

Progressing Forward in Our ESG Journey

Sustainability Report 2024/2025

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Founding Chairman's Opening Letter



“We remain unwavering in our commitment to responsible investment”

Responsible investment has always been central to Affinity's investment ethos to drive value and mitigate risk. Despite shifts in stance towards ESG in certain parts of the world, we remain unwavering in our commitment to responsible investment. Over the last 12 months, we have continued to make substantial progress on our mission to deliver sustainable returns.

We are proud to announce **four new investments** in our Fund V portfolio. These are SK Rent A Car, PT Yupi Indo Jelly Gum (“Yupi”), Golden Fresh Sdn. Bhd. (“Pacific West”) and HLS Imaging Holdings Pty Ltd (“Lumus”). In this Sustainability Report, we outline our **hands-on approach** with new portfolio companies, from pre-investment risks and opportunities assessments to developing sustainable value creation plans post-investment.

In November 2024, we have also **successfully exited Island Hospital**, a Fund IV portfolio company. Our ESG efforts played a key role in aligning the hospital's values and initiatives with its buyer, IHH Healthcare Berhad, Asia's largest private healthcare group, at a record valuation multiple of 25x EV /LTM EBITDA.

At Affinity, we institutionalized our ESG program by forming an **ESG Committee** to enhance oversight and stakeholder support. This has strengthened our commitment and improved ESG collaboration and integration across the organization.

In this fourth Sustainability Report, we reflect on **three years of progress and milestones** as we strive to lead ESG practices and implementation in Asian private equity.

Climate Change

In 2024, through our ability to influence strategic direction and active stewardship across both control and minority-owned investments, we made good progress in net zero commitments across our portfolio.

Five of six control investments and four of seven minority-owned portfolio companies have committed to Net Zero by 2050. In the coming year, we will prioritize helping new portfolio companies develop their Net Zero commitments and decarbonization plans.

Over the last three years, close collaboration with portfolio companies have driven significant carbon emissions reductions.

In FY2024, we saw a 42% carbon efficiency improvement compared to FY2022.

This was largely driven by our stewardship and engagement efforts with Towngas Smart Energy, which resulted in meaningful reductions in carbon emissions.

Diversity and Inclusion

Over the last three years, we have improved the diversity of our portfolio boards by increasing female board representation and leadership opportunities.

In 2024, 77% of our Fund V portfolio companies have at least 1 female board member, a meaningful increase from 54% in 2022.

Within the Firm, we have actively engaged our female colleagues to foster relationships and build a support network.

Sustainable Value Creation

Sustainable value creation is key to our ESG program. To improve the ESG maturity of our portfolio companies, we have developed in-house tools to set tailored ESG KPIs and targets.

Our ESG initiatives have yielded results, helping portfolio companies earn their first sustainability awards. Island Hospital (a Fund IV portfolio company) won the **“Most Sustainable Healthcare Institution”** for Sustainable Building Management and community engagement; and JobKorea won the **2024 Korea Sustainability Management Communication Award** for its ESG practices and Net Zero 2050 pledge.

We are also proud of the work that we have done with Lumus, where we helped the company put together a **sustainability linked loan facility** tied to its sustainability

strategy. This early engagement, linking loan margin reductions to its sustainability strategy, has motivated Lumus's management to integrate ESG from the outset, positioning the company as a pioneer in its sector. In the second half of 2025, we will implement a similar approach with Yupi.

Industry Engagement

We actively contribute to the private equity industry by sharing knowledge and best practices through various working groups. Our Head of ESG and Sustainability, Sarah Pang, serves on the ESG Committee of the Singapore Venture Capital and Private Markets Association and participates in industry working groups, including the Initiative Climat International (“ICI”) Asia Operating Committee, PRI Net Zero working group and ESG Data Convergence Initiative.

Our commitment to climate change, diversity and inclusion, and sustainable value creation reflects our role as a responsible investor grounded in long-term, value-based investing. As an ESG leader in Asian private equity, we will continue to invest in and strengthen our ESG program. I would like to sincerely thank our investors, colleagues and portfolio companies for their continued support in our responsible investment journey and look forward to new milestones as we progress.

KY Tang

Founding Chairman and Managing Partner
Affinity Equity Partners





02

About Affinity and Sustainability Highlights

Affinity Equity Partners –

Pan Asian Private Equity Pioneers



Affinity Equity Partners is one of the leading and longest established, 100% independently owned private equity firms in Asia.

Our Firm is led by an experienced leadership of 6 partners and 6 managing directors. Affinity has local investment teams of diverse networks and expertise consisting of 48 investment professionals in 5 offices across Asia Pacific.

Our investment track record spans the last 27 years, where guided by our values of resilience and adaptability, intellectual honesty and teamwork, we have built longstanding partnerships with management teams contributing toward sustainable and well-governed businesses in Asia.

With our consistent approach toward control investments and regional diversification, we have delivered returns and created sustainable value across multiple funds for our investors - some of the largest pension funds, sovereign wealth funds, and financial institutions globally.

As of 30 June 2025, Affinity has invested US\$11 billion in capital, executing on 62 investments across 11 countries.

Organizational Statistics

in US\$

27 years

Investing history

11 countries

Regional diversification

\$14bn

Raised across 5 Funds

62 investments

Since inception

\$11bn

Invested



\$13bn

Cash proceeds

2.8x/35.4%

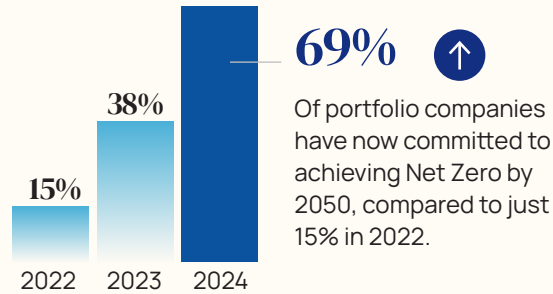
Leadership Team MoM / IRR

76%

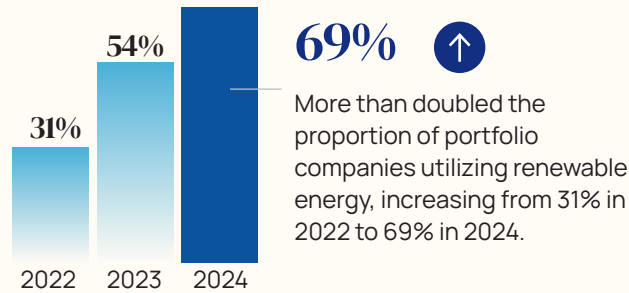
Control-oriented proprietary deals

Sustainability Highlights: Our Journey Over 3 Years

Net Zero 2050 Commitment



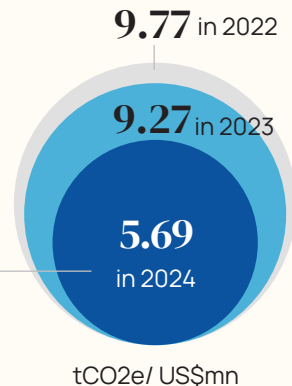
Renewable Energy Consumption



Weighted Average Carbon Intensity

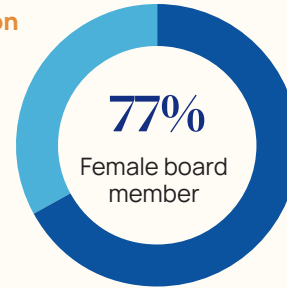
42% ↓

The Weighted Average Carbon Intensity ("WACI") of our Fund V portfolio has decreased by 42% over the last 3 years.



