GenZero
Sustainability Report 2024/2025

Investing in a climate-resilient future

GenZero

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About this Report

This marks GenZero's inaugural Sustainability Report. The report details our approach, objectives, and performance on environmental, social, and governance (ESG) matters. The content is prepared considering the following frameworks and standards:

- IFRS Sustainability Disclosure Standards S2 (ISSB standards)
- United Nations (UN) Sustainable Development Goals (SDGs)
- Operating Principles for Impact Management (OPIM)
- Greenhouse Gas Protocol (GHGP)
- Partnership for Carbon Accounting Financials (PCAF)

We will regularly review our alignment to best-in-class reporting frameworks and standards globally. We are also taking active steps to align with the Taskforce on Nature-related Financial Disclosures (TNFD) in the coming years.

Reporting Boundaries

General information as well as operational and financial data in this report refer to the financial year from 1 April 2024 to 31 March 2025 (FY 2025), unless otherwise stated. Climate impact data for 2024 refers to the calendar year from 1 January 2024 to 31 December 2024 (CY 2024).

Feedback

We greatly value and welcome feedback on our Sustainability Report. Please address all comments to **sustainabilityreport@genzero.co.**

About Us

GenZero is an investment platform company focused on accelerating decarbonisation globally. Founded by global investment company Temasek in 2022, we seek to deliver positive climate impact alongside long-term sustainable financial returns. We do so by investing in opportunities with the potential to become impactful and scalable solutions.

Guided by our mission to drive decarbonisation, we recognise the need for a holistic and integrated approach to achieve a net-zero world.

At GenZero, we adopt a dynamic investment approach across three focus areas:

NATURE-BASED SOLUTIONS (NBS)	TECHNOLOGY-BASED SOLUTIONS (TBS)	CARBON ECOSYSTEM ENABLERS (CEE)
Help protect and restore our natural ecosystems while benefiting local communities and biodiversity	Deliver deep decarbonisation impact through emissions reduction and removal	Support the scaling of carbon markets and enable broader industry decarbonisation

READ MORE: INVESTMENT STRATEGY

Message from Our Chairman

> Despite ongoing efforts, the stark reality of growing emissions underscores the necessity for innovative financial mechanisms to drive the transition towards net zero.

In the past year, we have witnessed dramatic changes in our operating environment. The escalating urgency of climate challenges calls for bold, transformative solutions. As we navigate geopolitical instability, economic uncertainties, and an increasingly complex operating environment, we remain convinced: investing in a climate-resilient future is not optional – it is imperative.

Climate resilience ensures that our economies, communities, and ecosystems can withstand and adapt to the challenges ahead. However, the world is increasingly paralysed by the growing impact of the climate crisis, the difficulties of achieving political consensus, and growing concerns about economic growth. This concern is exacerbated by weakening public finances and energy security risks related to the ongoing wars in Europe and the Middle East. We face a collective risk in diverting attention away from the climate agenda.

GenZero's work has become more difficult.

Creating technically and economically viable decarbonisation pathways, especially in hard-to-abate sectors like aviation and agriculture, is no easy feat. However, we remain committed to collaborating, innovating, and financing impactful solutions to support a just and effective transition.

Committed to Climate Impact

At the core of our mission lies a robust governance framework that prioritises transparency, accountability, and integrity. Our Board of Directors (Board) and Investment Committee (IC) supervise the alignment of our investment decisions with high sustainability standards. By establishing rigorous investment criteria across our three investment pillars, Nature-based Solutions (NBS), Technology-based Solutions (TBS), and Carbon Ecosystem Enablers (CEE), we aim to deliver both sustainable financial returns and climate impact. These efforts enable a holistic approach to drive decarbonisation, while supporting livelihoods and protecting essential ecosystems for our future.

Message from Our Chairman (continued)

Botanic Gardens Rainforest, Singapore

A Responsible and Inclusive Approach

Environmental stewardship is not merely a guiding principle; it is a call to action. Our ESG Policy guides our investment decision-making process, ensuring alignment with stringent ethical standards and proactive risk mitigation. By integrating ESG considerations throughout our investment life cycle, we catalyse broader systemic change, enhancing sustainability practices across our portfolio.

Commitment to social responsibility is equally vital. We are dedicated to ensuring our team and the partners we work with uphold fair, inclusive, and ethical behaviours, empowering leaders at all levels to generate impact. Reflecting our commitment to diversity and inclusion, our team comprises professionals from eight different nationalities. Women represent one-third of our Board and hold over 70% of senior management positions.

Our inaugural Sustainability Report not only documents our ongoing efforts, but also serves as a reminder that every stakeholder plays a crucial role in crafting a sustainable future. As we reflect on our journey so far, I extend my heartfelt gratitude to our partners, portfolio companies, funds and programme partners, and the communities we serve. Together, we can harness the power of finance to drive innovative climate initiatives, ensuring that our capital acts as a catalyst for transformative change.

Sunny Verghese
Chairman
GenZero

Message from Our CEO

> With greater confidence in carbon markets, we can broaden access to finance and support underlying decarbonisation solutions.

There are increasing headwinds in the global climate agenda. Short-term economic concerns and political shifts threaten to overshadow the urgent need for long-term climate resilience. Yet, investing into a climate-resilient future is not just an environmental necessity, it is an economic one as well. The difficult investment landscape in climate and decarbonisation solutions has made our work more challenging, but also more critical than ever.

A resilient future depends on bold financial commitments and innovative strategies. The financing gap for climate solutions remains staggering – global investments need to increase by orders of magnitude to even begin to address the urgency of climate change.

This is where high-quality carbon markets remain a vital lever for global net zero by channelling finance into nature and low-carbon technologies. Recent turbulence has triggered a pull-back in demand for carbon credits, but the market is evolving. There is stronger governance in place now, better methodologies, and greater assurances into supply quality. We need to scale demand now, and GenZero is playing our part through our investments and thought leadership.

Our shareholder, Temasek, has committed an initial capital of S$5 billion for GenZero to support decarbonisation solutions. We invest across three investment pillars – Nature-based Solutions (NBS), Technology-based Solutions (TBS), and Carbon Ecosystem Enablers (CEE) – in order to build a balanced portfolio that can deliver our double bottom line mandate. Our investments are global and spread out across five continents, as climate change is a universal challenge with different capital needs and opportunities.

Maintaining the Momentum

Despite shifting political priorities and regulatory setbacks around the world, the momentum for decarbonisation persists. We are witnessing an intensified drive for meaningful change, catalysed by corporate and financial sector commitments alongside technological innovations. Our foundational belief in the importance of climate finance encourages us to mobilise our resources to invest in decarbonisation-focused companies, projects, and funds.

But we cannot solve the climate crisis alone. We actively seek collaborative approaches to accelerate climate action.

In May 2025, Mitsubishi Corporation and its subsidiary, Diamond Generating Asia Limited (DGA), joined GenZero, ACEN, and Keppel Ltd, to collaborate on the early retirement of a 246 MW coal-fired power plant in the Philippines. The partnership aims to replace the plant with reliable clean energy by leveraging transition credits. These are a new type of carbon credit that can catalyse Asia's clean energy transition. We have also established a partnership with Mizuho, which aims to accelerate more investments into transition projects in the region.

Message from Our CEO (continued)

Top to bottom:
- *Mitsubishi and DGA join GenZero, ACEN and Keppel on early coal-fired power plant retirement in the Philippines, May 2025*
- *Asia Centre of Carbon Excellence (ACCE) launch event with South Pole, April 2024*
- *Green Fuel Forward launch event with the World Economic Forum (WEF), May 2025*

Collaboration Builds Confidence

Capacity building can be enhanced by partnerships. GenZero collaborated with a variety of stakeholders across government entities, corporates, and industry leaders like registries and standard-setters. We do so by forming multi-stakeholder partnerships, such as the launch of the Asia Centre of Carbon Excellence (ACCE) together with South Pole and supported by the Singapore Economic Development Board (Singapore EDB).

With greater confidence in carbon markets, we can broaden access to finance and support underlying decarbonisation solutions. Earlier this year, we announced a partnership with Tencent on an advanced market commitment to purchase up to one million tonnes of carbon credits from GenZero. This demonstrates continued commitment from Asian corporates to support climate solutions and embark on their decarbonisation journey.

Building strong ecosystems is also essential to scaling impactful climate solutions. In partnership with the World Economic Forum (WEF), we launched Green Fuel Forward at the GenZero Climate Summit (GCS) 2025. This is a strategic initiative aimed at accelerating the adoption of sustainable aviation fuel (SAF) across the Asia-Pacific region. Green Fuel Forward focuses on advancing aviation decarbonisation by strengthening industry capacity, catalysing regional demand for SAF, and driving the scale-up of production infrastructure.

We stand committed to helping our partners navigate these challenges and accelerating economically sustainable climate solutions.

Frederick Teo
CEO
GenZero

KEY PARTNERSHIPS AND COLLABORATIONS

We have built key multi-stakeholder partnerships to promote the implementation of innovative climate solutions in Asia and beyond.

Our partners and collaborators share our desire to promote well-functioning carbon markets, scalable climate solutions, and a wider regulatory and financial ecosystem that rewards climate-positive investments.

ACEN
dga
EDB SINGAPORE
Enterprise Singapore
iC THE INTEGRITY COUNCIL FOR THE VOLUNTARY CARBON MARKET
Keppel
Mitsubishi Corporation
MIZUHO
south pole
Tencent 腾讯
TEMASEK
VCMI Voluntary Carbon Markets Integrity Initiative
WORLD BANK GROUP

READ MORE: THOUGHT LEADERSHIP INITIATIVES

Our Theory of Change

Decarbonisation solutions will only scale effectively when they deliver both financial returns and climate impact. GenZero's investment strategy aims to accelerate net zero by supporting high-impact and scalable climate solutions. We also contribute to strengthening carbon markets, as an opportunity to unlock greater financing flows for climate action.

In the current climate landscape, many critical decarbonisation solutions struggle to scale due to inadequate funding, lack of robust market mechanisms, and insufficient regulatory support and incentives to drive demand.

We recognise that all types of climate solutions are needed: emissions reductions and removals from both nature and technology-based solutions are important for global decarbonisation. However, a false hierarchy has taken hold in the valuation of carbon projects, with removals favoured over reductions, and tech solutions taking precedence over nature-based ones. This needs to be addressed to prevent high-impact and high-integrity nature-based and reduction projects – like forest protection and sustainable fuels – from being sidelined, which would hinder near-term climate progress.

Our role is to bridge this gap by providing strategic capital, enabling carbon markets to drive financing to promising solutions, and helping to shape the international decarbonisation ecosystem. The solutions we select for investment will need to demonstrate nearer-term commercial traction and prove economic value to succeed.

Our theory of change lays out our mission, key objective, enabling actions, and impact achieved. We hope this guides our stakeholders in understanding GenZero's unique role in the fight against climate change.

1 THE OBJECTIVES

1 ACHIEVE SUSTAINABLE FINANCIAL RETURNS

GenZero aims to generate resilient financial returns to sustain our work, drive continued investment in climate solutions, and prove that decarbonisation is a viable and scalable economic opportunity.

By building a strong portfolio and creating value for our investees, we aim to attract more capital to climate-aligned investments and contribute meaningfully to the net-zero transition.

2 GENERATE CLIMATE IMPACT

GenZero actively measures realised direct and indirect climate impact generated through our investments.

This is the amount of carbon emissions that has been reduced or removed through the deployment of climate solutions. To account for the climate impact that is attributable to GenZero, we adjust the impact by our stake in each investment.

READ MORE: APPROACH TO CLIMATE IMPACT

2 THE PATHWAY

1 We mobilise capital across our three investment pillars and by actively collaborating with key ecosystem players to strengthen carbon markets.

We drive impact by:

- Scaling up capital deployment into emerging and proven decarbonisation solutions
- Enhancing the credibility and liquidity of carbon markets to drive financing into high-integrity climate solutions
- Advocating for stronger policies and frameworks to support decarbonisation
- Ensuring our investments generate co-benefits such as biodiversity enhancements and green jobs

2 We achieve our mission through a collaborative, multi-stakeholder approach.

We work closely with:

- Our investees to accelerate their growth and impact
- Industry leaders, regulators, and standard setters to shape the global decarbonisation agenda
- Government and institutional partners to align on policy and investment efforts
- Our shareholder, Temasek, and industry peers to scale sustainable investment strategies

Our Theory of Change (continued)

3 THE CHALLENGE

The impact of climate change and global warming caused by the increase of greenhouse gas (GHG) emissions.

This is driven by:

1. **Limited progress on the implementation and actualisation of net-zero pledges**. Countries and companies are not reducing their emissions quickly enough to align with their net-zero goals,[1] slowing the uptake of high-integrity carbon markets.
2. **A financing gap** of approximately US$6.2 trillion per year towards climate solutions to meet the Paris Agreement goals by 2030. A total of almost US$200 trillion would have to be invested to reach net zero by 2050.[2]
3. **Lack of commercially viable breakthrough low-carbon technologies**. For instance, about 35% of the emission reductions needed to achieve Paris Agreement goals come from technologies that are still in development and are not commercially viable.[3]

4 THE SOLUTIONS

Advancing decarbonisation technologies, supporting the protection and restoration of natural ecosystems, and promoting high-integrity carbon markets.

We do this by:

1. **Deploying dynamic capital to different types of climate solutions globally**
2. **Investing into high-quality and high-integrity carbon projects to scale carbon markets**
3. **Catalysing thought leadership through stakeholder collaboration**

INPUTS

- Initial capital commitment of S$5 billion
- Deep sectoral expertise
- ESG and climate impact considerations incorporated in investment process

ACTIONS

- Investments in actionable decarbonisation pathways to achieve net zero
- Investments in carbon credit-generating opportunities
- Resources and expertise to support investees
- Contributions to the global discourse through thought leadership papers and events, facilitating stakeholder collaboration

OUTCOMES

- Development of Nature-based and Technology-based Solutions
- Expansion of portfolio and project pipeline
- Conservation and restoration of natural ecosystems
- Delivery of socio-economic co-benefits to local communities
- Creation of green jobs and skills development opportunities

IMPACT

- Acceleration of global decarbonisation pathways
- Measurable reduction and removal of GHG emissions
- Enhanced climate resilience through improved natural resource management
- Market adoption of high-integrity carbon credits and climate innovations

Impact at Scale

OUR PORTFOLIO

NORTH AMERICA

Fund

At One Ventures
Carbon Direct Capital
Breakthrough Energy VENTURES
Decarbonization Partners BlackRock | TEMASEK
ENERGY IMPACT PARTNERS

Company

CLEANJOULE
NEWLIGHT
AURORA SUSTAINABLE LANDS
Perennial

EUROPE

Fund

lightrock

Company

carboculture
VELOCYS
chooose
BeZero *
south pole

SOUTH AMERICA

Fund

SilviPar

Programme Partner

Brújula Verde *

AFRICA

Programme Partner

Global EverGreening Alliance
AJA Climate Solutions
IMPERATIVE *

17	3	24
Countries we are invested in	Total new closed deals in FY 2025	Total closed investments

ASIA

Fund

New Forests

Programme Partner

The Good Rice Alliance
Reducing emissions, enriching the planet

Company

RIZE
Climate Impact X

- Nature-based Solutions (NBS)
- Technology-based Solutions (TBS)
- Carbon Ecosystem Enablers (CEE)
- * New investments in FY 2025 (BeZero, Brújula Verde and Imperative)

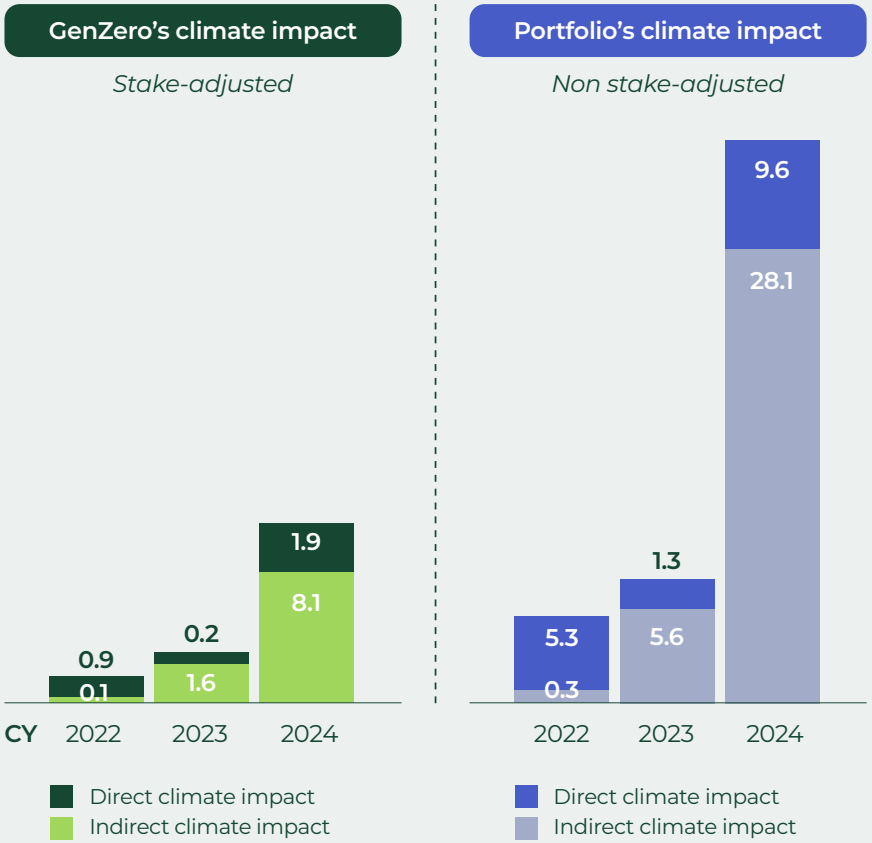
Impact at Scale (continued)

As our portfolio grows, so does our ability to generate impact.

