




actis

2024



TASK FORCE  
ON CLIMATE-  
RELATED  
FINANCIAL  
DISCLOSURES

# FOREWORD

We invest in sustainable sectors and seek to create sustainability leaders because we believe this to be a great way to create value while protecting the downside of our investments – helping to secure stronger returns for our LPs while doing good for the communities and countries in which we operate.



We cannot avoid the reality that climate change is a global challenge that demands concerted action. Its impacts are here, being felt worldwide, and will only intensify over time.

While we at Actis fully recognise the scale of this challenge, we also see the opportunities it presents and want to be part of the solution. As a leading growth markets investor in sustainable infrastructure, we are deeply committed to our role as responsible stewards of capital. We invest in sustainable sectors and seek to create sustainability leaders because we believe this to be a great way to create value while protecting the downside of our investments – helping to secure stronger returns for our LPs while doing good for the communities and countries in which we operate.

As a result, climate change considerations are embedded in every investment decision we make – not as an optional feature, but as a core principle of our philosophy. This commitment has been integral to our approach for many years.

Through our investments, we embrace the opportunities created by the global climate transition. Actis has pledged to manage 100% of its assets under management (AUM) in alignment with a 1.5°C net zero pathway by 2050; and to drive progress against this long-term goal we have set interim targets: 60% of AUM aligned with net zero by 2030, and 50% of AUM to be allocated to climate solutions by 2030.

I take pride in what we have achieved so far. Since inception, Actis has invested in businesses that have built or operated 25GW of renewable energy. In 2024 alone, Actis investments helped avoid over 1.2 million tCO<sub>2</sub>e. Importantly, our efforts go beyond large-scale renewable energy generation. Actis is also a significant investor in critical enabling infrastructure, including electricity transmission grids and distribution networks, as well as other infrastructure assets that require climate risk and opportunity assessments. A key aspect of our work is that we prioritise sharing knowledge and insights across our portfolio to maximise efficiency, draw additional benefits from our scale, and increase our collective impact.

Last year, we joined General Atlantic (GA), becoming its sustainable infrastructure business. This partnership, which provides greater possibilities and solutions to our investors, reflects the ambition both firms have in their commitment to sustainability and the energy transition.

This report builds on last year's inaugural report, sharing an update on the progress we have made towards enhancing our portfolio's resilience to climate change. As always, our work continues, and we remain deeply committed to our mission: transforming infrastructure for a better tomorrow.

A handwritten signature in black ink that reads "Torbjorn Caesar".

**Torbjorn Caesar**  
Chairman and Senior Partner / Actis

# CONTENTS

|          |                               |                  |
|----------|-------------------------------|------------------|
| <b>1</b> | <b>Introduction</b>           | <b><u>2</u></b>  |
|          | About Actis                   | <u>3</u>         |
|          | TCFD Index                    | <u>6</u>         |
| <b>2</b> | <b>Governance</b>             | <b><u>7</u></b>  |
|          | 2.1 Board-level oversight     | <u>8</u>         |
|          | 2.2 Management oversight      | <u>10</u>        |
| <b>3</b> | <b>Strategy</b>               | <b><u>11</u></b> |
|          | 3.1 Climate scenario analysis | <u>13</u>        |
|          | 3.2 Climate change resilience | <u>20</u>        |
| <b>4</b> | <b>Risk management</b>        | <b><u>26</u></b> |
|          | 4.1 Managing climate risk     | <u>27</u>        |
| <b>5</b> | <b>Metrics and targets</b>    | <b><u>29</u></b> |
|          | 5.1 Climate impact metrics    | <u>30</u>        |
|          | 5.2 Targets                   | <u>36</u>        |
| <b>6</b> | <b>Looking ahead</b>          | <b><u>37</u></b> |



SECTION

1

INTRODUCTION

Nozomi Energy, Japan

# ABOUT ACTIS

Actis is a leading growth market investor in sustainable infrastructure. Actis invests in structural themes that aim to support long-term, equitable growth in defensive, critical infrastructure across energy transition, digitalisation transition, and supply chain transformation.

Actis believes that the firm's decades of global experience, operational know-how and strong culture allow it to create global sustainability leaders at scale. Actis is a signatory to the Principles for Responsible Investment (PRI), an investor initiative supported by the United Nations.

In October 2024, Actis joined General Atlantic,<sup>1</sup> a leading global growth investor, creating a diversified, global investment platform, with approximately \$108 billion in combined assets under management. Actis operates as General Atlantic's sustainable infrastructure business. This strategic combination further enhances Actis' focus as a leader in global sustainable infrastructure.

<sup>1</sup> General Atlantic is a leading global investor with more than four and a half decades of experience providing capital and strategic support to over 830 companies throughout its history. Established in 1980, General Atlantic continues to be a dedicated partner to visionary founders and investors seeking to build dynamic businesses and create long-term value. The firm leverages its patient capital, operational expertise, and global platform to support a diversified investment platform spanning Growth Equity, Credit, Climate, and Sustainable Infrastructure strategies. General Atlantic manages approximately \$108 billion in assets under management, inclusive of all strategies, as of 31 March 2025, with more than 900 professionals in 20 countries across five regions. For more information on General Atlantic, please visit: [www.generalatlantic.com](http://www.generalatlantic.com) and the General Atlantic TCFD Report.

70+

70+ year heritage

25

25GW total renewable energy installed capacity since inception

15.5

US\$15.5bn AUM

74

74 portfolio companies

4

4 investment strategies:  
Energy, Long Life Infrastructure, Real Estate, and Private Equity

200+

200+ exits

17

17 offices

You can learn more about Actis at [www.act.is](http://www.act.is)

## About this Report

Year ended 31 December 2024 is our second year of reporting in line with the TCFD recommendations. During this year, we have worked to evaluate and improve our alignment to the recommendations of the TCFD in accordance with UK Financial Conduct Authority (FCA) requirements Policy Statement PS21/24.

In 2024 we focused on continuous improvement of our governance and understanding of climate risks and opportunities and strengthening how this is managed within our investments.

This year's disclosure describes our approach to governing climate-related topics, implementation of the findings from scenario analysis, and broader discussions around risk management and metrics and targets used within our organisation. We are working towards embedding these into our business and using these results to inform decision-making.

## Scope

This statement covers Actis Holdings S.à.r.l. and its subsidiaries (together and unless the context otherwise indicates, "we" or "Actis"). Actis GP LLP and Actis UK Advisers Limited (AUKA) are authorised and regulated by the FCA, and carry on TCFD in-scope business (within the meaning of Chapter 2 of the FCA's Environmental, Social and Governance (ESG) sourcebook) comprising fund management and portfolio management respectively (collectively referred to as "FCA-regulated entities"). One of the purposes of this report is to allow the FCA-regulated entities to fulfil their climate-related reporting obligations under Chapter 2 of the FCA's ESG sourcebook.

This Report relates to the activities undertaken by Actis between 1 January 2024 and 31 December 2024, although at times it might reference activities or initiatives undertaken outside this time period including progress made during 2025 where relevant. The policies and practices referred to in this report are, unless otherwise stated, adopted on an Actis sub-group-wide basis and applied in the relevant jurisdictions in which it operates. The management of climate risks and opportunities within the FCA-regulated entities is wholly aligned with the wider Actis sub-group, except as indicated otherwise.

Unless otherwise stated, the information in the report relates to the investments within Actis portfolio during the reporting period, across Actis's four strategies: Energy, Long Life Infrastructure, Real Estate, and Private Equity.

Actis GP LLP and Actis UK Advisers Limited do not delegate any of their core management or advisory functions. Relevant delegations of authority are set out in [Figure 1](#).

This statement does not cover General Atlantic Service Company, L.P. or any of its subsidiaries including General Atlantic (UK) LLP (together, "General Atlantic"). Please see the General Atlantic TCFD Report [here](#).

## Statement of compliance

The disclosures in this report, including any third-party or group disclosures cross-referenced in it, comply with the relevant requirements set out in chapter 2 of the FCA's Environment, Social and Governance (ESG 2) sourcebook as at 24 June 2025.



**Shami Nissan**  
Partner and Head of Sustainability / Actis



**Nisha Raghavan**  
Partner and Chief Operating Officer / Actis

# TCFD INDEX

We have followed the recommended disclosures set out under the TCFD in preparing this report.

| GOVERNANCE  | STRATEGY  | RISK MANAGEMENT   | METRICS AND TARGETS  |
|---|---|---|--|
| <b>Pages 7–10</b>   | <b>Pages 11–25</b>  | <b>Pages 26–28</b>  | <b>Pages 29–36</b>   |
| Disclose the organisation's governance around climate-related risks and opportunities.  | Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.   | Disclose how the organisation identifies, assesses, and manages climate-related risks.  | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.  |
| <ul style="list-style-type: none"> <li>A) Describe the board's oversight of climate-related risks and opportunities.</li> <li>B) Describe management's role in assessing and managing climate-related risks and opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</li> <li>B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</li> <li>C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul> | <ul style="list-style-type: none"> <li>A) Describe the organisation's processes for identifying and assessing climate-related risks.</li> <li>B) Describe the organisation's processes for managing climate-related risks.</li> <li>C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</li> </ul> | <ul style="list-style-type: none"> <li>A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</li> <li>C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</li> </ul> |



SECTION

2

GOVERNANCE

## GOVERNANCE

### RECOMMENDED DISCLOSURES

Disclose the organisation's governance around climate-related risks and opportunities.

