AMICUS
CAPITAL PARTNERS

Task Force on Climate-related Financial Disclosures (TCFD) Report

Aligned with IFRS S2

October 2024

About Amicus Capital

Amicus Capital (the 'Firm') is an **India-focused early-growth stage fund** backed by marquee investors including global institutions, large family offices, entrepreneurs and business leaders. The Firm typically invests in **high growth, capital efficient businesses early in their growth cycle** once the business models are proven. The key investment risk taken by the Firm is that of the scalability of the business. Amicus Capital invests in businesses that may be organized in India or with operations in India in principally the following sectors: Financial Services; Technology & Business Services; Consumer; Healthcare, Pharmaceutical and Biotech; and Specialty Manufacturing. The Fund may also invest in other sectors on a case-to-case basis.

2 Funds, USD 280mn in AUM

12 Portfolio Companies

ESG and Climate-Related Risks and Opportunities at Amicus Capital

Amicus Capital is committed to integrating Environment, Social and Governance (ESG) factors into its investment process and operating philosophy, having recognized that ESG aspects are among the key influencers of the value of any company that can better manage risk and generate sustainable, long-term returns.

Amongst other ESG related aspects, the Firm recognizes that **climate-related risks** pose potential systemic risks to global financial markets that can affect risk-adjusted returns for investors. If **appropriately identified and suitably managed**, these very risks can present opportunities that can be leveraged for sustainable growth. The Firm considers managing climate-related risks and opportunities key to building resilient businesses, and began integrating climate related criteria in investment decision-making in FY24.

Disclosures

(Aligned with TCFD)

Governance

Amicus Capital's Investment Committee (IC) is accountable for ensuring that all activities undertaken by the Firm are in accordance with its Guidelines for Responsible Investing and ESG-related policies. The IC is supported by the Investment Team, both of whom are guided by the ESG Committee on all matters pertaining to ESG, including climate-related risks and opportunities. The ESG Committee includes at least one Partner and the Firm's ESG Manager, who are responsible for operationalizing the Firm's Guidelines for Responsible Investing (**Exhibit 1**) and ESG-related policies (**Exhibit 2**), including evaluating climate-related risks and opportunities in potential portfolio companies and implementing mitigation measures, as required. The Investment Team and the ESG Committee provide guidance to portfolio companies on climate-related matters and seek reports from them.

Exhibit 1: Guidelines for Responsible Investing

Amicus Capital has drawn-up a set of 11-point guidelines for 'Responsible Investing' that aligned with IFC Performance Standards, EIB's Environmental & Social Standards, Environmental & Social Policy and Procedures of US International DFC, NIIF's E&S Management Policy and other global reference frameworks. The Firm is evaluating the feasibility of incorporating climate-related aspects. The guidelines are on our website: https://www.amicuscapital.in/responsible-investing/.

Strategy

Investing in companies that focus on long-term sustainable value creation is a fundamental tenet of Amicus Capital's investment strategy. The Firm recognizes that climate-related risks and opportunities can have positive and negative impacts on its value over time. The Firm is working towards determining the most important climate-related risks and their potential impacts on the Firm and its portfolio companies. This is mapped in **Exhibit 3** on the next page.

Risk Management

At Amicus Capital, we use a consistent, systematic process to evaluate and manage ESG-related risks. This risk evaluation and management is integrated into the overall risk management process at the Firm.

Climate-related risks are first captured using clearly defined screening criteria during the initial screening phase, followed by due diligence (DD). The scope of the DD exercise – and the extent and depth to which climate change factors are considered – is based the nature and scale of the target against global reference frameworks. Identified risks are managed through formal documentation, targeted action plans, routine monitoring and regular reporting. Climate-related risks are managed in line with the ESG Policy, ESG-related policies and the ESG Management System (ESG MS), as presented in **Exhibit 2** adjacent.

Exhibit 2: ESG-Related Policies

- **The ESG Policy** establishes guidelines for Amicus Capital personnel to effectively evaluate ESG aspects – including climate risks – during the investment lifecycle and to effectively monitor and improve these aspects at the Firm and in portfolio companies.

- **ESG-related policies** establish guardrails within which the Firm operates. They include the Whistleblower Policy, Policy for Prevention of Sexual Harassment, Anti-Bribery & Anti-Corruption Policy, Anti-Money Laundering Policy, Code of Conduct for Prevention of Insider Trading, Grievance Redressal Policy, Occupational Health & Safety Policy, Policy on Diversity, Equity and Inclusion, and such other policies that Amicus Capital may implement from time to time.

- An **ESG Management System (ESG MS)** that supports Amicus Capital's commitment to holistic ESG management by detailing the procedures for identifying, assessing and managing ESG risks and opportunities associated with the Firm's operations, that of its portfolio companies.