CLIMATE IMPACT

In 2024, our portfolio's realised climate impact disclosures grew from 5 to 8, out of our total 24 investments. To ensure a fair representation of our contribution to the impact realised, we report both stake- and non stake-adjusted climate impact.

Realised direct and indirect climate impact ($MtCO_2e$)



Cumulative direct realised climate impact (stake-adjusted)

Target

$7.0MtCO_2e$

By 31 March 2028

Performance

$3.0MtCO_2e$

As of 31 December 2024

Definitions

Direct climate impact: Climate solutions that directly reduce or remove emissions

Indirect climate impact: Climate solutions that provide enabling infrastructure or technology to help reduce or remove emissions

Stake-adjusted climate impact: Emissions reduced or removed by climate solutions multiplied by the investor's stake

Realised climate impact: Emissions that have been reduced or removed by a climate solution in the past

READ MORE:
APPENDIX III CLIMATE IMPACT DATA

PORTFOLIO ESG PERFORMANCE

752,184

sustainably managed land (ha) by portfolio investments

63%

of the portfolio has an ESG policy

79%

of the portfolio has ESG agenda items at board meetings

83%

of the portfolio has dedicated ESG roles

READ MORE:
PORTFOLIO ESG PERFORMANCE

Disclosures are based on data provided by GenZero's 24 portfolio companies, funds and programme partners as of 31 March 2025, except sustainably managed land and climate impact data, which is reported on a calendar year basis. External limited assurance has been conducted on GenZero's direct and indirect climate impact (stake-adjusted) for CY 2023 and 2024.

Impact at Scale (continued)

GenZero's evolution reflects our deepening commitment to advancing climate solutions and sustainable investing. Our journey began in 2017 within Temasek, where a dedicated sustainability team was established as a test bed for pioneering sustainability-driven strategies, investments, and innovations. This team laid the foundation for what would become GenZero.

By 2022, this vision matured into reality. With a growing portfolio that included Climate Impact X, South Pole, and Decarbonization Partners, GenZero emerged as a purpose-driven investment platform dedicated to accelerating decarbonisation globally. Our official launch in June 2022 marked a significant milestone, turning years of groundwork, partnerships, and ambition into a bold, focused mission to catalyse climate impact at scale.

OUR GROWTH JOURNEY

2022

JUN

- Launch of **GenZero as a decarbonisation investment platform company with an initial capital commitment of S$5 billion**
- Initial portfolio including investments in **Climate Impact X, South Pole, Decarbonization Partners**

JUL

- Partnered with the **Civil Aviation Authority of Singapore, Singapore Airlines** on a Singapore **SAF pilot**

OCT

- First investment in Improved Forestry Management (**Aurora Sustainable Lands**)

NOV

- Sponsored and participated at Singapore's first pavilion at **COP27**

2023

MAY

- Launched 1st **GenZero Climate Summit** "Navigating Climate Crossroads"
- Joined **The Earthshot Prize** as a Strategic Partner
- First investment in Sustainable Aviation Fuel (**CleanJoule**)

JUN

- Launched the **GenZero Climate Impact Measurement Framework,** in collaboration with Boston Consulting Group
- Launched **Southeast Asia's Green Economy 2023 Report** with Bain, Temasek, and AWS
- First investment in low-carbon materials (**Newlight**)

JUN (continued)

- First investment that builds on Singapore's intergovernmental partnerships on Article 6 (**AJA Climate Solutions**)

NOV

- First investment in South America (SilviPar Astarte Impact Forestry Fund (**SAIFF**))

DEC

- Anchored carbon markets programming at the Singapore Pavilion at **COP28**
- Launched **GenZero Carbon Markets 2.0 Whitepaper**

2024

MAR

- Launched joint paper with Allen & Gledhill on **The Legal Character of Voluntary Carbon Credits**

APR

- Convened the 2nd edition of **GenZero Climate Summit** "The Next Steps"
- Launched the **Asia Centre of Carbon Excellence**, in collaboration with South Pole
- Launched **Southeast Asia's Green Economy 2024 Report** with Bain, Standard Chartered, and Temasek
- Launched **GenZero Carbon Scenarios paper**

AUG

- Partnered with **ACEN and Keppel** to explore the origination of transition credits to **accelerate retirement of coal-fired power plant in Philippines**

SEP

- Partnered with **Rwanda and Gold Standard** to **collaborate on Article 6 carbon credit projects**

OCT

- Launched the **Asia Pacific's Energy Transition Outlook report**, in collaboration with BloombergNEF

NOV

- Anchored **carbon markets programming** at the **Singapore and WWF Pavilions** at **COP29**
- Convened GenZero's **first carbon regulatory roundtable** at **COP29**

2025

JAN

- First investment in carbon ratings (**BeZero Carbon**)

FEB

- Forged strategic alliance with **Mizuho** to mobilise capital for **transition credit projects**

MAY

- Convened 3rd edition of **GenZero Climate Summit** 'Overcoming Paralysis'
- Launched inaugural **GenZero Climate Summit Insights event**

MAY (continued)

- Issued joint **Call to Action to strengthen regulatory oversight and integrity in carbon markets**
- Launched **Green Fuel Forward**, in collaboration with the **World Economic Forum**
- Launched **Southeast Asia's Green Economy 2025 Report** with Bain, Google, Standard Chartered and Temasek
- Partnered with **Mitsubishi** and **DGA** to drive **energy transition with transition credits**

● Ecosystem development ● Investment milestones ● Thought leadership

Impact at Scale (continued)

OUR COMPANY

Data refers to FY 2025

Environmental Metrics

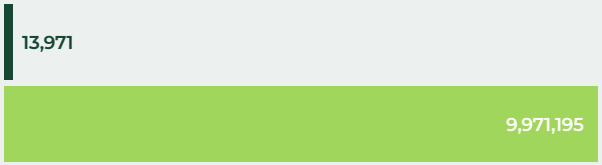
13,971 tCO_2e
Total Scope 1, 2 and 3 operational and portfolio emissions*

242 tCO_2e/US$M revenue
Weighted portfolio emissions intensity

25 tCO_2e/employee
Operational emissions intensity*

READ MORE: APPENDIX III CARBON FOOTPRINT

GenZero's GHG emissions and climate impact (tCO_2e)



Social Metrics

8
Nationalities across our team

41
Employee headcount

93%
Employees consider GenZero a Great Place to Work (R)

Women in Leadership

33%
Women Board members

73%
Senior management roles held by women

60%
Total women employees

> The representation of women in our leadership team surpasses Singapore's average of 40% and demonstrates our commitment to creating a balanced and inclusive organisational culture.

Yeo Yen Chen
HR Director
GenZero

* Location-based emissions for FY 2025.
** Includes direct and indirect climate impact, measured for CY 2024.

Strategy

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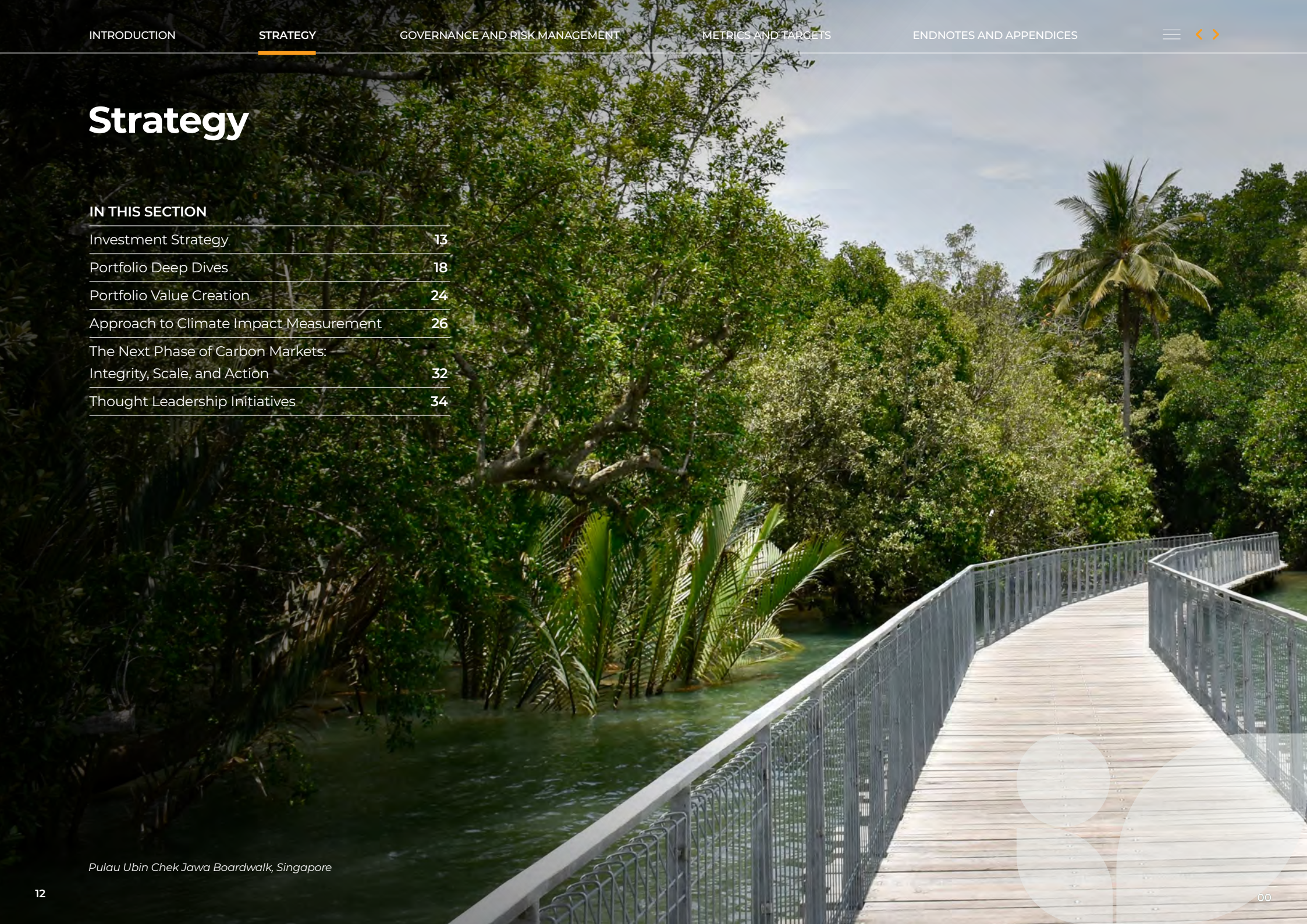


Pulau Ubin Chek Jawa Boardwalk, Singapore

Investment Strategy

> Climate players with the clearest value propositions and most resilient business models will emerge stronger from current market conditions. Committed climate investors with firepower when capital is scarce are well-positioned to capitalise on potential valuation dislocations and likely consolidation.

Kimberly Tan
Managing Director and Head of Investments
GenZero

Climate Headwinds

The current investment context of trade tensions and macroeconomic uncertainty is a paradigm shift from the pro-climate environment represented by landmark laws like the Inflation Reduction Act and comprehensive climate neutrality measures like the European Green Deal. The 2025 GDP outlook for both advanced and emerging economies has been revised downwards (by 0.5 and 2.8 percentage points, respectively).[4] We see a real risk that governments managing tight fiscal budgets with multiple competing needs will choose to cut back on investments in climate.

Similarly, with tariffs leading to cost increases and supply chain disruptions, corporate willingness to adopt fundamental decarbonisation technologies will likely be hampered by weaker appetite for capital expenditures. Companies are also much less likely to embark on ambitious net-zero plans involving the use of carbon credits to address residual emissions, given the fear of greenwashing accusations.[5]

Government and corporate pullbacks have contributed to a slowdown in climate investing. Climate tech financing dropped by 29%, from US$79 billion between Q4 2022 and Q3 2023, to US$56 billion in the following four quarters.[6]

Overcoming Paralysis: Continued Commitment to Climate Impact

Despite the geopolitical and macroeconomic uncertainties, the science has not changed. 2024 was the hottest year on record, with temperatures 1.55°C above the 1850-1900 average.[7] Extreme weather events in 2024 led to severe hurricanes in Florida, floods in Afghanistan, severe droughts in Africa, and destructive wildfires in North America, to name a few disasters. Such climate events cost the world billions of dollars in 2024 and are expected to reduce the global cumulative GDP by 15-34% if we continue on our current trajectory.[8]

The economic cost belies the risks and impact to human lives and livelihoods. Climate-related hazards such as heatwaves, droughts, floods, and cyclones could lead to acute food and water insecurity for about one-fifth of the world's population.[9] Approximately 250,000 extra deaths annually could be caused by climate-driven health threats.[10]

Given the science and the consequences of inaction, the investment case for climate is clear.

Climate players with the clearest value propositions and most resilient business models – those that deliver "value" and not just "values" – will emerge stronger from current market conditions. Committed climate investors with firepower when capital is scarce are well-positioned to capitalise on potential valuation dislocations and likely consolidation.

GenZero remains committed to pursuing climate impact through a steady pace of investments in high-quality projects and businesses.

Investment Strategy (continued)

Both TBS and NBS are critical to achieving net zero.

TBS are key to achieving fundamental decarbonisation in industrial processes such as energy generation, transportation, and construction, amongst others. Low-carbon technologies with the potential to deliver radical emissions reduction across hard-to-abate sectors will be key to achieving net zero. However, these solutions often need time and capital to deploy and scale. The International Energy Agency (IEA) states that 35% of the emissions reduction needed by 2070 to limit the global temperature rise to below 1.8°C will come from technologies that have yet to scale up commercially.[11] **We back companies driving technology pathways and business models with the best chance of achieving adoption at scale to deliver meaningful climate impact.**

Given the urgent need for carbon abatement, it is also important to invest in solutions that reduce and remove emissions today, by protecting and restoring natural ecosystems. It is estimated that NBS can deliver 30% of the mitigation required to meet the Paris Agreement's 2030 targets, if implemented widely and effectively.[12]

NBS can result in faster and more cost-effective mitigation than TBS, as they leverage existing natural processes and ecosystems, reducing the need for expensive infrastructure and technology. In addition to their climate mitigation contribution, NBS also offer a range of co-benefits, such as supporting local communities, improving air and water quality, enhancing biodiversity, and increasing climate adaptation through resilience to natural disasters.[13]

While the near-term benefits are clear, we are aware of reversals and leakage risks that are more inherently associated with NBS. Hence, **we finance well-designed carbon projects, alongside trusted partners, in jurisdictions with strong carbon market frameworks.**

Well-functioning carbon markets and an enabling ecosystem for corporate decarbonisation are also key to the development of both NBS and TBS. Carbon credits provide a mechanism to channel financing towards both solutions. However, the viability of carbon finance requires trust in the integrity of such credits, high-quality supply, and ease of access. Corporates will also require tools to accurately measure and report their emissions, identify opportunities for reduction, and address residual emissions through the use of high-quality credits, in line with a mitigation hierarchy. Therefore, **we invest in CEE that accelerate broader industry decarbonisation and support the scaling of carbon markets**.

30%

Emission mitigations required to meet the Paris Agreement's 2030 targets that can be delivered by NBS[14]

Investment Strategy (continued)

We apply both an investment and a climate-impact focused screening process to identify high-quality investment opportunities

SCREENING CRITERIA

Depending on the type of investment, various criteria can apply to the screening process:

Regulatory and policy environment

- Climate targets and policies (e.g. Nationally Determined Contribution (NDC), carbon tax framework)
- Environmental and human rights track record
- Political and business environment stability

Carbon market readiness

- Carbon market policies
- Article 6 readiness
- MRV infrastructure

Partner considerations

- Execution track record and experience
- Relationships with key stakeholders (e.g. government, local communities, customers, suppliers)

Carbon project considerations

- Environmental integrity (e.g. additionality, permanence, robust quantification)
- Sustainable development and other co-benefits
- Methodology robustness and risks

Decarbonisation impact

- Climate impact generation through emission reduction and removal, especially addressing hard-to-abate sectors

Time value

- Near-to-medium term climate impact from imminent deployment and scale-up

Scalability

- Size of addressable market and ease of adoption

INVESTMENT PILLARS CONSIDERATIONS

NBS

We aim to construct a diversified portfolio with exposure to both removal and reduction project types that meet our standards of integrity, permanence and additionality. This approach is designed to mitigate inherent risks associated with individual project types, and balance both climate impact and cashflows over time.

TBS

We invest in solutions to enable the decarbonisation of hard-to-abate sectors at scale. We focus on key sources of global emissions across industries such as energy and industrial processes. We also explore technology-enabled removal opportunities with commercial and carbon revenue streams.

