

Cordiant Capital GHG Emissions Reporting Methodology 2025

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GHG Emissions Statement

Cordiant Capital, FY2025

This statement presents the greenhouse gas (GHG) emissions of Cordiant Capital for the reporting period 1 January – 31 December 2025, covering our offices in Montréal, London, São Paulo, and Luxembourg. Emissions have been consolidated using the operational control approach and quantified in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Category	Emissions (tCO ₂ e) ¹
Scope 1 (direct)	0.0
Scope 2 – location-based	10.9
Scope 2 – market-based	18.7
Scope 3, Category 1 – Purchased goods and services	0.6
Scope 3, Category 3 – Fuel- and energy-related activities (T&D losses – market-based)	1.9
Scope 3, Category 6 – Business travel	175.6
Scope 3, Category 7 – Employee commuting and WFH	27.8
Subtotal – Operational emissions (Scope 1 + 2 market-based + 3, excl. investments)	224.6
Scope 3, Category 15 – Investments (financed emissions, PCAF)	96,193.0
Total (Scope 1 + 2 market-based + 3)	96,417.6

All other Scope 3 categories were assessed as either potentially material but not included due to limited primary data, or not material to Cordiant's operations; the materiality assessment is documented on page 3 of this methodology.

Emission factors and calculation methodologies applied are detailed in the sections that follow, drawing on sources including DESNZ, EPA, and utility companies, as referenced per category. Global warming potential values are taken from IPCC AR6. Base year for this inventory is 2022, with recalculation triggers documented on page 15.

This GHG statement, including the completeness and accuracy of the underlying data, is the responsibility of Cordiant Capital's management.

Melissa Paris St-Amour, Head of ESG & Impact

Melissa Paris St-Amour

¹ Totals may differ slightly from the sum of displayed values due to rounding.

Introduction

Background and Objective

Cordiant Capital Inc. (“Cordiant” or the “Company”) recognises the essential need for action to curb and address the impacts of climate change. Cordiant is committed to reducing its greenhouse gas (GHG) contribution, both directly associated with the Company but also through its financed emissions as an asset manager. In line with the Company’s commitment to the Net Zero Asset Managers initiative (“NZAM”) and to align with global targets outlined in the Paris Agreement, Cordiant aims to establish science-based decarbonisation targets consistent with the 1.5-degree scenario. Assessing Cordiant’s emissions and establishing a rigorous GHG inventory is a fundamental prerequisite to setting meaningful GHG emissions reduction targets enabling the Company to gain insight into the Company’s emission profile and pinpoint the most effective reduction opportunities. Setting such targets not only contributes to Cordiant’s long-term sustainability but also positions Cordiant to adapt to potential future regional, national, or global climate policies. By disclosing Cordiant’s GHG emissions, the Company aims to foster increased transparency and clarity, facilitating a more informed decision-making process.

About This Document

Cordiant has developed a comprehensive GHG accounting inventory management practice based on the GHG protocol standard to account for its direct and indirect emissions. It builds on the Standard’s five core principles of relevance, completeness, consistency, transparency, and accuracy. This document describes the approach used to prepare Cordiant’s 2025 Scope 1, 2 and 3 greenhouse gas (GHG) emissions inventory.

Cordiant follows the GHG Protocol Corporate Accounting and Reporting Standards and has defined its emissions between three scopes.

Scope 1: (Direct)	Emissions occurring from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles.
Scope 2: (Indirect)	Emissions occurring from the purchase of electricity and heating consumed by the company.
Scope 3: (Other indirect)	All indirect emissions, which are not included in Scope 2, that occur in the value chain of the reporting company. This includes both upstream and downstream emissions, for example employee commuting and investments.

Materiality Assessment

Organisational Boundaries

Organisational boundaries refer to the scope of an entity’s operations and activities that are considered when measuring and reporting greenhouse gas emissions. Cordiant implements the Control Approach, thus accounting 100% of emissions emitted from operations and businesses across the Group for which it has operational control.

