

CLIMATE AND TCFD REPORT - AMETHIS

Version: June 2026



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EXECUTIVE SUMMARY

1. Climate fully integrated into our ESG processes:

Climate considerations are embedded at every stage of the Amethis investment process, from early screening to portfolio monitoring. This ensures that climate risk and opportunity are systematically considered alongside all other ESG factors. Beyond assessing climate-related risks, Amethis supports portfolio companies in developing practical adaptation roadmaps, strengthening the long-term resilience of portfolio companies to both physical and transition climate risks.

2. Risk identification at key stages of the investment cycle:

Climate risks are assessed through a three-step process:

- Internal early screening by the deal team and the ESG team, based on company characteristics and sector exposure.
- Pre-due-diligence assessment using the Axa Altitude tool to identify both transition and physical risks and to produce an initial GHG estimate.
- Full ESG due diligence, which reviews the carbon emission profile of the company, transition and, where relevant, physical risks, leading to a post-closing ESAP including at least one climate-related action (GHG inventory and emissions-management plan).

3. Progressive approach aligned with the Initiative Climat International (iCI):

We help portfolio companies advance step-by-step along their climate journey: *No measurement* → *Measurement* → *Action plan* → *Quantified results*. This approach aligns with the Private Markets Decarbonisation Roadmap (PMDR) and focuses on intensity reduction and operational improvements.

Experience gathered from portfolio companies following carbon footprint assessments confirms that climate initiatives increasingly generate operational value beyond regulatory compliance. Companies consistently report improvements in operational efficiency, cost management, governance, investor dialogue and long-term business resilience.

4. Combination of metrics

Climate performance is assessed through complementary metrics rather than absolute emissions alone. Amethis combines portfolio emissions, five carbon intensity indicators, operational KPIs and PMDR maturity assessments to ensure meaningful comparison across sectors, growth stages and geographies.

5. Clear and regular climate and ESG reporting to LPs:

Amethis provides transparent climate and ESG disclosures to LPs through annual E&S monitoring reports, quarterly financial reports with ESG sections, SFDR reporting, and LP-specific questionnaires.

6. Continuous improvement of our approach:

Our climate strategy evolves with each fund, incorporating lessons learned from past investments, growing coverage of GHG measurements, and enhanced tools and procedures to manage both transition and physical risks.

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1. Governance

Our climate approach mobilises all Amethis teams: Investment, ESG, and AIFM (compliance, risk).

1.1 Governance structure

Team	Climate-related responsibility
Investment team	- Leads the integration of ESG and climate topics in pre-investment work. - Discusses ESG and climate issues with management and at the boards of portfolio companies. - Monitors climate action plans throughout all phases (due diligence, legal, reporting, exit).
ESG team (3 FTEs)	- Conducts physical and transition risk assessments (using Axa Altitude and with the support of specialized consultants). - Drafts the ESAP based on the ESG due diligence, sets carbon objectives, coordinates follow-up, and trains the teams.
AIFM	- Ensures compliance and traceability of climate processes with our commitments, including the presence of ESG analysis in investment memos. - Ensures preparation of SFDR disclosures and E&S reporting to LPs.

Climate-related responsibilities are integrated throughout the investment lifecycle, ensuring continuous interaction between investment professionals, the ESG team and portfolio company management. Climate matters are regularly discussed during investment committees, board meetings and annual ESG reviews.

To ensure consistency across funds and investments, Amethis has formalised its approach through a dedicated Climate Playbook. The Playbook consolidates governance arrangements, climate methodologies, portfolio monitoring practices, engagement tools and reporting processes into a single operational framework used throughout the investment lifecycle.

1.2 Incentives

Our incentive framework is designed to align both Amethis teams and portfolio companies with the achievement of our climate and ESG objectives:

- **For Amethis teams:**
 - ESG factors are integrated into team variable compensation.
 - For recent funds: 20% of carried interest is indexed to 5 KPIs, including the completion of carbon footprints and the definition of improvement targets.
- **For portfolio companies:**
 - Contractual obligation to implement the action plan, with a **put option** in case of refusal or material failure to implement it.

1.3 Commitments and reporting

Internal climate governance is supported by standardised procedures and tools, including the Amethis Climate Playbook, annual climate questionnaires and portfolio-wide maturity assessments.