CEE

We seek to back mission-critical enablers of carbon markets and corporate decarbonisation. This includes the full spectrum of infrastructure and ecosystem players needed to enable the generation and measurement of climate impact.

Investment Strategy (continued)

Our investment strategy reflects GenZero's dynamic approach to decarbonisation and our underlying theory of change. This prioritises new solutions with potential for commercial traction and impact at scale in the next 10 years.

NATURE-BASED SOLUTIONS (NBS)

Protect and restore natural ecosystems to leverage the ability of nature to remove and reduce emissions at scale

Subsectors

- Reforestation and Agroforestry
- Forest Conservation
- Sustainable Forestry
- Sustainable Agriculture
- Wetlands Conservation and Restoration
- Community-based projects

Portfolio

Direct investments: Aurora Sustainable Lands, Rize

Programme Partners and Projects: AJA Climate Solutions, Brújula Verde, Global EverGreening Alliance, Imperative, The Good Rice Alliance

Funds: New Forests Tropical Asia Forest Fund 2 (TAFF2), SilviPar Astarte Impact Forestry Fund (SAIFF)

TECHNOLOGY-BASED SOLUTIONS (TBS)

Deploy and scale technologies with applications across hard-to-abate sectors to achieve meaningful industrial decarbonisation

Subsectors

- Alternative Fuels
- Carbon Capture
- Low-Carbon Materials
- Energy Transition and Grid Decarbonisation

Portfolio

Direct investments: Carbo Culture, CleanJoule, Newlight, Velocys

Funds: At One Ventures Fund II, Breakthrough Energy Ventures Select Fund, Carbon Direct Fund II, Decarbonization Partners Fund I, Energy Impact Partners Deep Decarbonisation Frontier Fund I, Lightrock Climate Impact Fund

CARBON ECOSYSTEM ENABLERS (CEE)

Support scaling of carbon markets and enable broader industry decarbonisation

Subsectors

- Climate Advisory and Project Developers
- Monitoring, Reporting, and Verification (MRV)
- Carbon Infrastructure and Ratings
- Decarbonisation Software

Portfolio

Direct investments: BeZero Carbon, Chooose, Climate Impact X (CIX), South Pole, Perennial

Investment Strategy (continued)

We aim to continuously refine our investment strategy and optimise our portfolio allocation to manage the multi-dimensional trade-offs and risks of our investments.

As long-term capital investors deploying our own balance sheet, we are not constrained by fixed holding periods or investment instruments. This enables us to contribute to capital formation wherever we see value. We can invest at both the company and project levels, using a range of structures including project equity and streaming agreements. With this flexibility, we can leverage our deep understanding of a business to invest across its entire life cycle, with commensurate risk-reward profiles at different stages of development.

Delivering on our double bottom line mandate requires a resilient portfolio. This means dynamically responding to carbon market and technological developments to calibrate our investment strategy and deployment.

Carbon markets continue to evolve as industry participants look to address measurement and additionality risks. More stringent carbon credit methodologies have been introduced to uplift project quality, improve supply integrity, and enhance demand confidence.

This development is positive for the market, despite the introduction of near-to-medium term uncertainties in both reportable climate impact (also represented as issuable carbon credits) and financial returns. We continue to enhance the resilience of our NBS portfolio by being highly selective of the project type and design, with an emphasis on multi-year offtake as an investment criterion.

We also seek to augment our overall portfolio resilience through TBS investments that offer some visibility over contracted cashflows. These investments bolster our overall portfolio resilience and build a foundation for us to deploy into NBS investments, which generate more immediate and higher volumes of direct climate impact.

We will also expand the scope of CEE investments to incorporate broader corporate decarbonisation levers, diversifying portfolio growth drivers beyond carbon markets. Such investments could have less cash requirements compared to hardware climate tech solutions, offering less capital intensive and shorter pathways to cashflows.

Our investment allocation is guided by our fundamental objectives:

1. To achieve both climate impact and sustainable financial returns over our investment horizon
2. To ensure portfolio resilience in a nascent sector amid great uncertainties
3. To build a self-sustaining portfolio over the long term to demonstrate the financial viability of a climate-first investment approach

Kwahu region, Ghana

Portfolio Deep Dives

Nature-based Solutions

INVESTING IN IMPROVED FOREST MANAGEMENT (IFM) PROJECTS

11%

of credits in the global voluntary carbon markets (VCM) come from IFM projects[15]

>3 million

hectares of forestland in the US and Canada are covered by IFM carbon projects[16]

IFM silvicultural practices enhance carbon sequestration within forest ecosystems while promoting sustainable timber harvesting.

Forests play an essential role in mitigating climate change by acting as a reliable, scalable, and cost-effective carbon sink.[17] IFM focuses on the management of existing forested areas with the goal of growing existing carbon stocks. By extending harvest rotation cycles and employing selective logging practices, IFM can significantly increase global carbon stocks without affecting wood production.[18]

Through the improvement of existing forest management practices while maintaining sustainable timber production, IFM avoids competition for land that could be used for agriculture or other purposes, making it one of the most land-use-efficient types of carbon projects.[19]

Furthermore, the diversification of revenue streams, with the addition of carbon finance to traditional timber revenues, enhances the economic value and resilience of forests. This is a win-win solution for the climate and for local communities that are reliant on the timber industry.

Globally, IFM projects have issued approximately 11% of all carbon credits generated on the global voluntary carbon markets.[20] Today, IFM is the leading carbon project type in North America,[21] covering over 3 million hectares of forestland across the US and Canada.[22] The prevalence of industrially-managed forests in North America offers significant potential for scale-up, making IFM a cost-effective and impactful solution for significant carbon emissions reduction and sequestration in the near term.

Upper Bear Creek Meadows, California, US

CASE STUDY

AURORA SUSTAINABLE LANDS

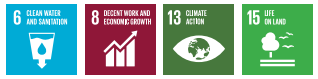
Profile info

Country	US
First Investment	October 2022
Investment pillar	NBS

Impact

VERIFIED EMISSIONS REMOVED FROM IFM
x GENZERO'S STAKE
= DIRECT CLIMATE IMPACT

SDG alignment



Other environmental and social impact

41% headcount increase in CY 2024

285+ bird and mammal species observed on project area

25% of senior management are women

ESG Highlights

- Implemented alignment with the TCFD, SASB Standards and SFDR in public sustainability report
- 100% of Aurora's eligible acres are certified under the Forest Stewardship Council (FSC), equivalent to 636,380ha
- 136,784ha are protected under conservation status and 18,816ha are habitat for known occurance by endangered species
- Updated Health, Safety, Security, and Environment (HSSE) Policies in 2024 to include a new Global Human Rights Policy
- Set up an Investment and Risk Committee in 2024 to review investments through sustainability, value creation, and risk management lenses

Aurora Sustainable Lands (Aurora) is one of the largest private forestland owners in the US, with more than 1.6 million acres under management. It was established in 2021 as a joint venture between Anew Climate and a group of equity investors led by Oak Hill Advisors, GenZero and other leading financial sponsors.

As a carbon-stewardship company, Aurora invests to convert industrially harvested forests to sustainably managed forests. Aurora's IFM approach is to reduce timber harvesting by a minimum of 50% across its portfolio to ensure the long-term health and sustainability of the forest ecosystem.

The extension of the harvest cycle allows the carbon sequestration value of the trees to be maximised.

This, in turn, generates carbon credits that Aurora can use to offset reduced revenues from timber sales.

With an extensive forestland portfolio spanning 14 states, Aurora recognises the significant opportunity to establish strong partnerships with the local communities living and working near its forests. For example, Aurora seeks to benefit local economies through revenue-generating programmes by leasing its properties for recreational purposes, while supporting the responsible and sustainable use of its forest resources.

Overall, IFM not only contributes to the sustainability of forest ecosystems but also enhances their environmental, socio-cultural, and economic value.

> At a time when 4.2 million acres of US forest cover continues to be lost annually from industrial logging,[23] investment from GenZero and other investors helped us transition into sustainably managed forestland for climate mitigation with substantial benefits to local ecosystems and communities.

Jamie Houston
CEO
Aurora Sustainable Lands

Aurora Sustainable Lands Manistique Carbon, located in the Upper Peninsula, Michigan, US

Portfolio Deep Dives

Technology-based Solutions

INVESTING IN SUSTAINABLE AVIATION FUEL (SAF)

65%

Estimated SAF-enabled emission reductions for aviation to reach net zero by 2050[24]

26%

Projected annual growth rate for SAF demand between 2022 and 2050[25]

SAF has the potential to deliver deep decarbonisation impact. Aviation currently accounts for around 2% of global energy-related CO_2 emissions. With air travel expected to grow alongside income growth, total aviation activity could be over 20% higher by 2050.[26]

As most of the aviation sector's CO_2 emissions arise from the combustion of fossil jet fuel, its substitution with a clean energy source is key for the sector to achieve its net-zero goals. Alternatives such as batteries or hydrogen fuel cells require a redesign of the aircraft and the build out of new infrastructure. Instead, a low-carbon fuel like SAF is chemically similar to fossil jet fuel and can be safely used as a drop-in solution. It is estimated that SAF can contribute up to 65% of the emissions reduction needed by aviation to reach net zero by 2050.[27]

Demand for SAF is projected to grow at a compound annual growth rate of around 26% between 2022 and 2050, driven by supportive regulations.[28]

Blending mandates in the European Union (EU) and United Kingdom (UK) require jet fuel to contain 2% of SAF in 2025, ratcheting up to 70% by 2050.[29] Singapore is also targeting a 3–5% SAF blend by 2030.[30]

Producing SAF using hydrotreated esters and fatty acids (HEFA) is expected to be the dominant technology pathway in the medium term, as other methods are not yet commercially deployable.[31] The HEFA pathway uses fats, oils, and greases as feedstocks. These could include waste oils (e.g. used cooking oil and palm oil mill effluent) or oil crops (e.g. soybean and rapeseed). However, supply constraints and stresses on food systems are likely to limit the availability of these options.

Alternative technology pathways, such as the Fischer-Tropsch (FT) process, are being developed to increase SAF supply capacity in the long term. FT pathways allow SAF to be produced from more abundant feedstocks (e.g. woody biomass, municipal solid waste, and recycled CO_2).[32] The FT process also has the potential to achieve lower carbon intensities, which would in turn improve unit abatement costs.[33]

CASE STUDY

VELOCYS

Profile info

Country	UK and US
First Investment	January 2024
Investment pillar	TBS

Impact

NUMBER OF REACTORS SOLD
x EMISSIONS REDUCED PER REACTOR
x GENZERO'S STAKE
= INDIRECT CLIMATE IMPACT

SDG alignment

ESG Highlights

- Developed a Procurement Policy to manage exposure to material human rights and supply chain risks
- Established a Sustainability and Risk Committee, which convenes on a quarterly basis
- Conducted a life-cycle assessment (LCA) to manage impacts of product and implemented recycling practices for waste management

Founded in 2001, Velocys develops and sells FT technology to SAF producers.

Velocys has spent the past 20 years developing technology to enable the production of SAF to help decarbonise global aviation.

The company's microFTL™ reactors are highly modular and well-suited to smaller-scale SAF production with highly distributed feedstock supply. Their proprietary technology allows them to maintain industry-leading syngas. Velocys' reactor performance has been validated with over 8,000 hours of run-time in their field demonstration projects.

Today, Velocys' FT technology enables the production of drop-in fuels with negative carbon intensity from a variety of waste materials, including agricultural and forestry residues, as well as municipal solid waste. In light of the potential supply crunch of waste oil, the ability to leverage more of these feedstocks will be critical in ensuring a more resilient supply of SAF in the long term.

The company also offers an integrated solution for project developers, owners, and operators by supplying reactors, catalysts, and associated engineering services.

> "The support of GenZero and our investment partners allows us to keep our foot on the accelerator as we continue to lead the way in innovative SAF solutions with our pioneering technology and industry-leading talent."

Matthew Viergutz
CEO
Velocys

Velocys' microFTL technology is highly modular and delivers industry-leading syngas conversion efficiencies

Portfolio Deep Dives

Carbon Ecosystem Enablers

INVESTING IN CARBON CREDIT RATING AGENCIES

50%

Average increase of carbon projects rated by various rating agencies from 2024 to 2025[34]

40%

Average price premium per BeZero incremental rating notch[35]

Carbon markets are key to catalysing finance for decarbonisation projects.

The use of carbon credits allows corporates to address residual and hard-to-abate emissions today.

However, for carbon markets to work effectively and scale, participants need to rely on consistent and cost-effective assessments of performance risks across different project types. While meta-standards seek to address quality concerns (e.g. ICVCM's Core Carbon Principles (CCP)), their approach is top-down and focused on assessing methodologies issued by standard bodies. Carbon ratings have an important and differentiated role to play in assessing the quality of individual projects from a bottom-up approach. This includes a view of the local context and specific features of the project's design.

By creating standardisation and comparability across varied project types, carbon ratings are an essential tool for market participants to understand and manage risks at project level. This enhances buyers' trust and confidence in the integrity of projects, with potential to drive greater pricing consistency. This will be foundational for the scaling of carbon markets in the longer term, similarly to how credit rating agencies are an essential part of the financial market.

With increased buyer sophistication and higher integrity expectations, there is a greater focus on quality. In response to this trend, carbon rating agencies have increased their coverage of fully rated projects by at least 50% between 2024 and 2025.[36] This change signifies the growing role and value that carbon rating agencies bring to the market.

Early movers in the carbon ratings industry can benefit from a positive flywheel effect as they scale. Increasing adoption allows the carbon rating agencies to accumulate broader and deeper datasets to refine and enhance the accuracy and credibility of their analytical models. This, in turn, strengthens the credibility of the ratings issued, driving further adoption and becoming an industry benchmark. As economies of scale take effect, ratings of individual projects can be assigned more efficiently and cost-effectively, leading to attractive steady-state margins.

BeZero Carbon Markets platform

CASE STUDY

BeZero

Profile info

Country	UK, US and Singapore
First Investment	January 2025
Investment pillar	CEE

Impact

NUMBER OF CARBON CREDITS RATED
x GENZERO'S STAKE
= INDIRECT/TRANSFORMATIONAL CLIMATE IMPACT

BeZero Carbon ratings have provided the missing relationship between price and quality. This means more money going to better projects, creating a race to the top for climate outcomes.

SDG alignment

ESG Highlights

- Implemented ESG Policy and Code of Conduct
- Implemented various policies and processes to ensure the security of customer privacy and other confidential data

1.1 billion
carbon credits rated

~700
carbon projects rated
(pre- and post-issuance stage)

Founded in 2020, BeZero Carbon (BeZero) is a global carbon ratings agency. Headquartered in London, BeZero also has offices in New York and Singapore, and has rated nearly 700 carbon credit projects globally, with 8,000 subscribers to its publicly available headline ratings.

The company has developed a robust ratings framework underpinned by extensive geospatial analysis, reliable carbon datasets, and in-house scientific expertise. For example, BeZero uses in-house machine learning to analyse a combination of geospatial and earth observation data to validate carbon stocks at project level. After a rating is assigned, the company continues to monitor the projects to provide timely updates to the ratings if there is new material information that could have an impact on the carbon credit quality.

BeZero's mission is to accelerate investment in environmental markets that support a sustainable future. For carbon markets to grow effectively, a clearer understanding of the relative quality of carbon projects is essential.

There is increasing evidence that higher BeZero carbon ratings are associated with higher prices. In 2024, this relationship became even more pronounced, with an average price premium of around 40% per BeZero rating notch.[37] This price discovery process is critical to incentivise the development of higher quality projects, and delivering higher impact over time.

BeZero is working with over 160 customers globally, including UBS, Bloomberg, Emirates NDB, Sumitomo, South Pole and Woodside Energy.

> We are immensely grateful to our investors, clients and partners who have joined us on our journey to date. Our ratings are quickly becoming a key part of the global carbon market infrastructure and their use continues to grow as market participants seek solutions to bolster integrity.

