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SUSTAINABILITY STATEMENT 2025



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EDITORIAL

SUSTAINABILITY AT THE HEART OF OUR STRATEGIC MANAGEMENT



By choosing to publish this sustainability report voluntarily at the end of April 2026, the AFD group is anticipating the requirements of the European CSRD Directive (Corporate Sustainability Reporting Directive) by two years. This initiative is not merely a compliance exercise: it underlines the AFD group's commitment to setting an example in terms of transparency.

This work is based on a rigorous double materiality methodology that enables a detailed analysis of the interaction between the social and environmental impacts of the AFD group's activities, and the risks and opportunities influencing the Group's performance. This diagnosis relied on the identification and analysis of material issues relating to six of the ten themes set out in the CSRD standard (climate

change, biodiversity, the Group's workforce, affected local communities, consumers and end-users, and business conduct).

The sustainability statement highlights the **AFD group's commitments to climate action, biodiversity, and social link**. The Group has thus been able to demonstrate the consistency and effectiveness of its efforts: in 2025, €7.8bn were invested in climate action and €1.3bn in biodiversity, exceeding the initial targets. Beyond environmental issues, this accountability highlights the tangible impact of the Group's actions in the social sphere: the financing provided thus aims to back over 736,000 beneficiaries of education and employment services, whilst completed projects have helped to strengthen the resilience of 3.2 million people in the face of crises and conflicts. Moreover, 68% of the projects being backed now include an explicit gender equality objective.

This sustainability statement, which has been certified without reservation by AFD's statutory auditors, also reflects **the need for consistency between external mandates and internal operations**. As a result, the 2025 social barometer shows a significant rise in the score. Whether in terms of inclusive social policy, of values of integrity and ethics, or of responsible purchasing, the Group's credibility depends on this alignment.

This sustainability statement now serves as a permanent steering mechanism to ensure development that is 100% aligned with the SDGs, inclusive and respectful of planetary boundaries.

I would like to extend my warmest thanks to all the teams at AFD, Proparco and **Expertise France, who worked with such dedication and commitment to produce this groundbreaking report.**

Thomas Melonio, Executive Director, Innovation, Strategy and Research

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General information (ESRS 2)

1.1 General basis for disclosures (BP-1)

1.1.1 Coverage of Group entities

Following the transposition into French law (Law No. 2025-391 of 30 April 2025 DDADUE) of Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760, entities in the AFD group are not legally required to publish a sustainability statement before 2028, the date on which Expertise France will become legally subject to this requirement. However, in the spirit of setting an example and in line with its established practice of voluntarily publishing sustainability information at a consolidated level for AFD group, it was decided to publish this sustainability statement on a voluntary basis, in accordance with the European Sustainability Reporting Standards (ESRS) currently in force, and on a consolidated basis for AFD group.

The scope of consolidation for the sustainability statement differs slightly from that of the financial statements, in that AFD does not exercise operational control, in accordance with its

business model, over the entities in which it holds minority stakes: SIC, which develops and manages a property portfolio in New Caledonia; Banque Socredo (a retail bank with a branch network); and STOA S.A. (an impact investment fund financing infrastructure projects). Moreover, Soderag, which was dissolved and has been in voluntary liquidation since 1998, is not significant either from a financial perspective (given the small size of its balance sheet) or in terms of impact (as it has no operational activities). **The scope of consolidation selected for the sustainability statement therefore includes AFD, Proparco, Expertise France, Fisea and Sogefom.**

Unless otherwise stated, the information provided in this sustainability statement reflects the Group's position as a whole, unless specific details relating to one of the entities in the consolidation scope are expressly mentioned. Furthermore, unless otherwise expressly stated, the information presented for Proparco includes Fisea.

1.1.2 Coverage of the Group's value chain

This sustainability statement covers AFD group's upstream and downstream value chain (see Section 1.2.2).

1.2 Strategy, business model and value chain (SBM-1)

1.2.1 A Group strategy at the service of sustainability

1.2.1.1 AFD group's fifth Strategic Orientation Plan (POS V): 100% Sustainable Development Goals

AFD group implements the international partnership policy set by the French authorities ⁽¹⁾. Its mission is to forge positive links between France and all those who wish to cooperate with it. Its mandate is centred on a two-pronged agenda of, on the one hand, combating poverty and inequality, and safeguarding common goods such as the climate, biodiversity and global health, and, on the other, of promoting inclusive and sustainable investment in the least developed and most vulnerable countries ⁽²⁾, in middle-income countries and in the French Overseas Departments and Collectivities (see also Sections 1.1 and 1.2 of the Universal Registration Document).

In this context, the fifth Strategic Orientation Plan (POS V) covering the 2025-2030 period was adopted in December 2024 by AFD's Board of Directors, following participatory work carried out with the Group's teams. This POS V is also the result of

24 months of discussions with external stakeholders, including peers and partners, French and European administrations, other donors and development banks, think-tanks, civil society organisations (CSOs) and the private sector. The Group's new Strategic Orientation Plan was also the subject of several presentations and formal discussions with employee representatives (head office and network) in June 2023, October 2023, June 2024 and October 2024.

POS V defines four commitments and outlines for each a renewed ambition, approach and proposed method, taking into account the achievements of the previous POS IV and the Group's increased potential:

Working by your side: a commitment to attention, respect and contextual intelligence ⁽³⁾, in order to better understand the evolving contexts in which AFD group is called upon to act, and to differentiate its action according to the specific challenges and needs of countries and regions.