- Commitments are formalized in :
 - PPMs
 - Side letters
 - SFDR templates (article 8 or 9)
 - Participation in industry-wide initiatives:
 - Initiative climat International
 - Operating Principles for Impact Management
 - UN Principles for Responsible Investing
- We disclose ESG (including climate) information in the following documents:

Document	Type	Frequency	Public
E&S monitoring reports	PPT - 50 pages	Annual	LPs
Public annual report	PDF - 50 pages	Annual	Public (website)
Quarterly reports	Word - E&S sections	Quarterly	LPs
Various LP questionnaires for each fund	Excel or online	Annual	LPs
Fund-level SFDR reporting (in annual report)	Word - 5 pages	Annual	LPs
Fund-level SFDR reporting online	Online	Annual	CSSF
Reporting SFDR PAI	Word - 4 pages	Annual	LPs
Questionnaire UN PRI	Online- 100 questions	Annual	UN PRI
Impact Principles report	Word - 10 pages	Annual	Public (website)
Label Relance	Excel and online	Semi-annual	Ministère de l'Economie
ESG Panel AF III	Panel	Semi-annual	LPs
Advisory committee	PDF - 4-5 pages	Semi-annual	LPs

2. Strategy

2.1 Climate context and positioning [scope: Africa]

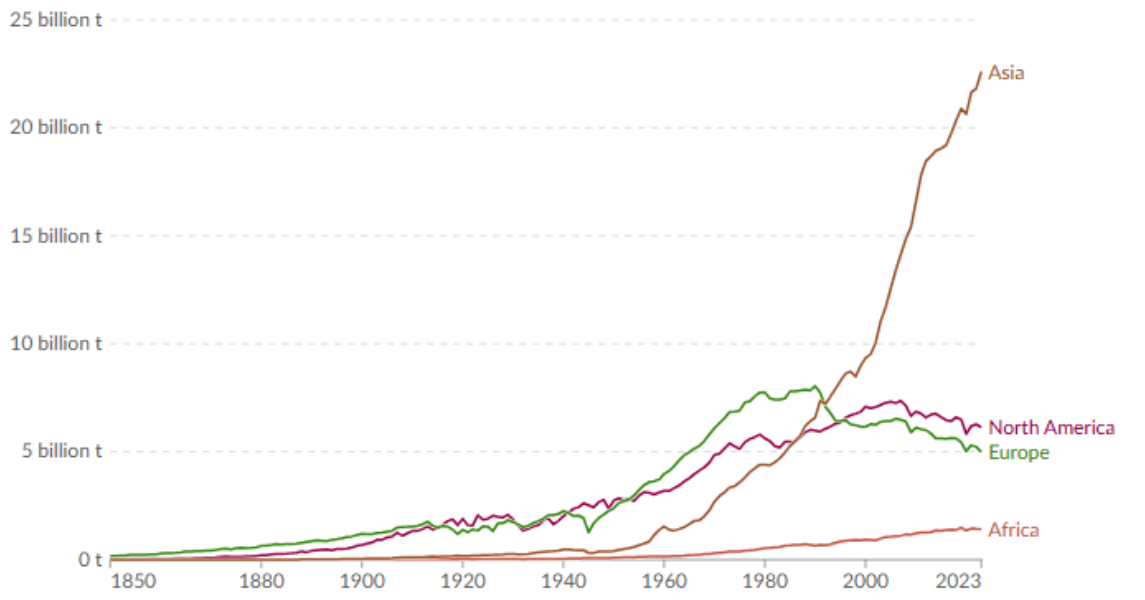
Our understanding of the challenge

As a private equity investor, we believe the climate challenge in Africa cannot be solved through top-down emissions cuts. Instead, we focus on unlocking growth pathways that raise living standards while improving carbon efficiency.

Africa emits less than 4% of global CO₂ despite representing 18% of the world's population. Yet over 600 million people lack electricity access, and the average African emits 15× less CO₂ than an American.

- ⇒ The real challenge is not to reduce emissions at all costs - but to enable inclusive development without locking into a fossil model.

Annual CO₂ emissions*

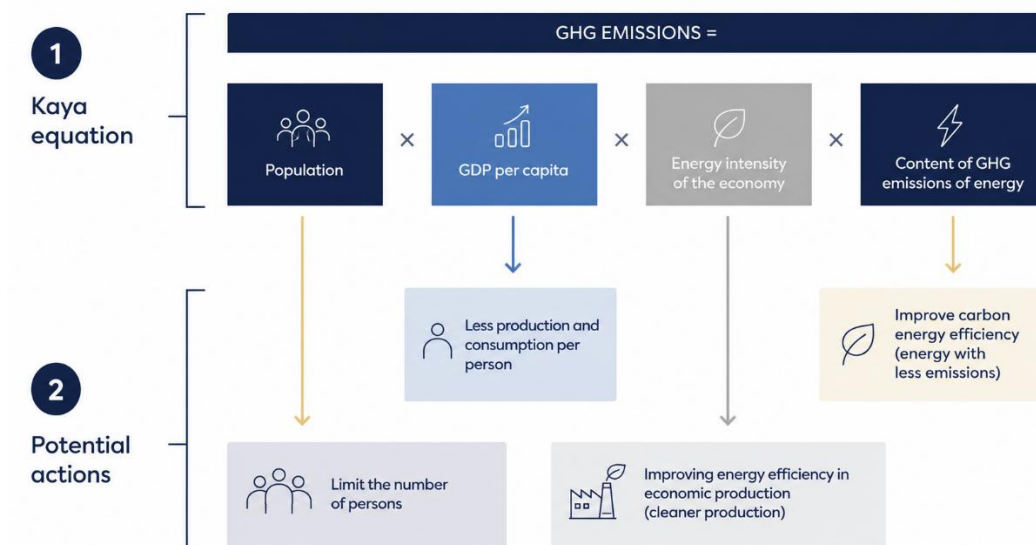


* CO₂ emissions from fossil fuels and industry. Land-use change is not included.