Tommy Ricketts
CEO and Co-Founder
BeZero Carbon

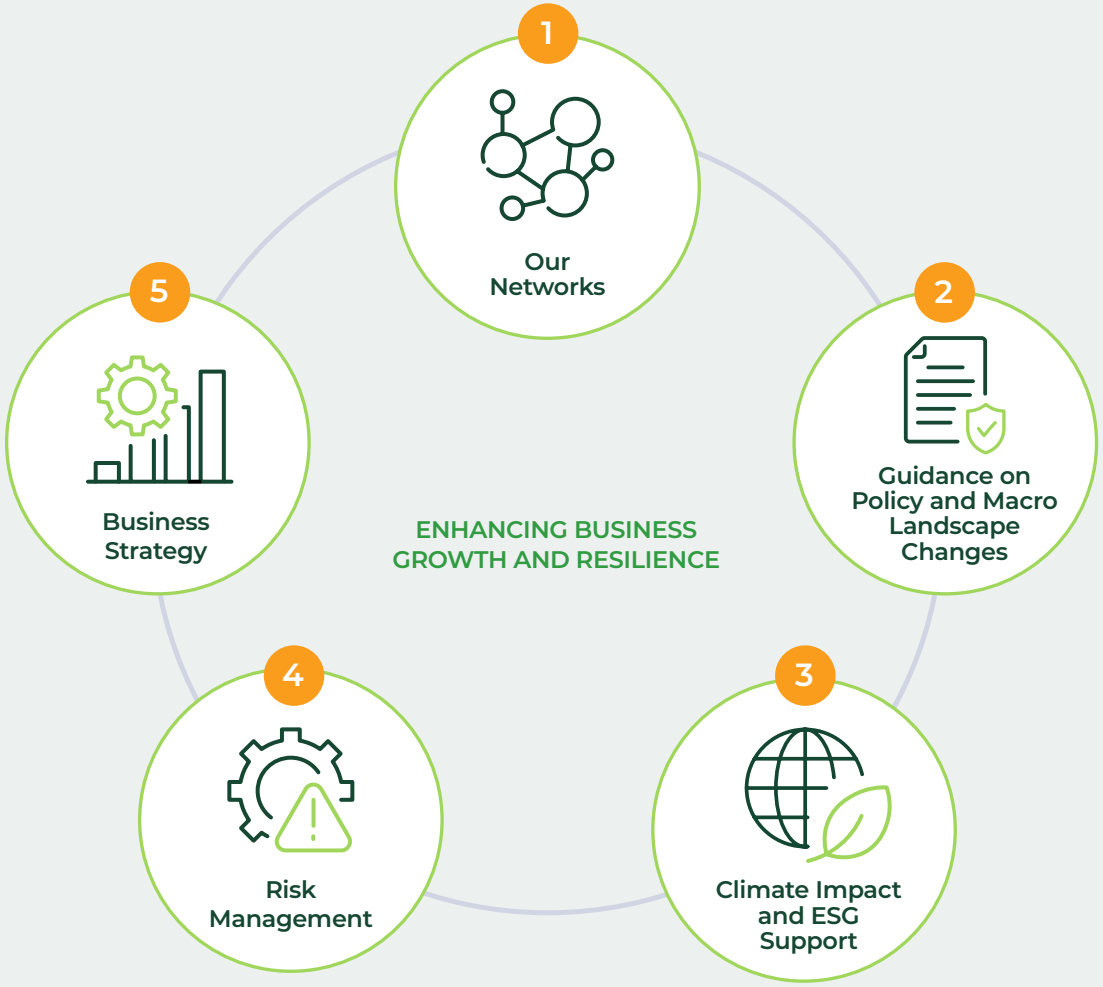
The BeZero Carbon Rating scale

Portfolio Value Creation

As our portfolio companies, funds and programme partners scale, so does their impact.

Active value creation can help our portfolio achieve financial success, leading to impact at scale. Investments that manage to successfully scale their impact will deliver shareholder returns and stakeholder value over the long-term. Our value creation efforts are focused on helping companies deliver climate impact through commercially viable business models and service offerings.

We support the growth of our portfolio by going beyond providing financial capital.



Portfolio Value Creation (continued)

OUR KEY ACTIVITIES FOR PORTFOLIO VALUE CREATION

Enabling Growth Opportunities Through Our Networks

We leverage our industry networks and connectivity to help our investees create strategic partnerships, particularly in carbon markets.

We create forums, such as the GenZero Climate Summit in Singapore, and the GenZero-Mizuho Seminar in Tokyo, to convene key industry players across carbon markets and climate technology. Fostering open dialogue and sharing perspectives creates opportunities for our investees to build credibility, engage with decision-makers, and learn from best practices.

Enhancing Risk Management Processes

We support our investees as they build risk management processes and capabilities appropriate for their stage of growth.

Robust risk management is critical for both carbon market and climate businesses, as they operate in nascent markets with evolving standards and fast-changing regulations. We advise our investees on the development and implementation of risk management and quality assurance frameworks.

Providing Guidance Through Policy and Macro Landscape Changes

We work with our investees as they navigate shifting regulatory landscapes and anticipate potential market inflection points.

We exchange knowledge, pressure-test assumptions, and adapt to the pace of change in climate-related policy and carbon markets. We closely monitor developments shaping the future of carbon markets through our active participation in global dialogues around standards and frameworks.

We facilitate opportunities for our investments to participate in broader ecosystem initiatives, at events such as our flagship GenZero Climate Summit.

READ MORE:
THOUGHT LEADERSHIP INITIATIVES

Generating Climate Impact and Improving ESG Performance

We actively engage our investees to catalyse their climate impact.

As a double bottom line investor, we share our perspective on how to balance the need for carbon abatement today and for financial resilience to sustain growth and scale in the future.

We also support the development of our investees' ESG capabilities through ad-hoc reviews of their policies and processes. Where available, we participate in environmental & social (E&S) or impact committees to offer our perspective and guidance.

READ MORE:
RISK MANAGEMENT

Approach to Climate Impact Measurement

In order to scale climate finance, investors require a clear approach to measure positive climate impact.

CARBON ACCOUNTING

Measures the carbon emissions produced (categorised as Scope 1, Scope 2, and Scope 3)

CLIMATE IMPACT

Measures the reduction and/or removal of carbon emissions

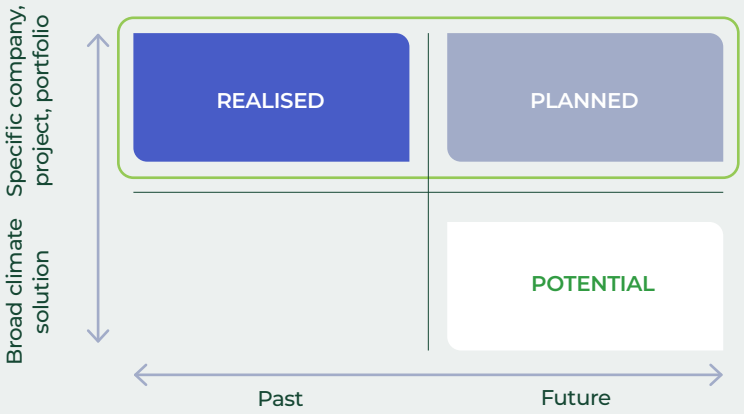
What do we mean by climate impact?

Climate change refers to the negative impact caused by the rise in GHG emissions. Climate impact is understood as the reduction and/or removal of GHG emissions. Its measurement implies the assessment of a climate solution's ability to deliver on this impact.

Climate impact measurement is still nascent

As there is limited alignment in climate impact measurement, investors usually build their in-house approach based on their own targets and investment mandate. Organisations such as Project Frame and the World Business Council for Sustainable Development (WBCSD) support climate investors' convergence in climate impact measurement and reporting best practices.

GenZero focuses on realised and planned climate impact



Realised Impact

Constitutes actual emissions reduced or removed by the solution in the past. This approach does not look at projected climate impact; instead, it only considers the abatement that has already occurred. Referring to realised climate impact improves the verifiability and reliability of impact claims.

Planned Impact

Reflects a realistic assessment of the emissions a solution is expected to reduce or remove, based on its business model. It requires a bottom-up approach grounded in the solution's specific business plan and sales forecast, taking into account its current resources, product offerings, and operational capabilities.

Potential Impact

Estimates the emissions a solution could reduce or remove, assuming a standardised trajectory of success. The estimation is derived using a top-down approach that considers the total addressable market (TAM), serviceable addressable market (SAM), and relevant technology diffusion or S-curves.

Approach to Climate Impact Measurement (continued)

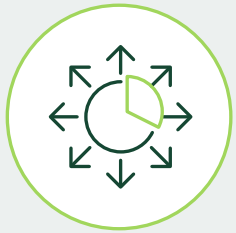
We developed a robust and practical framework that incorporates climate impact into the strategy and measurement of decarbonisation investments. The framework also facilitates GenZero to achieve its double bottom line. It identifies the following variables:

A Is all impact generated equal?

TYPES OF IMPACT

- Direct impact
- Indirect impact
- Transformational impact

B How much impact should we claim?



ATTRIBUTION

- Ownership share
- Value chain attribution

C What is the right timeframe to use?

TIMEFRAME

- Holding period vs. lifetime value
- Realised vs. projected impact

D Are larger volumes always better?

OPTIMISATION

- Trade-off between quality, quantity and cost over time

E How do we set a verifiable target?

TARGET

- Measurable and verifiable
- Long vs. short-term

Principles that underpin our methodology

1. **Adaptable**
   Adjusts to evolving industry consensus
2. **Defensible**
   Holds up to public scrutiny
3. **Simple**
   Can be calculated by investment teams
4. **Explainable**
   Understood and used by investment committees and stakeholders to make better decisions

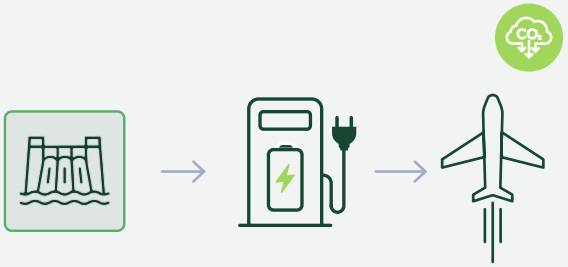
Approach to Climate Impact Measurement (continued)

A TYPES OF IMPACT

We have identified three distinct types of climate impact:

MORE WELL-DEFINED → LESS WELL-DEFINED

	DIRECT IMPACT	INDIRECT IMPACT	TRANSFORMATIONAL IMPACT
DEFINITION	Climate solutions that **directly** reduce or remove emissions	Climate solutions that **provide enabling infrastructure or technology** to help reduce or remove emissions	Climate solutions that provide **next-wave technologies** or contribute to a **more favourable market** for these technologies to scale
EXAMPLES	Carbon Project Developers → Carbon Project	Waste Processing Technology → Sustainable Aviation Fuel (SAF) → Airlines	Carbon credit ratings → Market Change → Companies purchasing credits → Carbon Project Developers
GENZERO PORTFOLIO EXAMPLE	Generates nature-based removal carbon credits via improved forest management projects AURORA SUSTAINABLE LANDS	Develops Fischer-Tropsch technology* for SAF producers to help decarbonise global aviation VELOCYS	Develops robust rating framework for carbon projects to accelerate the growth and improve the quality and integrity of carbon markets BeZero



* Fischer-Tropsch processes allow SAF to be produced from more abundant feedstocks such as woody biomass, municipal solid waste as opposed to fats, oils and greases.

Climate Solution

Approach to Climate Impact Measurement (continued)

B OWNERSHIP ATTRIBUTION

The Company's Climate Impact

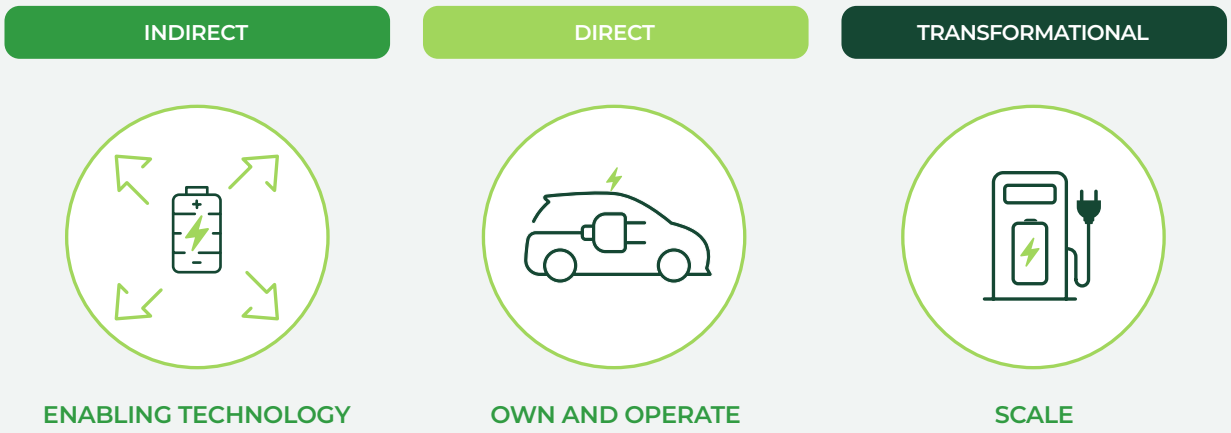
The approach for attributing climate impact depends on the nature of the impact generated – whether it is direct, indirect, or transformational.

For **direct climate impact**, attribution is relatively straightforward. This impact arises from products or solutions that directly reduce or remove emissions. Therefore, companies that generate direct climate impact usually have full ownership of the emissions reduction or removal generated. In this case, there is a clear and quantifiable link between the company's activity and the resulting climate impact.

Indirect climate impact originates from enabling infrastructure or technologies that help reduce or remove emissions. Attribution in these cases is more complex as it depends on the value they add to the generation of direct climate impact. Due to the interdependent nature of decarbonisation pathways and a lack of standardised methodologies, it is difficult to precisely quantify each enabler's value attribution. By attempting to qualify value attribution, we risk oversimplifying nuanced value chains and misrepresenting the true drivers of impact.

Transformational climate impact is generated through next-wave climate technologies or in market-shaping actors that create more favourable conditions for climate solutions to scale. These investments may not yield immediate emissions reductions or removals, but play a catalytic role in accelerating long-term decarbonisation. Attribution here is inherently uncertain, yet these solutions are crucial for unlocking future systems-level change.

All forms of climate impact are important. While direct climate impact may be more precisely measured, each plays a vital role in enabling decarbonisation.



The Investor's Climate Impact

Investors may choose to measure climate impact in absolute terms, reporting the full impact generated by their portfolio (non stake-adjusted) or reflect the investor's proportional ownership of impact generated by the portfolio (stake-adjusted). At **GenZero, we adopt a stake-adjusted approach for our climate impact measurement and target setting. This allows us to derive a more conservative and credible estimate of our contribution, and to minimise the risk of double-counting across our portfolio.**

While direct impacts are more readily measurable, indirect and transformational impacts are equally critical to the global decarbonisation agenda. Each plays a distinct yet complementary role in advancing climate solutions – from near-term abatement to long-term systemic transformation. As outlined in GenZero's Climate Impact Measurement Framework, recognising and responsibly attributing all three dimensions of impact ensures a more holistic view of how capital deployment contributes to climate targets.

Approach to Climate Impact Measurement (continued)

C TIMEFRAME

Different time horizons for impact can be applied depending on the investment strategy and the way in which each investor decides to account for its value-add to its portfolio's impact generation. **We decided to only account for the climate impact realised during our holding period in each investment, since it can be directly attributed to our active portfolio management.** This allows us to account for a precise time horizon of impact that is directly attributable to GenZero, and calculate our ownership of impact.

However, others may choose to look at the lifetime climate impact. This is an equally valid approach, especially in the context of nascent technologies with large potential climate impact that may only be able to report realised impact well beyond the investor's holding period.

D COST OF CLIMATE IMPACT

At GenZero, **we assess the cost per tCO_2e reduced or removed for each investment opportunity**. This carbon yield is projected throughout the holding period to understand how it may increase over time. While using larger volumes of climate impact may seem better, this approach could involve more complex solutions that require greater financing. In such cases, the rising cost curve would decrease an investor's climate impact if the capital deployed was kept constant.

E CLIMATE IMPACT TARGET

As a double bottom line investor committed to generating measurable climate impact, we recognise the importance of setting and transparently disclosing targets. Rather than adopting a long-term aspirational goal, **we have deliberately chosen to set a short-term, verifiable target: achieving at least $7MtCO_2e$ of cumulative direct realised climate impact by FY 2028.** This target is grounded in a rigorous bottom-up and top-down assessment of the achievable realised impact across our current portfolio.

This figure does not include the substantial long-term direct impact that could be enabled by emerging decarbonisation technologies, nor does it capture indirect or transformational climate impact. In line with the principles underpinning our approach to climate impact measurement, we have focused our target solely on direct climate impact, which we believe is the most defensible, transparent, and attributable metric at this stage.

Both our climate impact performance and target are centred on realised impact (i.e. emissions that have already been reduced or removed by our portfolio) rather than future projections. To provide a comprehensive and transparent view, we report both stake- and non stake-adjusted climate impact. Our target only captured the stake-adjusted impact, which reflects the portion which is directly attributable to GenZero.

To contribute to transparency and accountability, we conducted an external limited assurance of our realised direct and indirect climate impact (CY 2023-2024). This allows us to confidently track our growing impact against our target.

Top to bottom:
- *GenZero and AJA Climate Solutions, community engagement, Ghana*
- *Global Evergreening Alliance, Farmer-managed natural regeneration, Kenya*

Approach to Climate Impact Measurement (continued)

OUR COMMITMENT TO THE IMPACT PRINCIPLES

GenZero recognises that the approach we take in measuring climate impact may not be applicable to all investors. However, our goal is that by grounding our approach in best practices and sharing its implementation, we can encourage greater discussion and drive convergence on climate impact measurement.

In May 2024, we engaged BlueMark to conduct an independent verification of our impact management practice against the Operating Principles for Impact Management ("The Impact Principles" or OPIM) to understand our alignment with best practices and standards of the impact-investing industry. This assessment helps identify areas for improvement and informs the ongoing refinement of our impact management practice.

Based on the exercise, GenZero scored "High" or "Advanced" on six out of eight assessment pillars, performing above our peer group's average on two pillars: the management and monitoring of strategic impact at the portfolio-level, and the evaluation of anticipated impact of each investment systematically.

As we navigate the challenges of standardising and quantifying the impact generated through our investments, we are guided by The Impact Principles. We joined OPIM as a signatory in September 2025 and look forward to publishing our first disclosure statement in 2026.