1) *Programming law on inclusive development and the fight against global inequalities of 4 August 2021, decisions of the Presidential Council for International Partnerships of 5 April 2025 and guidelines of the Interministerial Committee for International Co-operation and Development and the Interministerial Committee for French Overseas Departments and Collectivities.*

2) *Fragility is the combination of exposure to risks and the insufficient capacity of a state, a system and/or a community to manage, absorb or mitigate those risks. The OECD's multidimensional framework on fragility measures fragility using 56 indicators of risk and resilience, across six dimensions: economic, environmental, political, security, social and human.*

3) *Strengthening its understanding of local contexts by consolidating its network of Regional Directorates or local offices*

Particular attention will be paid to Africa in order to provide support for the emergence of sustainable economic, social and human development; to the European neighbourhood in order to contribute to European environmental, social and democratic convergence; to Asia, the Indo-Pacific and Latin America in order to help AFD group's customers as they work towards a just transition that protects global public goods; to all vulnerable countries, notably in the Pacific Island States, in order to reinforce their resilience to shocks and climate change; and to the French Overseas Departments and Collectivities, as an investor at the service of the sustainable development and regional integration of these territories. The Group is therefore specifically positioned at the intersection of the partnership requests expressed by its customers and beneficiaries and France's geo-strategic priorities.

100% Sustainable Development Goals (SDGs): a commitment to quality and impact to become the first **100% SDG** ⁽¹⁾ public development bank, whose financing, operations and management are aligned with the 2030 Agenda, ensuring that the positive impacts of financing are maximised across three key areas – climate and nature protection (dual alignment with the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework), reducing inequalities and multidimensional vulnerabilities, and institutional and democratic development – whilst ensuring that no significant harm is caused to any of these areas.

Mobilisation platform: a commitment to bringing together, amplifying and training in order to become a mobilisation platform for the greatest number of partners wishing to contribute, with France, to international development action and to the achievement of the SDGs, according to three complementary dimensions: 1) financial mobilisation, 2) increased vigilance on the channelling of financing in order to ensure that it does not benefit actors working against French strategic interests or carrying out unfair competition, and 3) citizen mobilisation and the mobilisation of expertise and knowledge to contribute to building a coherent international architecture of solidarity and sustainable investment.

Delivering on AFD group's promise: by bringing together all AFD group tools, the focus is on identifying shared interests between France and its customers and partners, whilst adapting to their needs. A pioneer in the international development finance ecosystem, AFD group now combines the capabilities of a financial institution dedicated to both the public sector (AFD) and the private sector (Proparco), alongside a technical cooperation and expertise agency (Expertise France), complemented by a training centre and capabilities in research, innovation and fostering public debate.

POS V gives rise to the establishment of three cross-cutting thematic roadmaps in order to implement its commitments ⁽²⁾. Adopted by the AFD Board of Directors in July 2025, they are presented below. The 2025-2030 POS will be reviewed in 2026-27. A strategic review is therefore likely to take place following a mid-term review in 2026 and taking into account the evolution of the geopolitical and economic context in which the AFD group operates. It has a management and monitoring

framework based on quantitative indicators. The strategic targets relating to climate change (E1), biodiversity (E4) and local populations (S3/S4) are defined with the French government as part of the Strategic Orientation Plan V (POS V).

1.2.1.2 The POS V's 100% SDG sustainable commitments are broken down through three cross-cutting roadmaps



Planet roadmap: reconciling climate, nature and development

The planet roadmap addresses the need to tackle the climate crisis and biodiversity loss, which are intrinsically linked and require far-reaching transformations of economies and societies. It aims to strengthen transformational interventions in order to generate systemic impact.

Aligning AFD group's activities with the Paris Agreement and the Kunming Montreal Global Biodiversity Framework (GBF)

As the first public development bank to align itself with the Paris Agreement, as of 2017, AFD has continued to consolidate its goals by aiming to ensure that **100% of its activities comply with the Global Biodiversity Framework**. This means that all its actions will need to be aligned with the objectives set out in the Kunming-Montreal Agreement, thereby extending the systematic alignment already in place for the Paris Agreement (see Chapter 2.2 "Environmental information"). AFD's sustainable development system aims to ensure alignment with this framework ⁽³⁾: each project that receives a negative score on the climate (low-carbon transition and climate change resilience) or biodiversity dimensions when financing is approved is considered non-aligned. AFD is committed to developing all of its operational methodologies in order to achieve this dual alignment with the Paris Agreement and the Global Biodiversity Framework by 2027. For its part, Proparco is involved in the development of these methodologies and their adaptation to its specificities.

1) UN Member States adopted the 2030 Agenda for Sustainable Development, known as the 2030 Agenda. It is an agenda for people, for the planet, for prosperity and for peace, through partnerships.
 2) The planet (1), social link (2), citizens-institutions-democracies (3) roadmap.
 3) For the other dimensions of the sustainable development analysis, a negative score corresponds to a misalignment with other SDGs.

