

FIM Partners

Annual Sustainability Report 2024





Message from our CIO

I am pleased to present FIM Partners' 2024 annual Sustainability Report which outlines our approach to Responsible Investing and highlights key initiatives and milestones achieved over the past year.

Throughout the year, we have continued to strengthen our ESG integration practices, recognizing that sustainable investment is an opportunity to create long-term value. We refined our Climate Change Engagement Roadmap, enhanced our proprietary ESG KPI database—now covering over 200 companies—and participated in leading industry forums to contribute to the global dialogue on sustainable finance.

Our engagement efforts continued to evolve, with direct dialogues on issues ranging from emissions disclosure to corporate governance and sustainability leadership. Our approach remains pragmatic, data-informed, and grounded in local context. Across our product classes,

we maintained a rigorous focus on ESG analysis, stewardship, and engagement. Whether through our active proxy voting, sector-level ESG scoring, or sovereign ESG assessments, our teams are guided by a consistent objective: to build resilient portfolios that support both performance and progress.

Looking ahead, we recognize that the sustainability journey is continuous. We will keep listening, adapting, and working with our stakeholders to champion solutions that deliver enduring value—both for our investors and for the societies in which we invest.

Hedi Ben Mlouka
Founder and CIO

The ESG Team

The ESG Team is responsible for the day-to-day implementation of FIM Partners' Responsible Investment Policy. Members include the firm's Sustainability Lead and investment team professionals.



Maryam Mughal
Sustainability Lead



Mohammed Ali Hussain
Head of Equities Research



Kia Williams
Portfolio Manager



Faisal Yusuf
Senior Analyst

2024 IN REVIEW: FIM PARTNERS



The key updates and developments at the firm level are as follows:

Climate Change Engagement Roadmap updated

Following stakeholder consultations, we revised our Climate Change Engagement Roadmap to refine our approach to divestment. While all emission categories were previously subject to potential divestment for missed milestones, we now limit this action to high-emitting sectors where management refuses to engage on climate risks. Given the early stage of climate awareness in our markets, we believe continued engagement – without rigid timelines – is more appropriate for low and medium emitters. This update to the framework was approved by the ESG Committee in Q2 2024.

Bloomberg Sustainable Finance roundtable

We were invited by Bloomberg to share our insights at their inaugural Sustainable Finance roundtable in Dubai, UAE. The event was attended by sustainability representatives from leading local financial institutions. The discussion focused on the SFDR’s upcoming developments and regional trends on climate change and sustainable debt financing.

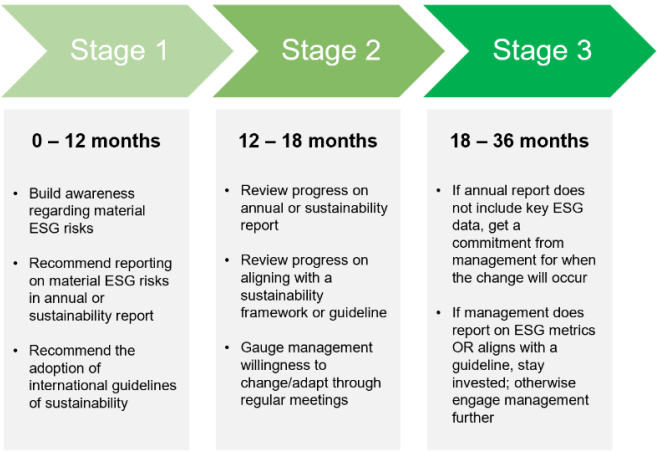
Future Sustainability Forum

In December, we attended the Future Sustainability forum in Dubai. The agenda included conversations with experts and stakeholders on sustainable finance, eco-empowerment i.e. alignment of economy with environment, sustainable transportation, redefining decarbonization through artificial intelligence, raising capital for climate technology, and sustainable fashion, etc.

ESG KPI Database

Our proprietary ESG KPI database, which includes sector-specific sustainability metrics and KPIs has grown to over 200 companies.

Revised Engagement roadmap (Low Emitters)



Revised Engagement roadmap (Medium Emitters)

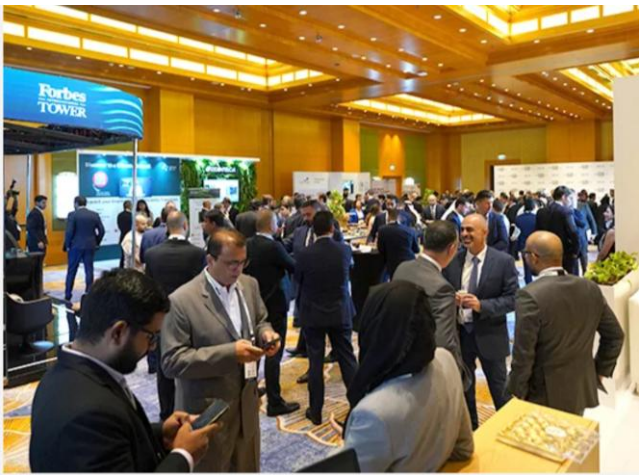
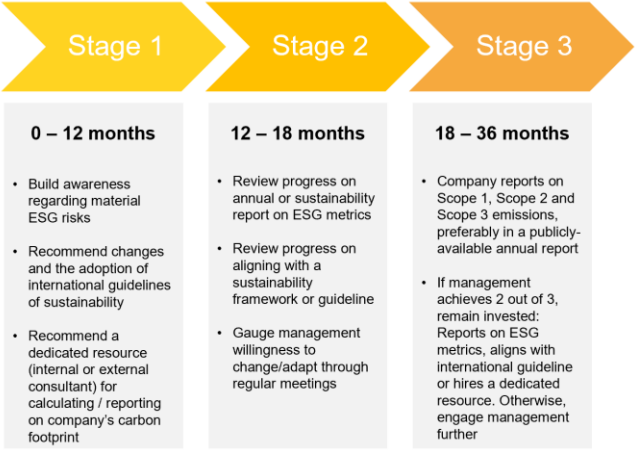