READ MORE: BLUEMARK IMPACT MANAGEMENT PRACTICE VERIFICATION

Operating Principles for Impact Management

BLUEMARK

Driving Convergence on Climate Impact Measurement

To contribute to thought leadership in the investment community, we published the GenZero Climate Impact Measurement Framework in June 2023, in collaboration with Boston Consulting Group (BCG).[38] Our framework represents an initial attempt to codify the key principles and approaches that GenZero takes to climate impact measurement. We are committed to refining our approach as market practices evolve and our impact practice matures.

GenZero x Project Frame

In September 2024, GenZero became an active member of Project Frame and co-led the Content Working Group with Climate Collective. Through this collaboration, leading Asia-based climate investors came together to align on climate impact measurement implementation based on Project Frame's principles.[39] The initiative aimed to support three start-ups in measuring their climate impact and assessing their adaptation and resilience co-benefits.

The Next Phase of Carbon Markets: Integrity, Scale, and Action

"Now is the time to act. Waiting on the sidelines may mean playing catch-up later – in cost, credibility, and compliance. Take a position today to future-proof your strategy for the markets of tomorrow."

Anshari Rahman
Policy and Analytics Director
GenZero

Carbon markets continue to be a critical and credible lever for corporate decarbonisation.

Today, about 28% of global emissions are covered by a direct carbon price, compared to about 5% in 2005.[40] As countries like Brazil, India, and Indonesia move to establish or enhance carbon pricing regimes, businesses must prepare for a future where emissions come at a cost. Many compliance schemes enable companies to offset hard-to-abate emissions, providing flexibility while stimulating investment in nature and low-carbon technologies. The ability to use high-quality carbon credits can help accelerate decarbonisation efforts, making them a vital lever in the global transition to a net-zero economy.

A mitigation hierarchy remains important: credits complement – rather than replace – direct abatement. The mitigation hierarchy prioritises direct emissions reduction over the use of credits. This approach ensures that direct emissions reduction remains the focus, while carbon markets provide a flexible mechanism to tackle unavoidable emissions in a cost-effective manner. Evolving voluntary standards such as the Science Based Target Initiative (SBTi) and the International Organization for Standardization (ISO), which guide companies to reduce emissions and use carbon credits, are emerging as critical tools to provide clarity and unlock corporate demand.

Evidence from independent ratings firms shows that there are high-quality projects across technology, nature, reductions, and removal.[41]

Debates over whether one particular type of carbon credits counts and others do not are not productive.

The governance for carbon markets is also improving. Standards such as ICVCM and CORSIA are setting the bar on supply quality, while independent ratings firms like BeZero are enhancing transparency and investor confidence in quality at project level. Leading programmes such as Verra and Gold Standard continue to review and update methodologies based on the best available science, and introduce stronger safeguards around additionality, leakage, and permanence. Together, these developments mark a step change in the quality and credibility of carbon credits. The next stage of market development should focus on scaling up demand.

As the market matures and industry players become more sophisticated, carbon markets' ability to deliver higher quality and integrity can only improve further. We must not let the pursuit of perfection slow down climate action. Although carbon markets are still evolving, uncertainty should not justify paralysis.

28%

of global emissions are covered by a direct carbon price[42]

The Next Phase of Carbon Markets: Integrity, Scale, and Action (continued)

To enable carbon markets to deliver on their climate impact potential, we still need clear regulations on how companies should use carbon credits for a credible transition plan.

To encourage widespread corporate use of carbon credits, there needs to be clear regulatory support and demand incentives from governments.

We are heading toward a carbon-constrained future. Carbon credits will grow in relevance – not just as a tool for corporate climate action, but as a currency for international cooperation. At the same time, companies will face mounting exposure to compliance schemes as more governments adopt or tighten carbon pricing mechanisms. Globally, there are already 80 emissions trading systems and carbon taxes.[43]

Now is the time to act. Companies must start investing in high-integrity carbon credits and building their portfolios. Waiting on the sidelines may mean playing catch-up later – in cost, credibility, and compliance. Take a position today to future-proof your strategy for the markets of tomorrow.

80

Emissions trading systems and carbon taxes are implemented globally[44]

Thought Leadership Initiatives

GenZero takes a proactive approach to supporting the development of high-integrity carbon markets and the wider decarbonisation ecosystem.

Where relevant, we work with policymakers, industry leaders, international bodies and the broader ecosystem to address challenges on demand, supply, and infrastructure to build better carbon markets.

This is part of our efforts, as detailed in our Theory of Change, to support policy, regulatory, and methodological harmonisation and to drive climate action. We are joined by multiple international stakeholders in achieving this mission.

Scaling Carbon Credit Demand and Supply

GenZero has formed a strategic partnership with Tencent to accelerate investment in high-integrity climate solutions. As part of the deal, Tencent plans to offtake at least one million verified, high-quality carbon credits from GenZero's portfolio over 15 years. The collaboration focuses on enhancing transparency and trust in the VCM. It will explore opportunities to support projects with strong environmental and socio-economic impact, particularly in areas most in need of climate finance. It also includes joint efforts to de-risk projects using feasibility studies and MRV technologies.

In September 2024, GenZero signed a Collaboration Agreement with Rwanda and Gold Standard to develop a pipeline of Article 6-eligible projects.[45] This is the world's first carbon market partnership between a government, a standard-setter, and an investor.

To boost demand for SAF in APAC, we launched the Green Fuel Forward initiative in May 2025 together with the WEF.[46] This initiative seeks to build capacity in aviation decarbonisation and catalyse demand for SAF, contributing to scaling up production facilities in the region. These developments support global aviation decarbonisation efforts such as the International Civil Aviation Organisation's objective of a 5% reduction in the carbon intensity of jet fuel by 2030.[47] We have gathered lead demand signals from 16 members so far, including airlines, banks, and other organisations.

One of the key highlights in 2025 is the Call to Action that GenZero issued together with the ICVCM, the VCMI, and the World Bank, urging policymakers to enhance guidance and support for voluntary corporate climate action as a key part of national climate goals.[48] The statement emphasises the need to give equal priority to emissions reduction and removal, as well as to both NBS and TBS. Over 20 non-government actors have already endorsed the Call to Action, including Conservation International, Gold Standard, Sylvera, The Nature Conservancy, Verra, the WBCSD, to name a few.

Accelerating the Energy Transition

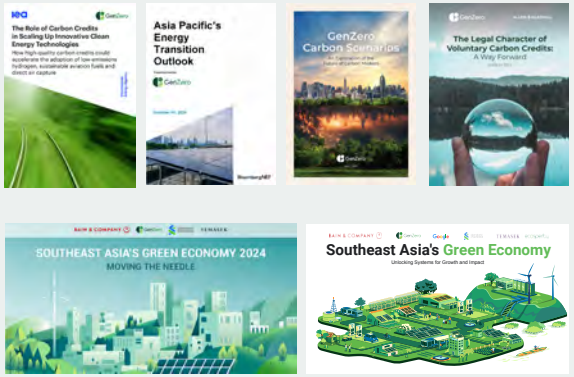
GenZero signed a Memorandum of Understanding (MoU) with Keppel and ACEN in August 2024 to evaluate the feasibility of leveraging transition credits for the early retirement of a 246MW coal-fired power plant in South Luzon, in the Philippines.[49]

BUILDING BETTER CARBON MARKETS

Our thought leadership efforts are geared towards scaling high-integrity carbon markets. We collaborate with international organisations, industry leaders, policymakers and the broader ecosystem.

Our papers seek to identify solutions to address market pain points, debunk and clarify conceptual and technical misconceptions. The reports also provide empirical datapoints on how carbon markets can improve the economics of nascent climate solutions to tackle hard-to-abate emissions.

Ultimately, our goal is to demonstrate as a collective that decarbonisation can be bankable.



READ MORE: THOUGHT LEADERSHIP REPORTS

Thought Leadership Initiatives (continued)

Clockwise from top:
- *MoU signing ceremony with ACEN and Keppel, August 2024*
- *Collaboration Agreement signing with Rwanda and Gold Standard, September 2024*
- *Launch of ACCE, April 2024*

If successful, this would be the first transition credit project with Article 6 authorisation in the world. This project builds upon strong relationships with key ecosystem partners: the Rockefeller Foundation's Coal-to-Clean Credit Initiative (CCCI) and the Monetary Authority of Singapore's Transition Credits Coalition (MAS TRACTION).

As of May 2025, Mitsubishi Corporation and its subsidiary, DGA, have also acceded to the MoU, to explore the use of transition credits to support the Japanese emissions trading scheme.[50]

GenZero also signed an MoU with Mizuho in February 2025 to leverage our collective expertise and regional connections to unlock more transition finance initiatives in Asia.[51]

Shaping an Enabling Ecosystem for Carbon Markets

We are at the forefront of leading carbon market initiatives, such as participating in the ICVCM's Continuous Improvement Work Programs on Corresponding Adjustments, and in the development of the ISO's first international standard for net zero, providing clarity on robust organisational transition paths.

Together with South Pole and supported by Singapore EDB, we launched ACCE in April 2024.[52] ACCE works with Asian governments and businesses to build effective carbon policy regimes and carbon projects in the region. Its objective is to realise the potential of carbon markets and enable Article 6 collaborations for cost-effective decarbonisation.

Thought Leadership Initiatives (continued)

Clockwise from top left:
- *Dr Tan See Leng, Minister for Manpower and Second Minister for Trade and Industry, delivering the Welcome Keynote Address at the GCS Insights, May 2025*
- *Rachel Kyte, Special Representative for Climate, UK Government, GCS, May 2025*
- *Ravi Menon, Ambassador for Climate Action and Senior Adviser for the National Climate Change Secretariat (NCCS), Prime Minister's Office, Singapore; Rachel Kyte; Thomas Montag, CEO of Rubicon Carbon and Board Member of Goldman Sachs, GCS, May 2025*

Convening Climate Leaders

As part of Temasek's flagship sustainability event, Ecosperity Week, GenZero has been hosting its own annual flagship gathering, the GenZero Climate Summit (GCS), since 2023. GCS aims to build valuable partnerships while advocating for ambitious climate action, particularly in carbon markets. In May 2025, we convened over 500 global leaders to discuss our theme of "Overcoming Paralysis".[53] The event aimed to inspire decisive action in the face of current macro headwinds. This year, we also launched our new GCS Insights event, organised in partnership with Singapore EDB and EnterpriseSG. This event focused on the role of public-private partnerships and talent development initiatives to grow capacity-building for carbon markets in Southeast Asia and beyond.

We continue to have a strong presence at global events such as COP, London Climate Week and Climate Week NYC. Through these events, we strengthen existing partnerships and build new ones. We take the opportunity to broadcast our initiatives, and advocate for high ambition on multiple fronts across climate action and carbon markets.

Governance and Risk Management

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Park Royal, Singapore

Governance Structure

Strong governance is the foundation for sustainable growth and long-term value creation.

Our commitment to ethical business practices, transparency, and accountability guides every decision we make. This section outlines the key governance structures and processes that enable us to uphold accountability and responsible management to achieve our goals.

Board of Directors (Board)

The Board is independent. It sets GenZero's strategic direction and supports our senior management to deliver positive climate impact alongside long-term sustainable financial returns.

The Board reviews management's strategy and performance against GenZero's sustainability and climate impact objectives and targets. It also instils an ethical corporate culture and ensures values, standards, policies, and practices are consistently applied with transparency and accountability.

We use a balanced scorecard as a management framework to measure and drive performance. Our strategy and vision are translated across four pillars: Strategic, Financial, Operational, and People. Climate impact and ESG performance are tracked under the Strategic pillar. The Board approves the key performance indicators (KPIs) for the balanced scorecard annually and evaluates GenZero's performance against these KPIs.

The Board comprises six members who bring extensive experience and complementary skills from various sectors across finance, governance, impact investing, sustainability, and carbon markets. This contributes to a diversity of views during discussions and in decision-making, and contributes to robust governance and strategic oversight of GenZero. The Board approves GenZero's strategy, policies, and procedures. A delegation of authority framework, approved by the Board, establishes the levels of authority for investment and divestment, and other operational matters.

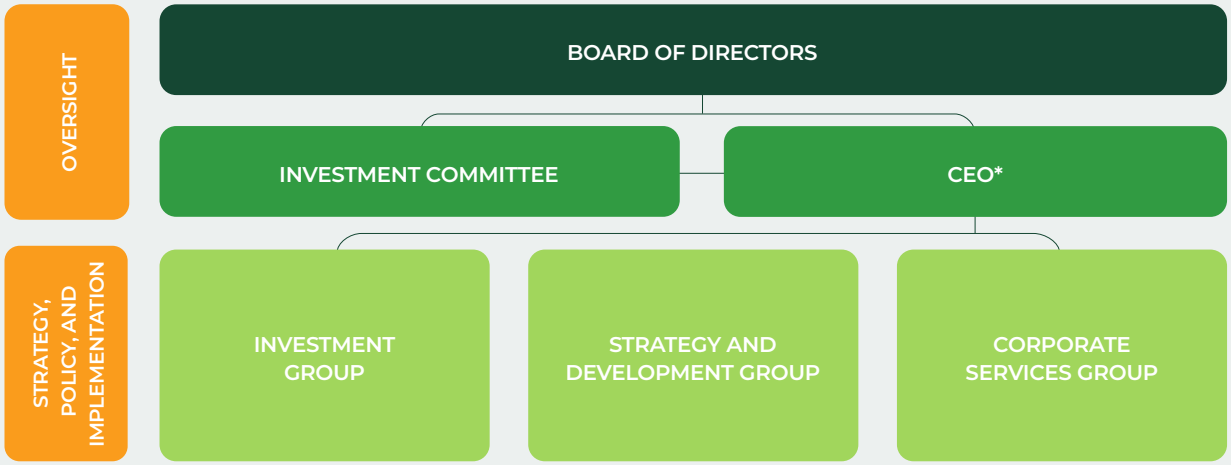
The Board convened five times in FY 2025 at regular intervals to discuss and approve matters relating to our portfolio investments, strategy, and corporate governance. These included items such as the implementation of our Enterprise Risk Management Framework and refinements to our climate impact measurement approach across our portfolio.

Investment Committee (IC)

The majority of our IC members are external. The IC reports to the Board and has delegated authority to approve investment and divestment decisions. It plays a crucial role in assessing the potential risks, rewards, and viability of investment opportunities, based on GenZero's strategy. It also provides steer to our senior leadership on the management of GenZero's overall portfolio, including the oversight and provision of enterprise-level strategic direction on ESG matters. Our IC's collective experience in sustainability and impact investing enables it to effectively assess investments to achieve our double bottom line.

READ MORE: RISK MANAGEMENT

Corporate governance framework



* The CEO is also a member of the Investment Committee.

Governance Structure (continued)

Board of Directors

Chairman

Sunny VERGHESE
Co-Founder and Group CEO, Olam

Board Members

Steve HOWARD
Vice Chairman, Sustainability, Temasek

Alan THOMPSON
Operating Partner, Temasek, CEO, Xora Innovation

Ruth NUSSBAUM
Executive Director, Global and Europe, Proforest

GOH Swee Chen
Chairwoman, Nanyang Technological University Board of Trustees and National Arts Council Sustainable Development

Peter BAKKER
President and CEO, World Business Council for Sustainable Development

Investment Committee

Committee Chair

Steve HOWARD
Vice Chairman, Sustainability, Temasek

Committee Members

Charles EWALD
Lecturer, Stanford Graduate School of Business, Investment Advisor, GenZero

David HENG
CEO, Temasek Trust Asset Management and ABC Impact

Russell THAM
Head, Emerging Techonologies, Temasek

Frederick TEO
CEO, GenZero

Kimberly TAN
Managing Director, Head of Investments, GenZero

Governance Structure (continued)

Senior Management

Senior Management at GenZero is responsible for setting our strategic direction, integrating sustainability factors into investment decisions, managing risk, and driving initiatives that support our goals.

With the Board's oversight, our Senior Management meets regularly to review GenZero's performance and achievements against our annual balanced scorecard and our Long-Term Incentive Plan. A portion of our employees' compensation is contingent on the achievement of our balanced scorecard targets for each year. The Long-Term Incentive Plan is designed to align the interests of employees with GenZero's double bottom line mandate. The compensation framework aims to foster a culture of performance and ownership of the delivery of impact through GenZero's portfolio investments and institutional contributions.

Key Organisational Groups and Functional Teams

- The **Investment Group** plays a central role in identifying, evaluating, and managing investments to realise our double bottom line mandate. The Investment Group works closely with the Strategy and Development Group to integrate our ESG framework throughout our investment process, from origination to portfolio management, with the inclusion of information and governance rights commensurate with the investment. Portfolio management meetings, chaired by our Head of Investments, are conducted quarterly to monitor our risk exposure, projections of climate impact and financial returns for each investment.
- The **Strategy and Development Group** drives GenZero's strategic direction, international positioning, and thought leadership. It provides counsel to the CEO and Senior Management on key developments in sustainability, carbon markets, and climate policy. The Group also conducts advocacy on carbon markets and climate impact through partnerships, events, and reports that amplify the commercial case for decarbonisation. The Group also leads our ESG risk management, climate impact measurement, carbon accounting, and carbon credit sales.
- The **Corporate Services Group** comprises Legal and Compliance, Risk, Finance, Human Resources, Information Technology (IT) and Administrative Services. At an enterprise level, the Group's work includes developing and implementing frameworks, policies, and procedures that drive alignment across operations, promote ethical behaviour, improve operational efficiency, uphold integrity and mitigate identified corporate and portfolio risks. In addition, the Corporate Services Group and Strategy and Development Group support the Investment Group throughout the investment process.