Seeking systemic impact

The goal is to maximise the impact of the Group's business by consolidating the share of financing dedicated to operations with transformational effects. These operations are those that contribute to triggering and accelerating the transformation of socio-economic systems and value chains. This transformational approach is based on several levers of action: public policy dialogue, the mobilisation and transformation of stakeholders, and the consolidation of knowledge. The characterisation of these transformational projects will take into account their relevance, ambition and systemic scope, as well as their sustainability and robustness.

Triple focus: adaptation/mitigation/nature

- Adaptation:** the Group aims to better target the most vulnerable populations and countries. The goal is to allocate **40% of the Group's climate finance** ⁽¹⁾ to climate change adaptation, including disaster risk management and reduction (i.e. an average of €2.4bn per year between 2025 and 2028), subject to the continued availability of budgetary resources for grants. The integration of the principles of adaptation at the local level (Locally Led Adaptation) is sought, as well as the enhanced integration of the rights, knowledge and aspirations of indigenous peoples and local communities.
- Mitigation:** the Group acts on the levers of transformation by strengthening its actions on projects with a strong systemic impact. This includes an existing base that deals even more with the issues of employment and solidarity; energy sobriety and efficiency; the decarbonisation of hard-to-green sectors (cement, steel, maritime/air transport); and limiting methane emissions. The actions focus notably on backing partners who own fossil assets. With regard to the mitigation component, the Group has set itself a target for the volume of climate-related value-added financing (historically 50% of the total volume of commitments and €6bn from 2025 onwards, subject to the availability of budgetary resources allocated by the French State), whilst striving to maximise climate finance that has a structural and transformational impact.
- Nature (biodiversity):** the Group is committed to ensuring that all of its operations result in zero net loss of biodiversity. Subject to the maintenance of budgetary resources for grants, it has set a target of **€800M** per year on average for the period 2025-2027 for financing dedicated to biodiversity. It will aim, provided that funding levels are maintained, to allocate 20% of this biodiversity funding to projects for the conservation and restoration of ecosystems, thereby contributing to the 30x30 target (protecting 30% of land and 30% of the oceans by 2030) of the Global Biodiversity Framework. AFD group also adopts a **nature-positive approach**, which involves integrating biodiversity into all its areas of activity, funding specific conservation projects, and ensuring that all operations result in **zero net loss of biodiversity**. Protecting the oceans, combating pollution, contributing to the "zero net deforestation" target and promoting nature-based solutions are priorities.

Social link roadmap: backing the development of more egalitarian and inclusive societies

The social link roadmap aims to back the development of more egalitarian and inclusive societies, recognising that social cohesion and the reduction of inequalities (including gender inequalities) are essential for a sustainable and inclusive development that enables the achievement of the SDGs.

Disparities in income or wealth – whether real or perceived – fuel social tensions and limit the impact of public policies.

Economic inequality is one of the most pressing problems in the world today and represents a macroeconomic and systemic risk (Stiglitz, 2025 ⁽²⁾). 83% of countries experience high income inequality, accounting for 90% of the world's population. Since 2000, the richest 1% of the population has captured 41% of the newly created wealth, while the poorest half has received only 1%. These disparities are a major obstacle to poverty reduction efforts. They limit the effectiveness of economic, social and environmental policies. Thus, an environmental transition can only be just and improve living conditions if it is fair and includes all citizens, notably those most vulnerable to the effects of climate change.

From this perspective, **gender inequality** is one of the key issues that must be addressed in order to achieve the Sustainable Development Goals by 2030. It is a factor contributing not only to injustice but also to poverty: it hinders the sustainable development of all societies, from a political, economic and social point of view. Promoting gender equality is not only a matter of social justice but also essential for economic and social development. According to UN Women, eliminating gender inequalities in access to employment would lead to a 20% increase in per capita income. However, at the current rate, UN Women estimates that it will take another 300 years to achieve gender equality. The current rise of conservatism and anti-rights movements around the world creates an international context that is not conducive to the achievement of SDG 5 on gender equality.

Against a backdrop of multiple crises, growing multidimensional inequalities and the rise of anti-rights movements, particularly targeting women, girls and the LGBTQIA+ community, AFD group works to strengthen the social link among individuals, social groups, regions and their political institutions.

Through the social link roadmap, AFD group is therefore pursuing two cross-cutting objectives: on the one hand, the reduction of multidimensional inequalities and the promotion of inclusion; and on the other, the promotion of gender equality through a transformative feminist approach.

Reducing multidimensional inequalities and promoting inclusion

AFD group is committed to financing projects that contribute to reducing inequalities, in all their forms, and promoting social inclusion, in order to provide support for more sustainable, inclusive and redistributive development trajectories. Conversely, AFD group refrains from financing any project likely to exacerbate inequalities or promote exclusion.

1) In other words, financing activities with climate co-benefits, see Section 2.2.1.1.2 Climate finance characterisation of interventions

2) Statement from the World Inequality Lab on the G20 Extraordinary Committee of Independent Experts' Report on Global Inequality – WID – World Inequality Database.

Particular attention is paid to backing the just dimension of ecological transition policies and regions considered vulnerable (economically, climate-wise, in the face of crises and conflicts).

The goals relating to multidimensional inequalities and inclusion are broken down through three main levers:

1. **Financing and backing inclusive and redistributive policies**

This first lever commits the Group to backing public policies that aim to reduce inequalities and achieve inclusion, whether in social sectors such as the development of public education, health and social protection services, or in projects intended to contribute to the ecological transition. It also includes support for redistributive and progressive fiscal and budgetary policies, as well as infrastructure projects that provide access to high-quality services in disadvantaged areas, for the benefit of disadvantaged and/or underserved populations.