Photo: Future Sustainability Forum

Sustainable Real Estate

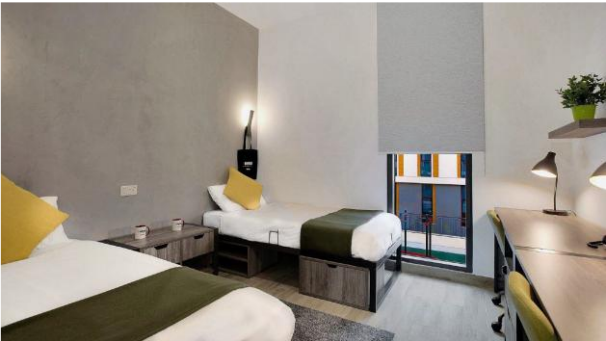
A key highlight of our real estate portfolio is our investment in *The Myriad Dubai* – a purpose-built student housing community that brings together environmental innovation and inclusive urban living. Through smart energy solutions, water conservation, and community development, this project exemplifies how sustainability can be both tangible and transformative.

Located in Dubai International Academic City, it is the first purpose-built and fully integrated student living community in the region. At its peak, the facility housed over 1,650 students representing 90+ nationalities from 42 educational institutions. The property is operated by the exclusive regional partner of Asset Living – one of the largest third-party property management companies in the United States.

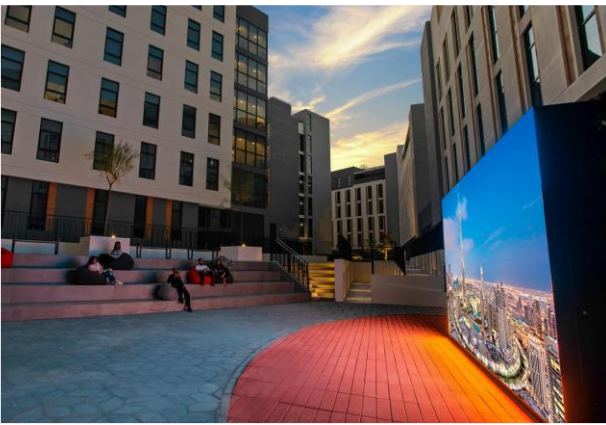
The Myriad offers a wide range of amenities and facilities such as cafeterias & food courts, arcade & gaming rooms, rooftop swimming pools, gyms, outdoor amphitheater, indoor cinema, and study rooms.

Key features include:

- Generation of 6.8 kW electricity from solar panels installed around the properties
- 17% reduction in total water consumption due to installation of 5,300 tap aerators
- Ensuring energy efficiency through smart guest room management, light sensors, occupancy sensors, and ambient air conditioning
- High quality surveillance systems and well-trained security personnel
- On-site training and workshop spaces to equip the young residents with practical life skills and career development tools