Source: Global Carbon Budget (2024)

What really drives emissions - and how we act as investors

We use the Kaya equation to guide our strategy. It breaks down GHG emissions into four drivers:
 $\text{Population} \times \text{GDP/capita} \times \text{Energy intensity} \times \text{Carbon intensity}$



At Amethis we focus our climate action focuses directly on two drivers:

- Consumption per capita / economic development
- Energy efficiency in production

As private equity investors, we act on two of these drivers:

- A. Driving economic growth that accelerates the demographic transition
- Our investments strengthen formal employment, healthcare, and local supply chains.
 - Over time, higher incomes correlate with lower fertility - a key enabler of climate resilience.

Across Africa (1990–2023):

Country	Fertility ↓	GDP/capita ↑
Niger	7.5 → 6.1	\$630 → \$1,578
Kenya	6.1 → 3.2	\$2.3k → \$4.8k
Mauritius	2.3 → 1.4	\$10.7k → \$26k

- B. Reducing emissions intensity at the company level

We support companies to:

1. Replace inefficient assets (e.g. lighting, logistics, industrial equipment)
2. Shift from diesel to solar, hybrid, or grid-based power
3. Implement climate action plans using intensity-based emissions targets

This is where private equity can deliver impact fast, through capex and better climate governance.

Two futures, one decision point:

We illustrate this with two simplified demographic and emissions scenarios for 2100¹:

Scenario	Population	CO2/capita	Total CO2	Outcome
No investment	5.2B	1.6 t	8.3 Gt	High poverty, rapid population growth
Inclusive growth	2.7B	2.8 t	7.6 Gt	More access to goods and services, sources of income, and better resilience at a larger scale

¹ UN World Population Prospects (2024 Revision) for population; Amethis extrapolation of ISS African Futures 2023-2050 per-capita emissions growth rates for CO2/capita and totals.

- ⇒ Comparable emissions, but radically different worlds. The choice lies in how -and where- we invest.

Our conviction as investors :

False choices	Our belief
Climate vs. development	⇒ Climate through development
Reduce emissions all over the world, equally	⇒ Focus on intensity in Africa, not immediate volume
Growth is a threat to emissions management	⇒ Growth is the lever to sustainable emissions management in Africa

Investing in Africa means investing in the conditions for long-term climate and social resilience. Climate resilience is also a value creation opportunity. By strengthening operational resilience, improving resource efficiency and supporting adaptation investments, portfolio companies are better positioned to preserve long-term competitiveness under changing climate conditions.

2.2 Our six climate principles

Our approach is aligned with the principles of the Initiative Climat International (iCI), the leading coalition of private equity investors committed to climate action and Paris-aligned investment practices.

3.2.1 How we embed climate into Amethis' own strategy and investment process:

1. Set clear, context-sensitive climate ambitions:

- We define climate goals tailored to emerging market realities, focusing on emissions intensity and fair transition pathways, aligned with local development needs.

2. Embed climate in the investment process:

- Since 2022, climate risk and opportunity have been assessed systematically during due diligence. For each deal, we identify potential decarbonisation levers and estimate exposure to physical and transition risks.
- We also integrate ESG expectations into legal documentation.

3. Communicate transparently:

- We report on climate-related actions, share lessons learned, and align with international frameworks (such as the International Climate Initiative).

3.2.2 How we work with our portfolio companies to measure, manage, and reduce emissions on the ground:

4. Measure and monitor emissions:

- We encourage portfolio companies to assess their GHG emissions (Scopes 1 and 2, and 3 where material) and are increasing the proportion of our portfolio covered by carbon footprints.

5. Turn measurement into action:

- Several portfolio companies have implemented climate action plans following carbon footprint assessments, focusing on energy efficiency, renewable energy, resource efficiency and operational improvements.
- Follow-up assessments conducted after carbon footprint completion show that companies progressively translate measurement into operational action. The most common initiatives include energy efficiency, renewable energy deployment, supplier engagement, fleet optimisation and strengthened climate governance. Beyond emissions reduction, companies increasingly report business benefits such as cost savings, stronger investor relationships, enhanced reputation and improved operational resilience.