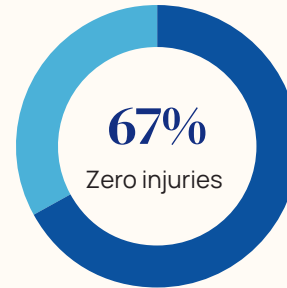
Female Board Representation

In 2024, 77% of portfolio companies now have at least one female board member, up from 54% in 2022.



Health & Safety Performance

Health and safety performance has remained strong, with 67% of portfolio companies maintaining a record of zero injuries.



Job Creation

We have consistently supported over 92,500 jobs over the last 3 years.

92,513

Jobs in 2024

Awards

Affinity was honored as the "Firm of the Year in Southeast Asia" at the Private Equity International ("PEI") Annual Awards 2024.

Island Hospital received the "Most Sustainable Healthcare Institution in Asia Pacific" at the 2024 GlobalHealth Asia Pacific Summit.

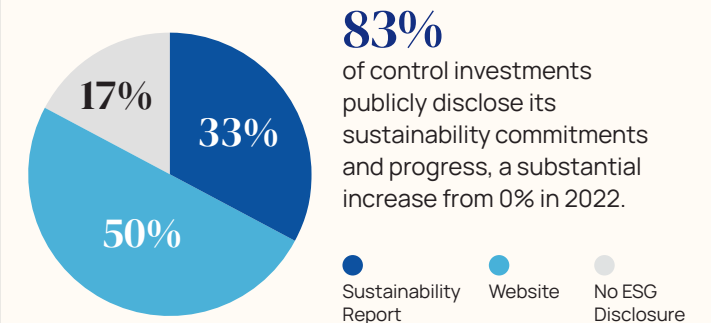
JobKorea was awarded the "2024 Korea Sustainability Management Communication Award" in recognition of its outstanding ESG management performance and job creation initiatives.

ESG Governance

We have strengthened ESG governance across our portfolio companies, with 62% of companies establishing an ESG Committee or equivalent, up significantly from 23% in 2022.



Sustainability Disclosure





03

ESG Strategy & Governance

ESG Strategy & Governance

ESG is a key part of Affinity's investment ethos. We remain steadfast in our belief that integrating ESG principles into our investment decision-making and portfolio management will build more resilient and future-proof businesses that deliver sustainable performance in the long term. Integrating ESG within our investment processes is an alignment of Affinity's interests, our portfolio companies, and our investors.

We have been a proud signatory to the PRI since 2017. In 2023, we achieved 5 out of 5 stars in both the "Policy, Governance and Strategy" and "Private Equity" modules, improving from 4 out of 5 stars in our previous assessment. For PRI's "Confidence Building Measures" module, we received a score of 4 out of 5 stars in our first year of reporting.

Responsible Investment Policy

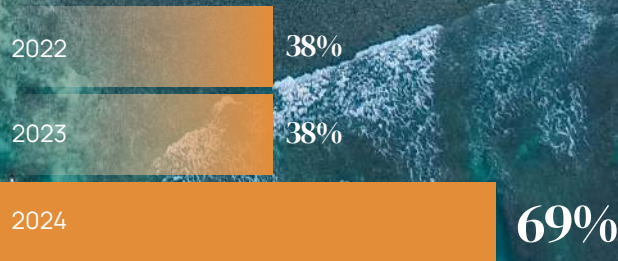
Our Responsible Investment Policy ("Policy") and Operating Guidelines on Integrating ESG Issues in Investment Process ("Guidelines") apply to all new investment opportunities considered by Affinity and existing investments. Our investment professionals are to adhere to and comply with the Policy and Guidelines.

Our Policy embraces the six principles of the PRI and the ten principles of the UN Global Compact, as well as the Task Force for Climate-Related Financial Disclosure ("TCFD") and United Nations Guiding Principles for Business and Human Rights ("UNGPs"). Within our Policy we define the parameters and considerations for a Sustainability Themed Investment. Our Policy also includes a negative investment list composed of prohibited investments whose activities violate human rights and global conventions.

We regularly update our Policy to consider the latest developments in the ESG landscape. For instance, given the critical role of biodiversity in driving sustainable growth, we are beginning to track such risks following the development of the Taskforce for Nature Based Financial Disclosures and will look to integrate this into our investment processes in 2025.



Improved adoption of ESG policies across portfolio companies



% of portfolio companies with an ESG policy covering climate, diversity and human rights

Improving ESG Governance

ESG Committee

In 2024, we have put in place an ESG Committee to institutionalize ESG governance within Affinity. With our Founding Chairman as the chair of the ESG Committee, the objectives of the ESG Committee are to:

1. Formalize Affinity’s internal review system for ESG policies and new initiatives
2. Gather feedback from a broader range of stakeholders in the implementation of new initiatives; and
3. Improve engagement of our colleagues on ESG matters.

Our first meeting was held in September 2024 and covered ESG integration in portfolio companies, climate change net zero pledges, reporting and value creation initiatives.

A feature of our ESG Committee’s work is to track the ESG maturity of our portfolio companies. The ESG Committee utilizes our in-house ESG maturity matrix tool to track ESG portfolio integration based on a set of customized KPIs for each portfolio company. Our ESG maturity matrix tool is based on sustainability frameworks e.g., Sustainability Accounting Standards Board (“SASB”), International Sustainability Standards Board (“ISSB”), TCFD and industry best practices.

Detailed day-to-day management of ESG work, including pre-investment due diligence, engagements with our

portfolio companies and post-investment value creation, is led by the ESG and Sustainability Team and supported by all of our investment professionals. Affinity’s internal risk management team, the Portfolio Management Group (“PMG”) of which the ESG and Sustainability Team is a part, independently monitors ESG risks and the progress of post-investment ESG initiatives.

ESG in the Investment Life Cycle

ESG integration is well embedded in our investment process.

When assessing potential investment opportunities, as part of the due diligence process, Affinity’s investment professionals undertake an evaluation of the ESG risks and opportunities, leveraging our in-house ESG due diligence toolkit to provide a preliminary assessment and working with external advisors in the due diligence processes as necessary. ESG considerations are incorporated into investment memorandums which are thoroughly discussed at Investment Committee (“IC”) meetings.

