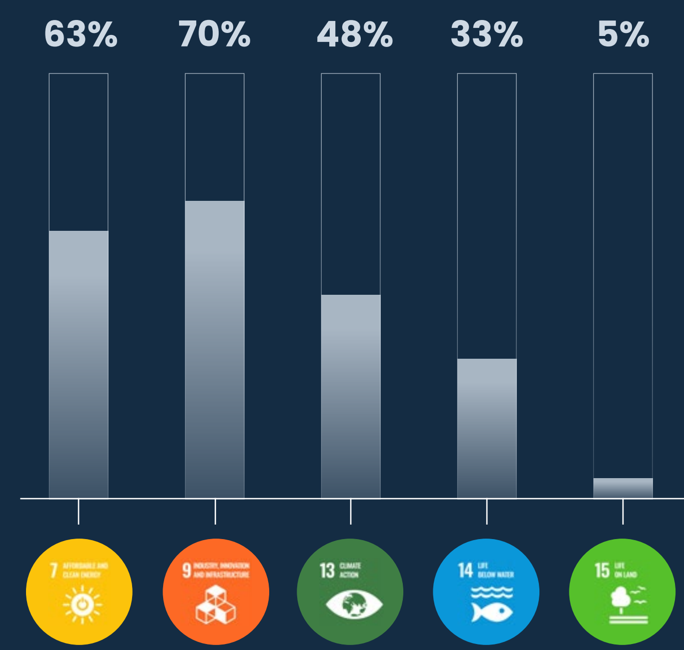
→ United Nations Sustainable Development Goals[1]

Flexam aims to meet the societal and environmental challenges of the United Nations Sustainable Development Goals ("SDGs") notably through FTAIF II, promoting specific characteristics as part of its Article 8 obligations under the EU SFDR regulation.

We especially target the following SDGs:

- **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- **SDG 13:** Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy
- **SDG 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **SDG 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Percentage of the assets financed with positive impact on the SDG



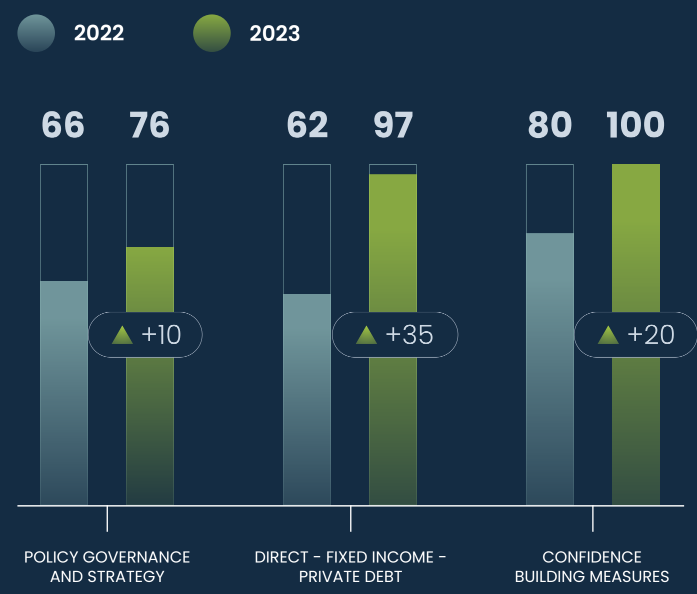
1. The United Nations Sustainable Development Goals (SDGs) serve as a guiding framework for Flexam sustainability strategy. However, Flexam acknowledge that their initiatives are not intended to represent direct contributions to the official UN-defined targets.

→ United Nations Principles for Responsible Investment

As a signatory to the UN PRI, Flexam communicates with its stakeholders through the Transparency report to state progress in the application of the principles promoted by the PRI. Flexam's RI Transparency report is publicly available on the PRI website.

Thanks to improvements in terms of responsible investment policies, Flexam improved its scores in all three assessed categories it must report on.

Flexam's UN PRI scores comparison



→ Cybersecurity

Part of a more and more connected world, with increased connectivity due to IoT (Internet of Things), cloud and mobile devices and aware that financial sector is a prime target for cybercriminals, Flexam's employees all assisted in 2024 to a cybersecurity training. Flexam's teams also closely collaborate with Kartesia dedicated IT team to build an efficient, safe and resilient IT infrastructure. The IT security systems include real-time monitoring with alerts and reporting, endpoint protection and backup solutions.