Exhibit 3: Climate-Related Risks, Opportunities and Potential Impact

<table>
<tr><th colspan="2">Aspect</th><th>Description</th><th>Potential Financial Impacts</th><th>Expected Timeframe</th><th>Sector(s) Most-Likely to be Impacted</th></tr>
<tr><td rowspan="3">Risks: Transition</td><td>Policy & Legal</td><td>• Increasingly strict environmental laws and associated regulatory action
• Carbon pricing and reporting obligations
• Taxes on carbon-intensive products
• Mandates on and regulation of existing products and services</td><td>Increased costs, reduced revenue, regulatory fines/ penalties</td><td>Short term (<3 years)</td><td rowspan="3">• Specialty manufacturing
• Healthcare & pharma
• Consumer goods & services (especially if they depend on manufacturing)</td></tr>
<tr><td>Market and Technology</td><td>• Changing customer preferences
• Increased cost of raw materials
• New technology and business models</td><td>Increased costs, reduced revenue</td><td>Short to Medium term (<7 years)</td></tr>
<tr><td>Reputation</td><td>• Increasing consumer awareness and changes in customer preferences
• Increased stakeholder scrutiny around climate-related commitments and a potential perception of absence of adequate action</td><td>Reduced revenue, higher cost of capital</td><td>Short to Medium term (<7 years)</td></tr>
<tr><td rowspan="2">Risks: Physical</td><td>Acute</td><td>• Extreme rainfall and flooding / landslides resulting in damage to assets within portfolio, potentially leading to stressed assets</td><td rowspan="2">Increased costs, lower productivity, potential business interruption requiring repairs /reconstruction / reinvestment</td><td>Short term (<3 years)</td><td rowspan="2">• Specialty manufacturing
• Healthcare & pharma
• Consumer goods & services
• Tech and business services
• Financial services</td></tr>
<tr><td>Chronic</td><td>• Water unavailability (and potentially, the associated loss of the social license to operate)
• Inundation due to sea level rise and storms
• Negative health impacts on workers due to heat stress, vector-borne diseases</td><td>Medium to Long term (7-10 years)</td></tr>
<tr><td rowspan="3">Opportunities</td><td>Products and Services</td><td>• Development and/or expansion of low carbon goods and services
• Development of climate adaption and insurance risk solutions
• Development of new products or services through R&D and innovation</td><td>Increased revenue, innovation</td><td rowspan="3">Short to Medium term (<7 years)</td><td rowspan="3">• Specialty manufacturing
• Healthcare & pharma
• Consumer goods & services
• Tech and business services
• Financial services</td></tr>
<tr><td>Resource efficiency</td><td>• Use of lower-emission sources of energy
• Participation in carbon market, renewable energy programs
• Reduced water usage and consumption</td><td>Increased revenue, innovation</td></tr>
<tr><td>Markets</td><td>• Access to new markets
• Use of public-sector incentives and policy incentives
• Access to new assets and locations needing insurance coverage</td><td>Increased revenue</td></tr>
</table>

Metrics and Targets

Amicus Capital recognizes that capturing and tracking measurable indicators of climate-related risks and opportunities are critical to being able to understand them and their impact on the investing landscape. Metrics can also serve as indicators of performance across the TCFD pillars and provide a feedback loop to support continuous improvement. To this end, the Firm is working to identify suitable metrics that are to be reported by the Firm as well as all portfolio companies that are:

- *Consistent and verifiable* across the different sectors in which the Firm invests;
- *Decision-useful* given that a majority of the Firm's investments are in early-growth stage companies that are capital efficient and relatively asset-light; and
- *Replicable and easy-to-track* over time.

Amicus Capital's GHG Emissions

Amicus Capital calculated the Scope 1 and Scope 2 greenhouse gas (GHG) emissions due to our operations, as shown in **Exhibit 4**.

Exhibit 4: Amicus Capital's Scope 1 & 2 GHG Emissions

For the period January – August 2024

Particulars	tCO2eq
Scope 1	
Fuel use (diesel, for electricity)	0.28
Scope 2	
Purchased energy	41.22
Total Scope 1 & Scope 2 GHG Emissions	**41.5**
Scope 1 & Scope 2 GHG Emissions / Employee	**2.4**

For the calculation, Amicus Capital used methodologies established by the GHG Protocol.

Amicus Capital recognizes the value of calculating Scope 3 emissions resulting from business travel, staff commute and financed emissions. The Firm is evaluating the feasibility of the same with the objective of disclosure in future TCFD reports.

Portfolio Companies' GHG Emissions

In the first half of FY25, the Firm began requesting Scope 1 and Scope 2 GHG emissions from portfolio companies. The request was supported by explanations of what these meant and easy ways to arrive at them (such as referencing utility bills). Amicus Capital shall continue to build capacity at portfolio companies to better capture and report GHG emissions.

Targets

Amicus Capital has not established targets pertaining to climate-related risks and opportunities for itself or portfolio companies at this time. The Firm shall evaluate appropriate targets and their feasibility once the baseline for the identified metrics is established.

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Thank you