Cloud Forest, Gardens by the Bay, Singapore

Governance Structure (continued)

Senior Management

Frederick TEO
CEO

Kimberly TAN
Managing Director, Head of Investments

Sei-Wei ONG
Managing Director, Investments

SIM Ting
Managing Director, Head of Corporate Services Group and General Counsel

Ashley CHAN
Investment Director

HOON Ling Min
Investment Director

Antoinette LI
Investment Director

Anshari RAHMAN
Policy and Analytics Director

SOH Hui Qing
Institutional Strategy and Carbon Business Director, Chief of Staff

Michelle TAN
Corporate Affairs & Communications Director

Maxime GRIMAUD
Risk Director

Jeraine NG
Finance Director

YEO Yen Chen
Human Resource Director

Information displayed is as of August 2025.

Corporate Policies

BUSINESS ETHICS AND COMPLIANCE

Our policies and practices are centred on fostering a culture of compliance with high ethical standards.

We require our employees to observe and act in accordance with these policies throughout our business dealings and when interacting with investees, regulators, and other stakeholders.

Our Code of Conduct is accessible to all employees and establishes our expectations of ethical behaviour. The policy is structured around key organisational values and legal compliance, and provides guidance on operational alignment with ESG principles. GenZero does not tolerate any form of corruption and bribery.

We require all our employees to attend training on our Code of Conduct annually and other ad-hoc compliance trainings periodically. This is to strengthen employees' knowledge of, and enable their compliance with, our Code of Conduct and other policies. Senior Management is intentional in driving a strong 'tone from the top' to demonstrate that it takes ethical behaviour, compliance with applicable laws, and company policies seriously.

We have also established clear reporting channels and consistent enforcement procedures. Our SpeakUp Policy outlines the process for employees to raise concerns anonymously about illegal, unethical, or questionable practices.

Employees are provided with various channels to raise concerns relating to our Code of Conduct and any illegality, including corruption, fraud, and conflicts of interest. These channels of reporting are designed to respect strict confidentiality and protect against retaliation.

These channels include a dedicated email account and an independent whistleblowing service platform, which is administered by a third party. We have clearly articulated that GenZero does not tolerate retaliation against anyone who has filed a report in good faith or participated in an investigation. To enhance transparency and accountability, we have made the whistleblowing platform accessible to external parties through GenZero's website.

Our governance framework includes regular compliance audits to ensure adherence to legal, regulatory, and internal standards. Through these audits and the annual review of our Code of Conduct and suite of policies, Senior Management identifies areas for improvement, incorporates regulatory changes, addresses emerging risks, supports organisational growth, and applies learnings from implementation.

Crisis Management Plan

To address the various risks that may arise in our operations and business activities, we are committed to continuously enhancing our risk and crisis management system. This enables us to respond promptly and effectively to major disruptions, minimising potential damage and loss while helping to prevent risks from escalating beyond our control.

We manage risks and crises through a structured approach outlined in our Crisis Management Plan, which encompasses crisis identification, impact assessment, response and recovery, and ongoing monitoring. Our response is guided by principles that prioritise life and safety, protect our reputation, ensure business continuity, and safeguard assets.

The Crisis Management Plan clearly delineates roles and responsibilities within the Crisis Management Team, ensuring coordinated and timely action during disruptions. In addition, it includes dedicated contingency plans tailored to specific types of crises, supporting a comprehensive and resilient response framework. We conduct annual crisis management exercises to strengthen our response readiness.

ESG Policy

Our ESG Policy guides both our investment activities and our internal operations by setting our values and principles as a responsible investor. First established in June 2023, the principles and investment exclusions detailed within our ESG Policy have been integrated into our investment screening process. As far as possible, we include explicit ESG principles and obligations into agreements with our investees. As GenZero grows and its investment strategy evolves, the ESG Policy will undergo annual reviews, and we are committed to updating it as necessary.

READ MORE: ESG POLICY

Risk Management

We implement a holistic approach to risk management that addresses traditional financial metrics as well as ESG and carbon market-related risks.

In 2024, we developed the Enterprise Risk Management Framework to safeguard our double bottom line. This framework is built on six risk pillars: investment, external, operational, carbon credit sales, legal and compliance, and reputational. Within this framework, we assess and measure potential risks at the individual investment level. Examples include operational and technology risk, as well as broader external factors such as carbon market volatility or geopolitical shifts. We also manage risk by building a diversified portfolio across our three investment pillars, geographies, industries, project types, and investment modalities.

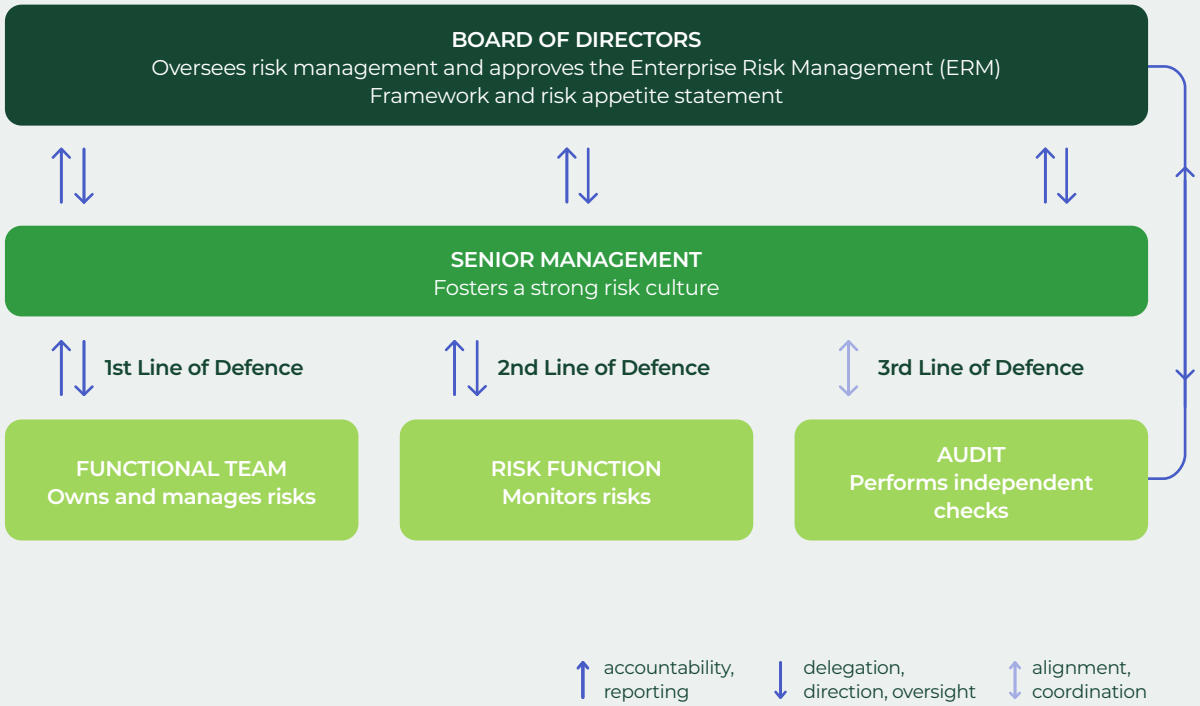
> Given the volatility and novelty of the markets in which we operate, it is critical to implement a robust risk approach to future-proof our investments.

Maxime Grimaud
Director of Risk
GenZero

OUR SIX RISK PILLARS

- REPUTATIONAL RISK
- INVESTMENT RISK
- EXTERNAL RISK
- CARBON CREDITS SALE RISK
- OPERATIONAL RISK
- LEGAL & COMPLIANCE RISK

THREE LINES OF DEFENCE MODEL



Risk Management (continued)

Climate-related risks are central to GenZero's Enterprise Risk Management Framework. Given our mandate to accelerate decarbonisation globally, GenZero would benefit from a rapid and orderly transition to a low-carbon economy.

However, uncertainties around the pace and shape of this transition are a source of external risk. Moreover, changes in policy and market dynamics could affect our investments' ability to achieve climate impact. To navigate transition risk, we closely monitor carbon regulations and pricing. This vigilance allows us to prioritise jurisdictions with a higher degree of carbon market readiness, political stability, and a more predictable regulatory environment.

GenZero recognises our exposure to physical risks, both acute and chronic. As part of our investment due diligence process, we evaluate each project for vulnerability to climate change effects, such as extreme weather events or wildfires. When deemed necessary, we engage external technical experts to provide a more in-depth understanding of certain key risks identified. The insights gained from these assessments are integral to financial and climate impact projections and ongoing monitoring.

Appendix I outlines our identified climate-related risks and opportunities across physical and transitional risks.

ESG Risk Management

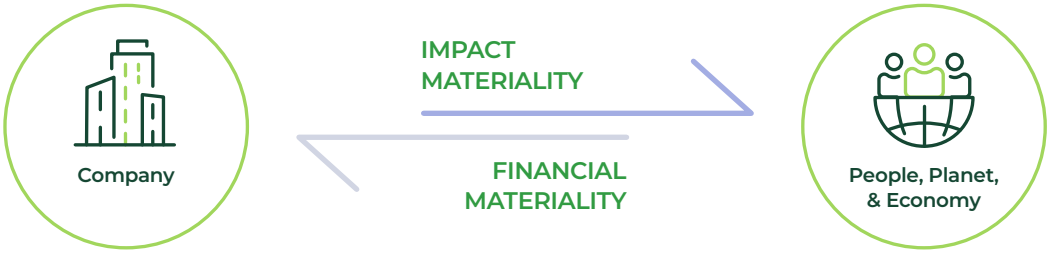
Our ESG risk management helps us to prevent and manage potential negative environmental or social impact.

All our ESG risk analyses are underpinned by a robust materiality assessment. This assessment identifies risks both from a sectoral perspective based on the SASB Standards, and from a geographical perspective based on databases developed by international organisations such as the World Bank, the International Finance Corporation (IFC), and the WEF.

Through the sectoral lens we can identify the material ESG risks pertinent to the investees' operations and determine the risk level based on the company's readiness to prevent or mitigate each risk. The geographical lens contributes to our understanding of inherent risk exposure, especially in emerging markets, where a lack of regulatory frameworks exposes our investments to heightened ESG risks.

Through these lenses, GenZero creates a unique and tailored materiality assessment for every investment opportunity.

DOUBLE MATERIALITY



LESSONS LEARNED AND REFINING OUR APPROACH TO RISK MANAGEMENT

Carbon markets have encountered increased volatility in recent years, and their development remains at a nascent stage. The introduction of more robust methodologies is a key driver of the ongoing maturity process. Additionally, institutions such as the ICVCM and the VCMI continue to push for higher integrity and transparency in the sector, ensuring carbon credits and corporate claims meet rigorous quality thresholds.

In response to these evolving market dynamics, and to safeguard our investments, **GenZero has introduced enhancements to our Enterprise Risk Management Framework**. We implement, where appropriate, enhanced due-diligence measures including third-party audits and verifications conducted both pre- and post-investment. We also continue to assess projects based on the latest recognised quality labels, further validating our investment decisions.

These measures reflect our understanding that while carbon markets hold substantial promise for climate impact, they require a proactive and vigilant approach to risk management.

Risk Management (continued)

Through the completion of our ESG due-diligence questionnaires (DDQ), we can understand investees' ESG risk performance on material issues and set mitigations to safeguard them and ourselves.

The ESG risk assessment is built on a list of metrics from international standards and frameworks, such as the Global Reporting Initiative (GRI), the Principles for Responsible Investment (PRI), and SASB Standards. These metrics allow us to understand both the external risks affecting the investees, and the possible negative impacts the investee may pose to people and the environment.

We regularly engage our portfolio to monitor the implementation of ESG risk mitigations and support investees in improving their sustainability-related policies and processes.

We are committed to continuously improving our approach based on lessons learned, evolving best practices, and regulations.

NBS ESG Risk Management

Our NBS portfolio is inherently exposed to higher ESG risks due to its interdependent relationship with the environment and local communities. However, this also means more opportunities to generate positive impact. This section outlines some of the more in-depth E&S assessments and data collection efforts we conduct on our NBS portfolio. More information can be found in Appendix II, which outlines our current approach to TNFD considerations.

Local E&S Due Diligence Support

On certain occasions, we find that investees may be exposed to specific ESG risks which require further assessment by independent technical advisors. Insights from the enhanced due-diligence process are documented in our ESG memos to inform decision-making at IC meetings. These insights guide mitigations that may be included in transaction agreements and portfolio management plans.

Free, Prior, and Informed Consent (FPIC)

Human rights and community relations may pose material ESG risks to our NBS projects due to their exposure and impact on indigenous peoples and local communities (IPLCs). For this reason, GenZero thoroughly assesses FPIC plans and processes against our internal guidelines, aligned with international standards. We guide our investees by providing feedback to strengthen their FPIC approach and recommendations on risk mitigations. To incentivise best practice, we may link investment tranches to the achievement of FPIC and other operational milestones.

E&S Impact

In 2024, we started collecting data on other E&S impacts generated by our portfolio, besides climate impact. This was done in an attempt to capture all the other co-benefits that NBS offer. Examples include improved air and water quality, increased protected and restored land and biodiversity, increased jobs for local communities, and support for gender diversity. This allows us to monitor the long-term sustainability of our NBS portfolio.

Top to bottom:
- *Biodiversity monitoring camera installed to identify wildlife species*
- *AJA Climate Solutions, Kwahu project, Ghana*

Risk Management (continued)

RISK AND CLIMATE IMPACT MANAGEMENT ACROSS THE INVESTMENT LIFE CYCLE

1. PRE-INVESTMENT DUE DILIGENCE

- **Adherence to the ESG Policy:** Ensures alignment with key values and principles, including our approach to investment exclusions.
- **ESG Risk Assessment:** Implements a comprehensive materiality assessment and ESG risk analysis through our DDQ.
- **ESG ad-hoc Due Diligence:** Additional environmental and/or social due diligence, often operated by third parties in-situ.

- **Climate Impact Assessment:** Implements our methodology to assess the planned climate impact of the investment opportunity.

- **Risk Assessment:** Identifies key risk drivers and mitigants, and challenges assumptions used in financial and climate impact projections for each investment.

2. INVESTMENT

- **ESG Memos:** Highlight top ESG risks and mitigations to monitor for the IC to support a proposal for investment decision.

- **Climate Impact Memos:** Highlight key climate impact considerations and projections to the IC.

- **Independent Risk Opinions:** Highlight the main risks and mitigants, and outline recommendations (if any) for the IC's consideration.

- **Legal Clauses:** A standard set of ESG and climate impact principles, practices, and, where appropriate, obligations that align with our ESG Policy and reporting requirements.

3. PORTFOLIO MANAGEMENT

- **ESG Risk Assessment Refresh:** Applies to all investments on an annual basis, or semi-annual for higher risk investees, to track the portfolio's ESG maturity.
- **ESG Memos Update:** Key updates on ESG risks and mitigations are highlighted at quarterly portfolio management meetings.
- **ESG Engagements:** Support investees in implementing ESG risk mitigations and initiatives.

- **Climate Impact Assessment Update:** Planned and realised climate impact calculations are updated annually based on data provided by our portfolio, accompanied by external verification, where available.
- **Climate Impact and Carbon Accounting Assurance:** GenZero's realised direct and indirect climate impact, and our carbon accounting data, have undergone external limited assurance since CY 2023 and FY 2024 respectively.

- **Portfolio Risk Monitoring** Portfolio deployment and concentration per asset type, counterparty, vintage, and geography are tracked and assessed periodically.

ESG processes · Climate impact processes · General risk management

Metrics and Targets

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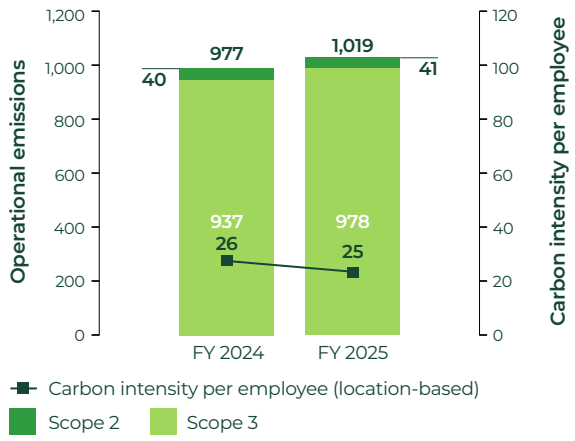
Institutional ESG Performance	53

Carbon Footprint

Our approach to emissions measurement focuses on the emissions sources most relevant to our business activities. We align with the GHGP to ensure consistency, transparency, and comparability in our reporting. For emissions associated with our investment portfolio, we adopt the PCAF methodology, enabling us to assess and disclose financed emissions in line with global best practices. Refer to Appendix III for more information.