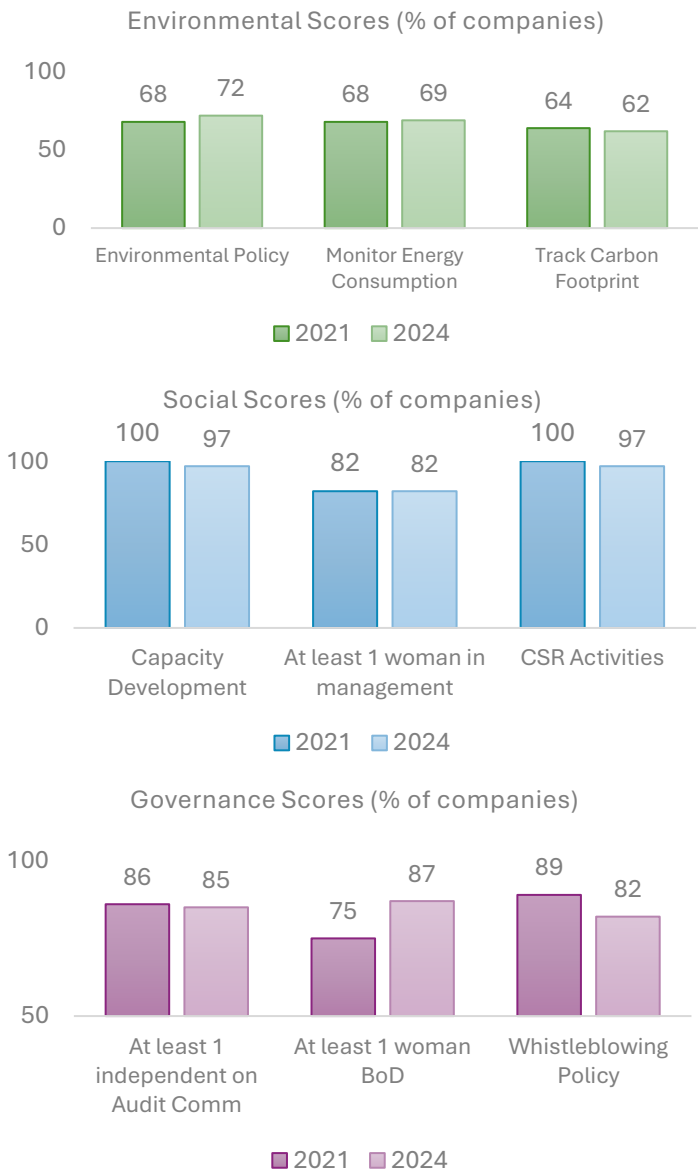
Photos: The Myriad, Dubai



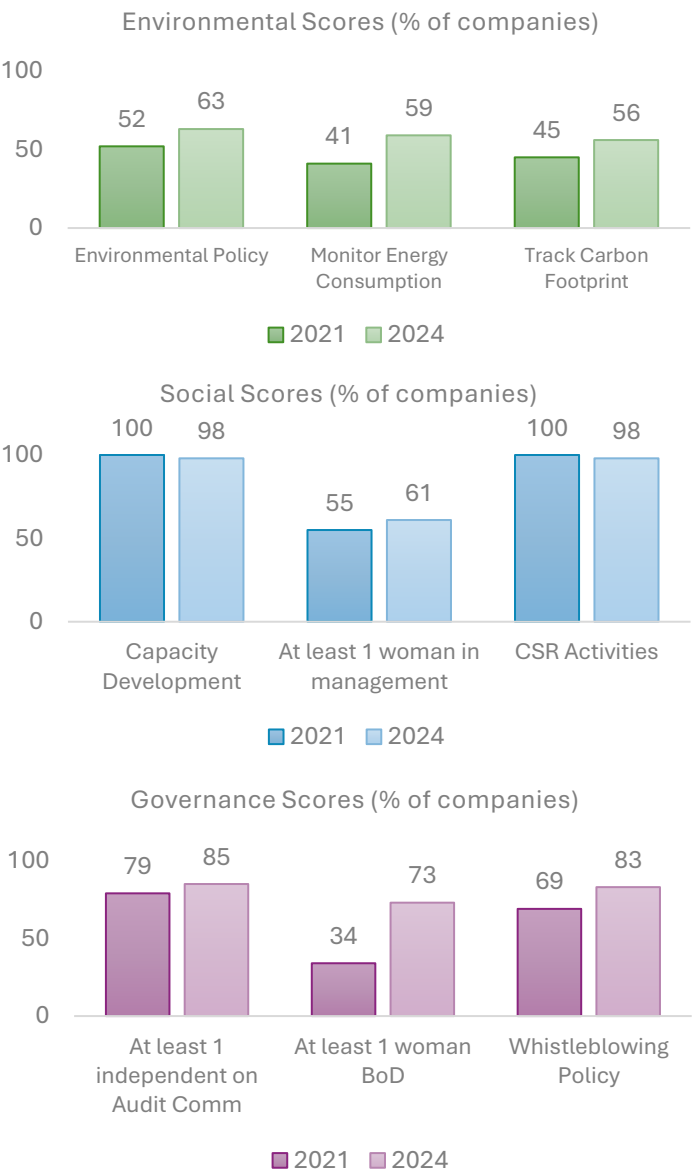
2024 IN REVIEW: EQUITIES



FIM EM Frontier



FIM MENA Horizon



A comparison across key ESG metrics for our EM Frontier and MENA Horizon strategies is shown above. While time-series comparisons are limited in their interpretability due to evolving portfolio holdings, they nonetheless provide valuable insights into broader sustainability trends within our investment universe.

Both strategies continue to demonstrate positive momentum across most ESG indicators. Notably, in the MENA Horizon strategy, the proportion of portfolio companies actively monitoring energy consumption increased significantly – from 41% in 2021 to 59% in 2024. Similarly, there has been an improvement of over 10 percentage points in the number of MENA companies adopting formal environmental policies and those tracking their carbon footprint. These developments reflect a broader shift toward greater environmental

accountability and transparency.

Progress is also evident on governance-related metrics. In 2024, 73% of companies in the MENA portfolio had at least one woman on their board, up from 34% in 2021.

These positive trends are underpinned by the growing influence of forward-looking national sustainability agendas, including Saudi Vision 2030 and the UAE Green Agenda 2030, which are encouraging corporate alignment with global ESG standards and responsible business practices.

Looking ahead, we remain committed to our principle of “educate, not dictate” – continuing to engage constructively with portfolio companies and championing sustainable value creation through active stewardship.

Engagement Highlights

Packaged Food Manufacturer

Issue: Product Governance

We received a media alert that the company was flagged for illegally imported products into the United States. Management immediately responded to our engagement request, clarifying that they do not export these products to the U.S. and had been in contact with the US FDA to offer their full support to help identify the source of these illegal imports.

Outcome: Engagement on-going

F&B Retailer

Issue: Dedicated Sustainability Function

During the year we engaged with the company to better understand their ESG strategy and stress the importance of having a dedicated sustainability function within the organization. The company stated that it is in the process of devising an ESG framework that will support its objective of creating positive impact for the community. The management also confirmed that efforts were underway to establish a dedicated role for developing sustainable policies and initiatives at the company.

Outcome: Engagement on-going

Packaged Foods Manufacturer

Issue: ESG Disclosures

During our annual ESG KPI update, we noticed a material increase in the company's latest carbon emissions data. The company confirmed that they have adopted a more comprehensive methodology to quantify their carbon footprint. They also intend to utilize external auditors to verify this data.

Outcome: Engagement on-going

Digital Payments & Fintech Platform

Issue: Corporate Governance & Business Ethics

A short seller note by an American investment research house implied strong connections to Russia and accused the company of money laundering. We immediately engaged with the company who dismissed the Russian ties clarifying that the company has comprehensive policies that prohibit relationships with consumers or companies that appear on sanctions lists. The company also confirmed that any allegations related to money laundering were unfounded. We have since exited our investment for unrelated reasons.

Outcome: Engagement closed due to exit



Proxy Voting

FIM Partners voting activity for the year is highlighted below.