Post investment, our active ownership roles and board representation on portfolio companies enable us to collaborate closely with management, implement initiatives and address any ESG concerns. At our quarterly portfolio review and valuation meetings, the Affinity Partners discuss ESG issues relating to their portfolio companies. ESG KPIs of our portfolio companies are collected and reported on an annual basis.

Portfolio Highlight

ESG Due Diligence in Pacific West

Pacific West (or the “Company”) is a B2B branded seafood producer serving the foodservice and retail sectors. Its key brands include Pacific West, Street Foodie and Ocean Chef. The Company also supplies in-house branded products to major supermarket chains such as Aldi and Coles.

Due diligence findings on climate and supply chains

Physical impact of climate change on wild caught seafood

We worked with a climate specialist to understand the **effects of warming seas** on the Company’s top 20 suppliers.

Over half of the Company’s supplies come from wild-caught sources, rated as ‘Low’ to ‘Medium’ risk. For example, Alaskan Pollock from the Northwest Pacific Ocean, accounting for 25% of supply, faces low climate risk due to favorable and cooler water conditions. Medium climate risks are associated with farmed salmon from Norway and farmed prawns from Vietnam, where land-based aquaculture sites are more vulnerable to sea warming. This may lead to reduced seafood stocks from lower reproduction rates and increased disease susceptibility.

Traceability and Human Rights in the Seafood Supply Chain

80% of the Company’s fish are **sustainably sourced and traceable**, being Marine Stewardship Council’s Chain-of-Custody certified or part of the Fisheries Improvement Project.

The Company’s manufacturing facility in Penang is a Supplier Ethical Data Exchange (“SEDEX”) member and undergoes third-party audits annually. In March 2024, **no high-risk findings** were noted in its SEDEX Member Ethical Trade Audit (“SMETA”).

As a Responsible Business Alliance (“RBA”) member, the Company conducts regular checks internally on its recruitment employment process to ensure **responsible recruitment**. This includes interviewing workers upon their recruitment to ensure that they have not paid any fees throughout the recruitment process and ensuring adequate living and working conditions.

We will use these findings to work with Pacific West to develop a climate resilient procurement strategy and strengthen supply chain practices across the business.

PACIFIC WEST™

80%
of the fish are sustainably sourced and traceable

Best Aquaculture Practices

FARMED RESPONSIBLY
asc
CERTIFIED
ASC-AQUA 0001

CERTIFIED SUSTAINABLE SEAFOOD
MSC
www.msc.org



04

Value Creation and Portfolio Management through Data

Value Creation

At Affinity, we build better businesses by creating sustainable value.

Our value creation strategy focuses on material sustainability issues to both manage risks and create opportunities. Viewing our portfolio companies through this lens, we have identified initiatives such as **new revenues streams, cost optimization, improved financing terms through sustainability-linked loans, and enhanced market reputation.**

Utilizing both in-house and external expertise, Affinity, together with the management teams, put together a sustainable value creation plan tailored to the portfolio companies' sector, growth stage and sustainability focus. Our ESG maturity matrix helps us identify priority areas and track progress, guiding our next steps for portfolio engagement. The maturity ratings and portfolio initiatives are updated during quarterly valuation cycles and are reviewed by all partners.

Working closely with our investment teams, we support portfolio companies in implementing these plans to build a stronger, more sustainable business.

-
- 1 Chairman's Opening Speech
 - 2-3 Networking Break
 - 4 Generative AI Presentation

2024 CEO Roundtable

Our annual CEO Roundtable offers portfolio companies an opportunity to learn from expert speakers and each other while strengthening networks within the Affinity portfolio. The 2024 event covered sustainability in APAC, generative AI integration, and value creation in financial services and healthcare. It was well attended by C-suite executives who exchanged insights and best practices.



Portfolio Highlight

JobKorea: Creating a Safe, Diverse and Climate Conscious Jobs Platform

Developing a Safer Platform

In our engagement with JobKorea, we identified fraudulent and illegal job ads as a key industry issue, especially with AI enabling scammers to create fake or illegal listings. In response, JobKorea developed an AI-powered job screening tool that scans ads for suspicious keywords. About 30% of flagged ads are then reviewed by humans, combining AI efficiency with human judgment to effectively filter out scams. As Korea's first job platform to implement such checks, JobKorea enhances job seeker safety through providing a safer platform and reinforces its position as the market leader.

Developing a new Diverse Workforce

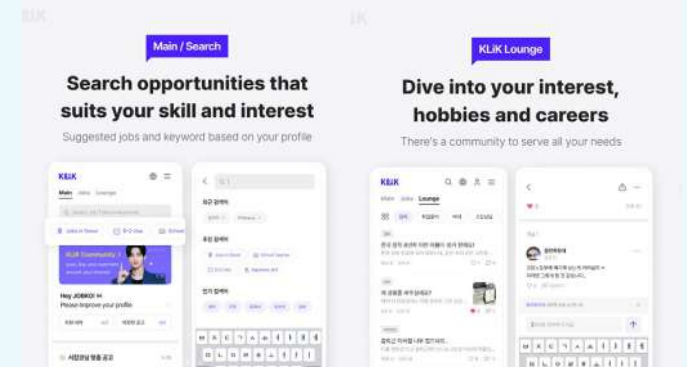
JobKorea recognized that serving a diverse job seeker base would create long-term value. It launched Kickstart Life in Korea (KLiK), the first job platform app tailored for expatriates in Korea. Since its launch in August 2024, KLiK has posted over 112,000 jobs, using AI to match job seekers and employers based on visa status, experience, region, and language.

KLiK has partnered with firms like Hire Diversity, which supports visa administration, and SEEK, a leading global job platform. In October 2024, KLiK hosted its first networking event for expatriates, attracting 300 participants from over 60 countries. The event provided an invaluable opportunity for recruiters to expand their access to foreign talent.

Net Zero 2050

Following our engagement, JobKorea committed to a Net Zero 2050 pledge, focusing on energy efficiency, purchasing Green Premiums from KEPCO, and future grid decarbonization to reduce its Scope 2 emissions. The company also established an ESG committee to oversee its sustainability efforts. In 2024, JobKorea received the Korea Sustainability Management Communication Award in recognition of its ESG initiatives.

We are proud of JobKorea's progress in managing risks and creating value through its ESG program by providing a safer platform and incorporating diversity into its business.



Portfolio Highlight

Lumus: Supporting a new Sustainability Strategy with a Sustainability Linked Loan

Closed in early May 2025, Lumus is the newest addition to our portfolio. As a leading operator in the Australian diagnostic imaging industry, Lumus is dedicated to supporting the health and wellbeing of Australians through different life stages. With over 30 years of experience, Lumus serves Australia’s growing aging population through essential diagnostic tools. Its team of 2,000 diagnostic imaging experts and support staff operate across 127 sites nationwide, ensuring accessible and timely diagnostic services for communities throughout Australia.