- A) Describe the board's oversight of climate-related risks and opportunities.
- B) Describe management's role in assessing and managing climate-related risks and opportunities.

# GOVERNANCE

Climate-related risks and opportunities are integrated into our investment approach. In this section we explain our governance framework and approach to climate risks and opportunities, which sits within our broader sustainability governance, including details on accountability and responsibilities at Actis, and within our investment portfolio.

## 2.1 BOARD-LEVEL OVERSIGHT

- **Executive Committee**

The Executive Committee (Exco) meets four times a year and is responsible for strategic planning and decision-making on behalf of Actis. Exco comprises Partners across Actis, including the Senior Partner and Chairman, Chief Investment Officer, Chief Operating Officer, and Fund Heads. More information can be found on our website [here](#). The Head of Sustainability reports on sustainability topics to Exco, ensuring that climate, alongside material sustainability issues, is considered in decision-making. Exco is supported in its sustainability responsibilities and operations by the Management Committee and the Risk Committee.

- **Risk Committee**

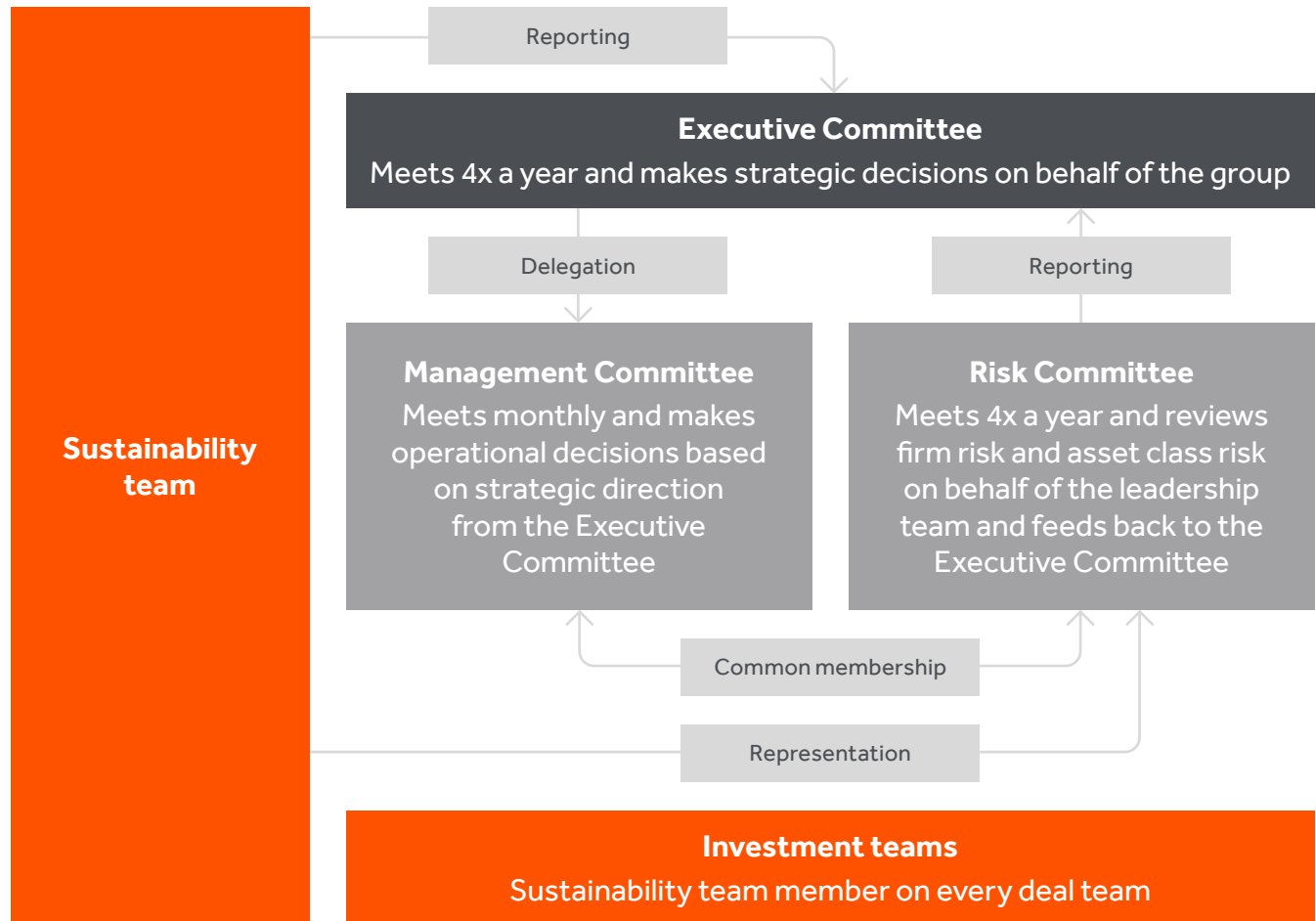
The Risk Committee typically meets four times a year and oversees how key risks are embedded in our risk management framework, at both Actis and fund levels. The Risk Committee is chaired by Actis General Counsel who is responsible for providing key updates after each Committee. A Sustainability Director is a member of the Risk Committee, providing a direct reporting line on behalf of the Sustainability team. The risk management report is a standing agenda item for the Risk Committee. This report covers a broad range of risks that Actis faces, including risks relating to climate change and other sustainability risks. This is described further in [Section 4](#).

• **Management Committee**

The Management Committee meets monthly and is responsible for making operational decisions based on strategic direction from Exco. This includes reviewing and opining on sustainability initiatives, such as those related to regulation, reporting, and strategy. In the context of climate, these have recently related to topics such as our carbon footprint approach and TCFD reporting.

Board-level oversight for AUKA consists of a separate board of directors which is responsible for strategic planning and decision-making on behalf of that entity.

**Figure 1: Actis sustainability governance structure**



## 2.2 MANAGEMENT OVERSIGHT

### 2.2.1 Actis

The Sustainability team, led by the Head of Sustainability, oversees the management of climate-related risks and opportunities across the investment process, portfolio management, and at strategic level for Actis. Senior accountability is established via direct reporting channels to Investment Committees, Fund Leadership, and deal Partners, described below, ensuring sufficient governance is assigned to oversee investments and strategy.

- **Investment process**

Investment approvals and recommendations are overseen by Investment Committees within AUKA comprising Actis Chief Investment Officer, Senior Partner, as well as other Partners within Fund Leadership. We have a disciplined approach to investment approval, applying Actis-wide standards, including those related to sustainability, to each stage of the investment process; origination, investment approval/recommendation (a three-stage process involving Screening, Preliminary, and Final Investment Committees), portfolio management, and exit. The Investment Committee is central to decision-making around these processes – being responsible for taking investment decisions for Actis Luxembourg funds and, in the case of UK funds, making recommendations for final consideration by the Investment Approval Committees of Actis GP LLP and Actis LLP, as applicable.

A member of the Sustainability team sits within the deal team for each investment that we consider, working collaboratively with investment professionals to evaluate climate risks and opportunities. Deal teams are led by deal Partners who sit within Funds. As a member of the deal team, the Sustainability team member attends Investment Committees to advise members on material sustainability considerations, including those related to climate.

- **Portfolio management**

Fund leadership together with the Head of Sustainability oversee sustainability performance of investments as well as progress against our decarbonisation targets, described further in [Section 3](#) and [Section 5](#), during quarterly reviews. Deal team members are ultimately accountable to Actis and Fund Leadership for the sustainability performance of portfolio companies.

During ownership, a member of the Sustainability team maintains their role as a member of the deal team, and leads on sustainability risk management, value creation, and impact. This includes ongoing engagement with portfolio company management on material topics, and is overseen by Deal partners and Board-level Sustainability Committees, where established. The Sustainability team also undertake an annual review of sustainability performance for each portfolio company, including collecting qualitative and quantitative sustainability Key Performance Indicators (KPIs). This data supports ongoing performance monitoring and is used to discharge regulatory and Fund-level reporting commitments on sustainability. More information on data and reporting is shared in [Section 5](#).

- **Strategy**

The Sustainability team leads strategic initiatives related to Actis' climate approach and strategy. The Head of Sustainability is accountable and reports to either the Executive Committee or Management Committee for key decisions. Topics include decarbonisation, transition planning, regulation, climate risk management, GHG emissions assessment, and metrics and reporting. We formed a Net Zero Steering Committee in 2021 to oversee our strategy on behalf of Exco. This was a cross-functional group, chaired by the Head of Sustainability and included further representatives from Sustainability, Investor Solutions, and Partners from Actis infrastructure investment strategies (Energy, Long Life, and Real Estate).