6. Support companies in their climate journey:

- Climate action is often new to our investees, so we invest time and resources to build ownership and internal capabilities.
- We provide training and strategic guidance to portfolio companies and mobilize funding to encourage adoption.
- Amethis regularly engages with portfolio companies through dedicated climate questionnaires to assess implementation progress, identify remaining barriers and continuously improve climate action plans.

2.3 Decarbonisation roadmap (PMDR): where our portfolio stands

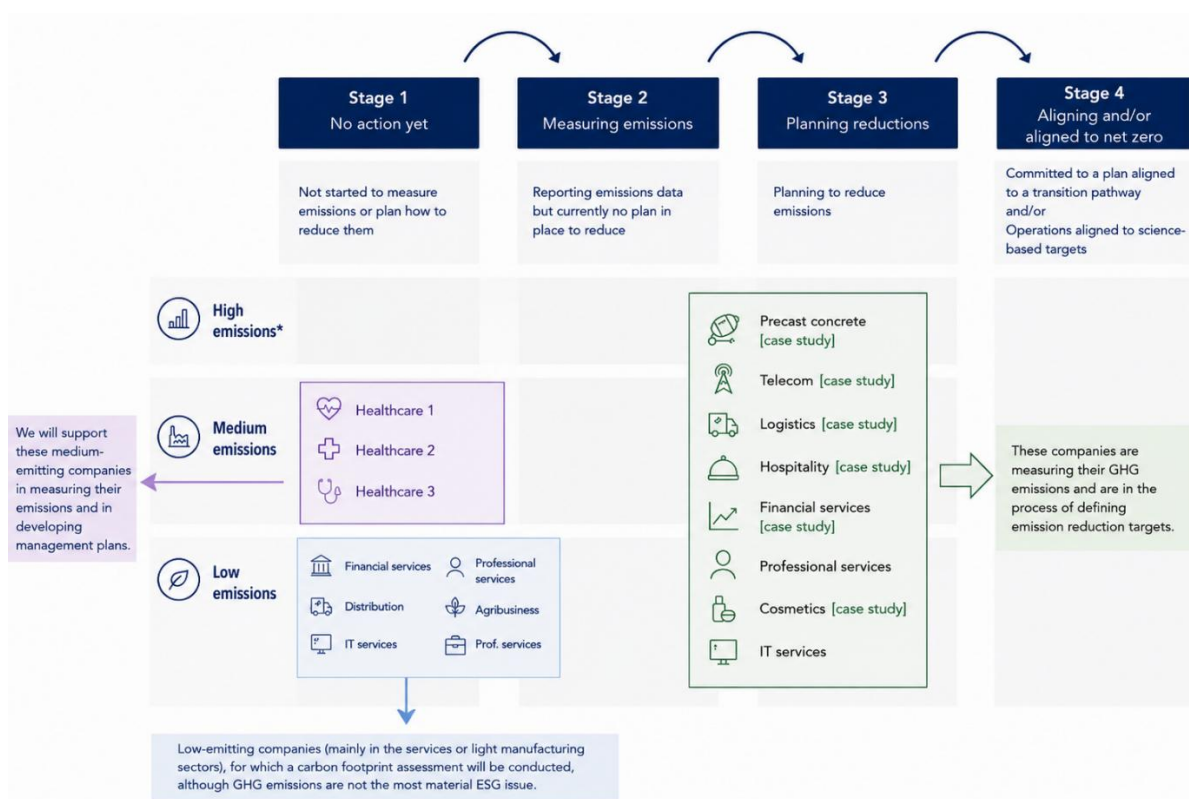
At Amethis, we support our portfolio companies in advancing progressively along their climate maturity pathway, from initial awareness to emissions measurement, action planning, and alignment with science-based targets.

This includes guiding them through their first carbon assessments, helping define clear objectives, and supporting the implementation of concrete emission reduction actions.

The graphic below provides a visual representation of our portfolio's climate progress, based on the framework set out in the *Private Markets Decarbonisation Roadmap (PMDR)*.

Companies are positioned on the graphic according to:

- their estimated level of emissions* (low / medium / high), and
- their maturity stage, from *no action yet*, to *measuring emissions*, *planning reductions*, and finally *aligning or aligned with net zero*.



* This emissions level classification is a simplified category to improve readability. It is based either on a detailed carbon footprint assessment or on estimates derived from the company's sector and financial data.

PMDR maturity assessments are updated periodically and used to prioritise portfolio engagement, technical assistance and climate action planning.

Companies marked with the mention “[case study]” are presented with a case study further below in the report.

2.4 Scenarios

Amethis applies a three-layer scenario framework to assess climate risks for investments in Africa, depending on the materiality of climate risks (which differ especially depending on the sector of the company):

1. Transition-risk scenarios (policy and market changes). This can typically include a scenario around an organised Transition (< 2 °C ; gradual trajectory, rising carbon price) and one around a more disruptive transition (< 2 °C ; delayed action followed by carbon-price shock).
2. Physical-risk scenarios (climate hazards and exposure). Scenarios used include SSP1-2.6, SSP2-4.5, SSP5-8.5 (IPCC AR6) at 2030 and 2050 horizons, via Axa Altitude.
3. Paris-Agreement alignment filter (compatibility with < 2 °C pathways and local Nationally Determined Contributions).