PART. 5

Kartesia philanthropy

We aim to make a difference

Created in 2022, Kartesia Philanthropy aims to make a positive impact by fostering generosity, resilience, and community support. Our philanthropic efforts are centred around financially supporting charities working for children. The focus areas include:

- Children’s health and well-being
- Children’s education

We believe that children are the next enablers of social and environmental changes; improving their living standards is therefore key for a better world tomorrow.

While Kartesia Philanthropy offers financial support to selected charities, the firm also actively encourages and engages our collaborators in meaningful charitable activities. These initiatives occur at least once a year during and outside working hours, leveraging Kartesia’s extensive networks, including portfolio companies, CEOs, and business partners.

These annual charity initiatives are funded either directly by Kartesia or through fundraising efforts organized by our dedicated collaborators.

Last year, in November 2023, Kartesia Philanthropy was honoured with the **«Prix Espoir»** at the esteemed **«Grand Prix de la Philanthropie 2023»** (organized by Groupe Ficade, the French information and communication platform) recognizing Kartesia’s significant philanthropic commitment since the creation of its platform.

GRAND PRIX DE LA PHILANTHROPIE

Over 2024, Kartesia Philanthropy supported 8 projects benefiting the children in Europe.

New onboardings 2024 – 2025 benefiting **children health and well-being**

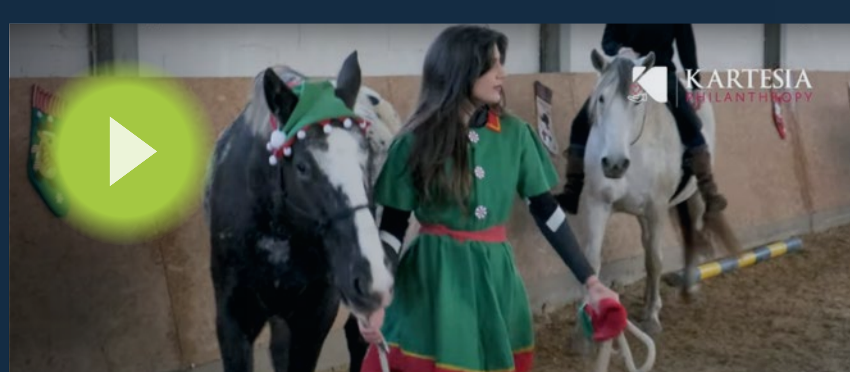
ASSOCIATION THÉRAPIE EQUESTRE

Since 2024 | **Luxembourg** | **Support of €11,500**

The organization offers educational, rehabilitative, and socio-integrative activities using horses to support the development of children with physical, mental, or social delays, disorders, or disabilities.

Kartesia has proudly sponsored one of the association's horses for a year—Monty. Monty is used for riding lessons and hippotherapy, where he carries wheelchair-bound children on his back alongside the therapist.

The Luxembourg and Belgium teams participated in the association's end-of-year celebration, attended by 100 children. Kartesia organized a painting activity to entertain the kids and provided a gift for each of them, kindly offered by St. Nicholas. Additionally, the teams brought a diverse selection of sweets to share with the children and their families throughout the afternoon, and arranged a lottery game for the parents, adding an extra touch of enjoyment to the festivities.



BUNTKICKTGUT

Since 2024 | **Germany** | **Support of €17,000**

Founded in 1997, the association organizes both summer and winter football leagues, as well as special events, for children from refugee camps, social centers, and other vulnerable environments. The goal is to promote intercultural exchanges among children from diverse backgrounds and help prevent at-risk behaviours among youth.

As part of Kartesia's program to encourage colleagues to engage with its beneficiaries, the Munich team partnered with BuntKicktGut to support their Easter holiday camp that welcomed 25 children. Over the week, the kids participated in creative and educational workshops ranging from football and graffiti to cooking, journalism, and designing their t-shirts. Kartesia employees joined for two days of activities and represented the business at the final event in front of parents and partners. A printed kids' magazine summarising the week is about to be distributed to participants and schools in the network.

FONDS DE DOTATION MARGOT DENOY

Since 2024 | **France** | **Support of €15,000**

The purpose of the Margot Denoy Endowment Fund is to contribute in a disinterested and independent manner to the fight against aggressive paediatric cancers, in particular nephroblastoma (Wilms' tumor). The Fund has been created by Ella Etienne-Denoy and Grégoire Denoy, the parents of Margot and is hosted at Institute Curie.