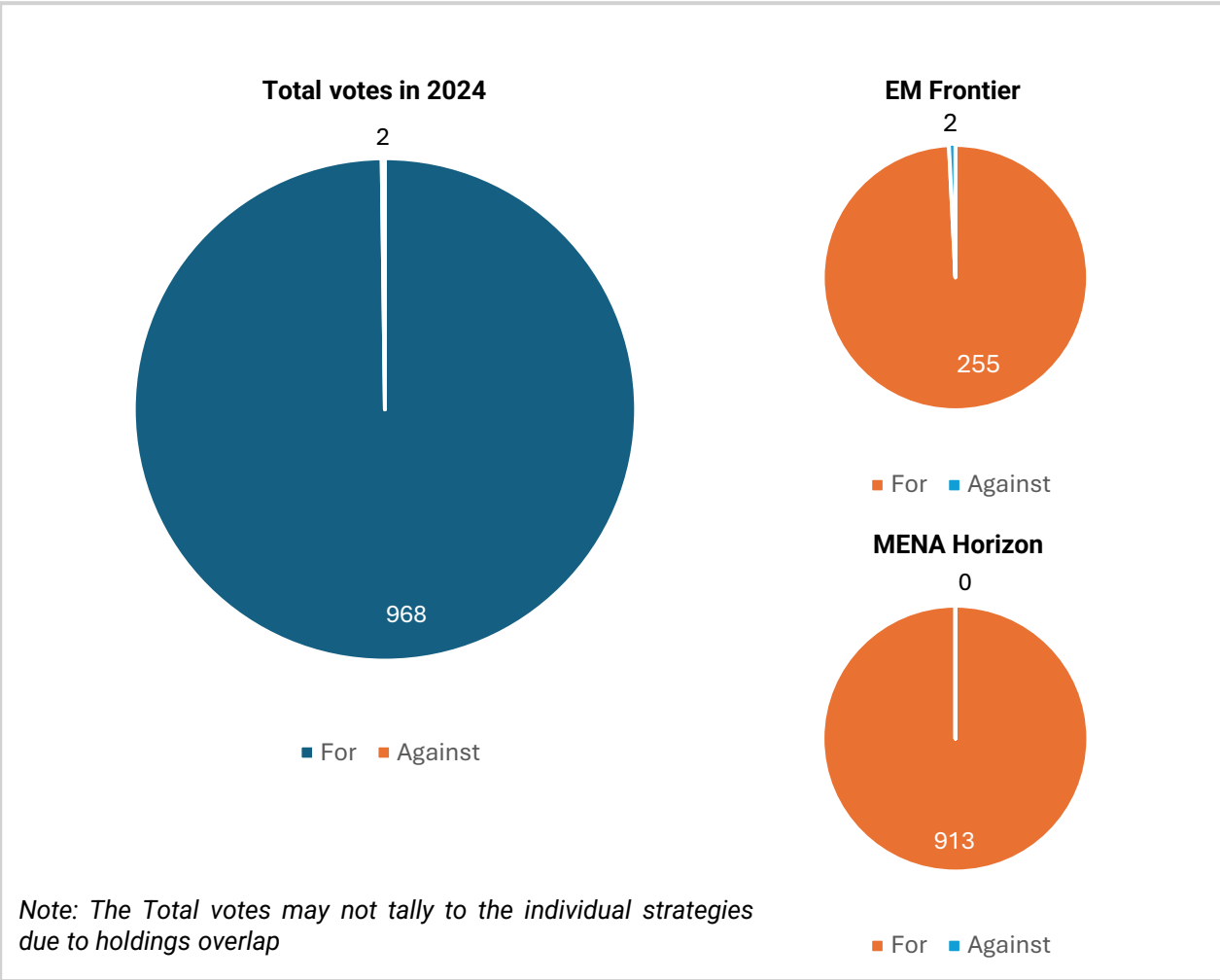
to improve their understanding of a proxy proposal and/or to provide our advice on how a company can enhance their ESG practices.

To encourage greater transparency in the industry, we seek to provide a summary of our voting records at least annually in a format and level of detail that we see appropriate and in line with the requirements or limitations set by our clients. Where required by law, we disclose detailed voting records.

All voting activity is carried out in accordance with the firm’s Proxy Voting and Corporate Action Policy. We vote in the best interest of our clients based on what we believe will amplify shareholder value as a long-term investor. We generally support proposals that require reasonable disclosure of information related to ESG or overall sustainability factors. We also support the adoption of more robust environmental or social policies.

All proxy voting activities are carried out in house by the investment team. Our investment professionals formulate their vote recommendation based on research of the company and assessment of the specific proposal. Our investment professionals may seek to engage with the company’s executives or board members

Information on how FIM Partners voted securities within a reporting period and information regarding the rationale for proxy-voting decisions in a client’s portfolio may be provided upon request.



Climate Change Initiatives in our Markets

In response to growing climate risks, frontier and emerging markets are accelerating efforts to diversify their energy mix and reduce reliance on fossil fuels. This shift is driving significant investment in renewables across our markets:

- The UAE is advancing long-duration storage projects, including DEWA’s 1.2–2 GW tender featuring the country’s first utility-scale battery.
- Romania has committed US\$75 million to

- install over 47 MW of renewable capacity in public institutions by 2025.
- Vietnam continues to expand its renewable capacity with plans to exceed 56 GW by 2030.
- Saudi Arabia aims to achieve a 50% renewable energy capacity share by 2030 with 100-130 GW tendered wind and solar capacity.

Corporates in these countries are also aligning with these initiatives as highlighted below:

 Aldar Properties (Real Estate, United Arab Emirates) • Established a net-zero emission strategy with updated decarbonization medium and long-term targets • Committed to cover 29 million square meters by resilience planning at design storage • Aim to reduce scope 1, 2, and 3 in-use operational GHG emissions of owned buildings and managed spaces by 76% per square meter by 2033 • Target a reduction of 5% in municipal solid waste generation by 2035 • Aim for a 90% reduction of absolute Scope 1 and 2 GHG emissions from all sources by 2050	 Banca Transilvania (Financials, Romania) • Implemented the UN Environment Programme Finance Initiative in 2023 • During the year, the company attracted €500 million through its first sustainable bonds issuance where at least 50% of the projects are required to have a social component, such as financing SMEs to the disadvantaged, access to education, and healthcare • US\$186 million in green mortgages • 1 renewable energy loan dedicated to financing the production of energy from renewable resources • Around US\$444 million worth of environmental investments granted to companies in Romania
 Gemadept (Marine Ports, Vietnam) • Support Vietnam’s commitment to net zero by 2050 • Adopted green technologies including fully electric vehicles and equipment at its ports • Developing a pilot inland waterway route between Cai Mep and the Mekong Delta which is expected to shorten transit time and significantly reduce GHG emissions • Installed smart power systems, including the measuring and analysing of electricity consumption in operating the mining system • Generated around 3.2 million kW of renewable electricity • Conduct annual GHG inventories verified by the British Standards Institution	 Saudi Telecom Company (Telecom, Saudi Arabia) • Committed to net-zero emissions by 2050 • Participated in largest-ever voluntary carbon credit auction in 2023 • Reduction of 5.6% and 3.6% on Scope 1 emissions across KSA and Group respectively in 2024 • 370 sites powered by renewable energy across the company’s telecom infrastructure facilities’ (TAWAL) operations in 2024 • Reduction of 5% in energy consumption in 5G and 4G mobile networks through software features • Plant one million trees by 2030

In the Spotlight

This year we showcase our investment in Emaar Development, a leading United Arab Emirates Real Estate Developer.