Operational Boundaries

Operational boundaries define the specific operational activities and sources within an organisation that are included in the assessment of greenhouse gas emissions. Table 1 and 2 below give a detailed overview of the emission sources that have been included in the inventory.

Assessing Materiality and “In-scope” Emissions

An emissions source is considered material if, by its inclusion or exclusion, it can influence any decision or action taken by its users. Materiality for GHG accounting is the determination of whether a particular source of greenhouse gas emissions is of sufficient importance or significance to warrant inclusion in an organisation’s emissions reporting and disclosure. “In scope” refers to whether an emission source is included in the GHG inventory depending on factors such as access to the required information necessary for calculation.

Legend

-  Not material
-  Potentially material, but not in scope
-  Material and partially in scope (not all sources of emissions accounted for or not covering 100% of operations)
-  Material and fully in scope (all sources of emissions accounted for and covering 100% of operations)

Direct and Indirect Emissions

Cordiant applies the operational control consolidation approach. Cordiant occupies all four offices under operating leases. Under Appendix F of the GHG Protocol Corporate Standard, the classification of emissions from leased assets depends on whether the lessee has operational control over each source.

Cordiant reports electricity consumption for the leased premises (including tenant-controlled equipment and an allocated share of building services) as Scope 2, consistent with standard practitioner treatment for tenants on operating leases.

Table 1: Scope 1 and 2 emissions considered material & in scope

Scope 1		
Emissions Categories	Materiality	Comments
Stationary combustion		Cordiant does not emit any stationary combustion.
Mobile combustion		Cordiant does not own any vehicles.
Fugitive emissions		While potentially material, fugitive emissions from refrigeration equipment and air conditioning units in Cordiant's offices were not accounted for due to limited information available for reliable estimation.

Scope 2		
Purchased Electricity	Materiality	Comments
Montréal Office		GHG Emissions from electricity consumption were accounted for in all of Cordiant's offices.
London Office		
São Paulo Office		
Luxembourg Office		

Full Value Chain Emissions

Scope 3 emissions come from sources within Cordiant's full value chain beyond the Company's direct operations and comprise the largest component of the footprint. Scope 3 includes:

1. Upstream emissions, such as the emissions from business travels, and employee commuting; and
2. Downstream emissions, such as the emissions associated with investments which comprise the most important source of emissions.

Table 2: Value Chain emissions considered material & in scope

Scope 3		
Scope 3 categories	Materiality	Comments
Upstream activities		
Purchased goods and services	✓	While Cordiant purchases a range of goods and services across multiple categories, including professional services, information technology, and office supplies, only emissions associated with paper consumption in our London, Montréal, and São Paulo offices are currently accounted for.
Capital goods	✓	Cordiant's capital goods include mostly its IT assets such as computers and electronic devices. However, due to the lack of information provided by suppliers and reliable proxy, this category was out of scope for this year.
Fuel- and energy-related activities not included in Scope 1 or 2	✓	Emissions from transmission & distribution (T&D) associated with Cordiant's electricity consumption are accounted for.
Upstream transportation and distribution	✗	Cordiant does not engage in upstream transportation and distribution.
Waste generated in operations	✓	While Cordiant generates some waste, mainly paper, it is out of scope for this year due to limited primary data and likely minimal impact.
Business travel	✓	Emissions from business travel were only accounted for travels made by flights and trains.
Employee commuting	✓	Emissions from commuting and teleworking were accounted for every employee using self-reported and extrapolated information.
Upstream leased assets	✗	While Cordiant's office buildings could be considered as upstream leased assets, GHG emissions from leased offices are reported in Scope 2.
Downstream activities		
Downstream transportation and distribution	✗	Cordiant does not engage in downstream transportation and distribution.
Processing of sold products	✗	Cordiant does not sell physical products.
Use of sold products	✗	Cordiant does not sell physical products.
End-of-life treatment of sold products	✗	Cordiant does not sell physical products.
Downstream leased assets	✗	Cordiant does not have downstream leased assets.
Franchise	✗	Cordiant does not have any franchise.
Investments	✓	Cordiant's most material emissions stem from its investments. Cordiant accounted its financed emissions from funds representing 95% of its total AUM. The other funds, designed without GHG emission considerations, have closed investment periods, and as they repay investments, the share of financed emissions included in our GHG inventory is expected to increase.