YoY OPERATIONAL EMMISIONS AND CARBON INTENSITY (tCO_2e)



Operational Emissions

In FY 2025, our total operational emissions were 1,019 tCO_2e. Scope 3 emissions made up 96% of our operational footprint, driven primarily by purchased goods and services and business travel. Overall, emissions increased by 4% compared to FY 2024, largely due to higher expenditure on goods and services. On the other hand, emissions from business travel decreased by 15%.

Portfolio Emissions

Emissions associated with our investment portfolio represent the majority of our overall carbon footprint. In FY 2025, our portfolio emissions totalled 12,952 tCO_2e, reflecting a 60% increase from FY 2024. This increase can be attributed to new investments made during the reporting cycle.

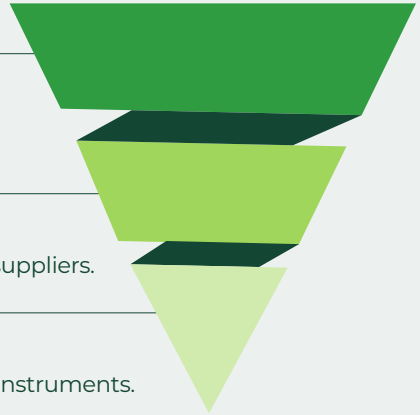
To contextualise emissions relative to our financial exposure, we also track the Weighted Average Carbon Intensity (WACI) of our portfolio. In FY 2025, our WACI was 242 tCO_2e/US$M revenue. This figure provides a measure of the efficiency of our portfolio emissions and enables comparison across a time horizon. As our investment portfolio evolves, we continue to engage with our investees to improve emissions transparency and to support their decarbonisation efforts.

Decarbonisation Strategy

Understanding our carbon footprint is fundamental to our decarbonisation efforts.

We continue to implement initiatives across our operations, prioritising emissions reductions where we have direct control.

Mitigation Hierarchy for Operational Emissions



1. **Avoid and reduce**
   Prevent emissions from the outset by adopting low-carbon practices and corporate policies.
2. **Substitute**
   Switch to lower carbon alternatives e.g. green electricity, low emissions suppliers.
3. **Address**
   Tackle GHG emissions through the use of high-quality decarbonisation instruments.

CORPORATE INITIATIVES FOR EMISSIONS REDUCTION

Green Mark Building

GenZero is headquartered in Singapore's first operating office building in the Central Business District to achieve the Building and Construction Authority's (BCA) Green Mark Platinum rating.*

Improving Energy Efficiency

We installed solar films and blinds to reduce heat gain and glare, enhancing occupant comfort.

Reducing Waste

We have reduced the use of disposable packaging within our office and for in-house events.

OUR STRATEGY TO ADDRESS OPERATIONAL EMISSIONS

1. **RECs to address Scope 2 market-based emissions**
2. **SAFc to address 5% of our air travel emissions**
3. **Carbon credits to address all remaining operational emissions**

* The highest tier for energy efficiency and environmental performance.

Decarbonisation Strategy (continued)

Use of Renewable Energy Certificates

To address our Scope 2 market-based emissions, we purchased and retired 100 MWh of solar RECs from Malaysia, in line with the Singapore Standard (SS) 673 and its accepted market boundaries. These certificates represent renewable energy generated from verified sources and function as a key instrument in our decarbonisation efforts.

Driving Sustainability in Aviation

While we reduce air travel where possible, we recognise that some travel remains essential for our global operations. To minimise its environmental impact, we procured SAFc equivalent to 5% of our air travel emissions in FY 2025, representing 18 tCO_2e of emissions reduction.

Our SAFc procurement strategy delivers multiple benefits:

- Reduces emissions from our air travel
- Supports the aviation industry's transition to sustainable fuel by supporting demand
- Addresses market barriers to SAF availability by demonstrating corporate willingness to pay the sustainability premium over conventional jet fuel

Aviation is a hard-to-abate sector, and we are doing our part through the use of **in-sector credits**. Our use of SAFc contributes to reducing our carbon footprint and supports the aviation industry's broader goal of achieving net-zero emissions by 2050. As market availability grows, we see SAFc as a scalable solution and encourage corporates to adopt it as standard practice for mitigating air travel emissions.

Using carbon credits to address remaining operational emissions

We purchased and retired 480 tCO_2e of carbon reduction credits and 480 tCO_2e of carbon removal credits from both NBS and TBS projects.

Our approach to building a balanced, high-quality portfolio is guided by the following principles:

- **Align with meta-standards:** Source high-quality credits that are aligned with internationally recognised standards, such as credits that are eligible for the ICVCM's Core Carbon Principles label or that use CORSIA-eligible methodologies (without corresponding adjustments).
- **Assess quality at project level:** Utilise internal and external diligence to assess project quality. Internal diligence is undertaken by the GenZero team, whereas the main means of external diligence are independent carbon ratings. We look for projects with a rating of BBB as a guiding threshold for external diligence.
- **Include both reductions and removals:** Include a mix of reduction and removal credits, recognising that both are critical to achieve global climate goals.
- **Support both nature and technology:** Include a mix of both NBS and TBS across different geographies.

Addressing Portfolio Emissions

As our portfolio grows, so does our ability to create positive climate impact.

Our investments generate measurable climate benefits and outcomes. Capital deployed into NBS and TBS directly remove and reduce global emissions, while investments in CEE support others in their decarbonisation efforts.

By carefully selecting and supporting companies that offer innovative solutions, we seek to leverage our growth to accelerate the global transition to a low-carbon economy, ensuring that our net climate impact remains on a strong trajectory despite the increase in our operational emissions.

To address financed emissions, we focus on helping our investees measure and manage their impact. We do this by:

- Including ESG clauses in side-letters to encourage investees to measure and report their GHG emissions and climate impact
- Providing resources and toolkits to support emissions tracking and target setting

We acknowledge that emissions data is still evolving across our portfolio. We are committed to building capacity and supporting companies as they take steps forward to decarbonise.

Decarbonisation Strategy (continued)

DETERMINING THE QUALITY OF A CARBON PROJECT

Independent carbon project ratings provide an assessment on the quality of carbon projects and the resultant carbon credits.

We reference project ratings from BeZero, Calyx Global, MSCI, and Sylvera. These companies use quantitative and qualitative inputs including financial, environmental, social, technological, legal, and regulatory data to assess the credibility of a credit's reduction or removal claim.

Most rating scales range from AAA to D, reflecting the likelihood that a credit achieves 1 tonne of CO_2e abatement. Our internal threshold of BBB is generally viewed as investment-grade by the market.

We conduct additional due diligence to assess the quality of the projects we support. As part of this process, we look at multiple factors including additionality, permanence, co-benefits, project risk, and methodology used. If we have sufficient confidence that a project is of high quality, including plans to transition to newer methodologies, we may still proceed with the purchase even if its rating falls below the BBB threshold.

CARBON CREDITS USED TO ADDRESS FY 2025 OPERATIONAL EMISSIONS

KATINGAN PEATLAND RESTORATION AND CONSERVATION PROJECT

Protecting and restoring peatland ecosystems

Country:	Indonesia
Credit type:	Reduction
Project type:	NBS
Standard / project ID:	VCS1477
Ratings:	
• BeZero	AA
• Calyx Global	B
• MSCI	A
• Sylvera	AA
Vintage:	2020

IESI-TRINITY TIMBER RIDGE LANDFILL CARBON PROJECT

Capturing methane gas from a landfill using a surficial gas system

Country:	United States
Credit type:	Reduction
Project type:	TBS
Standard / project ID:	CAR838
Ratings:	
• BeZero	–
• Calyx Global	A
• MSCI	AA
• Sylvera	A-BB
Vintage:	2022

SOUTHERN PARAGUAY SUSTAINABLE AFFORESTATION PROJECT

Developing sustainably managed forests on degraded land

Country:	Paraguay
Credit type:	Removal
Project type:	NBS
Standard / project ID:	VCS2556
Ratings:	
• BeZero	–
• Calyx Global	–
• MSCI	BBB
• Sylvera	C
Additional due diligence conducted	
Vintage:	2020

Portfolio ESG Performance

Stronger ESG performance leads to a more resilient investment portfolio.

As we began integrating our ESG risk management process in 2023, we are still in the early stages of building a track record. Since implementation, we have taken proactive steps to mitigate the most material identified risks, while actively supporting our portfolio in enhancing their ESG capabilities.

We track all investments against a consistent set of metrics to assess their ESG maturity, and have extrapolated a few highlights to represent our current ESG portfolio performance.

Our ESG engagements aim to support our investees in increasing their ESG maturity. We can see the impact of these engagements by comparing the ESG maturity of our portfolio in FY 2024 versus FY 2025:

- 12 percentage points increase in investees measuring scope 1 and 2 emissions
- 11 percentage points increase in investees integrating an ESG policy
- 8 percentage points increase in investees including ESG issues in board meeting agendas

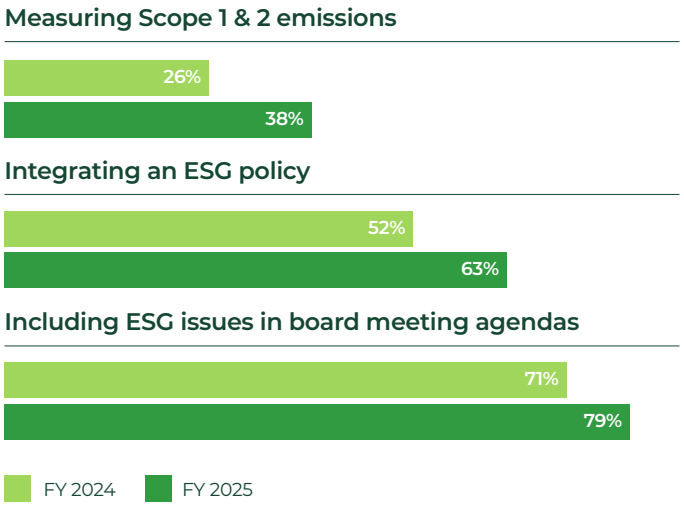
63% of our portfolio currently adopts an ESG policy, with an additional 13% working on developing one.

This signals a growing commitment to address sustainability risks across the portfolio. Internal leadership on sustainability is apparent, with 83% of investees having dedicated ESG roles and 79% including ESG topics in board-level discussions.

While these metrics are not exhaustive, they provide some insights into our portfolio-wide ESG performance. Building on this progress, we will continue to support our portfolio to implement ESG considerations in business strategies. By working closely with our investees to reduce our portfolio-wide risks, we seek to drive measurable climate impact while sustaining other ESG goals.

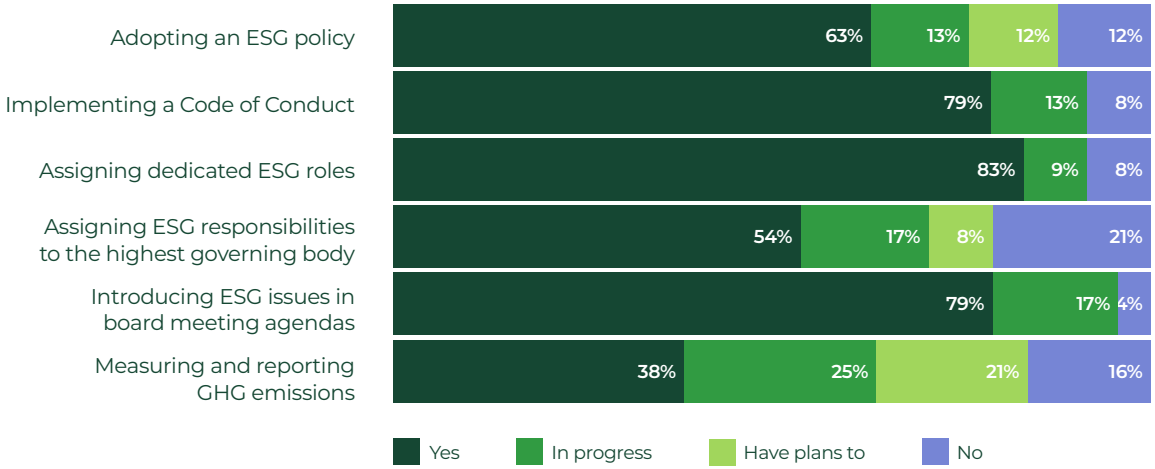
IMPROVING PORTFOLIO ESG MATURITY
(Data refers to FY 2024 vs. FY 2025)

% of portfolio companies, funds and programme partners



SNAPSHOT OF PORTFOLIO ESG MATURITY
(Data refers to FY 2025)

% of portfolio companies, funds and programme partners



Disclosures are based on data provided by GenZero's 24 portfolio companies, funds and programme partners as of 31 March 2024 (FY 2024) and 31 March 2025 (FY 2025).

Institutional ESG Performance

Our Values

GenZero's identity is based on our core values: Trust, Inspire, Care, Collaborate, and Learn. These values guide our decision-making and shape a workplace culture that encourages growth, teamwork, and well-being.

GenZero at GCS, May 2025

TRUST
We build trust by demonstrating credibility, reliability, and ownership in our words and actions.

INSPIRE
We aim to inspire collective action and catalyse change through our investments, thought leadership, and contribution to the decarbonisation ecosystem.

CARE
We care deeply and demonstrate it with real action for our planet, our stakeholders, and for one another.

COLLABORATE
We collaborate by communicating effectively, actively seeking feedback, and challenging one another to achieve high-quality outcomes.

LEARN
We keep learning in this evolving landscape so that we can identify and invest in the right climate solutions.

Caring for Our People and Community

In 2024, we established an in-house Corporate Social Responsibility (CSR) team to deepen our commitment to community engagement and employee well-being. For our inaugural company-wide volunteering initiative, the team collaborated with Willing Hearts, a non-profit soup kitchen that provides daily meals to underprivileged and marginalised communities across Singapore. Over two days, our employees contributed by taking on various roles, from meal preparation to food distribution. This initiative not only enabled us to give back to society but also fostered a strong sense of shared purpose among our team members.

We firmly believe that a supportive and inclusive workplace is essential to sustaining high performance. Our Employee Well-being Programme reflects this philosophy by offering comprehensive support for both physical and mental health. Employees are provided access to AIA Vitality, a wellness platform that encourages healthier lifestyle through a broad range of tools and incentives. To promote early detection and preventive care, we also conduct annual on-site health screenings for our employees' convenience.

In recognition of the growing importance of mental wellness, we have partnered with Intellect, a digital mental health platform that offers confidential access to coaching and psychological support.

Understanding that our responsibilities extend beyond the workplace, we introduced Family Care Leave to better support employees caring for dependents. We also enhanced our maternity and paternity leave policies, exceeding statutory requirements and introducing greater flexibility to accommodate diverse family needs.

Institutional ESG Performance (continued)

Top to bottom:
- *GenZero volunteering at Willing Hearts, November 2024*
- *GenZero celebrating International Women's Day, March 2025*

This holistic approach to employee well-being underscores our belief that when individuals are supported in every aspect of their lives, they are empowered to contribute more meaningfully to both their work and the wider community.

Advancing Diversity, Equity, and Inclusion (DEI)

At GenZero, we recognise that DEI is not only essential to building a more just and resilient organisation, but is also a critical driver of innovation, effective collaboration, and long-term sustainability.

As part of our ongoing commitment, we launched a company-wide DEI workshop titled "Managing Unconscious Bias" in 2024. The session created a safe and reflective space for employees to explore the impact of unconscious bias and identify practical strategies for mitigating it. These conversations were instrumental in reinforcing our inclusive culture and strengthening psychological safety across the organisation.

Our workforce reflects our values. We have eight nationalities across our team, representing an international and multicultural community that enhances our global outlook and operational agility. We have appointed dedicated DEI Ambassadors within the company to champion inclusivity and cultural awareness. These ambassadors curate events that celebrate our diversity and foster cross-cultural understanding.

Gender diversity remains a key pillar of our DEI strategy. Women comprise approximately 60% of our total workforce, and are well represented at all levels of the organisation. As of FY 2025, 73% of our management positions are held by women. At the Board level, 33% of our directors are women, exceeding the national average of 23% in Singapore.[54] The Board itself is also internationally diverse, with members of three different nationalities contributing global perspectives to our strategic direction.

We also embrace diversity in educational and professional backgrounds, recognising its role in tackling the complex, interconnected challenges of climate change. Our multi-disciplinary team has expertise across business and finance, accountancy, science, humanities and social sciences, engineering, risk management, and law. This convergence of skill sets empowers us to approach climate investing with nuance, rigour, and creativity.

Our commitment to building a values-driven and high-performing culture was affirmed in 2024, when GenZero achieved the Great Place To Work® Certification™ through our inaugural employee engagement survey. 93% of our employees affirmed that GenZero is a great place to work, reflecting our efforts to create a workplace that is supportive, inclusive, and empowering.

This recognition reinforces our belief that when individuals thrive, so does our collective mission – and that culture is not just an enabler of performance but a strategic asset in achieving long-term impact.