Photo: Emaar

Spotlight: Emaar Development

Emaar Development is a leading United Arab Emirates (UAE) based real estate developer with a diverse portfolio of residential and commercial properties, shopping malls, as well as hospitality and leisure attractions.

The company scores a 79/100 as per our ESG Scorecard, making it a top decile investment. The company's sustainability strategy is aligned with sustainable guidelines such as the UAE Net Zero 2050 strategy and the United Nations Sustainable Development Goals (UN SDGs).

Environmental initiatives

The company has adopted several quality management systems such as ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 41001 Facility Management System.

Other key environmental sustainability initiatives and achievements include:

- Launching the first phase of an energy performance programme which aims to achieve an annual reduction of over 19 tCO₂e from utility consumption.
- Enhancing the use of IoT technology to monitor

real-time performance and benchmark energy consumption across Emaar assets in the UAE.

- Installation of over 140 electric vehicle chargers across the company's residential communities.
- Introduction of smart irrigation for landscaping in different Emaar communities. This technology uses weather data or soil moisture data to determine the irrigation need of plants to avoid unnecessary watering. These communities also use treated sewage effluent from the Dubai Municipality for landscaping purposes. According to the company, these initiatives will result in water savings of 6%.
- Recycling awareness campaign that makes residents aware about ways and means of waste reduction, reuse, and recycling.
- Became a member of the Emirates Green Building Council.

Social initiatives

The company's social impact is monitored by dedicated working groups and specialist HSSE committees: a) establish clear definitions of human rights risks relevant to Emaar's operations and propose mechanisms to prevent any abuse, b) enhance ESG data accuracy, implement strategic initiatives, and ensure measurable outcomes, and

c) oversee risk assessments, compliance, training, inspections, incident investigations, and crisis management.

Key achievements of the company include:

- Delivering 15,000 hours (12.6 hours per employee) of HSE trainings across the company's different sites.
- Achieving a 4.6 out of 5 employee satisfaction score.
- Increasing the number of community buildings certified to the WELL building standard to 273 buildings and 33 podiums.
- Voluntary employee turnover declined from 19% in 2023 to 14% in 2024.
- Customer satisfaction score of 93.4%; achieved ICXS2019:02 International Customer Experience Standard certification.

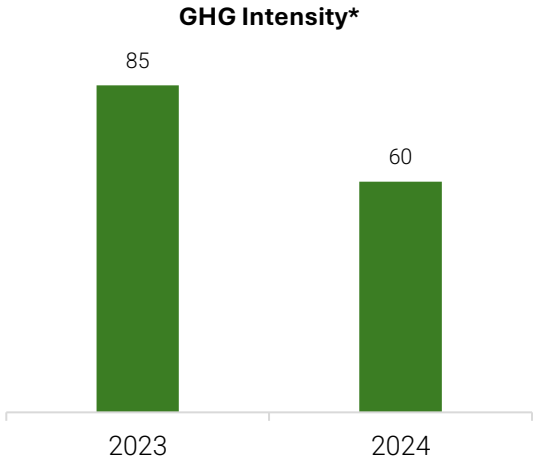
The company has a range of employee engagement initiatives which include health and fitness programs, community events, and awareness campaigns. Women make up 36% of the company's workforce.

Corporate governance

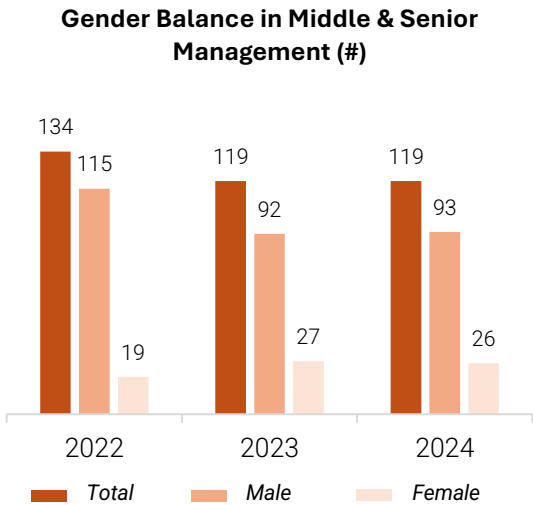
Emaar Development's senior management, through its working groups and committees, are responsible for the ESG strategy for the company. Some of the company's main areas of focus include climate change, ESG reporting & data capture, and human rights.

In 2024, the company screened all new UAE suppliers against environmental and social standards. There is a whistleblower line in place so that individuals can report on any issue confidentially. Emaar has a cyber security team in place to oversee the implementation of IT security controls while external audits also take place regularly. The company maintains its ISO 27001 certification through annual surveillance audits. The company had no instances of data breaches during the year. As far as board composition is concerned, currently Emaar's Board is 57% independent and has 14% female representation (1 woman on the Board).

In 2023, the company launched the Emaar Sustainability Hub in collaboration with industry leaders to raise awareness regarding eco-friendly innovations with urban development among industry peers and the community. The launch took place in Dubai at the World Energy Technology Exhibition (WETEX) and Dubai Solar Show.