### 2.2.2 Portfolio companies

For each portfolio company, we seek to ensure that there is an appropriate senior hire with responsibility for sustainability. Whilst these roles are determined by and based on specific needs of each portfolio company, we may provide support during recruitment of roles, such as Head of Sustainability/Sustainability Director/Manager, to oversee sustainability matters including climate.

Sustainability personnel at portfolio companies typically provide updates to the Board, or a Board-level Sustainability Committee, on a quarterly basis. Updates and quarterly reporting relate to performance on material sustainability topics, of which climate change is a key aspect.

Further information on how sustainability is integrated into our Risk Management approach, both at investment and Actis level, is described in [Section 4](#).

# STRATEGY

SECTION

3

Yellow Door Energy, Middle East

## STRATEGY

### RECOMMENDED DISCLOSURES

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

- A) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
- B) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
- C) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

# STRATEGY

In line with our sustainable infrastructure focus, we consider climate-related risks and opportunities within our investment strategies. Decarbonisation and energy transition are significant, secular trends which present attractive investment opportunities across our strategies. Equally, there are risks associated with both physical climate change and the low-carbon transition that our investment strategies need to duly consider to avoid adverse impacts.

We consider these risks and opportunities when developing and evolving our fund strategies and value creation plans. For example:

### Energy infrastructure

Evaluating broader opportunities across the energy value chain such as energy efficiency, energy storage, and clean mobility, as well as other future energy technologies like green hydrogen, whilst continuing to invest in our core sectors.

### Long life infrastructure

Using scenario analysis to understand potential impacts to performance and resilience, reflective of our longer holding period for these assets. This information can then inform operational improvements, adaptation measures, and CapEx planning on decarbonisation interventions in the context of their relative payback period.

### Real estate and data centres

Implementing green design features and sourcing renewable or low-carbon power supply to optimise resource efficiency, reduce carbon emissions, and safeguard against energy price rise or carbon tax. Integrating such programmes as part of our strategy to maximise occupancy with blue chip tenants.

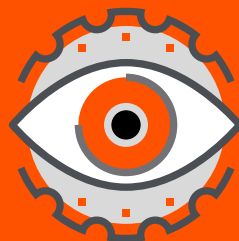
On a deal-by-deal basis, these are then considered in the context of the sector and the market.

## 3.1 CLIMATE SCENARIO ANALYSIS

### 3.1.1 Approach and methodology

We commissioned a third party to perform climate scenario analysis across our infrastructure portfolio in 2023/24. The methodology used seeks to align with the recommendations of the TCFD, including different scenarios and time horizons for both physical and transition risks and opportunities. The assessment combined a semi-quantitative and qualitative approach that followed a three-step process:

# 1



#### Identification

Relevant physical and transition risks and opportunities were identified. The physical items were identified using climate indicators while transition items were identified using internal and external databases for each sector considered.

# 2



#### Assessment

Each risk and opportunity was assessed to understand its impact on Actis sectors, and their evolution across three different time horizons and climate scenarios, as described in Table 1.

# 3



#### Impact

The risks were then evaluated to understand how they may impact the portfolio companies, relevant sectors, and, by extension, Actis. Qualitative impacts on portfolio companies were described in terms of CapEx, OpEx, and revenues.

The assessment was completed using portfolio information across Actis infrastructure funds as at Q3 2023.

For **physical risks**, asset-level analysis was completed using data taken from global climate models from the Intergovernmental Panel on Climate Change (IPCC). The EU Taxonomy classification for physical climate hazards, incorporating acute and chronic hazards, was used. Pre-defined risk thresholds were applied to hazards and sectors to determine classification of risks as high, medium, or low.

- **Acute hazards**

Acute hazards are event-driven climate shocks, including extreme weather events such as cyclones, droughts, or floods. They may lead to destructive impacts on infrastructure as well as on the regions and communities where assets are located.

- **Chronic hazards**

Chronic hazards correspond to long-term shifts in climate patterns that may cause continuous evolution in climate indicators such as sea level rise and water stress. They may lead to impacts such as reduced operational performance, increased maintenance, and changes to workforce productivity.

For **transition risks**, sectoral-level analysis was completed using scenarios from the Network for Greening the Financial System (NGFS) for risks and opportunities including policy initiatives, market shifts, technological changes and reputational risk. Risk and opportunity levels are primarily based on sectoral carbon intensity (i.e., the more carbon-intensive the sector, the higher the value), weighted to corresponding climate indicators in the NGFS scenarios to determine classification as high, medium, or low. The assessment identified and analysed the two most material risks and opportunities for each sector related to the following categories:

- **Policy initiatives**

Policy initiatives that may seek to promote or limit activities that contribute to the adverse effects of climate change, or initiatives that seek to promote adaptation to climate change (e.g. carbon pricing mechanisms).

- **Market shifts**

Market shifts that impact supply and demand for certain commodities, products, and services.

- **Technological changes**

Technological changes that bring about improvements or innovations that support the transition to a low-carbon, energy-efficient economic system.

- **Reputational risk**

Reputational perception associated with changing customer or community sentiments related to an organisation's contribution to, or detraction from, the transition to a low-carbon economy.

**Time horizons** assessed included baseline, medium-term, and long-term, outlined in [Table 1](#). For physical risks, the long-term horizon is 2050, whilst for transition risks and opportunities it is 2040. Due to inertia in climate change, physical impacts are expected to increase over time, whereas economic transformations associated with the low-carbon transition are less certain further into the future. Hence these timelines provide additional conservatism to the assessment. 2030 was selected to provide near-term indications of risks which provide greater certainty and therefore can be more informative in determining response measures. Baseline years were defined according to availability of data and to allow sufficient time between the baseline and 2030 to observe evolutions. For physical risks, the baseline year, 2000, reflects availability of climate data to establish a reference point and, as noted, relative inertia in climate data enables greater visibility of evolutions over longer timeframes.

This work complements our existing understanding of climate-related risks through our [Transition Tool](#), as well as asset-level physical climate risk screening undertaken during or post-due diligence. More information on this can be found in [Section 4](#).

We intend to update this analysis in the future to adjust for investments and divestments. As our portfolio has not materially changed since the initial analysis was undertaken last year, the findings remain relevant for this Report.

**Table 1: Climate scenario analysis methodology**

| PHYSICAL RISKS   |  | TRANSITION RISKS AND OPPORTUNITIES  |  |
|--|--|---|--|
| <b>Scope</b>   |  | <b>Scope</b>  |  |
| <ul style="list-style-type: none"> <li>• 225 unique asset locations.</li> <li>• Acute and chronic hazard indicators were computed at asset level, within a 25km radius.</li> </ul> |  | <ul style="list-style-type: none"> <li>• 10 sectors.</li> <li>• Transition risks and opportunities were identified at sector – and, where available, regional level.</li> </ul> |  |
| <b>Time horizons</b>   |  | <b>Time horizons</b>  |  |
| Baseline: 2000, Medium-term: 2030, Long-term: 2050   |  | Baseline: 2020, Medium-term: 2030, Long-term: 2040  |  |
| Scenario (IPCC)  | Interpretation   | Scenario (NGFS)   | Interpretation   |
| <b>“Hot House”</b><br>SSP5–8.5   | Worst case scenario, highest risk levels.<br>The SSP5–8.5 IPCC scenario is the most pessimistic scenario. Mid-century warming is projected to reach 1.9–3°C and end of the century warming 3.3–5.7°C.            | <b>“Nationally Determined Contribution”</b>   | Lowest transition risks, lowest opportunities.<br>This scenario includes all pledged policies even if not yet implemented. It is referred to as the “Business as Usual” scenario.  |
| <b>“Disorderly Transition”</b><br>SSP2–4.5   | Middle of the road scenario.<br>The SSP2–4.5 IPCC scenario is projected to lead to a mid-century warming of 1.6–2.5°C and end of the century warming of 2.1–3.5°C.   | <b>“Delayed Transition”</b>   | Low risk and opportunity until 2030, higher after.<br>This scenario assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. CO <sub>2</sub> removal is limited.                         |
| <b>“Orderly Transition”</b><br>SSP1–2.6  | Lowest risk levels.<br>The SSP1–2.6 IPCC scenario is an optimistic scenario regarding physical risks. It is projected to lead to a mid-century warming of 1.3–2.2°C and end of the century warming of 1.3–2.4°C. | <b>“Net Zero 2050” / “Orderly Transition”</b>   | Highest transition risks, highest opportunities.<br>This scenario is an ambitious scenario that limits global warming to 1.5°C by 2100 through stringent climate policies and innovation, reaching net zero CO <sub>2</sub> emissions by 2050. |

### 3.1.2 Summary results

#### PHYSICAL RISKS

Whilst climate hazards have been evaluated across a broad set of scenarios and time horizons, we have initially focused our physical risk analysis under an SSP 8.5 Hot House scenario for 2030. This approach was used to provide a conservative view of our risk exposure, noting SSP 8.5 is a pessimistic scenario and 2030 provides more certainty and therefore utility than longer-term horizons. Notably, as climate models reflect inherent uncertainty through variability, in 2030 there is also not a material divergence across climate indicators in the three IPCC global warming scenarios, therefore this scenario is considered to provide a reasonable view of the future.