Data Collection Process

Data Quality

Operational emissions

Cordiant's reported emissions data for each scope and category (except for category 15: investments) are considered, for the purpose of this exercise, our "operational emissions". They are assigned a score with respect to data quality. These scores help to assess the completeness and reliability of the information provided and to identify areas of improvement for greater accuracy. Additionally, these scores aim to align with the PCAF data quality scoring system (Table 3).

Score 1	Audited GHG emissions or from primary energy source
Score 2	Non-audited GHG emissions data or from other primary source
Score 3	Proxy data using physical activity-based emissions factors
Score 4	Proxy data using economic activity-based emissions factors
Score 5	Estimated emissions using limited information, such as spend-based emissions factors

Financed Emissions

For its financed emissions, Cordiant uses the Partnership for Carbon Accounting Financials (PCAF)'s data quality scoring system for business loans and unlisted equity as defined by the table below.

Cordiant officially joined PCAF early 2023.



Table 3: PCAF's data quality score table for business loans and unlisted equity

Options to estimate financed emissions		Explanation on when each option is used	Data Quality
Option 1: Reported emissions	1a	Outstanding amount in the company and total company equity plus debt are known. Verified emissions of the company are available	Score 1
	1b	Outstanding amount in the company and total company equity plus debt are known. Unverified emissions calculated by the company is available.	
Option 2: Physical activity-based emissions	2a	Outstanding amounts in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's energy consumption and emission factors specific to that primary data. Relevant process emissions are added.	Score 2
	2b	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's production and emission factors specific to that primary data.	Score 3
Option 3: Economic activity-based emissions	3a	Outstanding amount in the company, total company equity plus debt, and the company's revenue are known. Emission factors for the sector per unit of revenue are known (e.g., tCO ₂ e per euro or dollar of revenue earned in a sector).	Score 4
	3b	Outstanding amount in the company is known. Emission factors for the sector per unit of asset (e.g., tCO ₂ e per euro or dollar of asset in a sector) are known.	Score 5
	3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO ₂ e per euro or dollar of revenue earned in a sector) and asset turnover ratios for the sector are known.	

Emission Factors

Operational emissions

Cordiant uses an in-house developed tool modelled on the GHG Protocol tool to calculate its operational emissions. The tool employs a range of emission factor databases to calculate Cordiant's emissions across different geographies. UK DESNZ emissions factors are used for transport related emissions such as business travel and commuting, though Cordiant will use custom emission factors provided by a range of reliable sources, when available, to increase accuracy and relevance.

Financed Emissions

Cordiant leverages the PCAF database for calculating financed emissions, drawing on emissions factors from diverse sources like Exiobase and UK DESNZ. When companies report their emissions, Cordiant uses that data directly. If not, Cordiant estimates emissions using an economic-based approach, selecting emissions factors that best fit the company's industry and location. This tailored method, while not offering the full granularity needed for a complete carbon footprint analysis, still provides a more accurate representation of the emissions linked to Cordiant's investments.

Verification & Offsetting Process

Operational Emissions

For its 2025 emissions, Cordiant engaged CCG Climat to verify its selected carbon footprint assessment and supporting evidence, with the intention of offsetting emissions associated with operations. It should be noted that only operational emissions were accounted for, which include all emission categories material and fully or partially in-scope. Cordiant's financed emissions were not included in the scope of the verification by CCG Climat. Instead, these emissions have been verified through an independent internal verification process (see below).

The external verification audit by CCG Climat was completed in accordance with ISO 14064 *Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statement*. Upon receiving formal verification from CCG Climat, Cordiant decided to fully offset its verified emissions.