Institutional ESG Performance (continued)

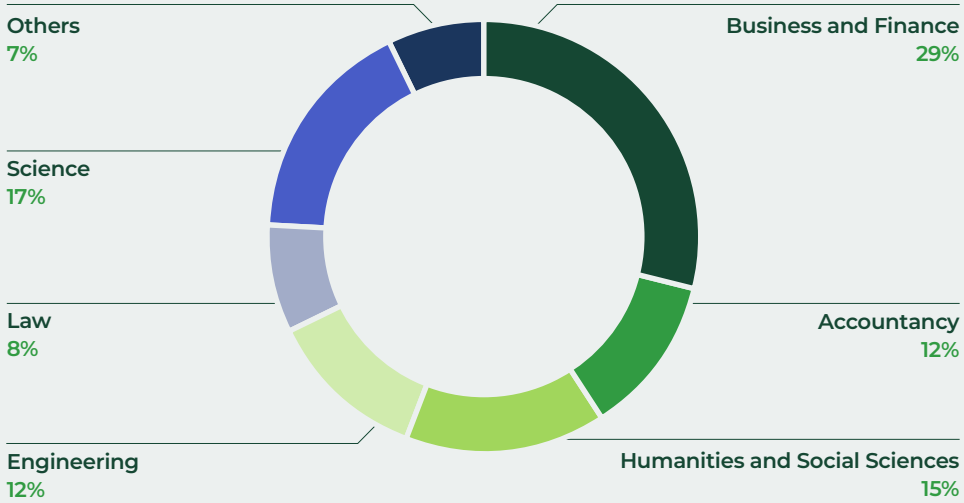
Empowering Growth Through Learning and Development

In an industry shaped by rapid evolution and complexity, we are committed to nurturing a workforce that is agile, future-ready, and equipped to lead the climate transition. At GenZero, we actively invest in the continuous development of our people, enabling them to expand their skill sets and deepen their expertise in response to emerging challenges and opportunities.

Over the past year, our team members have pursued specialised courses and professional accreditations to sharpen their technical competencies across various domains. To further strengthen organisational leadership, our managers participated in Korn Ferry Academy's "Building High Performing Teams" programme, which is designed to elevate leadership capabilities and foster collaborative excellence.

By empowering our people to grow in tandem with the climate investment ecosystem, we are laying the groundwork for our broader ambitions – to be a leading global investor, a respected thought leader, and a trusted partner in decarbonisation.

DIVERSITY OF EDUCATIONAL BACKGROUND



GenZero lecture on Investors and Carbon Markets at NUS's Navigating Policy Developments and Trends in Carbon Markets course

Endnotes and Appendices

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Glossary

ACCE	Asia Centre of Carbon Excellence
BCA	Building and Construction Authority
BCG	Boston Consulting Group
CCP	Core Carbon Principles
CEE	Carbon Ecosystem Enablers
CEO	Chief Executive Officer
CO_2	carbon dioxide
COP	Conference of the Parties
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSR	corporate social responsibility
DDQ	due-diligence questionnaire
DEI	diversity, equity, and inclusion
DGA	Diamond Generating Asia Limited
E&S	environmental and social
EDB	Economic Development Board
ESG	environmental, social, and governance
EU	European Union
FPIC	Free, Prior, and Informed Consent
FSC	Forest Stewardship Council
FT	Fischer-Tropsch
FY	financial year
GHG	greenhouse gas
GHGP	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
ha	hectares
HEFA	hydrotreated esters and fatty acids
HSSE	health, safety, security, and environment
IC	Investment Committee
ICVCM	Integrity Council for the Voluntary Carbon Market
IEA	International Energy Agency
IFC	International Finance Corporation
IFM	improved forest management
IPLCs	indigenous peoples and local communities
IRR	internal rate of return
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
KPI	key performance indicator
LCA	life-cycle assessment
MAS	Monetary Authority of Singapore
MRV	monitoring, reporting, and verification
NBS	Nature-based Solutions
NDC	Nationally Determined Contribution
OPIM	Operating Principles for Impact Management
PCAF	Partnership for Carbon Accounting Financials
PRI	Principles for Responsible Investment
RECs	renewable energy certificates
SAF	sustainable aviation fuel
SAFc	sustainable aviation fuel certificates
SAIFF	Silvipar Astarte Impact Forestry Fund
SAM	serviceable addressable market
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
TAM	total addressable market
TBS	Technology-based Solutions
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2e	tonne(s) of carbon dioxide equivalent
TNFD	Taskforce on Nature-related Financial Disclosures
TRACTION	Transition Credits Coalition
UN	United Nations
VCM	voluntary carbon market
VCMI	Voluntary Carbon Markets Integrity Initiative
VCS	Verified Carbon Standard
WEF	World Economic Forum
UK	United Kingdom
US	United States

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BlueMark Impact Management Practice Verification

BlueMark is the leading provider of independent impact verification and intelligence for the impact and sustainable investing market. BlueMark's verification methodologies draw on a range of industry standards, frameworks, and regulations, including the Impact Management Project, the OPIM, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation.

GenZero engaged BlueMark in 2024 to independently verify its impact management practices against industry best practices including the OPIM, the global standard for integrating impact throughout the investment life cycle.* BlueMark's assessment findings cover of strength and areas for improvement, as reflected in the Verifier Statement.

Summary Excerpt from BlueMark's Verification Statement

Prepared for GenZero: 13 August 2024

CLICK HERE TO ACCESS THE FULL VERIFIER STATEMENT.

* Following the verification, GenZero became a Signatory to the OPIM in September 2025.
** Addressed in this sustainability report.

SUMMARY OF THE ASSESSMENT'S CONCLUSIONS

BlueMark has independently verified GenZero's extent of alignment with impact investing industry best practices.

Key takeaways from BlueMark's assessment are as follows:

Areas of strength
GenZero's impact strategy is aimed at accelerating global decarbonisation through investments in Nature-based Solutions, Technology-based Solutions, and Carbon Ecosystem Enablers. The strategy categorises the effects of these investments into Direct, Indirect, and Transformational Climate Impact, aiming for significant reductions in carbon emissions by 2031. GenZero employs a Climate Impact Framework to assess and manage the performance of its portfolio, forecasting CO_2 reductions and tracking progress using carbon credits.

Additionally, GenZero has developed a mechanism to reward staff members if both financial and climate metrics are achieved. The team's approach to supporting investees includes taking board seats and enhancing ESG performance.

Furthermore, GenZero has a structured due diligence process to evaluate the potential climate impact, ESG risks, and community effects of investments. GenZero's comprehensive ESG Risk Management framework includes pre-screening, detailed due diligence, and ongoing monitoring. Finally, the firm periodically reviews impact performance across the portfolio alongside broader market developments to inform refinements to the investment strategy.

Areas of improvement
To further align with best practices, GenZero should map its impact objectives with industry-wide goals and/or standards (e.g. SDGs) and capture its impact strategy in a concise Logic Model or Theory of Change**.

In addition, GenZero could consider developing an Impact Manual to formalise the impact management and monitoring process, including its financial and non-financial activities, to ensure a systematic approach to achieving impact.

The team should consider enhancing pre-investment impact assessments by conducting a deeper assessment of the Five Dimensions of Impact. Furthermore, GenZero should create a responsible exit framework to assess and increase the sustainability of impact.

Finally, the company should expand its impact review protocol to ensure that lessons learned include findings on the positive and negative impact generated through its investments and ensure that they are used to improve operational processes and strategic decisions.

Assessment pillar	Alignment
Define strategic impact objective(s), consistent with the investment strategy	HIGH
Manage and monitor strategic impact at the portfolio level	ADVANCED
Assess and document the Manager's role in contributing to the impact of its investments	HIGH
Evaluate the anticipated impact of each investment systematically	ADVANCED
Establish a practice to assess, monitor, and mitigate potential adverse impacts of each investment	ADVANCED
Track the impact progress for each investment and pursue follow-up accordingly	HIGH
Establish protocols to sustain impact at exit	LOW
Conduct reviews and document lessons learned to improve upon impact management practices	MODERATE

Appendix I

IDENTIFYING CLIMATE-RELATED RISKS AND OPPORTUNITIES IN OUR PORTFOLIO

	IDENTIFIED RISKS	POTENTIAL FINANCIAL IMPACTS ON INVESTMENTS	TIME HORIZON
Physical Risks	**1 Acute** • Extreme weather events • Wildfire • Drought or floods • Pests, diseases, and invasive species **2 Chronic** • Changes in mean temperatures • Changes in precipitation patterns • Increased pollution	• Reduced revenue from decline in production capacity and plantation survival rate • Increased capital costs due to reconstruction, repairs and recovery • Increased operating costs due to inflation of energy or feedstock costs, insurance premiums or additional cost for workforce health and safety (H&S) • Write-offs and early asset retirement (e.g. damage in high-risk areas)	SHORT TO LONG-TERM
Transition Risks	**1 Policy & Legal** • Slower adoption of carbon regulations, policies, standards, and changes in methodologies • Liability for E&S negative impact	• Lower revenues generated by decarbonisation solutions and lower carbon credit revenues • Higher costs due to stricter sustainability standards • Reduced availability of funding or increase in cost	SHORT-TERM
	2 Market & Reputation • Shifts in market sentiment and adoption of low carbon solutions and/or carbon credits • Additionality and leakage risks • Key stakeholders' concern or negative feedback	• Reduced carbon credits revenue • Lower revenues generated by decarbonisation solutions • Increased costs due to talent retention issues • Reduced availability of funding or increase in cost	SHORT TO MEDIUM-TERM
	3 Technology • Unsuccessful investment in new decarbonisation technologies (e.g. cost inefficiency, lack of scalability, or rise of competition.)	• Premature retirement, reduced returns or write-offs	MEDIUM TO LONG-TERM

Appendix I (continued)

IDENTIFIED OPPORTUNITIES		POTENTIAL FINANCIAL IMPACTS ON INVESTMENTS	TIME HORIZON
Climate Impact	• Scaling emissions reduction and removal	• Increased revenues from carbon credit sales • Increased revenues from surging demand for decarbonisation solutions	MEDIUM-TERM
Sustainable Financial Returns	• Leveraging returns from carbon credit sales and sustainable products • Attracting like-minded impact investors and buyers seeking high-quality carbon credits with tangible E&S impact • Scaling green jobs	• Diversified revenue and funding opportunities • Support of corporate and broader economic sustainability	SHORT-TERM
Environmental and Social Impact	Supporting natural ecosystem protection, restoration, and regeneration: • Using natural resources sustainably • Strengthening the protection of biodiversity • Improving air and water quality • Delivering social infrastructure and services to local communities through benefit sharing agreements • Developing and delivering products and services that protect, manage, and restore nature • Scaling of alternative low-carbon solutions across high-emitting industries	• Reduced costs from mitigated E&S risks • Reduced costs through improved resource efficiency • Increased revenues through low-carbon technology adoption • Increased carbon credit revenues from improved project integrity	LONG-TERM

Appendix II

TNFD CONSIDERATIONS

Given our portfolio exposure to natural assets, we have started integrating TNFD considerations in our ESG risk management process. We currently do so by encouraging our NBS investments, as their capabilities evolve, to conduct and report performance on relevant assessments and metrics. The information below presents an illustrative example of our approach.

RISK ASSESSMENT AND MANAGEMENT

Examples of processes individually conducted by GenZero's portfolio

ASSESSMENTS

- **Environmental and Social Impact Assessment** to identify gaps and risk management activities
- **Free, Prior, and Informed Consent (FPIC)** review of policies and processes, where applicable
- **Assessment of extreme weather events' impact** on natural forests' and plantations' survival rates, health, and operations
- **Financial sensitivities analysis of nature-related variables** (e.g. growth rate, biomass, and carbon yield)

MONITORING AND MANAGEMENT

- **Develop and implement a Forest Management Plan** and Environmental and Social Management and Monitoring Plan
- **Establish clear land tenure agreements and renewal** options while ensuring respect for the rights of indigenous peoples and local communities (IPLCs)
- **Establish robust monitoring, reporting, and verification (MRV) systems** to track carbon sequestration, biodiversity impacts, and social co-benefits
- **Pursue relevant certifications** (e.g. Forest Stewardship Council (FSC)) to demonstrate sustainable practices and enhance marketability of products

METRICS OBSERVED

Examples of nature-related metrics reported by GenZero's portfolio

FOREST AND PLANTATION HEALTH

- Survival rates
- Tree or plant growth and biomass accumulation
- Losses due to fire, pests, or natural events

BIODIVERSITY

- Ecosystems health (soil, water, etc.)
- Number of tree species
- Presence of endangered or threatened species

CARBON OPERATIONS

- Verified carbon sequestration and carbon credits issued
- Change in forest carbon stocks over time
- Sustainable product (e.g. timber) market conditions, periodic baseline reassessment

FINANCIAL PERFORMANCE

- Revenues from carbon and agri-commodities
- Operating costs
- Portfolio-level internal rate of return (IRR)
- Financial resilience to climate change impact

Appendix III

Carbon Footprint and Climate Impact Data

OPERATIONAL EMISSIONS[1]

METRIC	UNIT	FY 2024[2]	FY 2025
Scope 1[3]	**tCO_2e**	**–**	**–**
Scope 2 (location-based)[4]	**tCO_2e**	**40**	**41**
Scope 2 (market-based)	tCO_2e	40	–
Scope 3	**tCO_2e**	**937**	**978**
Purchased goods and services	tCO_2e	486	585
Capital goods	tCO_2e	3	9
Business travel (gross)	tCO_2e	437	371
Air travel	tCO_2e	*414*	*349*
Other sources - hotel and transport	tCO_2e	*23*	*22*
Employee commute	tCO_2e	11	13
Total GHG emissions (location-based)	**tCO_2e**	**977**	**1,019**
Purchased and retired Renewable Energy Certificates (RECs), Sustainable Aviation Fuel certificates (SAFc), and carbon credits			
RECs (Scope 2)	tCO_2e	–	41
SAFc (Scope 3 emissions from air travel)[5]	tCO_2e	21	18
Carbon credits	tCO_2e	1,174	960
Total purchased and retired RECs, SAFc, and carbon credits	**tCO_2e**	**1,195[6]**	**1,019**
Total emissions intensity			
Total emissions intensity (location-based)	**tCO_2e/employee**	**26**	**25**

Appendix III (continued)

PORTFOLIO EMISSIONS[1]

METRIC	UNIT	FY 2024	FY 2025
Total portfolio emissions[7]	tCO_2e	8,115	**12,952**
Portfolio weighted average carbon intensity	tCO_2e/US$M revenue	181	**242**

CLIMATE IMPACT[8]

METRIC	UNIT	CY 2022[9]	CY 2023	CY 2024
Stake-adjusted				
Direct Realised Climate Impact	tCO_2e	926,664	217,898	**1,861,837**
Cumulative Direct Realised Climate Impact	tCO_2e	*926,664*	*1,144,562*	***3,006,399***
Indirect Realised Climate Impact	tCO_2e	130,590	1,644,224	**8,109,358**
Non stake-adjusted				
Direct Realised Climate Impact	tCO_2e	5,258,817	1,254,565	**9,582,181**
Indirect Realised Climate Impact	tCO_2e	345,477	5,579,972	**28,099,730**

Footnotes

1. PricewaterhouseCoopers LLP has undertaken a limited assurance engagement on the selected greenhouse gas information (i.e. Scope 2 (location-based), Scope 2 (market-based), Scope 3, Purchased goods and services, Capital goods, Business travel (gross), Employee commute and Total portfolio emissions) of GenZero for the year ended 31 March 2025. The assurance report and reporting criteria can be found here.
2. The FY 2024 figures were restated to reflect changes in emission factors used (USEEIO v2.3 as compared to USEEIO v2.0.1-411). The restatements have resulted in the FY 2024 GHG emissions being 16% higher compared to the emissions previously assured. Although external assurance is sought annually, assurance was completed on the original figures and the updated data was not externally assured.
3. Scope 1 emissions are not considered material to our operations as we do not operate any direct emissions sources.
4. Scope 2 emissions include indirect emissions from purchased energy consumed in our operations.
5. We purchased and retired SAFc to address an amount equivalent to 5% of our air travel emissions.
6. Carbon credits for FY 2024 were purchased based on the originally assured emissions data. Following the database update, the restated data now reflect an excess of credits purchased.
7. Portfolio emissions only refer to Scope 1 and 2 emissions of investment portfolio.
8. PricewaterhouseCoopers LLP has undertaken a limited assurance engagement on the selected climate impact metrics (i.e. Stake-adjusted Direct Realised Climate Impact and Stake-adjusted Indirect Realised Climate Impact) of GenZero for the year ended 31 December 2024. The assurance report and reporting criteria can be found here.
9. Climate impact data for CY 2022 has not undergone external assurance. However, all climate impact was generated by carbon credits that were verified and issued by the relevant Carbon Standards.

General Disclaimer

"GenZero" means Carbon Solutions Holdings Pte. Ltd. and its subsidiaries, unless the context otherwise requires.

This report covers operational and financial data for the financial year 2025 (FY 2025), which spans from 1 April 2024 to 31 March 2025. Climate impact data is reported following the calendar year 2024, which spans from 1 January 2024 to 31 December 2024. Information and activities may span beyond the reporting period, up to the date of report. This report is dated 1 September 2025 and speaks only as of such date, unless otherwise stated.

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There can be no assurance that GenZero's policies and procedures as described in this report, including policies and procedures related to investment processes or ESG-related practices, will continue. The actual investment process used for any particular investment may differ from the process described in this report.

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Case studies presented in this report are for illustrative purposes only and do not purport to be a complete list. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described in this report. Certain information was provided by third parties and certain statements reflect GenZero's beliefs based on prior experience and assumptions. While GenZero believes they are reasonable, they may be incorrect in other circumstances. Past performance is no guarantee of future results.

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