From the outset, we implemented a sustainability strategy focused on four key areas: 1) Environmental Stewardship, 2) Employee Development, 3) Stakeholder Engagement, and 4) Sustainable Governance.

The business utilizes a Sustainability Linked Loan (“SLL”), which supports Lumus’s sustainability journey and its commitment to improving sustainability performance, with each key performance indicator in the SLL aligning closely with Lumus’s sustainability strategy (see chart).

To ensure effective implementation, Lumus will establish an ESG committee comprising senior leaders from finance, procurement, and IT, to oversee the integration of the sustainability strategy and monitor progress against the SLL KPIs.

As SLL KPIs are met, this would lower the margin on the loan, thus incentivizing the business to keep progressing on its strategy. This structure also provides an additional layer of accountability to the consortium of lenders.

Our Mission

To care for Australians’ health and well-being at every stage of life
Enabling medicine through accurate, well-explained and affordable diagnostic imaging services

Environmental Stewardship



Minimizing environmental impact and GHG emissions while delivering top-quality patient care.

- **Measure emissions**
- **Decarbonization plan**
- Waste management

Employee Development



Investing in employees to elevate patient care and promote innovation and excellence.

- Organizational values
- Employee wellbeing
- **Training programs**

Stakeholder Engagement



Enhancing experience by engaging patients, referrers, suppliers and community.

- **Responsible procurement**
- **Lower radiation dose**
- Public education and outreach
- Radiologists without borders

Sustainable Governance



Aligning operations with broader sustainability goals: carbon reduction, resource efficiency, and social responsibility.

- **Cyber security and penetration testing**
- **Set up sustainability committee**

Demonstrative Practices

* Bold indicates where SLL KPIs have been set

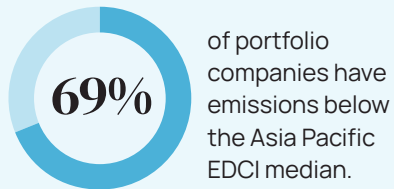
Spotlight

Portfolio Management through Data Insights

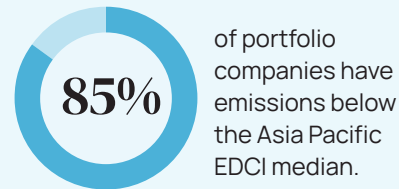
Since its inception, we have contributed anonymized data from our portfolio companies to the ESG Data Convergence Initiative (“EDCI”), helping to create private markets benchmarks. The EDCI KPIs are available for sharing with our investors upon request. In 2024, we participated in the EDCI’s “Harnessing the Benchmark” which looked at ways in which asset managers were using the benchmark in developing ESG strategy, portfolio value creation, transaction and due diligence support and external engagement.

Below are key 2023 EDCI benchmark highlights for our Fund V portfolio:

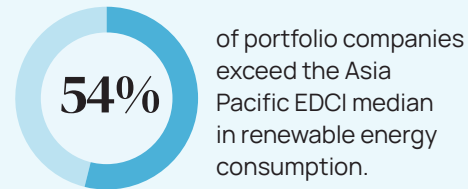
Scope 1 Emissions



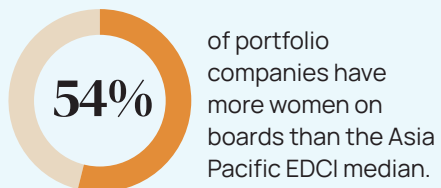
Scope 2 Emissions



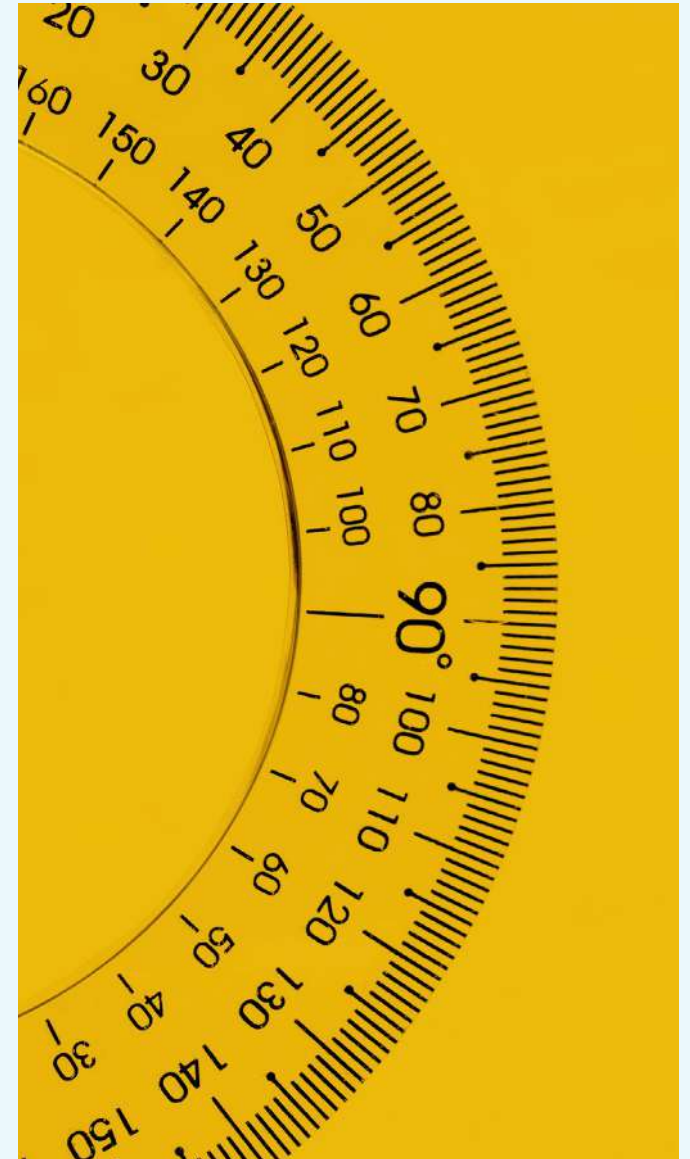
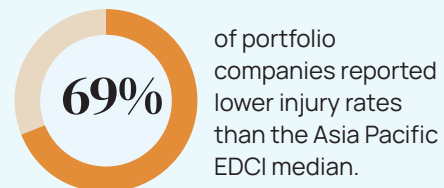
Renewable Energy Consumption



Women on Boards



Injury Rates



05

Climate Change



Climate Change

Climate change poses a critical threat to the stability of our planet with deep impact on societies and economies. The physical risks of climate change have never been more apparent.

In 2024, Typhoon Yagi struck Southeast Asia, causing 844 deaths and displacing tens of thousands, with widespread flooding and infrastructure damage across Vietnam, China, the Philippines, and Thailand. In managing our portfolio companies, we actively consider how to future proof our companies through anticipating the impact of transition and physical risks of climate change on the business and the company's impact on the environment.