To best deliver positive benefits through our offsets while minimising our potential exposure to controversy that is unfortunately not uncommon in the carbon credit space, Cordiant carefully investigates the projects in which it invests, which can involve contacting developers directly to request additional information. We also aim to select projects that align with our Guiding Principles, bearing additional certifications, and generate additional benefits to climate mitigation, such as positive impacts on biodiversity and local communities.

Financed Emissions

To validate the accuracy and reliability of our emissions data, our reported financed emissions undergo a two-level internal verification process conducted firstly by a member of the ESG team and independently by a member of our accounting department. A sample of sufficient size, representing both a haphazard selection and most-material investments, was examined, and no material errors were identified. This process underscores our commitment to transparency and precision in assessing our footprint.

Scope 1 Emissions

Scope 1 emissions originate from sources directly owned or controlled by the Company, encompassing combustion emissions from boilers, furnaces, and vehicles. As an asset manager, our core business involves the investment and management of financial assets. We do not own or operate physical facilities, nor do we engage in manufacturing or other activities that would generate direct greenhouse gas emissions. Moreover, none of our offices have gas-powered heating systems. Cordiant does own limited refrigeration equipment (refrigerators and water coolers) in its offices, which may give rise to fugitive emissions; however, despite being potentially material, they have not been captured in the inventory given the limited information available for reliable estimation. Consequently, Cordiant reports no material Scope 1 emissions.

Performance Review

2024	2025	Result	Explanation
0	0	-	Cordiant does not operate company vehicles and has no combustion-related direct emissions. Owned refrigeration equipment may give rise to fugitive emissions, but these were not captured due to limited data availability.

Scope 2 Emissions

Scope 2 emissions are indirect greenhouse gas emissions associated with the consumption of purchased energy, such as electricity or heating, by an organisation. Cordiant's Scope 2 emissions consist of purchased electricity across the Montréal, London, São Paulo and Luxembourg offices, whether it pays utilities directly, or utilities are sub-metered by the landlord and billed to the company.

Methodology & Data Collection

Cordiant reports its emissions from purchased electricity using both a location-based and a market-based approach. As part of its total GHG emissions, Cordiant considers the market-based approach when available as it better reflects the actual emissions of the firm. For Montréal's office, Cordiant used the actual emission intensity of its energy provider and energy source. For Luxembourg's offices, Cordiant applied an emission factor estimated at 0 tCO₂e/kWh on the basis that the electricity supplier reported that the electricity supplied was generated from 100% renewable hydroelectricity. For its London and São Paulo offices, electricity consumption was provided by the building manager and emission factors provided by the UK Government GHG Conversion Factors and the electricity utilities were used to estimate emissions.

Cordiant relies on building managers and utilities to provide information on electricity consumption. Where the electricity consumption was only available for the entire building, Cordiant has applied its offices' relative floor area to account for its share of electricity consumption.

Purchased Electricity	Comments	Data quality
Montréal Office	Electricity consumption provided by building manager and emission factor provided directly by utility Hydro-Québec and Canada's National Inventory	2
London Office	Electricity consumption provided by building manager and emission factor provided directly by UK Government GHG Conversion Factors	3
Luxembourg Office	Electricity consumption provided by building manager and emission factor emission estimated to be zero based on utility's source of electricity (100% hydro)	3
São Paulo Office	Electricity consumption provided by building manager and emission factor from the electricity utility, Enel	3

Assumptions and Limitations

The main limitation for Scope 2 emissions is the reliance on proxy data to estimate emissions for London, Luxembourg and São Paulo offices.

Performance Review – Market-Based

2024	2025	Result	Explanation
25.1	18.7	-25%	Decreased electricity consumption in the London office coupled with continued greening of the UK grid (producing a lower emission factor) decreased the market-based emissions.

Performance Review – Location-Based

2024	2025	Result	Explanation
34.2	10.9	-68%	Decreased electricity consumption in the London office and a more accurate emission factor for the Montréal office decreased the location-based emissions.