Table 2 presents climate hazard analysis results across Actis sectors. Risk exposure is driven by presence, frequency, and intensity of the climate hazards, and also by the number of assets held within a given sector, meaning that the more assets within a given sector, the higher likelihood of high-risk exposure. Whilst Table 2 focuses on high level risks, medium and low-level risks were also identified in the analysis, not presented in this Report.

#### (i) Acute hazards

Under a Hot House scenario, by 2030, extreme heat is the most prevalent risk observed across all Actis funds. This is followed by flood, drought, wildfire, and tropical cyclones. South and Central America, Middle East and North Africa ( MENA), and Asia are the regions with greatest exposure to high risks. Risks identified across Funds have been consolidated at sector level, as presented in Table 2, and show that all sectors in which we invest are exposed to at least one high-risk climate hazard. Transmission and distribution and renewable power generation assets are exposed to the broadest range of hazards, partly driven by having a greater number of assets in these sectors.

In terms of risk evolution, extreme heat has the greatest increase in number of assets exposed between the baseline, 2030, and 2050 under all scenarios, followed by flood, landslides, and wildfire. Tropical cyclones are expected to increase in intensity and decrease in frequency in the regions our assets are exposed (Asia and North America). Whilst only a small percentage of our portfolio is exposed to this hazard (~3% of total assets), the potential impacts of such hazards can be significant. Other hazards show relatively few differences between scenarios and lower evolutions by 2050.

Potential impacts associated with these hazards include:

- Extreme heat could contribute to higher energy expenditure where cooling needs are required. This can also result in reduced revenues for assets with heat-sensitive equipment that may be damaged or operate less efficiently (e.g., solar photovoltaic (PV)). Extreme heat is likely to also affect the workforce, in particular with regard to health and safety, and may necessitate a rethink of shift patterns.
- Hazards with destructive effects – such as floods, tropical cyclones, landslides, and earthquakes – could require CapEx for repairs and restoration and/or cause business interruption that impacts revenues. These can also have potentially devastating consequences on local communities, therefore infrastructure design should consider how to avoid exacerbating such impacts should a climate event occur.

#### (ii) Chronic hazards

Under a Hot House scenario, by 2030, water stress is the most prevalent risk and is observed across most of our funds, followed by changing air temperature. The Americas, MENA, South Africa, and Asia are the regions with greatest exposure to high risks. Our portfolio exposure to water stress remains similar in terms of risk levels in all scenarios and time horizons for most funds, which is due to the risk exposure being high at baseline. Conversely, the risk of changing air temperature faces greater evolution across time horizons and scenarios.

Potential impacts associated with these hazards include:

- Water stress may lead to potential business interruption for assets such as CCGT gas assets or data centres that rely on water as part of their processes. It could also result in higher costs for water-based cleaning processes, such as cleaning solar PV panels.
- Water stress may also impact local communities; if water resources are shared, business operations could place additional stress on people local to assets both for their own needs but also their livelihoods.
- Assets facing higher average air temperature may be impacted by higher OpEx associated with cooling costs, particularly affecting commercial real estate, logistics, and district cooling. Impacts associated with this hazard are expected to be less material than for water stress.

The methodology looked at physical risks at a regional level (within a 25km radius of the location of our assets). Further analysis at the asset level is needed to enrich these results so that potential impacts and required resilience can be quantified in financial terms. As noted in Section 4, we advise portfolio companies to mitigate material climate risks identified through implementing physical resilience measures. The output of the assessment will be used to complement these existing practices. Portfolio resilience actions are discussed further in Section 3.2.

**Table 2: Portfolio sector exposure to high risks of acute and chronic climate hazards under the SSP5–8.5 Hot House scenario by 2030**

| Risk type | Hazard                          | Power generation: Renewables | Power generation: Gas | Logistics & warehousing | Real estate: General | District cooling | Transmission & distribution | Data centres | Toll roads |
|-----------|---------------------------------|------------------------------|-----------------------|-------------------------|----------------------|------------------|-----------------------------|--------------|------------|
| Acute     | Extreme heat                    | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Flood                           | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Drought                         | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Wildfire                        | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Tropical cyclone                | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Earthquake                      | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Storm                           | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Landslide                       | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
| Chronic   | Water stress                    | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Changing air temperature        | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|           | Changing precipitation patterns | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |

● At least one asset exposed to high physical risk ● No assets exposed to high physical risk

## TRANSITION RISKS AND OPPORTUNITIES

Our sustainable infrastructure approach, supported by the [Actis Transition Tool](#), directs us to invest in assets that are or can be aligned to a low-carbon economy. Nonetheless, our portfolio still faces transition risks and opportunities which vary based on the scenarios and time horizons assessed. Whilst risks have been evaluated across all scenarios and time horizons, we have initially focused our analysis on transition risks and opportunities under a Net Zero 2050 or Orderly Transition scenario for 2030. This approach was used to provide a conservative view of our risk exposure, noting Net Zero 2050 assumes the most optimistic scenario for the low-carbon transition, and 2030 provides more certainty and therefore utility than longer-term horizons. Comparatively, under the Disorderly Transition scenario, most risks and opportunities only show a notable increase in risk levels after 2030, therefore presenting lower risk in the near term due to the reduced pace of the transition associated with this scenario.

[Table 3](#) presents these results across Actis infrastructure sectors. The analysis focused on the most material transition risks and opportunities at a sector level, as described in [Section 3.1.1](#).

### (i) Risks

Under an Orderly Transition scenario, by 2030, the top four transition risks across our portfolio are: increased carbon pricing; regulation on energy efficiency and certification; increased energy/electricity prices; and the cost to transition to lower-emission alternatives. Carbon-intensive sectors such as natural gas generation, data centres, toll roads, and real estate face greater exposure to these risks. Transition risks increase from the baseline across all time horizons under the Orderly Transition and Disorderly Transition scenarios.

Potential impacts associated with these risks include:

- Increased carbon pricing and energy/electricity prices may lead to higher OpEx. For example, data centres and natural gas generation assets may face higher tariffs from energy providers to compensate for their own exposure to higher carbon costs, as well as potential energy/carbon taxes. To the extent that these can be passed on to customers (i.e., data centre tenants), this may still impact businesses through reducing competitiveness relative to lower-carbon alternatives.
- More stringent regulation on energy efficiency may require future CapEx for renovations and adaptation of assets for improved climate/energy performance. This has greater impact on sectors with higher energy consumption, such as data centres, real estate, and district cooling. Similarly, costs may be expected to upgrade equipment to low-carbon/carbon-free alternatives through regulation, changing customer preferences, or higher energy prices, also leading to additional CapEx.

### (ii) Opportunities

Under an Orderly Transition scenario, by 2030, the top four transition opportunities across our portfolio are: development of low-emission goods and services; use of lower-emission sources of energy; market shift in customers' preferences; and access to new markets. Both the use of lower-emission sources of energy and access to new markets are amongst the opportunities with the greatest differences in levels (low, medium, high), depending on the scenarios and time horizons. This is partly due to the significant differences in low-carbon investments, depending on the level of ambition driving the transition (i.e., scenarios). Transition opportunities can increase significantly between the baseline, 2030, and 2040 under the Orderly Transition and Disorderly Transition scenarios.

Potential impacts associated with these opportunities include:

- The development of low-emission goods and services may lead to higher revenues for businesses able to engage in lower-carbon transformations, for example renewable power generation companies may be able to access new markets or customers given the important role they play in decarbonisation.
- Using low-emission sources of energy and increasing energy efficiency could lower OpEx through reduced exposure to energy prices and potential carbon taxes. This particularly benefits sectors that are higher energy consumers, such as data centres, district cooling, and real estate, and we are actively considering these across our real estate and data centre sustainability strategies, as well as in our ongoing engagement with our portfolio where these sectors are a focus.
- Shifts in customer preferences can increase demand for low-carbon, energy-efficient solutions. Sectors, such as real estate and data centres, that can develop strategies to offer strong energy and climate performance, would be well positioned to capture market share and higher revenues.