Affinity's Climate Commitment

As part of our commitment towards climate change, in 2022, we established our climate goals to reduce our operational emissions and have our Fund V control investments set net zero goals.

At the operational level we will reduce our emissions by 50% by 2025, using 2019 as our base, and achieve net zero by 2030. At the portfolio level, existing Fund V control investments will set net zero targets by 2025, and newly invested companies will be expected to set net zero goals within two years of investment. For our minority investments, we will implement a climate stewardship and engagement strategy that will guide them towards a net zero transition.

Climate Progress

We have made tremendous progress in our climate journey.

69% 

of portfolio companies now have a **Net Zero 2050 pledge**, compared to 15% in 2022.

78% 

of portfolio companies who have committed to achieve Net Zero by 2050 **have developed a decarbonization roadmap**, compared to 0% in 2022.

42% 

decrease in our **Weighted Average Carbon Emissions ("WACE") in 2024**, compared with 2022

100% 

of portfolio companies have consistently measured their Scope 1 and 2 carbon emissions for the last four years. In 2024, **control investments** started to **measure Scope 3 emissions**.

As a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD"), we have structured our climate disclosure to cover the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Our Governance System to Manage Climate Related Risks

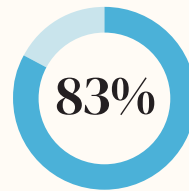
Affinity's climate governance is developed in line with the TCFD and is incorporated within our Policy. Our climate policy covers how we consider climate related risks and opportunities and integrate this into our investment processes.

As part of the ESG Committee, our Founding Chairman has detailed oversight of the climate policy and progress of our portfolio companies. The ESG and Sustainability Team together with the Portfolio Management Group ("PMG") is responsible for (i) regular review of our climate approach, (ii) monitoring portfolio climate risks and opportunities and (iii) building firmwide climate capabilities.

The ESG and Sustainability Team works closely with the investment teams at the due diligence stage to assess the climate risks and opportunities for each company and conduct post investment monitoring and engagement with the portfolio companies. Where necessary, third party expertise is sought for specific climate initiatives.

This holistic governance approach to climate has enabled us to achieve meaningful progress in our climate journey:

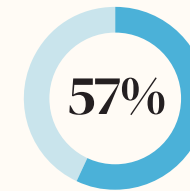
Control Investments



Five out of six¹ of our control investments have made net zero pledges

- M-DAQ Global Pte. Ltd. ("M-DAQ")
- ServeOne Co.,Ltd ("ServeOne")
- JobKorea LLC ("JobKorea")
- UBase, Inc. ("UBase")
- SK Rent A Car Co., Ltd ("SK Rent A Car")

Minority Investments



Four out of seven of our minority-owned portfolio companies now have a net zero pledge.

- PT Vidio Dot Com ("Vidio")
- Ho Chi Minh City Development Joint-Stock Commercial Bank ("HDBank")
- Towngas Smart Energy Company Limited ("Towngas")
- Shinhan Financial Group Co., Ltd ("Shinhan")

In October 2024, as a member of the Asian Operating Committee of the iCI, we helped organize a networking event on the sidelines of the Responsible Investment Forum ("RIF") in Asia together with Boston Consulting Group and RIF to bring together members of the sustainability community across Asia and Europe.

In November 2024, we participated and provided feedback in the Monetary Authority of Singapore's industry forum on Guidelines for Financial Institutions on Transition Planning.

1. Invested prior to 2024

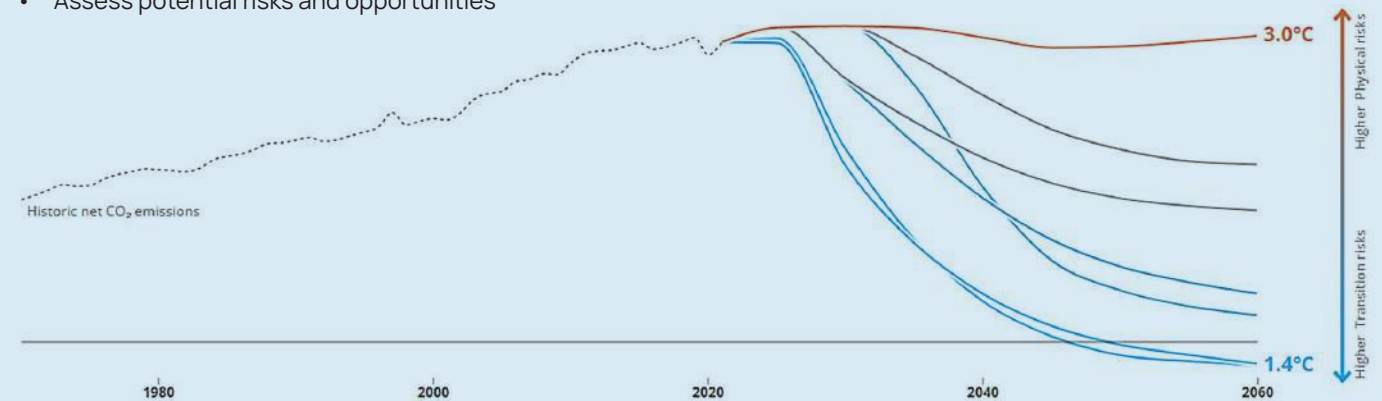
Climate Strategy

Our in-house climate risk register and portfolio heatmap is critical in helping us understand the macro-view and impact of climate related risks and opportunities within our portfolio. The climate risk register is updated annually to monitor the physical and transition risks of climate change facing our portfolio companies, while the portfolio heatmap illustrates the transitional and physical risk exposure of our portfolio companies based on sector and geography. This process has enabled us to mitigate portfolio company climate risks and identify opportunities for climate value creation.

We integrate the Network for Greening the Financial System (“NGFS”) scenario planning tools in the development of climate strategy for our portfolio companies. The following case study from SK Rent A Car will help illustrate this.

Climate Scenarios enable us to

- Explore possible futures and examine their assumptions
- Understand the courses of action that lead to these futures
- Assess potential risks and opportunities



+1.4 °C

+3.0 °C



Net Zero 2050

Transition risks could result from higher emissions costs and changes to businesses and consumer preferences. Physical risks are minimized.

Current Policies

A hotter world would result in deteriorating conditions in many parts of the world. Physical risks could impact ecosystems, health, infrastructure and supply chains.