Scope 3 Emissions

Scope 3 encompasses indirect GHG emissions resulting from the company's activities but originating from sources beyond its ownership or control. Cordiant's significant Scope 3 activities include employee commuting, business travel, and investments.

Transmission and Distribution

Transmission and distribution (T&D) losses are the electricity that is lost as it travels through the grid from the point of generation to Cordiant's offices. Because Cordiant consumes electricity that has already incurred these upstream grid losses, the associated emissions fall within Scope 3 (Category 3: fuel- and energy-related activities not included in Scope 1 or 2). Cordiant calculates T&D emissions to capture the full lifecycle impact of its purchased electricity beyond the consumption reported under Scope 2.

Methodology & Data Collection

For most offices, Cordiant estimates a T&D emission factor by applying a grid loss rate to the Scope 2 electricity emission factors. The grid loss rate, sourced from the World Bank, represents the proportion of electricity lost in transmission and distribution at the country level. Multiplying this loss rate by both the location-based and market-based Scope 2 electricity emission factors yields the corresponding location-based and market-based T&D emission factors, which are then applied to each office's electricity consumption. For the London office, the UK Government GHG Conversion Factors (DESNZ) provide a location-based T&D factor directly; Cordiant derived the implied loss rate from DESNZ's location-based Scope 2 and T&D factors and applied it to its market-based electricity factor to estimate the market-based T&D emissions.

Transmission & Distribution	Comments	Data quality
Montréal Office	Province-level (Québec) grid loss rate, from Canada's National Inventory Report, applied to the location-based and market-based Scope 2 electricity emission factors	3
London Office	UK Government GHG Conversion Factors (DESNZ) provided the location-based T&D factor; the implied loss rate was applied to the market-based electricity factor to estimate market-based T&D	3
Luxembourg Office	World Bank country-level grid loss rate applied to the location-based and market-based Scope 2 electricity emission factors	3
São Paulo Office	World Bank country-level grid loss rate applied to the location-based and market-based Scope 2 electricity emission factors	3

Assumptions and Limitations

The World Bank grid loss rate is reported at the country level, whereas the electricity emission factors used for consumption are sometimes regional or utility specific. Applying a country-level loss rate to a more granular electricity factor may introduce some imprecision in the resulting T&D estimate.

Some electricity emission factors may already incorporate T&D losses. Where this is the case, applying a separate T&D factor could result in a degree of double counting.

Performance Review – Market-Based

2024	2025	Result	Explanation
1.3	1.9	+46%	Emissions increase is driven by more accurate methodology applied to the Montréal office.

Performance Review – Location-Based

2024	2025	Result	Explanation
1.5	1.2	-20%	Emissions decrease is driven by reduced electricity consumption in the London office and more accurate methodology.

Purchased Goods and Services

Purchased Goods and Services includes upstream greenhouse gas emissions associated with the production and delivery of goods and services acquired by an organisation during the reporting year. As an investment management firm, Cordiant's purchased goods and services footprint is primarily associated with office-based activities and support functions, including professional services, information technology, office supplies, and other administrative expenditures.

Given the relatively low materiality of these activities, the current assessment focuses on paper consumption within Cordiant's offices. Paper consumption emissions represent the upstream emissions associated with the production and supply of paper used for office printing and related activities.

Methodology & Data Collection

Cordiant collects paper consumption data for its London, Montréal, and São Paulo offices from managed printing service providers. Activity data is reported as the number of sheets printed during the reporting year. Printed sheets are converted into tonnes of paper using a standard paper weight conversion factor. Greenhouse gas emissions are then calculated using the applicable UK DESNZ emission factor for paper consumption.