2. **Reinforcing the just dimension of ecological transition policies**

Through the second lever, the Group is committed to ensuring that green transition policies are fair by providing funding to back tailored policies for regions affected by climate change, as well as inclusive planning and governance of transition measures, and the progressive and redistributive nature of these policies.

3. **Systematise the consideration of equality and inclusion issues in all sectors**

Lastly, through the third lever, the Group is strengthening its impact on the reduction of inequalities and inclusion in a cross-functional manner across all its operations. This applies in particular to funding for programmes run by public and private operators that promote equitable and high-quality access to essential services (energy, water and sanitation, transport, financial services, housing, etc.), but also policies and programmes relating to human capital development, quality employment and economic inclusion, which help to address the barriers faced by disadvantaged groups in order to ensure their full participation in social and economic life.

Promoting gender equality

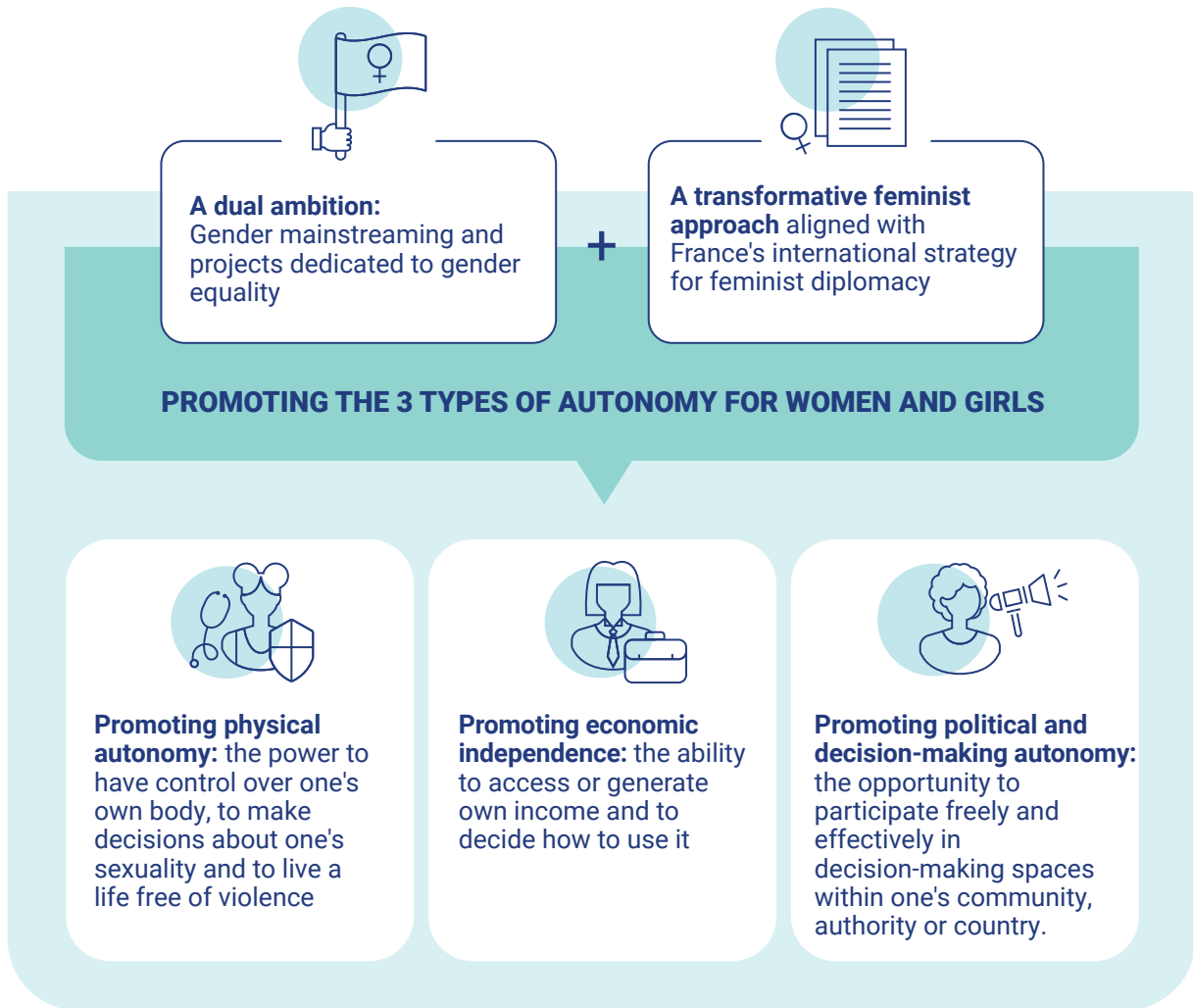
The Group's feminist approach is becoming increasingly prominent, in line with France's new international strategy for feminist diplomacy, adopted in March 2025, which places the rights of women and girls and gender equality at the heart of France's international action across all sectors.

Indeed, AFD group has made gender equality a central pillar of its strategy and helps to promote gender equality and the rights of women and girls in the countries where it operates through a two-pronged approach: 1) mainstreaming these issues across all its sectors of intervention; 2) projects specifically dedicated to gender equality.