Margot was the eldest daughter of Ella and Grégoire. She left us far too soon at the age of 2 years and 10 months, taken by an aggressive form of paediatric kidney cancer: anaplastic blastemal Wilms Tumour (nephroblastoma). Kartesia wants to play a role in the fight against paediatric cancers and therefore decided to support Ella and Gregoire in their project with Institut Curie.

New onboardings 2024 – 2025 benefiting **children education**

FUNDACIÓN MELIOR

Since 2024 | **Spain** | **Support of €15,000**

The organization aims to empower underprivileged children and those at risk of social exclusion by providing academic support outside school hours and access to diverse extracurricular activities. Additionally, the association collaborates with the Madrid Townhall supplying academic books and other school materials for families in need.

Fundación Melior partly finance its initiatives by selling second-hand books through its online and brick-and-mortar bookstore. Kartesia's Spanish team is organizing a 3-day second-hand book donation to help expand the association's resale inventory. The event will take place alongside Madrid's major Book Fair in Retiro park, apart from the collection point, Kartesia will organize activities for children that promote reading and recycling.

Continuous support to **our long-term partners**

NATIONAL NUMERACY

Since 2023 and extended to 2025 | **UK** | **Support of €35,000**

National Numeracy is a UK charity dedicated to enhancing social mobility and inclusion through numeracy in disadvantaged communities across the country, empowering both adults and children to gain confidence in using numbers in everyday life.

In the first year of the partnership, 12 members from Kartesia's UK office completed National Numeracy's training programs by supporting 15 classroom sessions and one assembly across 6 schools in London. The team completed 38 volunteer hours and impacted approximately 490 children.

In 2025, the goal is to launch a Kartesia-sponsored program, supporting 10 to 15 high-needs schools by training 3 staff members per school as Numeracy Champions, equipping them to implement long-term carer engagement strategies and build numerical confidence among their colleagues. This is a proven and highly effected program which is estimated to impact 1,275 children, 1,125 Parents & Carers and 75 Teachers. Alongside, Kartesia will continue delivering in-school sessions through 10 volunteer positions.

Furthermore, Kartesia will join the National Numeracy Council, a platform that brings together senior business leaders and key government departments to drive systemic change and foster collaborative action. In 2024, Kartesia was invited to a reception at the Houses of Parliament, hosted by Lord Blunkett and the Secretary of State for Education, to launch the National Numeracy Strategy 2025–2028.

MARION LA MAIN TENDUE

Since 2024 and extended to 2027 | **France** | **Support of €20,000**

Founded in 2013, the association is at the forefront of the fight against school bullying in France. Its mission is to educate and raise awareness among parents and teachers, support victims and their families, and promote anti-bullying initiatives—primarily in schools but also in corporate environments.

Over the past two years, the organization has held 18 conferences, reaching 1,750 children and 2,300 adults, and has provided specialized training on handling bullying for 210 teachers.

In the first year of the partnership, Kartesia's employees reached 66 French-speaking schools across 7 European countries, with 5 schools expressing interest in the initiative. By year-end, 12 awareness workshops had taken place in 2 schools located in Zurich and Amsterdam, engaging over 370 children and 200 parents. Additional sessions are being planned in 2 new schools for the next year.

In 2025, the goal is to maintain the traction recently build with schools across Europe and capitalize on efforts deployed. Additionally, Kartesia will engage with its portfolio companies to fund school-bullying awareness conferences aimed at educating adults on the issue. To further its impact, Kartesia will help the association on its yearly communication campaign for the International Day against Harassment.

AYA UNIT OF INSTITUTE CURIE

Since 2021 and extended to 2025 | **France** | **Support of €10,000**

Kartesia philanthropy has decided to extend its support to the AYA (Adolescents & Young Adults) unit of Institut Curie for a fourth year. The AYA department of Institut Curie is one of only 3 dedicated units in France specifically treating teenagers and young adults with cancer, with particular attention to the 15-25 age group. In 2021 and 2022, Kartesia financed the programme of activities offered all year long by the AYA unit to the young patients (sport, music, cooking classes, etc.).
In 2023 and 2024, Kartesia Philanthropy extended its financial support to two new programs. The first one is the creation of the AYA social fund with the objective to financially assist the families of the patients to cover several costs such as additional care, accommodation or funeral expenses. Next to that, Kartesia Philanthropy financed a photography workshop, "Under the spotlight". Hair loss, weight loss and other disease-related stigmas can damage the image that teenagers have of themselves. The workshop aims to highlight their beauty and allow them to gently reclaim their image.

KARTESIA

| kartesia.com |

Design: THE EDITORIALIST