Purchased G&S	Comments	Data quality
Montréal Office	Paper consumption data provided by managed printing service provider. Number of printed sheets converted to tonnes of paper and emissions calculated using UK DESNZ emission factors	3
London Office	Paper consumption data provided by managed printing service provider. Number of printed sheets converted to tonnes of paper and emissions calculated using UK DESNZ emission factors	3
Luxembourg Office	No paper consumption data available for the reporting year; emissions not included in the assessment	-
São Paulo Office	Paper consumption data provided by managed printing service provider. Number of printed sheets converted to tonnes of paper and emissions calculated using UK DESNZ emission factors	3

Assumptions and Limitations

Emissions were calculated using standard sheet-to-paper weight conversion factors and UK DESNZ emission factors. These factors may not fully reflect variations in paper type, weight, recycled content, or supplier-specific production characteristics. The assessment is limited to paper consumption and therefore captures only a subset of emissions associated with Scope 3 Category 1 (Purchased Goods and Services). In addition, paper consumption data for the Luxembourg office was not available and has not been included in the assessment.

Performance Review

2024	2025	Result	Explanation
-	0.6	-	2025 represents the first year in which emissions associated with paper consumption were quantified and reported and therefore no comparable prior-year data is available.

Employee Commuting

Employee commuting is the transportation of employees between their home and offices via automobile travel, bus travel, rail travel, and other modes of transportation. Included under employee commuting is teleworking/work-from-home (WFH), which accounts for energy consumption at employees' homes whilst working.

Methodology & Data Collection

Cordiant used a distance-based method to calculate employee commuting emissions. As recommended by the GHG Protocol, through its annual employee survey, Cordiant asked employees about their average weekly commuting profile, and, when needed, the make and model of their primary vehicle. For each mode of transportation, the daily distance travelled was multiplied by the number of days worked during the year. Emission factors from employee's vehicles were derived from EPA's Fuel Economy Website. Emissions factors for other mode of transportation were based on US EPA 2025 and UK DESNZ 2025 databases.

To calculate teleworking emissions, Cordiant surveyed employees on their average weekly days worked from home, hours worked, applicable weeks, average home occupants and home city. These data points were used to determine the time spent or energy consumed working from home, which were then multiplied by the relevant emission factors to calculate the associated emissions.

Mode of transport	Comments	Data quality
Vehicles	We used a mix of vehicle-specific emissions factors from EPA's Fuel Economy website, when available, or average emissions factors for vehicles.	2
Others	Emissions for other modes of transportation (tube, bus, train, etc.) were calculated using a distance-based approach and emission factors from the UK DESNZ database.	3
Teleworking	Emissions calculated based on employees' average hours WFH per year, household specifications and average energy consumption for people teleworking provided by national bodies.	3

Assumptions and Limitations

Since commuting data and teleworking is collected once per reporting year, the accuracy of the data is reliant on employees' own assessment. Employees can only provide us with an average of their commuting methods and WFH data throughout the year, and therefore we can only provide an estimate of our employee commuting and teleworking emissions. For employees who did not answer the survey, we extrapolated office-specific data to cover them. The response rate for the 2025 inventory was 89%. Accordingly, extrapolated data constitutes <1% of the corporate footprint.

Furthermore, commuting profiles may change throughout the reporting year, and annual survey-method cannot effectively account for changes over a reporting year.

Performance Review

2024	2025	Result	Explanation
22.9	27.8	+21%	In 2025, Cordiant added employees to its workforce that commute from greater distances by rail and bus.

Business Travel

Business travel emissions refer to the greenhouse gas emissions generated by employees or representatives of an organisation while travelling for work-related purposes, covering air and rail travel, road transportation, and other modes of transit.

Methodology & Data Collection

Cordiant uses a distance-based approach for calculating business travel emissions, which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used. Only emissions from flights and trains were included in the GHG assessment and emissions factors were based on the UK DESNZ databases.

Cordiant collects its business travel information through expense management systems, from travel agencies, and directly from employees.

Mode of transport	Comments	Data quality
Air	Emissions from flights were calculated using a distance-based approach and emission factors from the UK DESNZ database.	3
Train	Emissions from trains were calculated using a distance-based approach and emission factors from the UK DESNZ database.	3

Assumptions and Limitations

The emission factors employed are derived from average emissions data encompassing short-, medium-, and long-haul flights. Nevertheless, it is essential to note that these averaged emission factors may not fully capture the precise emissions of individual flights. A multitude of factors, including train or aircraft type, fuel use, specific distance, passenger load, and route variations, can lead to deviations from these averages, resulting in variations in actual emissions.