**Table 3: Portfolio sector exposure to high transition risks and opportunities, under the Net Zero 2050 scenario**

| Category    | Type       | Risk or opportunity   | Power generation: Renewables | Power generation: Gas | Logistics & warehousing | Real estate: General | District cooling | Transmission & distribution | Data centres | Toll roads |
|-------------|------------|---|------------------------------|-----------------------|-------------------------|----------------------|------------------|-----------------------------|--------------|------------|
| Risk        | Policy     | Increased pricing of GHG emissions                              | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Regulation on energy efficiency & certification                 | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             | Market     | Financial risks related to asset impairment                     | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Shift in customers' preferences                                 | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Cost to transition to lower-emission alternatives               | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Increased energy/electricity price                              | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
| Opportunity | Market     | Access to broader investment markets                            | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Shift in customers' preferences                                 | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Development and/or expansion of low-emission goods and services | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Access to new markets   | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             | Technology | Use of lower-emission sources of energy                         | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |
|             |            | Promote more efficient buildings and operations                 | ●                            | ●                     | ●                       | ●                    | ●                | ●                           | ●            | ●          |

● Sector is exposed to high transition risk ● Sector benefits from significant transition opportunity ● Sector is not exposed to high transition risk or opportunity

## 3.2 CLIMATE CHANGE RESILIENCE

### 3.2.1 The resilience of our strategy

The results of our climate scenario analysis, as presented in [Section 3.1.2](#), infer the following regarding our portfolio's resilience to climate-related risks and opportunities:

- In a conservative scenario, whilst high risks were identified for both physical and transition risks, overall, the results showed that our portfolio is resilient, notwithstanding that some sectors present greater exposure than others.
- There is more exposure, in aggregate, to physical risks than transition risks. Overall, there is limited high-risk exposure to transition-related risks, demonstrating the resilience of our investment strategies for infrastructure, and the utility of the Actis Transition Tool, as described in [Section 3](#) and [Section 3.2.3](#).
- For physical risks, there is greater exposure in certain sectors, such as renewables and transmission and distribution, partly driven by the higher number of assets in these sectors. Trends can be observed across sectors and hazards, which we are using to inform improved risk management.
- Several transition-related opportunities exist across our sectors which align with how we have approached value creation initiatives in our investments; notably "use of lower-carbon fuel sources" is consistent with how we build resilience through transition planning, as described in [Section 3.2.4](#).

We undertake the following actions to maintain and strengthen the resilience of our portfolio:

#### PHYSICAL RISKS

- Assessing risks during due diligence and completing enhanced due diligence where material risks exist (see [Section 4](#)).
- Considering natural hazard exposure in asset design for greenfield projects and adaptation for brownfield assets.
- Engaging portfolio companies to analyse exposure to climate hazards and implement adaptation and resilience measures for material risks (see [Section 3.2.2](#)).

#### TRANSITION RISKS

- Evaluating transition-related risks and opportunities at the sector- and regional-level during due diligence and asset management through the Actis Transition Tool (see [Section 3.2.3](#)), and considering the implications of such trends on our investment strategies more broadly.
- Identifying value-accretive opportunities within our portfolio for transition-alignment and/or decarbonisation strategies (see [Section 3.2.4](#)).



In a conservative scenario, whilst high risks were identified for both physical and transition risks, overall, the results showed that **our portfolio is resilient**, notwithstanding that some sectors present greater exposure than others.

### 3.2.2 Strengthening our resilience to physical risks

Natural hazard resilience planning is essential for infrastructure given:

- i. its inherent exposure to natural hazards and long-term nature of infrastructure investments;
- ii. contracted revenues linked to asset availability and performance;
- iii. the potential for destructive events to damage infrastructure, potentially also harming the surrounding environment and/or communities; and
- iv. relevance to asset insurance as, in certain instances, mitigation/adaptation to natural hazard risks can optimise insurability and the cost of insurance or reinsurance.

During 2024, we sought to use the scenario analysis results to enhance management of climate risk and opportunity through the following activities:

#### CAPACITY BUILDING

- Actis Sustainability team led internal business-level workshops for Fund leadership, Investment teams, and Operations Teams, to engage on the findings of the scenario analysis.
- Actis Sustainability Team held a three-hour Physical Climate Risk and Resilience workshop for portfolio company Sustainability Heads at Actis' annual Energy and Infrastructure Portfolio Offsite (held in-person).

#### PORTFOLIO ENGAGEMENT

##### Energy and Long Life Infrastructure

- Scenario analysis results were shared with portfolio companies, detailing asset-level hazard exposure and risk levels. Actis developed guidance for next steps that portfolio companies could consider, such as commissioning further in-depth analysis for those exposed to highest risks.
- Discussions were prioritised based on risk exposure and potential vulnerability, convening multi-disciplinary teams (Operations, Commercial, Sustainability) to assess vulnerability, financial implications, calibrate net risk, and to identify adaptation measures. IRR implications of adaptation measures have been assessed to determine cost/benefit of implementation.
- Several of our companies have assessed the effectiveness of their resiliency measures to determine whether their assets are sufficiently adapted. Some are undertaking further analysis with support from third-party technical advisors, with a focus on identifying resiliency options, quantifying costs/benefits and determining payback times.

##### Real Estate

- Our Asia Real Estate strategy invests in greenfield development projects. Climate resilience is assessed and incorporated at the design phase. We also seek sustainability certification (such as LEED Gold/Silver, IGBC, etc.) for each asset, meaning that resource efficiency (e.g. low-carbon power supply, building materials, and water efficiency) is embedded in asset design. This provides resilience to physical- and transition-related climate risks such as carbon tax, energy pricing, and natural resource availability.
- We have commissioned physical climate risk and resilience assessments, focusing on assets with high natural hazard exposure, which recommend actions to improve asset resilience. For example, technical asset adaptation measures to mitigate risks, exploring opportunities to reduce OpEx through natural resource management (such as rainwater harvesting), and capturing potential financial impacts.



Mangrove restoration/plantation project at Bridgin



Retention pond at Nozomi



Cooling systems at Emicool

#### ADAPTATION AND RESILIENCE IN OUR PORTFOLIO

- **Bridgin, Gas Generation platform in Bangladesh**

A climate resilience and adaptation plan has been implemented based on detailed flood risk analysis. The site elevation provides resilience against tsunami and coastal inundation. Furthermore, a small-scale pilot project of coastal mangrove planting has commenced to create additional nature-based barriers to limit inundation. See [case study](#) for further detail.

- **Serena, Renewable Energy platform in Brazil**

Implemented a multi-year wildfire detection and prevention programme, including a fire detection system using satellite sensors to spot fires and issue instant visual alerts via WhatsApp. In addition, Serena has used firebreaks and vegetation suppression to minimise fire risk, and has provided training for local fire brigades and communities.

- **Nozomi, Renewable Energy platform in Japan**

Nozomi's solar PV sites have stormwater drainage systems for mitigating landslide risk (a common hazard in Japan), exacerbated during heavy rains, typhoons and undulating topography. Channels and retention ponds collect water, preventing excess being absorbed into the soil during periods of heavy rainfall, which can result in destabilisation. In some instances, these systems also provide resilience to surrounding communities against landslide risk, and thus become an important factor in the social licence.

- As with the Nozomi example, climate adaptation can feature as a dimension of community investment strategies for our portfolio companies, recognising that our investments can be in regions with climate risk exposure and/or vulnerability. We have supported initiatives such as upgrading cyclone shelters, piloting mangrove restoration, and providing access to clean drinking water.

- **Emicool, District Cooling in Dubai**

Many of the sectors in which we invest can directly contribute to climate adaptation at a system level. For example, Emicool provides centralised, district cooling to customers in the United Arab Emirates (UAE). Centralised cooling systems are more energy-efficient and therefore less carbon-intensive than conventional, on-site systems. Cooling demand is high in the UAE for much of the year due to extreme temperatures, meaning cooling can be deemed essential infrastructure.

## Case study

# Climate resilience in Bangladesh at Bhola

Bhola is a 220MW Combined Cycle Gas Power Plant located in Bangladesh, part of the Bridgin Power Platform set up under the Actis Energy 5 portfolio to enable energy transition in Asia. Bangladesh is considered vulnerable to physical climate change, with significant risk of coastal inundation as the majority of the country sits below sea level, in addition to other climate hazards such as cyclones and floods.

Bridgin worked with expert advisors to assess these risks and develop a mitigation plan. A Climate Change and Flood Risk Assessment was commissioned, modelled against baseline, mid-century, and end-century time horizons under a Hot House scenario (IPCC RCP 8.5), using data from the World Climate Research Programme (WCRP) Coupled Model Intercomparison Project Phase 5 (CMIP5) and local sources to project impacts from rainfall, discharge, and sea level patterns. Technical adaptive measures to improve plant resilience to material risks were evaluated, for example establishing an elevation sufficient to withstand sea level rise, upgrading stormwater drainage infrastructure, and reinforcing canal embankments.

Bridgin also embarked on a pilot programme for mangrove restoration/plantation – One hundred seedlings have been planted, and they are growing well. An expansion of the project is in progress for 2025. Mangroves reduce waves and storm surges and serve as a first line of defence against flooding and erosion. There are further potential sustainability benefits such as local nature-based carbon removal, enhancing biodiversity, and boosting fish stocks for local fishermen.

Bridgin is further developing a community flood resilience plan involving youth education and infrastructure development:

- Educational initiatives including first aid, evacuation and safety knowledge during flood, sanitation and drinking water awareness training have been completed in 2024. Planned educational initiatives for 2025 include flood preparedness, response and recovery evacuation training, and environmental management.
- Installation of safe water in shelters was completed. Collaboration with local stakeholders on emergency food supply chains and social inclusiveness during 2025.