**GHG Intensity is calculated by multiplying Total Scope 1 and Scope 2 with Sales in US\$ million*



At the launch of Emaar Sustainability Hub at WETEX and Dubai Solar Show 2023

2024 IN REVIEW: FIXED INCOME



Sovereign ESG Update

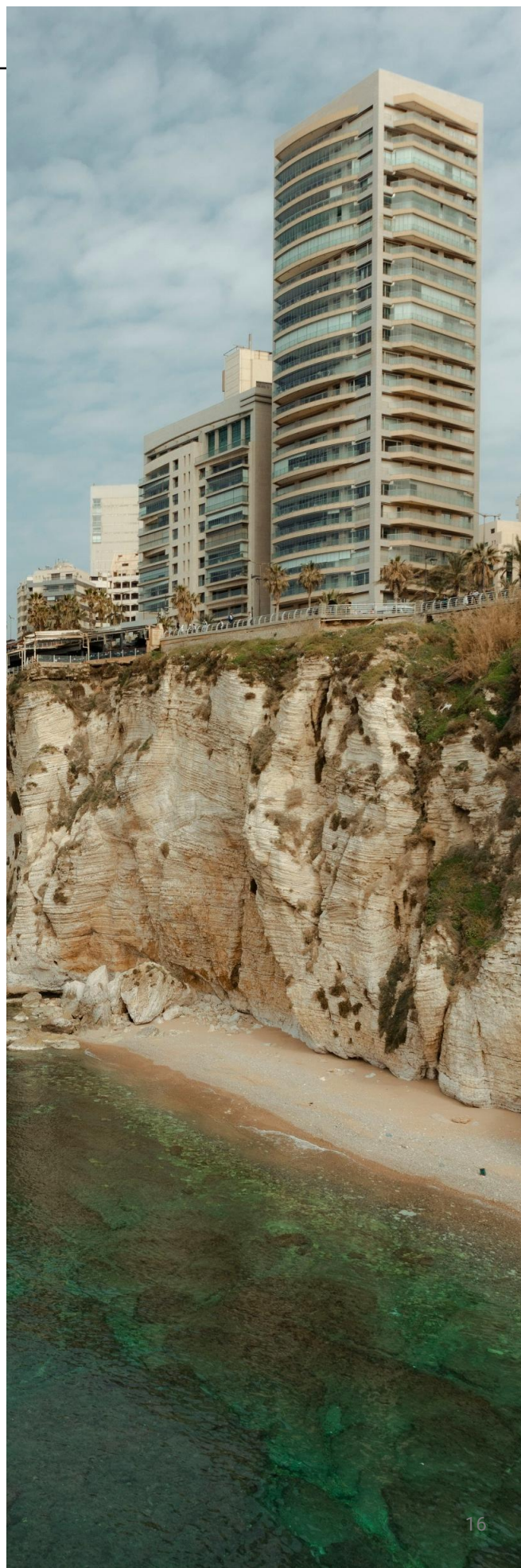
Our Sovereign ESG framework is based on an exclusionary and scoring methodology. Our dynamic scoring model is based on indices tested for materiality which help identify inflection points. Over the past year, two such inflection points were identified in Lebanon (Rank 3) and Venezuela (Rank 10). While both remain restricted under our framework, recent developments warranted closer examination due to signs of potential ESG improvement.

In line with our engagement strategy, we conducted in-depth ESG reviews of both countries, with a primary focus on political developments, complemented by assessments of economic shifts. These reviews led to a reevaluation of previously low qualitative scores, based on an increased probability of positive movement in social and governance indicators.

Venezuela's economic and governance collapse – characterized by hyperinflation, expropriation, sweeping sanctions, and widespread emigration – had long placed it at the bottom of our rankings. However, recent political developments, including electoral negotiations and partial sanctions relief, have prompted some investor re-engagement. Despite these openings, the regime remains authoritarian, and governance metrics remain severely impaired. While some view the thaw as potentially transformational, the investment case remains speculative, hinging on uncertain regime transition dynamics and debt restructuring prospects.

Lebanon has experienced decades of political instability, conflict, and economic collapse, culminating in sovereign default and the near-failure of state institutions. Yet, recent improvements – including ceasefire progress, momentum in presidential elections, and a relative decline in Hezbollah's influence – suggest a nascent recovery path. A hypothetical scenario in which Lebanon regains governance and development levels comparable to those before the crisis in 2010 (as measured by the World Bank's World Governance Indicators and the UN Human Development Index), its ESG standing within the quantitative framework would improve markedly, potentially re-rating it well above current bottom-decile peers and creating a path for medium-term re-engagement by institutional investors.

Even though we have made no investments, we continue to watch both countries closely to see how the qualitative analysis interacts with the quantitative scores.



Sustainable Financing Update

Over the years, sukuk and green bonds have drawn frequent comparisons due to their shared characteristics. Both instruments emphasize the use of proceeds for designated purposes and rely on external verification – Shariah boards in the case of sukuk, and independent third-party reviewers for green bonds. Fundamentally, they offer investors financial products that align with both ethical values and return expectations.

The advent of green sukuk in 2017, starting with Malaysia’s inaugural issuance, further bridged the gap between the two instruments. Since then, green and sustainable sukuk have grown to represent approximately 10% of the overall sukuk market. Issuers span a wide spectrum, including sovereigns like Indonesia, supranationals such as the Islamic Development Bank, as well as corporates and financial institutions. Despite these developments, sukuk and green bonds largely operate within distinct investor ecosystems and regional markets.