3. Risk management

3.1 Identification

Climate risk identification follows a three-step process:

1. Early screening: The deal team and the ESG team identify potential climate risks at the earliest stage of screening. At this point, information is limited, and the assessment is primarily based on the company's key characteristics and its sectoral exposure.
2. Pre-due-diligence assessment: Before formal due diligence, Amethis conducts an internal analysis using the Axa Altitude tool, which allows us to identify both physical and transition risks and to produce a first estimate of the company's GHG emissions.
3. Full due diligence: During the ESG due-diligence phase, climate risks are systematically assessed. This includes transition-risk analysis for all companies and physical-risk analysis whenever the nature of the business or its location makes it relevant.

Where relevant, assessments are performed at asset level to better capture local exposure to chronic and acute physical hazards (heat stress, flooding, drought, water scarcity, ...). Geographic information and operational characteristics are combined to improve the accuracy of climate risk identification.

3.2 Risk management

- Each ESAP includes at least one climate action: completion of a GHG inventory, followed by a plan and a target for intensity reduction or absolute reduction.
- Monitoring is performed through annual questionnaires and on-site visits.
- ESG reporting, including climate aspects when material, is presented to the board of each portfolio company.
- Technical-assistance facilities (e.g., DEG, Swedfund, Bpifrance) are mobilised to support portfolio companies throughout their climate journey, including GHG inventories, energy audits, decarbonisation roadmaps, climate governance strengthening, adaptation planning and implementation of priority climate projects.
- Adaptation measures are prioritised according to their expected impact, implementation feasibility, investment requirements and contribution to long-term operational resilience.
- Lessons learned across portfolio companies are used to continuously improve Amethis' climate methodology and technical assistance programmes.
- Following each carbon footprint assessment, Amethis conducts a structured follow-up questionnaire to assess implementation progress, governance, business outcomes and remaining barriers, ensuring that climate measurement is translated into concrete action.

- Portfolio-wide experience has identified recurring implementation challenges, particularly regarding Scope 3 emissions, data quality and climate governance.

3.3 Key documents for climate risk management

The annexes provide the key documents used in our climate risk and impact process:

- Climate exclusion list.
- Paris Agreement screening procedure, including examples of alignment analyses performed.
- Screenings conducted using the Axa Altitude tool (physical and transition risk assessments, preliminary GHG estimates).
- Climate assessments performed during due diligence by specialised consultants.
- Technical assistance missions carried out by external climate experts to support portfolio companies.

4. Metrics and targets

4.1 Climate metrics and portfolio performance

Measuring climate performance through absolute emissions alone would provide a misleading picture of fast-growing companies operating across different sectors and geographies. As portfolio companies expand, absolute emissions may increase while operational carbon efficiency improves.

Amethis therefore combines complementary indicators that capture climate exposure, operational performance and implementation progress, providing a more meaningful basis for portfolio management, company engagement and investor reporting.

Indicator	Purpose
Carbon intensity per FTE	Tracks operational efficiency independently of company growth.
Carbon intensity per revenue or invested capital (including WACI where relevant)	Enables portfolio-level comparison and supports LP reporting.
Sector-specific operational intensity indicators	Used where relevant (e.g. emissions per km travelled, per unit produced or per parcel delivered).
PMDR climate maturity	Tracks each company's progression from emissions measurement to implementation of transition plans.
Carbon footprint coverage	Tracks portfolio coverage of completed GHG inventories.
Climate action plan implementation	Tracks implementation of ESAP climate actions and transition plans.

Absolute emissions alone do not adequately reflect climate performance in fast-growing companies operating across diverse sectors and geographies. Amethis therefore combines complementary metrics to assess climate exposure, operational efficiency and implementation progress, providing a more meaningful basis for portfolio management and investor reporting.

4.2 Portfolio implementation insights

Experience gathered from portfolio companies following carbon footprint assessments shows consistent implementation trends:

Observation	Portfolio insight
Main trigger	Investor engagement remains the primary catalyst for climate action.
Most common actions	Energy efficiency, renewable energy, governance strengthening, supplier engagement and fleet optimisation.
Main implementation challenges	Scope 3 emissions, data quality, limited internal resources and governance.
Most frequently reported business benefits	Cost savings, operational resilience, stronger investor relationships, enhanced reputation and employer attractiveness.
Amethis response	Technical assistance, ESAP, Climate governance, ESG-linked financing (where relevant), PMDR monitoring

4.3 Data quality, limitations and continuous improvement

Climate reporting relies on progressively improving data quality across the portfolio. As portfolio companies mature, estimated information is progressively replaced by measured operational data, enabling more accurate monitoring and better-informed decision-making.