In line with the framework of French feminist diplomacy, AFD group adopts a transformative feminist approach. This structural approach aims to bring about profound and lasting change by challenging gender-based power dynamics, the interplay of different actors and the social norms that perpetuate gender inequalities, with a view to bringing about positive change in the paradigm(s) that underlie discrimination and inequality.

AFD group applies this strategy by financing projects that aim to act on gender inequalities and promote the rights of women and girls. AFD works with a wide variety of actors, in all sectors and with all its financial instruments (loans and grants). For example, it works with governments seeking to implement structural reforms to better address gender inequalities in their public policies, with a view to ensuring a more equitable allocation of public funds in line with the specific needs of women and men. AFD also backs national banks via credit lines specifically dedicated to gender equality, which promote women's entrepreneurship and the financial inclusion of women. It also provides financial support and assistance to feminist civil society organisations that play a key role on the ground but are excluded from traditional funding channels, through the Support Fund for Feminist Organisations (FSOF), in collaboration with the Ministry for Europe and Foreign Affairs.

The Group will work to strengthen the **three types of women's and girls' empowerment**, taking a multifaceted approach:



AFD remains committed to the areas in which it has recognised expertise: backing women's entrepreneurship, gender-responsive budgeting, combating gender-based violence and promoting sexual and reproductive health and rights. It is also focusing on new areas such as combating technology-enabled gender-based violence and providing support for care work.

For its part, Proparco is participating in the 2X Challenge initiative, launched by development finance institutions (including Proparco) at the 2018 G7 summit in Canada, which aims to mobilise private capital for projects that reduce gender inequality.

To this end, a reference framework based on simple criteria was developed, making it possible to identify gender-sensitive investments. As part of the 2023-2027 strategy, Proparco has a 2X aligned project commitment volume indicator; for the 2026-2027 period, Proparco has set a target of €1.2bn in commitments to 2X aligned projects.

Taking into account vulnerabilities

Particular attention is paid to regions considered vulnerable. In this context, the Group offers a multidimensional analysis of vulnerabilities, including climate-related and macroeconomic vulnerabilities, as well as those linked to socio-political crises and conflicts. In contexts of crisis and conflict, specific work is carried out to ensure the effective delivery of essential services and to respond to multiple vulnerabilities. It is also a question of strengthening the Group's contribution to the Women, Peace and Security (WPS) agenda, given the exacerbated effects of crises and armed conflicts on women and girls and their key role in their prevention and in the promotion of peace. Lastly, the Group is continuing to provide support in maintaining the link between communities and institutions, including in conflict situations, notably by backing consultation frameworks and establishing collective rules recognised by the institutions.

Making culture and sport accelerators of social links

Sport and the cultural and creative industries are levers of inclusive development, promoting social cohesion and contributing to education, health and gender equality. The AFD group will strengthen its financing to support equitable and inclusive cultural and sports public policies, and will use sport and culture as levers for achieving the SDGs. Following the 2024 Sport for Sustainable Development Summit, the AFD group committed to investing €500M by 2030 in these themes and to supporting the professionalisation of local sectors.

Citizens, institutions and democracies roadmap: providing support for democratic practices to build trust

This roadmap responds to the recognition that it is unlikely that the SDGs will be achieved without effective, transparent, accountable and inclusive institutions, and without a greater focus on democratic processes. AFD group's goal is to back and reinforce the democratic practices carried out by institutions and citizens.

The goal is implemented around three operational pillars, through a 100% SDG approach:

Promoting effective citizen participation

The objective is to back citizens' participation in public action in order to better take their needs into account. The Group will seek to:

- encourage the **co-design of public action** (policies and projects) with citizens and vulnerable groups. – Integrate citizen participation mechanisms into projects as of the appraisal stage;
- back civil society initiatives for the democratic renewal of public action, notably by backing the development of civil society;
- fund multi-stakeholder dialogue and practices involving citizens, youth, women, social organisations and the private sector;
- promote **democratic innovation**, for example by backing the Foundation for Innovation for Democracy in Africa.

Strengthening the effectiveness and transparency of institutions

The Group provides support for the transformation of public institutions (ministries, local authorities, local offices, companies, financial institutions) towards greater efficiency and transparency in their actions. The goal is to identify organisational and institutional levers to enable them to achieve their strategic and operational objectives, thus contributing to the development of citizens' trust.

Actions include:

- **institutional reinforcement**: systematising support for organisational transformation processes to improve the quality of services for citizens (operational efficiency) and to transform governance practices towards greater transparency;
- **public policy**: helping to shape public policies that meet citizens' needs and expectations, notably by strengthening public policy dialogue and utilising technical support funds, as well as backing the SDG progress of institutions (ministries, businesses, local authorities and financial institutions) in the broadest sense;
- **transparency and accountability**: enhancing the transparency of public action (online reporting of results, external audits, access to data);
- **digital transformation**: backing digital transformation and technological innovation (including AI) to improve the quality of public services and enhance accountability (open government culture, e-services);
- **regional support**: a regional approach and support for local stakeholders are crucial to organisational change.