Adapted from





Portfolio Highlight

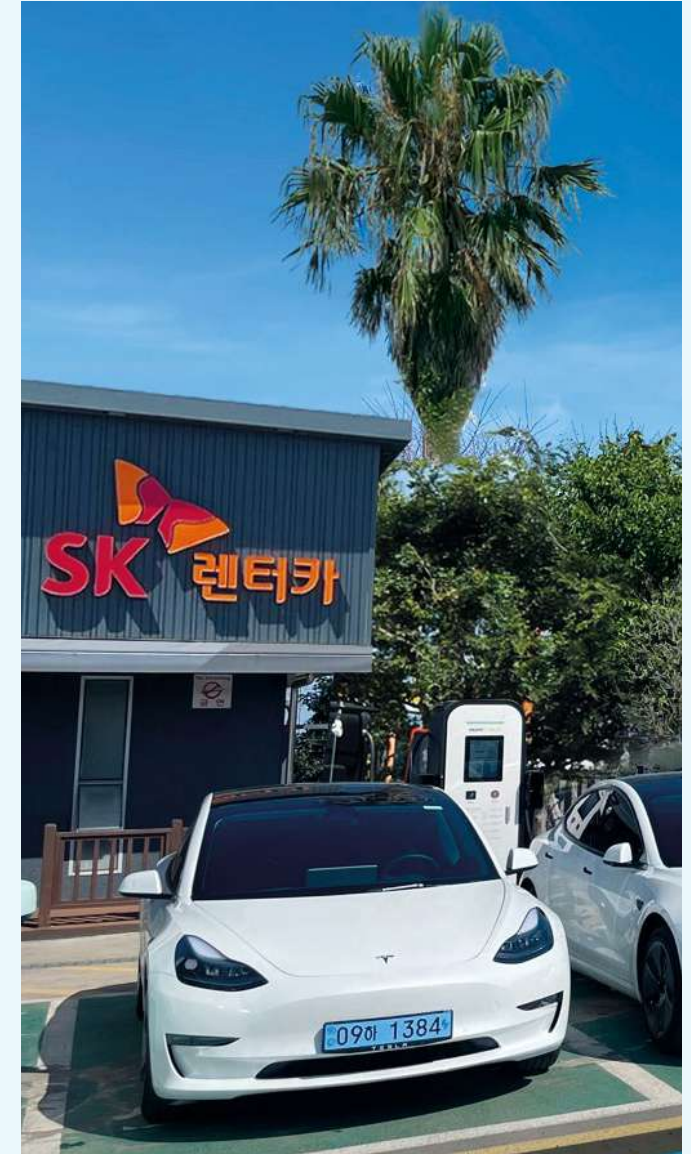
Developing SK Rent A Car’s Climate Transition Plan

SK Rent A Car is the second largest auto rental operator in Korea, offering comprehensive vehicle rental services for businesses and individuals. Climate transition risk is a key focus for the company, which plans to shift its fleet from internal combustion engine vehicles (“ICEV”) to electric vehicles (“EV”) by 2050, aligning with Korea’s Net Zero goal. Using NGFS scenario tools, we selected two scenarios, Net Zero 2050 and Fragmented World, to help the company navigate transition risks, including delayed climate policies and heightened physical risks.

The company is revising its EV roadmap to address the slowdown in domestic demand for EVs and plans to include more hybrids in its fleet transition. The scenario planning guides the integration of climate scenarios into fleet transition strategies.

In addition, SK Rent A Car has implemented several initiatives within its operations that actively support the country’s energy transition. Its four solar power facilities generate approximately 300,000 kWh of renewable energy annually – enough to power around 30 homes. Its EV rental program is currently under review for approval under Korea’s Clean Development Mechanism, under which the avoided emissions from its EV fleet would be eligible for carbon credits.

Scenario	Description	Trend	Implications for SK Rent A Car
Net Zero 2050 	Limits global warming to 1.5°C through stringent policies and innovation	ICEVs decline; EVs increase	<ul style="list-style-type: none"> • Reduced non-electric transportation • Increase in EVs and a reduction in ICEVs • Increased risk of stranded assets for ICEVs in 2050
Fragmented World 	Delayed and divergent climate policy ambition leading to high physical and transition risk	Slower rise in ICEVs and EVs	<ul style="list-style-type: none"> • Slower transition to EVs • ICEVs demand continue to rise, but at a slower pace • Government mandates to phase out ICEVs will drive rising EV demand • Lower risk of stranded assets for ICEVs in 2050



Climate Risk Management

Pre-investment

Every transaction undergoes an initial in-house ESG screening to ensure climate related risks are identified and assessed. Where we have determined that a particular investment is exposed to higher physical and transition climate risks, either due to sector or geography, we will work with an external advisor to understand the risks and opportunities facing the business.

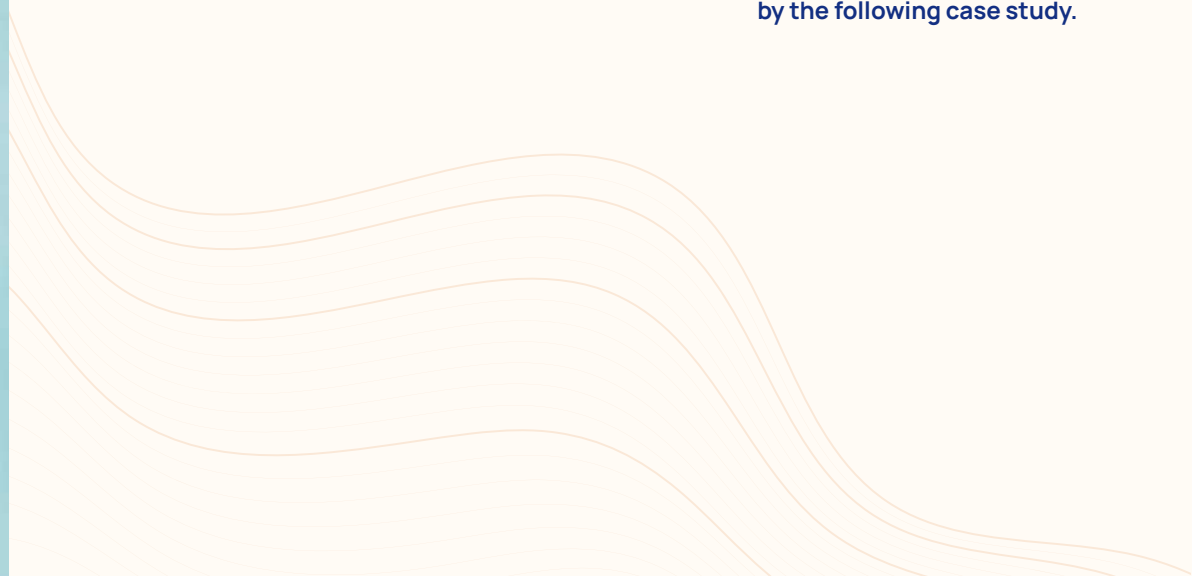
We provide regular training to build capabilities of our investment teams. In 2024, we trained our investment team on the physical risks of climate change and to consider how these risks can be mitigated through implementation of risk management practices and policies.

Post-investment

Climate-related risks for Fund V are managed through active direct monitoring and engagements with our portfolio companies. We work with our portfolio companies to mitigate climate risks and develop climate value creation opportunities.