While the quality and availability of climate data continue to improve, several challenges remain, particularly for privately owned SMEs operating across multiple jurisdictions.

Current challenge	Amethis' response
Limited availability of primary activity data	Support companies in conducting full GHG inventories and strengthening internal data collection processes.
Scope 3 emissions remain difficult to measure	Prioritise the most material emission sources, strengthen value-chain engagement and progressively refine methodologies.
Different levels of climate maturity across portfolio companies	Apply the PMDR framework to monitor progress according to each company's level of maturity.
Portfolio estimates for companies without carbon footprints	Use recognised estimation methodologies (e.g. AXA Altitude) until measured data become available.
Limited internal resources and climate expertise	Mobilise technical assistance facilities and external expertise to co-finance carbon assessments, climate diagnostics and implementation of priority climate actions.

Limited engagement in climate transformation	management	Maintain regular board-level engagement, define clear ESG priorities through ESAPs, provide technical assistance and leverage ESG-linked financing where appropriate to encourage implementation.
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5. Annexes

5.1 Glossary

Term	Short definition	Use in this report
TCFD	<i>Task Force on Climate-related Financial Disclosures</i> : climate-reporting framework.	Reference framework for the entire report; structure of governance, strategy, risk, and metrics.
GHG	Greenhouse gases (CO ₂ , CH ₄ , N ₂ O...).	Basis for emission calculations and fund/company metrics.
Scopes 1-2-3	Emission categories under the GHG Protocol: direct (1), purchased energy (2), value chain (3).	Used to classify emissions of portfolio companies and aggregated fund reporting.
ESAP	<i>Environmental & Social Action Plan</i> : post-closing contractual action plan.	Includes at least one climate-related action (GHG inventory and reduction plan).
ICI	<i>Initiative Climat International</i> (private-equity climate coalition).	Framework guiding our decarbonisation roadmap and LP alignment.
PMDR	<i>Private Markets Decarbonisation Roadmap 2024</i> .	Internal roadmap to move companies from “Measure” → “Plan” → “Net-Zero alignment”.
NDC	<i>Nationally Determined Contribution</i> (Paris Agreement).	Used in Paris-alignment screening to check portfolio consistency with country pledges.
WACI	<i>Weighted Average Carbon Intensity</i> (tCO ₂ e / €M revenue).	KPI used in LP reporting and fund-level intensity calculations.
IEA	<i>International Energy Agency</i> : source of emission factors and energy-sector scenarios.	Provides emission factors and scenario inputs for transition-risk analysis.

5.2 Climate case studies

1. Case study - Precast concrete manufacturer in West Africa

Geography: West Africa

Sector: Construction materials

Context:

This portfolio company operates in the construction materials sector, where emissions are primarily generated upstream through the production and transport of raw materials. Following an initial carbon

footprint assessment, Amethis supported the company in strengthening its environmental management framework and identifying practical decarbonisation opportunities.

Environmental and climate actions:

- Completion of a first greenhouse gas assessment.
- Identification of Scope 3 emissions as the main source of climate impact.
- Development of an emissions reduction roadmap focusing on lower-carbon materials, energy efficiency and cleaner energy sources.
- Strengthening of environmental management and waste management practices.
- Climate and environmental performance regularly reviewed at Board level.

2. Case study – Improving carbon efficiency in logistics operations

Geography: Africa

Sector: Logistics and transport

Context:

Transport and logistics activities are inherently energy intensive. Amethis supported this portfolio company in establishing a climate management programme focused on measuring, monitoring and reducing operational carbon intensity.

Environmental and climate actions:

- Completion of a first greenhouse gas assessment.
- Development of operational carbon intensity indicators adapted to the business model.
- Progressive deployment of fleet electrification and energy efficiency measures.
- Route optimisation and eco-driving initiatives.
- Improvement of energy efficiency across operational sites.
- Definition of medium-term emissions reduction objectives.

3. Case study – Integrating climate risk into financial services

Geography: North Africa

Sector: Financial services

Context:

For financial institutions, climate exposure is largely driven by financed activities rather than direct operations. Amethis supported this portfolio company in establishing a climate risk framework integrated into its investment and risk management processes.

Environmental and climate actions:

- Completion of a first greenhouse gas assessment.

- Integration of physical and transition climate risks into ESG analysis.
- Development of climate governance and internal reporting processes.
- Employee training on climate-related topics and climate risk management.
- Establishment of a climate action plan with short- and long-term objectives.

4. Case study – Reducing value-chain emissions through sustainable packaging

Geography: Europe

Sector: Consumer goods

Context:

Packaging represented one of the company's main sources of Scope 3 emissions. Amethis supported the company in reviewing its packaging strategy to improve resource efficiency and reduce the carbon footprint of its products.