Contributing to the consolidating of the rule of law and democratic principles

The Group provides support for the consolidation of the rule of law and democratic principles across a range of areas:

- **separation of powers**: support for the three powers (executive, legislative and judicial). For the executive, this includes the fight against corruption (*via* Expertise France) and the promotion of fairer taxation. For the judicial, this concerns access to justice focused on the needs of citizens, including the most vulnerable;
- **media and information**: back the role of the media as guarantors of the right to information and freedom of expression, alongside the fight against disinformation;
- **human rights-based approach (HRBA)**: the Group will continue to integrate the HRBA into its operations, drawing on existing work on environmental rights (the right to a healthy environment, the rights of nature);
- **civic sphere**: continue to support initiatives to combat the shrinking of civic space and promote rights.

1.2.1.3 Operational activities: products and services and types of customers and sectors

AFD’s proprietary activities and products, as well as those provided under specific mandates, are described in Section 1.3 of the Universal Registration Document. These include grants, loans, guarantees, equity investments as well as the production and valuation of knowledge on sustainability. The activities and products of the Group’s other entities are addressed in Sections 1.5.2 and 1.5.3 of the Universal Registration Document. None of the Group’s operational activities are prohibited in the countries where it operates; however, the Group refrains from providing support for certain activities (see exclusion list below).

The Group’s customer base consists mainly of public sector customers and beneficiaries (central governments, local authorities, local offices, public enterprises and banks, and other public sector entities that are customers of AFD), Proparco’s private sector customers (companies, financial institutions and investment funds), and civil society organisations (CSOs) backed by AFD and Expertise France.

Section 1.6.5 of the Universal Registration Document provides information on the **breakdown of AFD group’s activities by sector**. According to the nomenclature of the Interministerial Committee for International Co-operation and Development (CICID), the Group is actively involved in the following key sectors: agriculture and food security; climate and the environment, including energy; crises and fragility; water and sanitation; education; governance; infrastructure and urban development; health; the productive sector; and others.

An **exclusion list** was established by AFD group. The list is publicly available and clearly sets out the types of activities that the Group refuses to finance on the basis of environmental or social criteria, ethical or regulatory considerations, or requirements arising from the application of regulatory standards and its strategic choices (see below – due diligence section). In particular, the following activities are excluded: those relating to the production of chemicals that are prohibited or subject to a phase-out under the regulations of the country of destination or under international regulations, as well as those relating to arms and tobacco.

1.2.1.4 Regions where the Group operates

AFD is active in 136 foreign countries and territories, including the French Overseas. The geographic areas where AFD is authorised to operate are listed in Appendix 1 of the Universal Registration Document, with the understanding that its operating

mandate (forms of intervention, sectors, etc.) differs according to the country. AFD’s activities in the 12 French Overseas Departments and Collectivities are mainly carried out through loans, grants and guarantees. They aim to contribute to the development of overseas territories and to integration in their regional environment. Proparco operates in 118 countries. Expertise France, for its part, operates in 178 countries and territories – through technical cooperation projects and the deployment of individual experts – thereby meeting the needs of its partner countries across a wide range of areas. In total, the Group operates in the French Overseas Departments and Collectivities and over 160 countries.

The geographical breakdown of the Group’s 2025 business is provided in the “Our key figures” sections at the start of the Universal Registration Document, as well as in Sections 1.6.4.1 (AFD), 1.6.4.2 (Proparco) and 1.6.4.3 (Expertise France). The “Additional information” section provides further details on this information for AFD and Proparco (“Appendix 7 – Summary table of AFD and Proparco financing in foreign countries” and “Appendix 8 – Table of Proparco approvals”).

The number of Group employees working in France and outside France at 31 December 2025 was as follows:

Region	Number of Group employees
France	3,180
Outside France	1,882
TOTAL	5,062

1.2.1.5 The Group’s work generates a return on investment for France

AFD group’s work contributes to creating true allies for France by serving national interests, building mutual interests and taking into account the interests of partners who wish to cooperate with France. In doing so, development work prepares, complements and deepens diplomatic work. This work also directly benefits France economically through the creation of opportunities for French companies. Thus, nearly 86% of the projects financed by AFD involve a French player. It also contributes to the stabilisation of strategic areas, the prevention of migration crises, the development of the French Overseas Departments and Collectivities, and the identification of innovations in the countries of intervention, which are also relevant in the national context. Finally, more than 90% of projects financed by AFD involve a French partner.