In 2024, an important part of our climate strategy work was engagement with our portfolio companies and developing action plans, especially for companies that have higher emissions.

As a result of our engagement work with our portfolio companies, in FY2024 our Weighted Average Cost of Carbon (“WACI”) decreased by 39% as compared with FY2023. A large part of the reductions came from our engagement with Towngas Smart Energy, as illustrated by the following case study.



Portfolio Highlight

Climate Engagement with Towngas Smart Energy

In 2021, we had invested in Towngas Smart Energy (“Towngas or the “Company”) to help support the rollout of distributed solar energy within China. However, as Towngas also operates in the natural gas distribution sector, we were also cognizant of the relatively higher emissions profile of the business.

In 2022 and 2023, Towngas’s Scope 1 emissions rose due to the increased use of natural gas in their Distributed Energy Systems (“DES”) installed in industrial parks. DES generates electricity and utilizes waste heat for water, steam and chilled water. In 2024, further engagement revealed that DES was considered a non-core segment within the Company’s operations. As a result of our engagement, Towngas reduced its focus on DES to improve both operational and climate efficiency, leading to a 34% drop in Scope 1 emissions.

Short-term (1-3 years)

- Inspect and upgrade old pipes for transmission efficiency
- Enhanced leak detection (In 2024, Towngas reported zero major incidents or chemical leakage)
- Expand renewable energy adoption
- Phase out of ICEVs with EVs

In 2024, Towngas installed a total of 2.3 GW of solar photovoltaic panels, estimated to achieve 1.4 million tons of CO₂e in avoided emissions compared to traditional coal fired power. Due to China’s changing macroeconomic conditions, Towngas had to reassess its solar photovoltaic rollout targets. In consultation with Affinity, Towngas shifted from an asset-heavy model of building solar power stations to an asset-light approach focused on energy management, storage, and technology licensing. This reduces capital risks and increases flexibility, aligning better with their long-term goals. This approach has paid off as operating profit from the smart energy business segment increased more than six-fold, from HKD 78 million in FY2023 to HKD 479 million in FY2024.

To meet its 2050 carbon neutrality goal, Towngas has developed a decarbonization plan (see graphic). Our successful climate engagement enabled Towngas to reduce emissions by prioritizing key emission sources.

Medium-term (3-5 years)

- Blending green hydrogen into piped natural gas
- Blending bio-methane from waste into piped natural gas



Long-term (beyond 5 years)

- Offsetting residual emissions via carbon credits

Metrics & Targets



Our Financed Emissions

We track and monitor Scope 1 and 2 emissions across our Fund V portfolio. We have an in-house carbon footprinting tool based on the GHG Protocol to enable our Fund V portfolio companies to calculate their carbon emissions. For the past four years, we have collected Scope 1 and 2 emissions data for 100% of our Fund V portfolio companies. In 2024, we onboarded a new carbon emissions tool to measure the Scope 3 emissions of our portfolio companies. Based on the pilot we conducted to measure the Scope 3 supply chain emissions of portfolio companies, we were able to validate that companies who prioritized purchasing from vendors with net zero commitments had lower Scope 3 emissions. We have measured our Scope 3 emissions of all control investments in 2025. These are available for sharing with our investors upon request.

For 2024, the Weighted Average Cost of Carbon (“WACI”) of our Fund V portfolio is 5.69 tCO₂e per million dollars revenue. This represents a 39% carbon efficiency improvement from 2023 to 2024. As explained in the Risk Management section of this climate disclosure a major part of the reduction came from our engagement with Towngas Smart Energy.

	2022	2023	2024	YoY%
WACI (tCO ₂ e/US\$ mn)	9.77	9.27	5.69	-39%

Our Operational Emissions

The main sources of our operation emissions come from company cars, energy consumption and business air travel. In 2024, we emitted 1,978 tCO₂e of which 91% comes from business air travel.

To reduce our operational emissions, we plan to (i) replace consumption with more sustainable options, (ii) reduce use of resources and (iii) offset where needed. In 2024, our ESG and Sustainability Team continued to engage with building management of our offices to improve energy efficiency through installation of LED lighting and to explore the use of renewable energy. In 2025, we plan to purchase carbon credits to offset our operational emissions.

tCO ₂ e	2022	2023	2024
Scope 1: Company Cars	41	33	33
Scope 2: Office Electricity Use	151	152	148
Scope 3: Business Air Travel	1,147	2,620	1,797
Total Operational Emissions	1,339	2,806	1,978

A photograph of two women in traditional Chinese clothing walking away from the camera down a long, paved courtyard. The courtyard is flanked by high, reddish-brown walls with traditional Chinese architectural details, including ornate, golden-tiled roofs. The women are wearing long, flowing robes with intricate floral patterns and black hats. The scene is set in a clear, bright environment, likely a historical site or palace.

06

Diversity and Inclusion

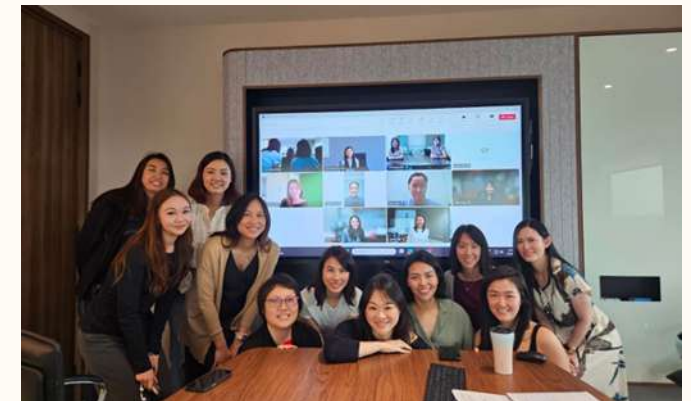
Diversity and Inclusion

At Affinity, we are committed to fostering a culture of respect that embraces diverse viewpoints. By leveraging the varied backgrounds and experiences of our team, we strive to make more informed and effective investment decisions. Despite evolving attitudes toward diversity and inclusion (D&I) in some parts of the world, we remain unwavering in our dedication to our core principles and values. Our Founding Chairman and Partners actively promote and support D&I throughout the Firm.

Fostering an Inclusive Culture

In 2024, we enhanced our D&I Policy to reinforce fair, non-discriminatory pay practices and enhanced childcare leave benefits. Our policy firmly prohibits discrimination based on race, color, religion, sexual orientation, gender identity, national origin, or age. We remain committed to continuously improving firm-wide policies across recruitment, professional development, compensation and promotions.

In April 2025, we hosted our annual firm-wide women's networking event, welcoming new female colleagues and fostering connections through sharing personal interests and recommendations.



Right: Annual firm-wide women's networking event



D&I with Stakeholders

As members of the Singapore Venture & Private Capital Association ("SVCA") ESG Committee, in November 2024, we supported young and mid-career female professionals within the Firm to participate in SVCA's mentorship program, aimed at advancing women in private markets. The program ran from November 2024 to April 2025 and included one senior Affinity staff as a mentor. In 2025, we have also engaged with the CFA Society Singapore, engaging in D&I discourse and roundtables.