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### 3.2.3 Identifying and managing transition risks in our investment process through the Actis Transition Tool

In 2021, we worked with Systemiq to develop the Actis Transition Tool. The Tool evaluates transition risks at the sub-sectoral level, using scientific pathways for net zero by 2050 such as the International Energy Agency and Bloomberg New Energy Finance. Assets are classified according to their alignment to the net zero transition, as illustrated in [Table 4](#).

We use the Transition Tool systematically during due diligence on all “Olive” and “Smart Olive” investments, to ensure that our strategies and decisions reflect relevant transition-related risks and can therefore be better positioned for risk management and value creation opportunities associated with the low-carbon transition. For more information, watch the explainer video [here](#). Physical climate risks are also considered during our due diligence, as described in [Section 4](#).

See also [Section 2.2.1](#) on how sustainability considerations (including climate-related risks and opportunities) are identified as part of our investment process, and [Section 4.1](#) for details of how risks are identified during due diligence.

### 3.2.4 Transition alignment

Our net zero commitments (detailed in [Section 5](#)) contribute to building resilience to transition risks within our portfolio. We believe that transition-aligned assets are increasingly attractive to sophisticated financial and strategic buyers, which now commonly evaluate commercial risks and costs associated with the low-carbon transition. These can relate to implementing decarbonisation or adaptation measures that might be needed to build climate resilience into investments but can also be presented through more complex challenges that require fundamental rethinking of the business model and strategy to ensure long-term sustainability and profitability.

A number of portfolio companies are working to develop decarbonisation/transition plans, which would typically comprise the following:

1. Scope 1 and 2 GHG emissions assessment, with optional screening for material Scope 3 emissions, for baseline and forecasted emissions per business as usual growth.
2. Analysis of emissions trajectory against science-based pathway.
3. Costed decarbonisation interventions, as available, considering the relative marginal abatement opportunities.
4. Oversight by Sustainability Committee and sign-off by the Board for inclusion in the business plan.

**Table 4: Actis Transition Tool classification**

| Transition Tool classification | Transition alignment   | Example sector(s) and transition thesis   |
|--------------------------------|--|---|
| <b>Green</b>                   | Aligned with a net zero economy.   | Renewables, battery energy storage systems (BESS), and transmission and distribution that are critical to a net zero energy system.   |
| <b>Smart Olive</b>             | Assets with high transition opportunity, which are not currently aligned to net zero, but can be transitioned as part of the value case. | Data centre that can be switched to a renewable power supply and/or improve its resource/power efficiency.  |
| <b>Olive</b>                   | Assets with lower transition opportunity, which are not aligned to net zero, but have a role in the transition.                          | Natural gas generation that cannot be aligned to a net zero energy system but provides critical infrastructure in the near term to enable energy access, security, and penetration of renewables. |
| <b>Grey</b>                    | Assets that are misaligned and will not have a role in a net zero economy.   | Oil. We will not invest in these sectors.   |



## Case study

### Creating value through decarbonisation planning at Rack Centre

Rack Centre is a carrier neutral data centre operator located in Nigeria, invested from Actis Africa Real Estate Fund III. An existing 750kW facility was acquired at Rack Centre powered by diesel generation. Under Actis ownership we more than doubled IT capacity to 3.5MW and total facility power to 3.7MW, simultaneously undertaking feasibility assessment of a variety of decarbonisation options including switching to gas-powered generators, addition of on-site renewables, and utilising grid power.

We identified gas-powered generators as the preferred option to provide alternative, lower-carbon power, based on commercial and technical feasibility. Having switched the power source to gas, annual carbon emissions reductions are exceeding 20% and deliver material OpEx savings.

Rack Centre was also the first data centre in Europe and MENA to achieve design sustainability certification from IFC EDGE for resource efficiency measures. These included specifications for low-carbon building materials as well as energy-efficiency measures such as LED lighting, heat recovery, light reflection, and smart monitoring, which equally can reduce carbon and OpEx.



[www.rack-centre.com](http://www.rack-centre.com)

# RISK MANAGEMENT

SECTION

4

## RISK MANAGEMENT

### RECOMMENDED DISCLOSURES

Disclose how the organisation identifies, assesses, and manages climate-related risks.

- A) Describe the organisation's processes for identifying and assessing climate-related risks.
- B) Describe the organisation's processes for managing climate-related risks.
- C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

# RISK MANAGEMENT

Climate-related risks are integrated into our risk management framework for Actis and our investments. This forms an integral part of our efforts towards effective governance, as well as how we build and sustain value in our investment decision-making and portfolio management.

## 4.1 MANAGING CLIMATE RISK

### 4.1.1 Risk identification and oversight

As described in [Section 2](#), the Risk Committee is responsible for overseeing Actis- and investment-level risk on behalf of Exco. The Sustainability team identify and assess sustainability risks generally, and climate change related risks specifically. The highest priority risks are tabled for discussion at Risk Committee. In relation to climate, risks considered by Risk Committee will encompass physical and transition risk and how they may impact our investment strategies and/or portfolio, as well as the Actis' competitive positioning and ambitions on strategic topics such as decarbonisation, regulation, and reporting.

### 4.1.2 Managing climate risk in our investments

Sustainability and climate-related considerations are incorporated throughout our investment cycle, from origination to exit.

#### INVESTMENT APPROVAL

As described in [Section 2](#), sustainability is integrated into our investment approval process:

- **Screening**  
New investments are screened for alignment with our sustainable infrastructure mission and against our Sustainability Policy, included here: [Actis Sustainability Policy](#). Climate-related risks are identified at this stage through desktop review by the Sustainability team and key considerations are reported at the Screening of our investment process.

- **Due Diligence**

Subject to Investment Committee approval, we work with external advisors to undertake sustainability due diligence, including assessment of physical and transition climate risks. For transition risks, we use the Actis Transition Tool, described in [Section 3.2.3](#), to evaluate the alignment of investments to a low-carbon economy.

Where risks are material, complex, or necessitate further analysis, we commission more comprehensive climate change risk assessments. Aspects likely to adversely affect investment performance are assessed pre-investment decision so that costs (such as those related to climate mitigation or adaptation measures) can be incorporated into valuations. Examples of triggers for enhanced due diligence on physical risks include assets that have experienced destructive climate-related events or where investment performance (such as energy generation) could be significantly impacted by climate change. Key findings from the due diligence assessment, as well as results from the Transition Tool, are communicated to deal teams and deal Partners. These are summarised in Investment Committee papers, with mitigating actions defined for risks, and presented during Preliminary and Final Investment Committees, respectively.

## PORTFOLIO MANAGEMENT

Following acquisition, as per our stated process, we continue to monitor material climate-related risks for each investment. Based on the results of the due diligence, we include specific climate change actions either in the post-investment 100-day plan or the environmental and social action plans. These describe and prioritise actions to address findings and to progress alignment with applicable international standards, such as International Finance Corporate Performance Standards 1–8. Direct and indirect aspects that are less material, yet can serve to maximise business continuity, are assessed during the ownership phase to strengthen the resilience of the business over time. This could include decarbonisation or adaptation measures, as described in [Section 3.2](#), that can contribute to operational or financial performance, or provide community benefits, but address lower priority risks.

As described in [Section 2](#), the Sustainability team and investment professionals work together to ensure that the portfolio company's management team implement and oversee the identified actions as well as respond to risks as they present or evolve (for example, one-off destructive climate events). This includes identifying and scoping assessments on climate change risks, considering existing work or results from due diligence and based on materiality of risks. Actions can vary from CapEx investments and operational and technical improvements to strategic transition planning for the business. In addition, we ensure portfolio company management systems and procedures incorporate climate change risks, for example via an Environmental Social Management System or similar. Governance is as per [Section 2](#), and measurement and reporting are as per [Section 5](#).

## EXIT

Our Sustainability team facilitates exit by screening potential buyers for sustainability considerations, signing off on any outstanding risks through an exit checklist, commissioning vendor due diligence, public reporting, and/or advising the portfolio company on any material risks that could impact exit. Where material climate risks or opportunities exist, we seek to demonstrate understanding and management of these, including key initiatives implemented to date and how they have impacted the business, governance arrangements, performance, residual risks and mitigation plans, and (as applicable) overall alignment with the equity story.

As mentioned earlier, we measure and monitor key climate-related metrics, and these are utilised to support the exit process by sharing emissions avoidance or reduction, improved asset performance, or revenue uplift (e.g. from carbon credits or renewable energy certificates).

## EDUCATION AND TRAINING

Building capacity enables us to collectively make more informed decisions towards a common objective of achieving strong sustainability performance alongside financial returns. The Sustainability team plays an important role in ensuring that key stakeholders, such as Actis leadership, investment professionals, Investor Solutions, and portfolio company management, are provided with training, engagement, and capacity building on relevant sustainability issues. Guidance materials are developed in-house by the Sustainability Team, as well as sharing external good practice sources. These are collated onto our best practices portal, accessible to our portfolio companies.

See [Section 3.2.2](#) for information on climate-related capability building activities that Actis held in 2024.