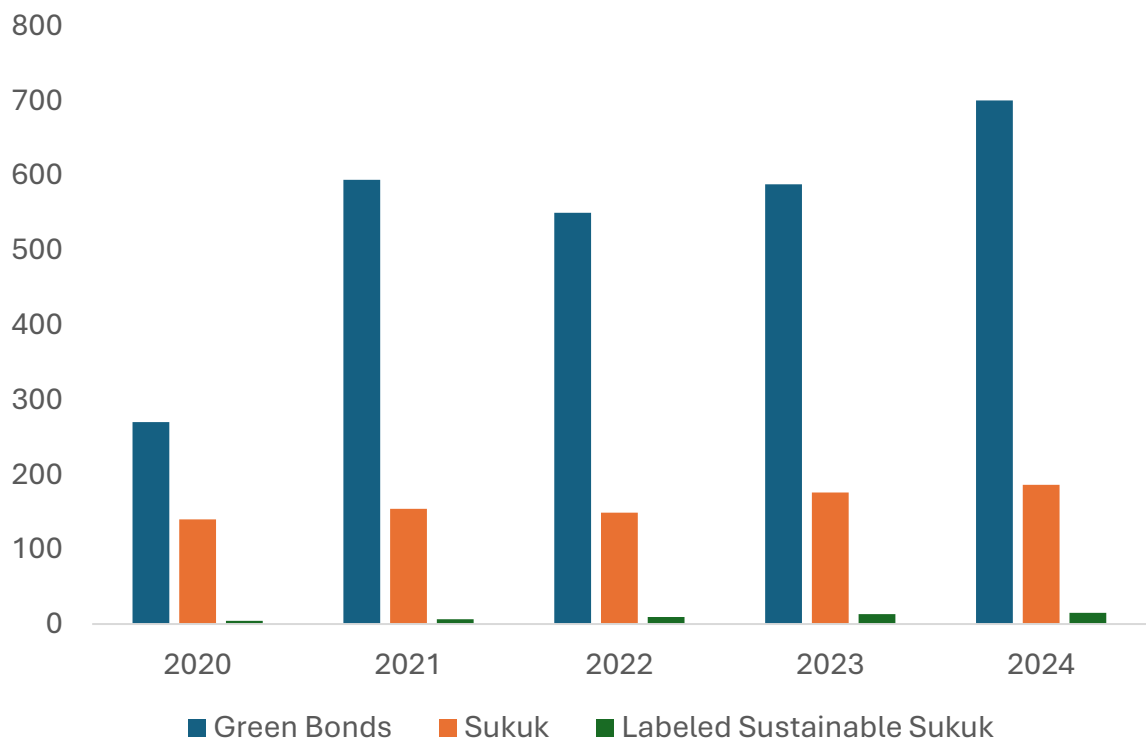
According to Fitch Ratings, the global ESG sukuk market is on track to surpass US\$50 billion in outstanding issuance by 2025, positioning itself as a key U.S. dollar funding tool in Islamic finance

markets including Saudi Arabia, the UAE, Indonesia, and Malaysia. Growth is being fueled by issuers’ funding diversification strategies, favorable ESG regulations, and sustainability commitments from a range of entities including governments, corporates, banks, and supranationals. Fitch forecasts ESG sukuk will make up over 15% of global dollar sukuk issuance in the medium term, up from 12.3% in 2024, supporting critical sectors like clean energy, education, healthcare, and affordable housing.

Nevertheless, challenges remain. Risks include the complexities of Shariah compliance – particularly with respect to AAOIFI Sharia Standard No. 62 – alongside weakening sustainability momentum, geopolitical instability, and oil price volatility.

Despite macroeconomic headwinds in 2024, including persistent inflation and geopolitical uncertainty, the sukuk market recorded a robust year, marked by increased issuer diversity and landmark deals in terms of size and maturity. Looking ahead to 2025, strong performance is expected to continue, with green sukuk poised to play a pivotal role in expanding the market’s depth and capacity.

Green Bonds & Sukuk Issuance Volumes



Source: Bloomberg

Case Study: Abu Dhabi Future Energy Company

Abu Dhabi Future Energy Company (Masdar) is engaged in the development of renewable energy solutions. It also specializes in low-carbon urban development.

The company aligns with and supports the UAE’s diversification transition by developing and deploying clean energy projects that enable sustainability as well as inclusivity. The company aims to aid the UAE’s drive to net-zero carbon by

2050 and the UN approach to sustainability is aligned with its Sustainable Development Goals. Masdar’s portfolio covers solar, wind, geothermal, green hydrogen, energy storage, and energy efficiency. By continuing to invest in new generation assets, the company aims to achieve a 100 GW portfolio capacity by 2030.

The company’s key sustainability targets and initiatives are laid out below.