We have made commendable progress in fostering diversity on our portfolio companies' boards. As of December 2024, 77% of our Fund V portfolio companies have at least one female board member, up from 54% in 2022. We remain committed to advancing diversity and inclusion to build more diverse and effective boards.

Our D&I Commitments

Lead Roles

Hire more women in investment and business lead roles.

For Open Positions

Shortlist and interview at least one female candidate for each open position.

Career Guidance

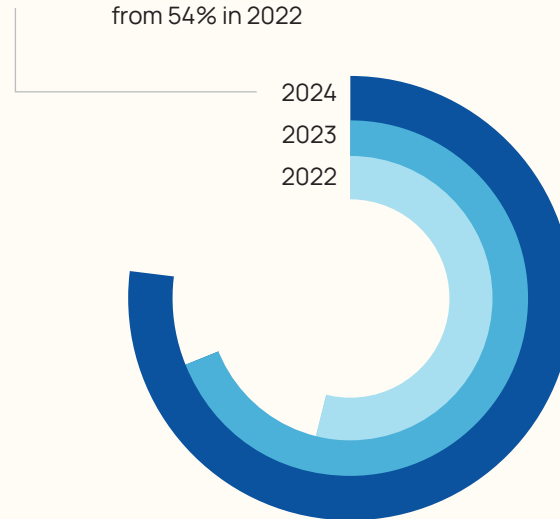
Assign internal mentors to women professionals for career guidance.

At Portfolio Companies

Where possible, appoint and promote women to leadership roles at portfolio companies (including C-suite and board level).

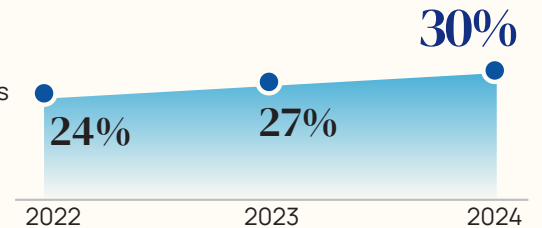
Highlights

77% of Fund V portfolio companies have at least one female board member, an increase from 54% in 2022

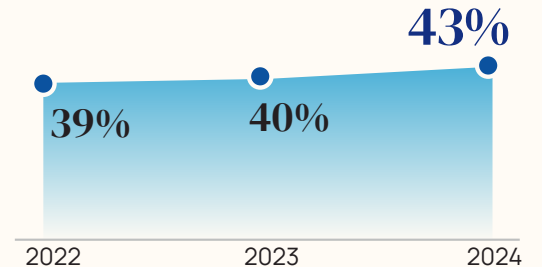


Gender Diversity

Female Investment professionals in Affinity



Females within Affinity





07

Stakeholder Engagement

Stakeholder Engagement

Our stakeholders are a key part of how we think about our success as a Firm. Our stakeholders are our investors, employees, portfolio companies, the wider industry and our community. In all we do, we aim to communicate, build trust and understand the priorities of our stakeholders so that we can deliver long-term sustainable value, while continuing to play a role as a responsible investor that invests in society's long-term good.

Investors

We engage with our investors regularly to understand their sustainability considerations and identify industry best practices in ESG. Investors are informed of our ESG progress at Affinity and our portfolio companies through quarterly reports, one-to-one engagements, publication of our annual sustainability report and at our annual general meeting. Additionally, in the event of any material ESG incidents, Affinity will inform investors as soon as practicable.

Engagement Highlights

ESG Investor Webinar

Held our first sustainability webinar showcasing achievements, with 27 investor representatives registered to attend or receive the webinar highlights.

Adam Street Partners

Received an ESG rating of "Excellent" from Adams Street Partners based on 2024 ESG survey submissions.

PGGM

In 2024, we received an honorable mention in PGGM's sustainability report as an Asian GP with exemplary climate practices and joined PGGM's ESG roundtable with other leading Asian GPs.

Employees

At the heart of our responsible investment strategy is our people. We ensure our investment professionals stay informed about the latest trends and developments in ESG through regular training sessions, participation in external conferences, and access to internal resources. On an annual basis we conduct ESG, DEI and cybersecurity training for all investment professionals.

Our 2024 ESG training focused on the impact of physical climate risks and responsible exits. This was timely as sustainability factors around employee retention and sustainable building management were key elements of the value creation story for Island Hospital, a Fund IV portfolio company that was successfully exited in 2024.

Industry

As signatories of ESG industry groups, we actively participate in industry activities to exchange knowledge and insights and learn from our peers.



Member of the HKVCA ESG Committee



Member of the SVCA ESG Committee



UNPRI signatory since 2017 and PRI Climate Reference Group member



Official EDCI supporter and working group participant



iCI Asia Pacific committee member; joined Net Zero working group (2024)



Engaged in MAS's Climate Transition Risk Guidelines initiative (2024)

In 2024, we participated in several conferences to share our knowledge, including the Asset ESG Summit and the AVCJ ESG Summit in Hong Kong, where we spoke on climate best practices, alongside other experts in the space. We also participated as a speaker at the PEI Responsible Investment Forum and shared our knowledge on the panel discussions on ESG Data Convergence Initiative and Driving Climate Action in Asian Private Equity.



AVCJ ESG Summit 2024



Responsible Investment Forum Asia 2024

In 2024, our Firm and portfolio companies also received several awards including the following:



AFFINITY EQUITY PARTNERS

“Firm of the Year in Southeast Asia” at the PEI Annual Awards



ISLAND HOSPITAL

“Most Sustainable Healthcare Institution in Asia Pacific” at the 2024 GlobalHealth Asia Pacific Summit



JOBKOREA

“Korea Sustainability Management Communication Award” for ESG excellence and job creation

“Operational Value Add” at the AVCJ 2024 Awards

Communities

We volunteer our time and effort toward our community through donation drives, engagement in charity events and active involvement in community outreach programs. This fosters a culture of corporate volunteerism and serves as a valuable opportunity for teambuilding.

In 2024 for Christmas, we donated towards Willing Hearts Singapore, a soup kitchen that provides over 10,000 meals daily to the underprivileged and marginalized over 70 locations in Singapore.

In June 2025, colleagues in our Singapore office volunteered for “Meals on Wheels”, in partnership with TOUCH Community Services (“TOUCH”). “Meals-on-Wheels” is a meal delivery program to meet the daily needs of the home-bound elderly. The elderly, who usually live alone, depend on volunteers from TOUCH to deliver their meals every day. Through the volunteer event, our colleagues collectively delivered 86 meals to the home-bound elderly in Singapore.

86

meals delivered to the home-bound elderly



- 1 Volunteers
- 2 Packing Meals
- 3 Mid-delivery



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Sustainability Report 2024/2025

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