SECTION

5

METRICS AND  
TARGETS

## METRICS AND TARGETS

### RECOMMENDED DISCLOSURES

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- A) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.
- C) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

# METRICS AND TARGETS

Climate metrics and targets underpin our strategic priorities to contribute to climate solutions and decarbonise our portfolio over time. We track our performance through ongoing monitoring and review and are focused on establishing robust data measurement and reporting practices across our businesses.

## 5.1 CLIMATE METRICS

### MEASURING AND MONITORING PERFORMANCE

In 2024 we implemented a carbon footprint software tool to manage data and measure the emissions from our corporate operations, and attributable emissions from our investment portfolio. We anticipate some variability in data compared to prior reporting periods following the migration to a new platform. The implementation of the platform provided an opportunity for upskilling in carbon accounting, building capacity for Actis corporate operations data owners. Other technological advancements during 2024 include the development of a Power BI-enabled dashboard for monitoring progress against Actis' climate commitments.

Metrics and progress against key initiatives (such as decarbonisation) are measured and reported quarterly and annually through different channels, described further in [Section 2](#). We use a sustainability data software platform for collecting and managing portfolio data. KPIs were developed for use across our portfolio, based on sustainability reporting standards including The Global Reporting Initiative (GRI), Partnership for Carbon Accounting for Financials (PCAF) and The Greenhouse Gas Protocol Corporate Standard (GHG Protocol), as well as relevant regulations such as the Sustainable Finance Disclosure Regulation.

Climate metrics and targets for different investments include both standard and bespoke KPIs and therefore vary. Examples include: GHG emissions, emissions intensity, emissions reductions/or savings, emissions avoided, and revenues generated from Carbon Credits and Renewable Energy Certificates. Where possible, these are linked to financial indicators, for example OpEx savings from carbon emission reductions. Actis does not use an internal carbon price.

Climate metrics and targets can be indirectly linked to remuneration both for Actis sub-group and its portfolio companies through respective performance-based bonus schemes. These often include sustainability-linked performance targets which can be linked to climate-related initiatives.

Climate metrics presented in this section are for the Actis sub-group, including the FCA-regulated entities.

### ESG Data Convergence Initiative (EDCI)

Actis joined the EDCI and has reported since 2022. The initiative promotes harmonisation of sustainability reporting metrics in the private equity industry. Actis aligned its climate-related metrics with EDCI. Metrics include GHG emissions performance; asset and fund information provided to EDCI facilitates their generation of benchmarks.

### 5.1.1 GHG emissions

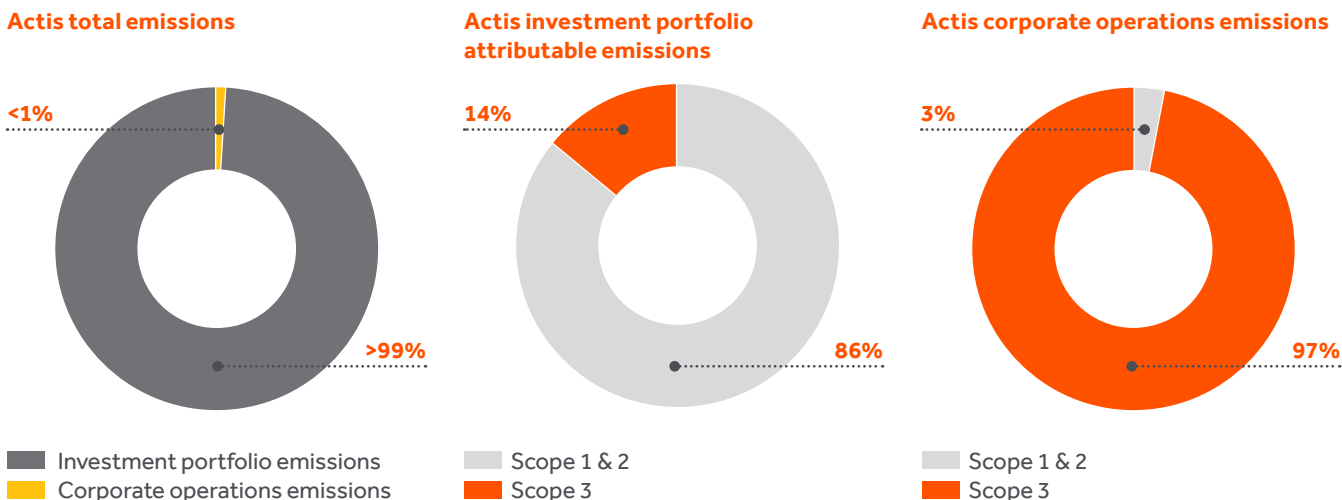
We calculate our total GHG emissions on an annual basis. These are summarised in [Table 5](#) and [Table 6](#), and [Figures 2, 3, and 4](#). The assessments cover Actis corporate operations (see [Table 6](#)) and all of Actis investment portfolio (Scope 3, Category 15, see [Table 5](#)). Per the PCAF methodology, Actis portfolio emissions are reported for our attribution of GHG emissions based on the equity and debt held in the investments, representing our financed emissions.

The data used to calculate our GHG emissions is source-level data from Actis offices and portfolio companies, and where this is not available, estimations are derived following the GHG Protocol and PCAF methodologies. The weighted data quality score for both the investment portfolio and corporate operations assessments has improved yearly, reducing the use of estimations.

KPIs for Actis investment portfolio include:

- attributable absolute emissions (Scope 1, 2, and 3) at the asset fund, and portfolio level (tCO<sub>2</sub>e);
- attributable emissions intensity (Scope 1 and 2) at the asset, fund, and portfolio level (tCO<sub>2</sub>/\$m invested);
- weighted average carbon intensity (WACI) (Scope 1 and 2) at the asset and fund level (tCO<sub>2</sub>e/\$m revenue).

Figure 2: Actis total GHG emissions – breakdown by type and Scope



**Investment portfolio emissions**

The investment portfolio GHG emissions assessment comprises Scope 1, 2, and 3 emissions of portfolio companies. These form the most significant contributor to Actis overall emissions, accounting for over 99% of Actis total emissions (see Figure 2). In 2024, the largest variant in attributable emissions from our investment portfolio year-on-year was Scope 3. This is a common challenge due to the complexity of tracking and estimating emissions across the entire value chain of portfolio companies, less established calculation methodologies, and variations in reported emissions categories as methodologies are refined.

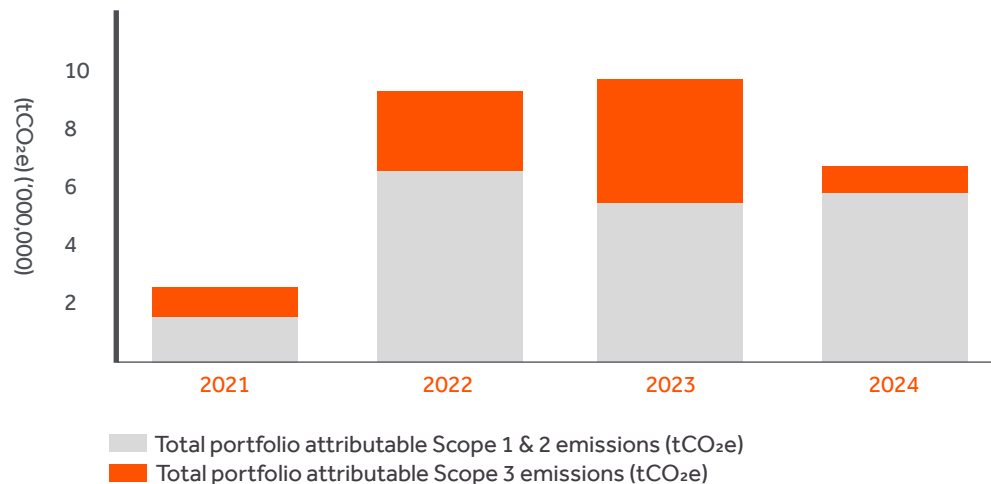
We look to improve data quality for our investment portfolio through engaging portfolio companies to complete bottom-up GHG assessments based on source-level data. Our coverage of bottom-up assessments across the portfolio improved this year as almost half of portfolio companies undertook individual assessments. The increase in reported emission assessments from our portfolio companies contributed to an overall reduction in our investment portfolio attributable emissions. This is expected when moving away from estimations-based methodologies, which often use conservative proxies.

We seek to improve the GHG intensity of our portfolio year-on-year. The work being undertaken by our portfolio companies on decarbonisation, in line with our targets (as described in Section 3.2.4, and further in this section) incorporates emissions reductions and/or low-carbon growth in line with a net zero 2050 pathway. Decarbonisation/transition planning undertaken by portfolio companies during 2024 covered over 60% of our total investment portfolio attributable emissions.