1.2.2 The Group’s value chain

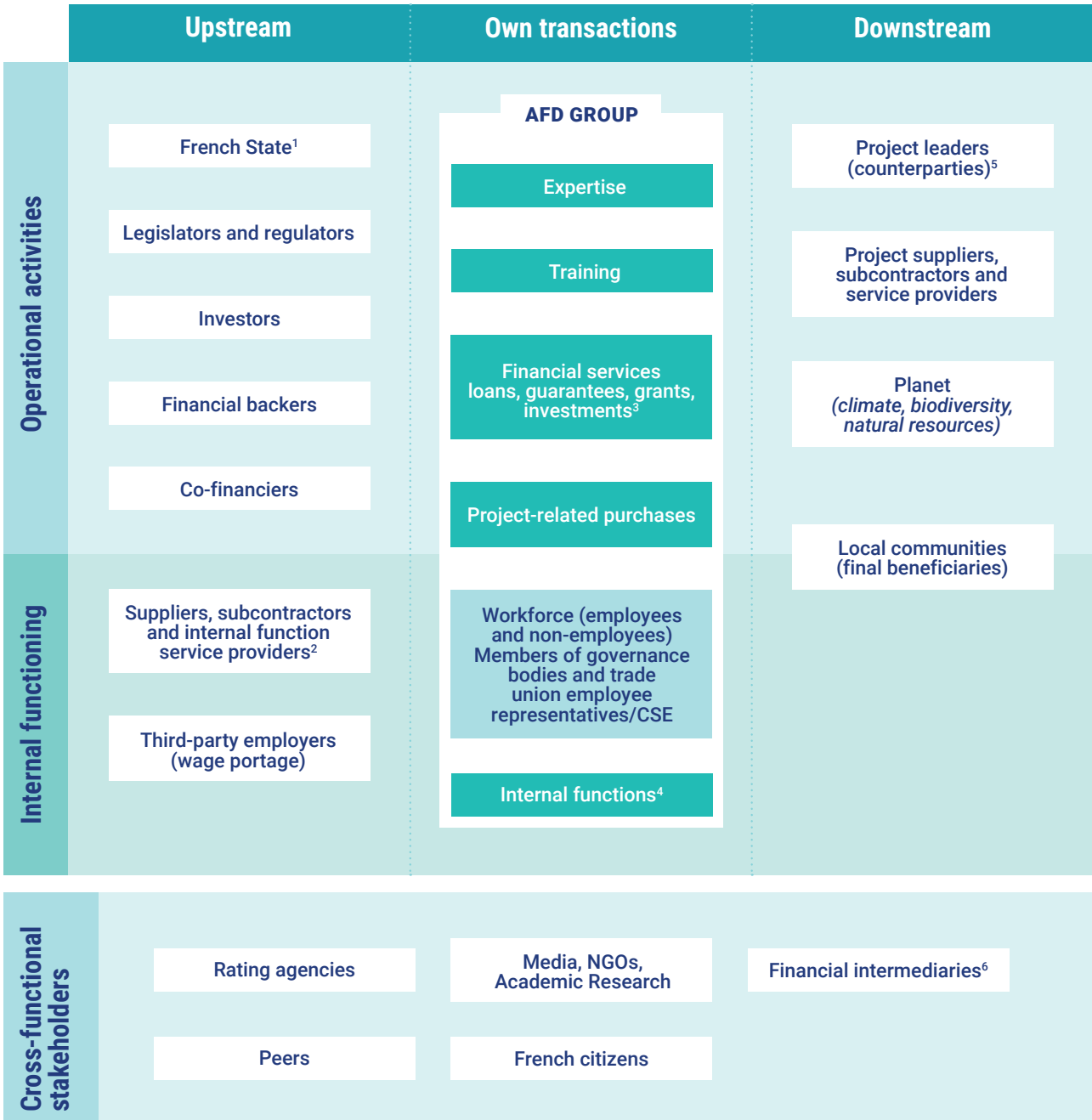
To facilitate the identification and assessment of its sustainability issues, the Group has chosen to distinguish between two sub-areas within its value chain: (1) **internal operations**, which encompass all equipment, buildings and services operated by the Group for its own professional use, and

(2) **operational activities**, which include financing (loans), grants, investment, technical support and training. The Group’s refinancing is also included in this sub-scope. The diagram below provides a detailed categorisation.

Glossary:

STAKEHOLDERS

ACTIVITIES



¹ Delegating in-house experts for certain projects: French ministries or public authorities
² In-house suppliers: intellectual service providers, IT, general resources, security services, etc.
³ Group commitments, co-financing (equity investments, activities involving delegated funds and guarantees)
⁴ Human resources, property management, purchases, compliance, legal, IT, etc.
⁵ Direct beneficiaries of activities

1.2.3 AFD group's business model

AFD group's business model is based on the joint mobilisation of human, financial, intangible and relational resources, as well as on operational activities covering the full range of financing and expertise. It aims to provide effective support to public, private and civil society stakeholders in implementing projects that deliver tangible results and have a positive impact on sustainable development, whilst generating beneficial outcomes at national level. The Group is also committed to ensuring that its own internal operations set an example in terms of sustainability. The diagram below provides a detailed illustration of this framework.

The effectiveness of AFD group's business model lies in its ability to maximise positive impacts in relation to the resources mobilised, particularly the national budgetary resources entrusted to it.