Performance Review

2024	2025	Result	Explanation
233.1	175.6	-21%	The reduction reflects updated flight emission factors and improved seat-class classification, which lowered average emissions intensity per kilometre by 34%, more than offsetting a year-on-year increase in flight volume and distance.

Financed Emissions

As a participant in the financial market, our most significant impacts, including those related to climate, stem from our investment decisions. Accounting for our financed emissions provides a critical link between the financial support we extend to our investees and their real-world activities, enabling us to gauge the greenhouse gas emissions associated with those activities.

Absolute financed emissions represent the cumulative emissions of our portfolio companies, multiplied by an apportioning factor to account for our share of clients' emissions, and summed up at the asset and group levels. Relative emissions are absolute emissions relative to our outstanding amount. To guide its decarbonisation strategy, Cordiant uses as a key performance indicator its relative financed emissions per asset class. Cordiant uses PCAF's methodology specific to business loans and unlisted equity to measure the GHG emissions of our portfolio. As per the methodology, Cordiant will consider at minimum Scope 1 & 2 for all our investments, as well as Scope 3 emissions for investments in the fossil fuel and mining sectors.

To measure absolute financed emissions, Cordiant primarily employed option 1.b (unverified reported emissions) for its private equity investments in calculating financed emissions. For its private debt investments, Option 1.a and 1.b were used where verified or unverified emissions are available. When reported emissions were not available, option 3.a was predominantly utilised for its debt investments, though option 3.b was also employed when portfolio companies' financial information was not readily available. The formulas used are:

Option 1.b:

$$FE_e = \sum_e \left(\frac{\text{Outstanding Amount}_e}{\text{Total equity}_e + \text{debt}_e} \times \text{Company Emissions}_e \right)$$

Option 3.a:

$$FE_d = \sum_d \left(\frac{\text{Outstanding Amount}_d}{\text{Total equity}_d + \text{debt}_d} \times \text{Revenue}_d \times \frac{\text{GHG emissions}_s}{\text{Revenue}_s} \right)$$

Option 3.b:

$$FE_d = \sum_d \left(\text{Outstanding Amount}_d \times \frac{\text{GHG emissions}_s}{\text{Assets}_s} \right)$$

Where FE = Financed Emissions;

d = debt invested companies;

s = sector of company;

and e = equity invested companies.

$\frac{\text{GHG emissions}_s}{\text{Revenue}_s}$ and $\frac{\text{GHG emissions}_s}{\text{Assets}_s}$ represent emission factors provided by PCAF.

To address the challenges arising from the limited data availability from our portfolio companies in our private credit funds, Cordiant has utilised the PCAF emissions factors database for estimating emissions. For the fourth year in a row, our results are based on emission factors extracted from the first version of PCAF Database, which were derived from EXIOBASE 2015 dataset. Although newer database versions have been released through to 2025, we opted to maintain consistency by using the same emission factors (EFs) for comparison purposes. Cordiant will evaluate the use of a more recent database in the future, and if necessary, implement our recalculation procedures. Emission factors were not corrected for inflation. As the previous version of the database had emission factors for USD, no currency conversion was applied.

This estimation is based on the companies' respective sectors and geographic locations when reported data is absent. In cases where data for a specific geographic location was unavailable, we opted for the nearest available geographic reference point to represent the actual investment's location. Regarding the selection of sectors and industries, our preference was to choose the most detailed and granular classification available for each geography, but in instances where such precision was lacking, we resorted to broader, high-level classifications.

When corporate loans were extended to companies engaged in diverse business lines across multiple sectors, our approach involved calculating a weighted average of the sectors by company revenue.

Assumptions and Limitations

As highlighted in PCAF methodology, limitations of using proxy information includes the reliance on generalised assumptions and sector averages for both emissions and financial data, making its calculations less robust and more uncertain compared to borrower-specific information. Moreover, limitations lay in the selection of geographies and sectors to obtain approximate emissions factors in PCAF database as mentioned above.