**Table 5: Actis investment portfolio attributable emissions**

| Investment portfolio (tCO <sub>2</sub> e)                               | 2021      | 2022      | 2023      | 2024      |
|---|-----------|-----------|-----------|-----------|
| Total portfolio attributable Scope 1 & 2 emissions                      | 1,571,818 | 6,523,547 | 5,412,472 | 5,769,839 |
| Total portfolio attributable Scope 3 emissions                          | 1,894,963 | 2,698,390 | 4,221,666 | 908,108   |
| Total portfolio attributable emissions                                  | 3,466,781 | 9,221,937 | 9,634,137 | 6,677,947 |
| Total portfolio intensity Scope 1 & 2 (tCO <sub>2</sub> e/\$m invested) | 295       | 1,271     | 1,127     | 413       |

**Figure 3: Actis investment portfolio attributable emissions 2021–2024**



**Corporate operations emissions**

Actis has measured its emissions from corporate operations annually since 2019. There was a substantial decline in our emissions, particularly Scope 3, during 2020 and 2021 due to reduced office activity and travel during the Covid-19 pandemic. Our emissions have since returned to expected levels consistent with the baseline of 2019.

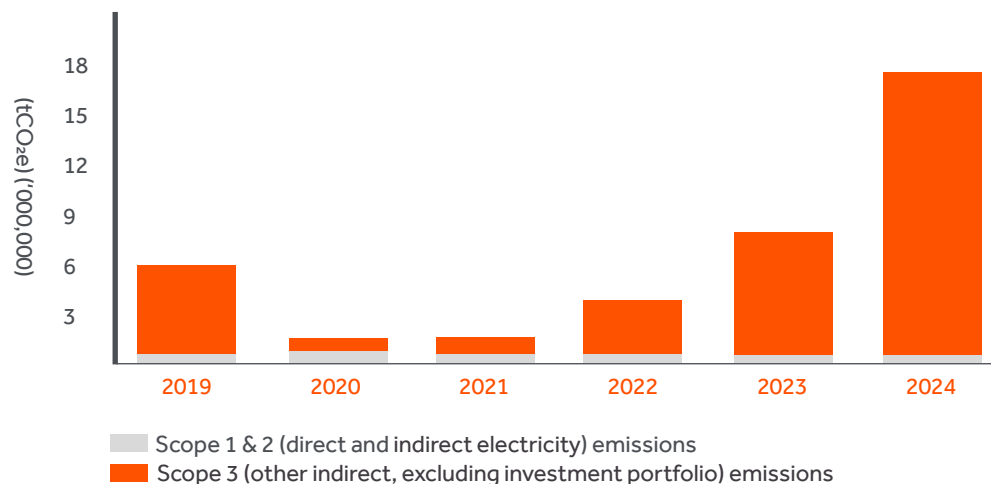
In 2024, we observed a material increase in our corporate operations emissions, driven by improvements to our methodology as we increased the coverage of Scope 3 categories, to include all Purchased Goods and Services. Scope 1 emissions reduced by more than half, year-on-year, driven by improved data quality as our system has matured.

We look to improve the intensity of emissions from our corporate operations. When establishing or relocating an Actis office, it is our policy, where possible, to select energy-efficient certified buildings and office refurbishments that have a core objective of reuse and energy efficiency.

**Table 6: Actis corporate operations emissions**

| GHG emissions – Corporate operations (tCO <sub>2</sub> e)          |                | 2019  | 2020  | 2021  | 2022  | 2023  | 2024   |
|--|----------------|-------|-------|-------|-------|-------|--------|
| Scope 1 (direct) emissions   |                | 74    | 198   | 108   | 165   | 137   | 57     |
| Scope 2 (indirect electricity) emissions                           | Location-based | 451   | 538   | 438   | 420   | 377   | 475    |
|  | Market-based   | 475   | 569   | 432   | 394   | 341   | 426    |
| Scope 3 (other indirect, excluding investment portfolio) emissions |                | 5,271 | 725   | 1,011 | 3,190 | 7,289 | 16,847 |
| Total corporate operations emissions                               | Location-based | 5,796 | 1,461 | 1,557 | 3,775 | 7,803 | 17,379 |
|  | Market-based   | 5,819 | 1,492 | 1,552 | 3,748 | 7,767 | 17,330 |

**Figure 4: Actis Corporate operations emissions 2019–2024**



## Case study

### Decarbonisation at Serena

Serena has an operating portfolio of approximately 2,800 MW of wind, solar, and hydropower assets located in Brazil and the United States. In 2023, Serena's Board approved a Decarbonisation Plan.

By 2024, Serena have achieved a 77% reduction in Scope 1 emissions and a 42% reduction in Scope 2 emissions, compared to a 2021 baseline. This progress reflects efforts to optimise stationary combustion equipment, replace fossil fuels with biofuels in fleet vehicles, reaching 50% ethanol consumption, and standardise operations and maintenance for air conditioning units.

Additionally, Serena made progress in measuring Scope 3 emissions through improved data collection processes to provide greater coverage and accuracy for emissions categories such as employee commuting and value chain activities.

Efforts to reduce fugitive gas emissions SF<sub>6</sub> also advanced, with the implementation of preventive maintenance practices, stricter monitoring, and the development of mitigation action plans.

As a result, Serena achieved an overall 71% reduction in total GHG emissions (Scopes 1, 2, and 3 combined) compared to 2021, reinforcing the company's commitment to decarbonisation and operational excellence.



[www.us.srna.co](http://www.us.srna.co)



### 5.1.2 Avoided emissions

We contribute to decarbonisation by investing in sectors which enable the avoidance or reduction of GHG emissions. We measure the positive climate impact of these investments.

In 2024 our portfolio generated over 20,000 GWh of renewable power, representing an equivalent of 1,234,986 attributable avoided tCO<sub>2e</sub> across our renewables businesses. This was a 13% increase from 2023, with attributable avoided emissions representing an equivalent of 1,084,148 tCO<sub>2e</sub>.

For renewable energy power producers, avoided emissions can be calculated by multiplying the financed generation of electricity (kWh) by the operating margin of the grid emission factor of the country in which the power is consumed. The operating margin is the emission factor that refers to the group of existing power plants whose current electricity generation would be affected by the renewable project activity. Operating margin grid emission factors are publicly available and produced by the International Financial Institutions. In 2024 these measurements were pro-rated to Actis interest by applying an attribution factor that determined our share, using the PCAF methodology. Prior to 2023, the Actis methodology was not aligned to PCAF for attribution and therefore not pro-rated to Actis share.



# 1,234,986

In 2024 the renewable power generation across our renewables businesses represented an equivalent of **1,234,986 avoided tCO<sub>2e</sub>**.



# 20,000

In 2024 our portfolio generated over **20,000 GWh** of renewable power.



# 6.5

In 2024 our portfolio added **6.5 GW** installed capacity of renewable power.

## 5.2 Targets

To progress our commitment to net zero by 2050, we have established interim targets for 2030, described in the adjacent boxes.

As Actis grows, it is likely that our operational and portfolio footprint will increase. Thus these targets play an important part in ensuring that our growth is in line with broader goals of decarbonisation and achieving net zero, and that investments made are contributing positively to the low-carbon transition globally.

# 60%

**60%** of AUM to be aligning with net zero by 2030

Net zero alignment means managing assets in line with a science-based decarbonisation pathway for Scope 1, 2, and material Scope 3 emissions, consistent with net zero by 2050 or sooner. This needs to also be supported by adequate governance, strategy, targets, and reporting.

# 50%

**50%** of AUM to be invested in climate solutions by 2030


For Actis, climate solutions are investments that enable the low-carbon transition through avoidance, reduction, or removal of real economy GHGs, or activities that expand these solutions. For example, renewable energy generation, transmission and distribution networks, and energy efficiency.

# LOOKING AHEAD

SECTION

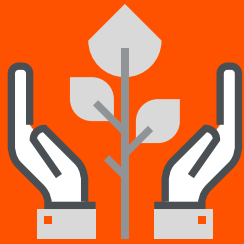
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Serena Energia, Brazil



# LOOKING AHEAD

As we look ahead to the next 12 months, our focus will be on continuing to progress the following items on our climate agenda:



## Enhancing climate risk management

- Engaging our portfolio on natural hazard risk awareness and assessment.
- Deepening analysis of material risks, impacts, and opportunities to strengthen resilience.
- Value-led action planning for site-specific adaptation.



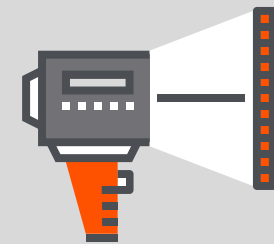
## Advancing transition alignment across our portfolio

- Preparing and implementing costed decarbonisation/transition plans for portfolio companies in carbon intensive sectors, prioritising interventions through analysing marginal abatement costs.
- Providing management – and Board-level oversight of decarbonisation/transition plans.



## Strengthening climate data

- Continuing to increase coverage of bottom-up GHG emissions assessments across our portfolio for Scope 1, 2, and material Scope 3 emissions.
- Maturing our GHG emissions assessments approach through optimisation in our data collection, review, and management.



## We look forward to sharing an update on these efforts in our next TCFD Report.

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