Environmental and climate actions:

- Completion of a greenhouse gas assessment.
- Progressive replacement of conventional packaging materials with lower-carbon alternatives.
- Reduction in the use of virgin plastic across product lines.
- Increased use of renewable electricity.
- Publication of climate information through recognised reporting frameworks.

5. Case study – Structuring a decarbonisation roadmap

Geography: Africa

Sector: Telecommunications and infrastructure services

Context:

Following its first greenhouse gas assessment, this portfolio company worked with Amethis to establish a structured decarbonisation roadmap addressing its main sources of emissions and strengthening long-term climate governance.

Environmental and climate actions:

- Completion of a first greenhouse gas assessment.
- Identification of Scope 3 emissions as the principal source of emissions.
- Deployment of renewable energy and energy efficiency initiatives.
- Strengthening supplier engagement on climate-related topics.
- Integration of climate monitoring into management processes.
- Definition of long-term decarbonisation objectives aligned with recognised international practices.

6. Case study – Addressing value-chain emissions in hospitality

Geography: Africa

Sector: Hospitality

Context:

For hospitality businesses, a significant share of emissions originates across the value chain. Amethis supported this portfolio company in identifying practical actions to improve operational efficiency while reducing indirect emissions.

Environmental and climate actions:

- Regular greenhouse gas assessments to monitor climate performance.
- Increased use of renewable energy across operations.
- Deployment of circular economy initiatives, including waste reduction.
- Development of nature-based climate initiatives.
- Increased local sourcing to strengthen operational resilience and reduce value-chain impacts.

5.3 Portfolio climate metrics and methodology

Metric	All Funds
Absolute financed emissions (tCO ₂ e)	693,618
Carbon-to-Revenue (tCO ₂ e / €M revenue)	1,476
Weighted Average Carbon Intensity (WACI)	1,335
Carbon-to-Investment (tCO ₂ e / €M invested)	888
Carbon per employee (tCO ₂ e / FTE)	23.6
Main emitters	Emissions are concentrated in a limited number of portfolio companies, spanning sectors such as healthcare, industrials, construction materials, agribusiness and logistics.
Targets	Emission-management plans implemented for the main emitters whenever feasible.

Methodological comments:

- ***The combined carbon-to-investment figure** is a portfolio-wide weighted average across all Amethis funds, based on aggregated financed emissions and invested capital.
- **All greenhouse gas calculations follow the GHG Protocol**, covering Scopes 1, 2 and material Scope 3 emissions where relevant.
- **Methodological choices are adapted to each business model**. Where material, full value-chain emissions (Scope 3) are included to provide a more representative assessment of climate exposure. For example, software companies include emissions associated with the use of sold products, hospitality companies include value-chain emissions such as customer travel where relevant, and financial institutions include financed emissions.
- **Fund-level emissions are reported as financed emissions**, proportionally attributed according to Amethis' equity ownership in each portfolio company.
- **Emission factors are selected on a case-by-case basis** according to sectoral and geographic relevance, using internationally recognised databases (including IEA, DEFRA and national emission factors).
- **Reported company carbon footprints are used whenever available**. For companies that have not yet completed a GHG inventory, emissions are estimated using the AXA Altitude methodology based on sector, geography, financial and operational data.
- **Portfolio metrics are periodically updated** to reflect changes in portfolio composition, improvements in primary data availability and refinements in climate methodologies.

- **This approach ensures consistency with international standards, transparency towards LPs and comparability over time**, while recognising differences in business models, portfolio composition and climate data maturity.

5.4 Climate exclusion list

Aims to exclude investments in activities that contradict global climate objectives, as defined notably in the Paris Agreement and Nationally Determined Contributions (NDCs).

Coal

- Coal-fired power plants, including dual-power plants.
- Refurbishment, retrofitting and rehabilitation of existing coal power facilities, including dual power plants.
- Coal prospection, exploration, mining, processing, transportation, trading, or infrastructure services exclusively dedicated to support any of these activities.

Oil

- Upstream oil exploration and production.
- Midstream oil, including pipelines.
- Downstream oil, including refineries and petrol stations.
- Heavy fuel oil (HFO) or diesel-only, dual-fuel HFO or diesel/gas and HFO or diesel/renewable hybrid power plants.
- Refurbishment, retrofitting and rehabilitation of existing HFO or diesel-only, dual-fuel HFO or diesel/gas and HFO or diesel/renewable power plants leading to an increase of absolute GHG emissions (i.e. where energy efficiency measures do not compensate for any capacity or load factor increase) and/or where the lifetime of an asset that would be otherwise retired would be substantially increased.
- Projects to construct, extend or refurbish fossil fuel-fired power plants².
- Diesel-only mini grids.
- Diesel/renewable hybrid decentralised energy solutions (including mini grids and commercial & industrial installations) that do not meet the conditional investment criteria³.
- Stand-alone diesel generators, where demonstrated that the option of a renewable generator is technically or commercially not feasible.