Another challenge for all options is using year-end outstanding balances, which may not account for seasonal variability or fiscal calendar differences. A potential solution is using average monthly balances, but this would increase the reporting burden on both Cordiant and its portfolio companies. Assets Under Management (AUM) consist not only of Loans and Investments (net of reserves), but also on Cash and other assets. For this reason, the outstanding amount was used to calculate our financed emissions including our financed emission intensity. The slight difference between the two figures was not considered material for the purpose of the exercise.

Finally, using estimated emissions limits our ability to compare investees' real carbon footprint, therefore making it challenging to engage with companies on setting decarbonisation targets.

Performance Review – Private Equity

2024	2025	Result	Explanation
10.5	8.1	-23%	For Cordiant's private equity activities, the decrease in financed emissions is primarily driven by CORD's asset Emitel matching its electricity consumption with renewable energy Guarantees of Origin, reducing its Scope 2 emissions by 99%. Valuation growth across the portfolio, particularly at České Radiokomunikace and Speed Fibre, further reduced emissions intensity, partially offset by the addition of Data Center United to the portfolio. Cordiant continues to engage with portfolio companies to enhance emissions reporting, improve data quality, and support the development of emissions reduction targets in line with its Net Zero ambitions.

Performance Review – Direct Lending

2024	2025	Result	Explanation
90.7	104.3	+15%	The increase in financed emissions intensity primarily reflects an increase in Cordiant's attribution factor to one of our higher-emitting borrowers, despite no change in our underlying exposure. This was partially offset by the natural run-off of legacy investments, as several higher-emitting assets were progressively repaid during the period, and by genuine emissions reductions across several of our agricultural borrowers. As these repayments were concentrated in more emissions-intensive credits, they reduced absolute emissions while increasing the intensity of the remaining portfolio.

Looking Forward

Recalculation Policy

In line with requirements from the GHG Protocol, Cordiant established a recalculation policy to define under which circumstances a recalculation of the base year emissions is necessary. This ensures the consistency, comparability, and relevance of the reported GHG emissions data over time. As per the GHG Protocol Corporate Standards, recalculation will be made if one of the following situations occurs:

- Structural changes within the company (mergers, acquisitions, and divestments)
- Outsourcing and in-sourcing of emitting activities
- Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data that result in a significant impact on historical, especially base year, emissions data. This includes updates to PCAF's database.
- Discovery of errors that collectively are significant.

Inventory Quality

While the current GHG inventory does not account for all categories and sources of emissions, it aims at assessing the most material ones and will build upon this to continuously evolve its practices and scope of emissions covered. Additionally, Cordiant aims to improve the data quality, including by increasing the share of emissions calculated using primary data.

Next Steps

Looking forward, Cordiant will continue to strengthen its collaborative efforts with investee companies to enhance data accuracy. To advance this objective, Cordiant previously sponsored a member of its team to obtain a GHG Accounting Certification from the GHG Institute. To disseminate expertise throughout our portfolio companies, Cordiant has already provided GHG accounting training to a select group of investee companies, and we are actively planning to extend the reach of this practice in the future. Additionally, in 2025, Cordiant connected investees with local consultants to calculate their footprint and implement decarbonisation measures. Moreover, as of 2024 Cordiant made GHG emissions accounting a mandatory requirement for portfolio companies covenanted in loan documentation and continues to support them in building internal GHG capabilities or outsourcing measurement.

Additionally, Cordiant aims to establish both long-term and intermediary ambitious science-based emission targets aligned with the Paris Agreement and 1.5-degree scenario. This commitment, supported by our membership of the Net Zero Asset Managers initiative ("NZAM"), extends beyond setting targets solely for our own operations; we are equally dedicated to providing guidance and support to our highest-emitting investee companies to reduce their GHG emissions. In line with this goal, we have included in our Responsible Investment Policy the mandatory adoption of a decarbonisation plan for companies considered to be high emitters.