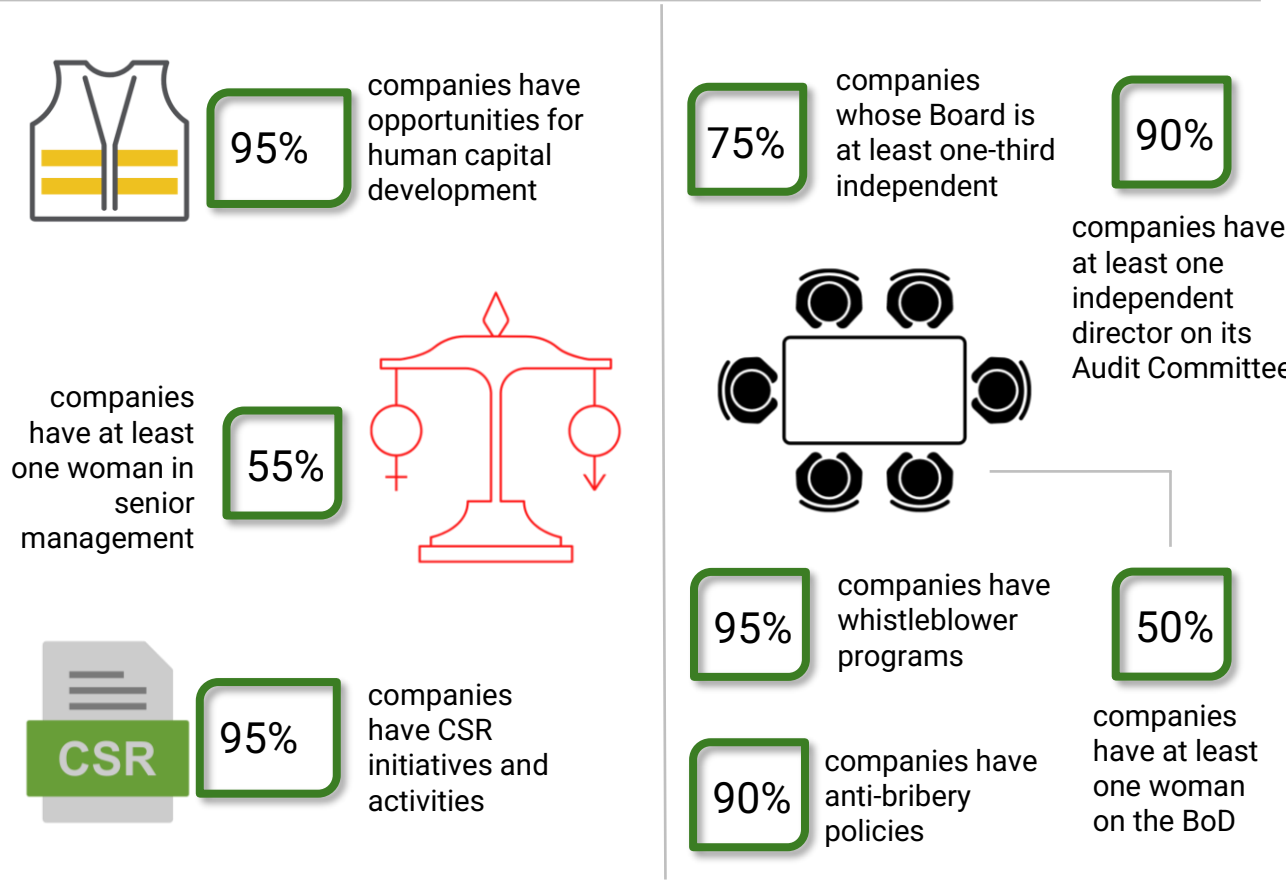
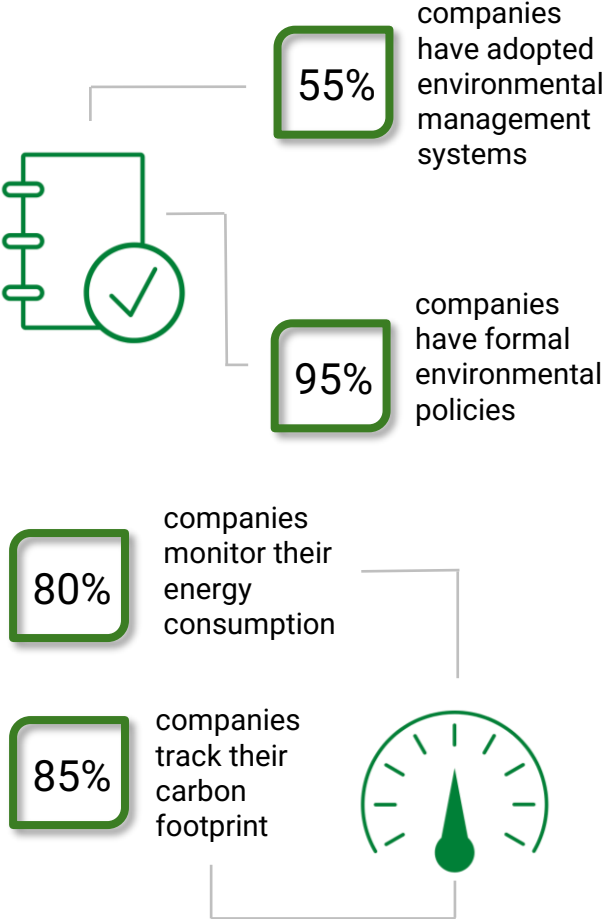
	Masdar’s Targets	Masdar’s Key Initiatives
Environmental	• Provide affordable clean energy • Prioritize the conservation of natural resources • Become a leading producer of green hydrogen by 2030 • Achieve 100 GW capacity of renewable energy by 2030 • Support UAE’s Net Zero 2050 Strategy	• Generation of 16.5 GW of renewable technologies through solar, wind, waste-to-energy, geothermal, energy storage, and green hydrogen projects worldwide in 2023 • Enhancement of company’s in-house site screening system to avoid areas with high biodiversity risk • Signed 13 MOUs on green hydrogen in 2023 along with 8 joint study and development agreements to advance green hydrogen • Avoided 37 MtCO2e in 2023 – a 23% increase from 2022’s 30 MtCO2e
Social	• Aim to retain attrition rates below 7% and sustain engagement scores above 79% • Achieve 30% representation of female management by 2025 • Achieve a responsible supply chain • Engage and support local communities	• Completion of 6,200 hours of training by Masdar employees on topics such as finance, emotional intelligence, data analysis, project management and strategic thinking • Over 35% of women in management positions • Conducted over 40 environmental and social screenings on suppliers during the year with an additional 57 screenings at project asset levels • Completed 42 CSR projects in Indonesia, Uzbekistan, and Azerbaijan in 2023 which included trainings, construction of sports fields, youth education, donation drives, and tree plantations
Governance	• Drive change through sustainable finance • Develop a comprehensive Sustainability Strategy aligned and guided by global best practices and agendas such as the UN SDGs • Promote digital innovation and transformation	• Development of a Green Finance Framework that directs funds toward renewable energy development and ancillary infrastructure • Raising US\$ 750 million in bridge-to-bond facilities with local and international banks in 2023 • Expansion of integrated digital solution across company operations with a focus on enhancing data management practices and improving operational excellence

Fixed Income Corporates

All corporates within the fixed income strategy that are to be held in the portfolio for three months or longer are sent FIM’s proprietary management questionnaire which informs our ESG scoring process for each investment. These corporates are also subject to the same RI processes, including climate change risk assessment, as the equity strategies.

Accordingly, 85% of the corporates held in the FIM Global Sukuk and MENA Credit strategies are invested in low-emitting industries with negligible impact on the environment. The remaining 15% of corporates held in the strategies are from what are considered medium emitting industries.

Please see the ESG highlights of the Global Sukuk strategy and MENA Credit strategy below.



Signatory of:



FIM Partners has been a signatory of the United Nations Principles for Responsible Investing (UN PRI) since 2019. We are committed to integrating ESG factors into our investment processes, decision making and active ownership practices.

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