Gas

- Upstream gas exploration and production.

² Except for projects involving mini-grids served by hybrid power plants (combining renewable energies and fossil fuels).

³ The following activities are eligible for investment only if the specified criteria are met: Diesel/renewable hybrid de-centralized energy solutions where:

- A renewable-only solution has been proven as not offering sufficient reliability or cost efficiency;
- The diesel element is supplementary and is subsidiary to and enabling, the renewable energy project, whilst maintaining on average over time a minority share (<50 % of power generation from fossil fuels in hybrid systems with the remaining portion from renewable energy and batteries);
- The majority of “expected” generation should come from renewables (i.e., actual production may differ based on primary energy resource, e.g., wind, solar or hydro);
- The specific greenhouse gas emissions of the project are lower than 500kg CO₂equivalent/MWh.

- Midstream/downstream gas (including gas import/export infrastructure and processing facilities) except gas transport, storage and distribution infrastructure where the primary purpose is power generation consistent with a country's pathway to net zero emissions by 2050 or liquid petroleum gas (LPG) and associated facilities for sourcing, transport, storage, bottling and distribution⁴.

Transport

- Transport (road/rail/port) infrastructure where the primary use is fossil fuel transport⁵.
- Maritime vessels⁶ using only conventional fuels (i.e. HFO, MDO, MGO).
- Conventionally fueled aircraft.
- Airport capacity expansion.

The above exclusions also apply to:

- Financing an allowed activity that exclusively serves an excluded fossil fuel activity (such as a solar plant for a coal terminal, a wastewater plant for an oil refinery).
- Financing companies or projects that exclusively provide services (including advisory), equipment, or other outputs to excluded fossil fuel activities (such as a company that exclusively provides construction services for oil exploration activities).
- Financing companies or projects that exclusively produce goods for and/or provide goods to excluded fossil fuel activities (such as a company that exclusively manufactures machine parts for use in coal-fired power plants).

Industry

- Greenfield or substantial expansions of energy intensive sectors⁷ production predominantly based on traditional high-carbon processes without accompanying abatement technology such as CCS or recourse to renewable energy sources.
- Research, development and innovation (RDI) and associated manufacturing of internal combustion engine (ICE) passenger vehicles, ICE powertrains for passenger cars and dedicated components.
- Research, development and innovation (RDI) and associated manufacturing of ships and conventional aircraft using carbon-intensive fuels (i.e. HFO, MDO, MGO, kerosene) and dedicated components.

Bioeconomy and agriculture

⁴ The following is authorized: LPG for cooking and heating purposes, including associated facilities for sourcing, transport, storage, bottling and distribution where:

- i. The investment is substituting other higher carbon intensive fuel sources;
- ii. There is no economically and technically viable renewable energy alternative;
- iii. The LPG is used for cooking and heating purposes only (industrial uses are excluded);
- iv. There is a clear impact case in improved living standards, reduced air pollution and increased health of consumers compared to alternative fuel sources.

⁵ Primary use means more than 50 per cent of the infrastructure's handled tonnage.

⁶ This refers to maritime vessels and excludes inland waterway vessels already covered under the EU Taxonomy.

⁷ This would include investments in e.g. greenfield conventional coke-based blast furnace (BF/BOF) primary steel production, fully fossil-based production of chemicals and plastics, fossil-based nitrogen fertilizer synthesis, production of ordinary Portland cement clinker unless the project includes a suitable decarbonization technology (such as CCS or CCU).

- AFOLU/LULUCF investments and/or other projects that aim to produce or make use of agricultural or forestry products associated with unsustainable expansion of agricultural activity into land that had the status of high carbon stock and high biodiversity areas (i.e. primary and secondary forest, peatlands, wetlands, and natural grasslands) on 1 January 2008 or thereafter⁸.
- Biomaterials and biofuel production that make use of feedstocks that can serve as food or compromise food security.
- Export-oriented agribusiness models that focus on long-haul⁹ air cargo for commercialisation (i.e. investments dependent on the long-haul, intercontinental air-cargo shipment of fresh, perishable agricultural goods).
- Meat and dairy industries based on production systems that involve unsustainable animal rearing and/or lead to increased GHG emissions as compared to best industry, low-carbon standards/benchmarks¹⁰.

⁸ The cutoff date is set to be consistent with the one recommended under the EU Taxonomy DNSH criteria for agriculture and forestry

⁹ Following Eurocontrol's definition, long-haul is taken to be longer than 4 000 kilometres.

¹⁰ Investments in the meat and dairy industries considered by the Bank for finance should demonstrate improved GHG efficiency through, for example, alignment with the EU Taxonomy criteria in agriculture, the promotion of eco-efficient animal management systems or the promotion of grass and other lignocellulose-centred feeding regimes for ruminants.