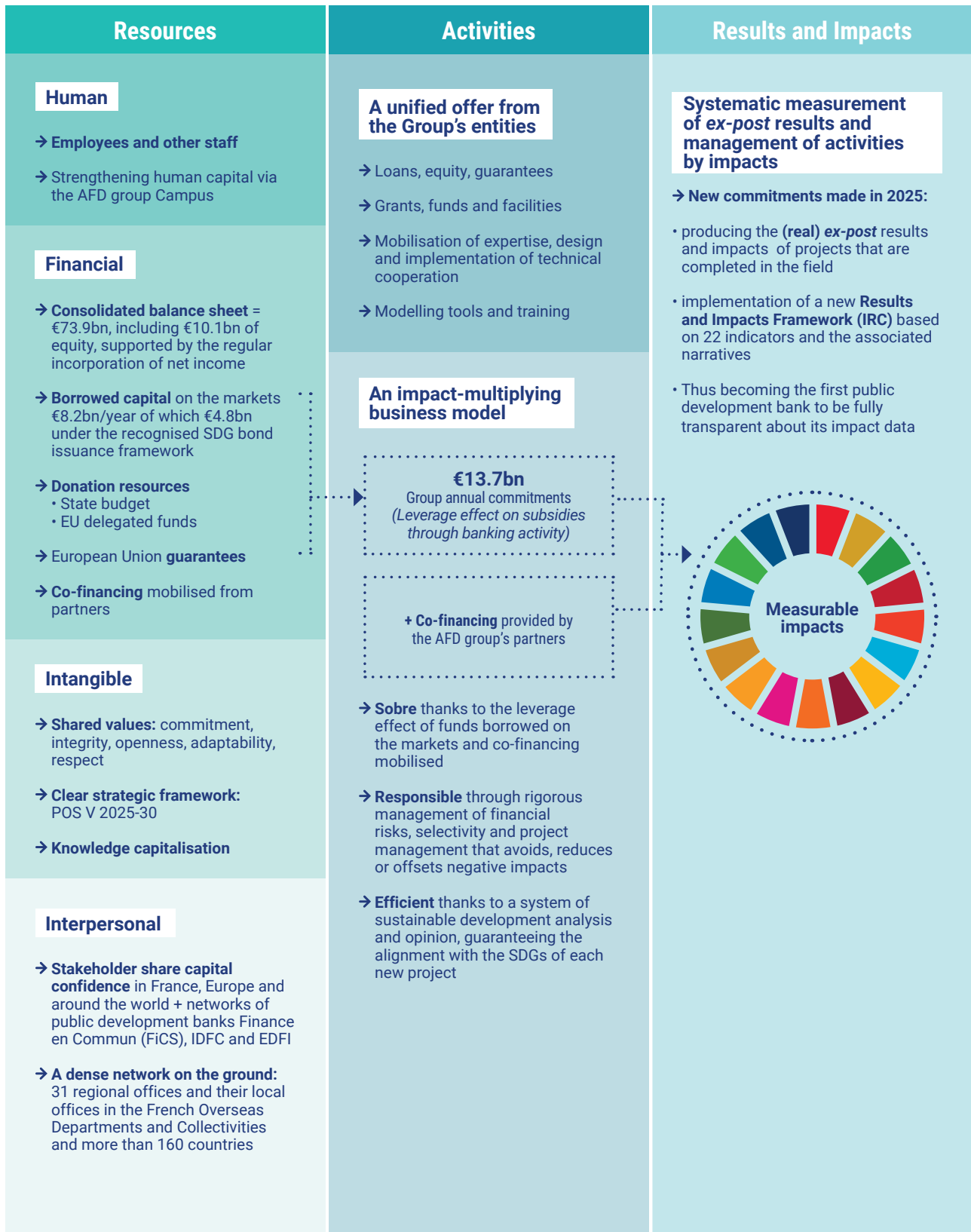
In this context, it is worth noting that the AFD distinguishes between non-sovereign financing and sovereign financing. With regard to non-sovereign financing, the pricing grid includes both market-rate products (without a subsidy) and subsidised products. The subsidy level for the latter varies according to the country category, as defined by the Development Assistance Committee (DAC), and is based on the use of State budgetary funds.

At the same time, for sovereign financing, the pricing of subsidised loans is based on products incorporating a variable degree of concessionality, achieved through a subsidy and/or the use of the resources of the Directorate General of

the Treasury subject to special conditions (RCS). The level of subsidisation is determined according to country and project. The Group also provides non-subsidised loans. All these mechanisms, combined with the guarantees provided by the State, enable AFD to offer financing solutions on terms tailored to the needs of least developed and vulnerable countries, thereby generating a greater societal impact than that of a financial institution of comparable size, whose activities remain primarily focused on maximising financial returns. It should be noted that the recent significant reduction in budgetary funds allocated to AFD could lead to significant changes in the Group's activities, notably in fragile or low-income countries.

Moreover, AFD draws on its proven ability to (i) issue bonds on the capital markets, (ii) mobilise financial resources and expertise from third parties (grant allocations, receipt of guarantees to share risks, co-financing, partnerships), (iii) make these resources available to projects with significant positive impacts, where negative impacts and financial and ESG risks are minimised and rigorously managed, and (iv) adopt a continuous learning and knowledge-building approach that includes, notably, the development of human capital (AFD group Campus), the sustainable development analysis and opinion (SDAO) mechanism, which ensures alignment with the SDGs for every project financed or backed, the framework for anticipated and actual results and impacts (RIF), and independent and objective ex-post evaluation.

The AFD group mobilises all its financial resources and expertise to support public, private and civil society players in their transitions and the implementation of their projects with a strong social and environmental impact.



Meeting the growing demand for high-quality ESG investments and facilitating the financing of the Group's operational activities: the modernised SDG bond issuance framework

An issuer of climate bonds since 2014, AFD changed its thematic issuance framework from a climate issuance framework to an **SDG bond issuance framework** in 2020. Updated in 2024, this framework is an essential pillar to guide and strengthen the impact of AFD's activities in terms of sustainable development: more than €21bn in capital was raised between 2014 and 2024 and €4.7bn in 2025. In 2025, this framework covered nearly 58% of the annual borrowing programme. It thus makes a major contribution to AFD's ability to raise funds to finance its impact-generating operational activities.

In the markets, AFD's SDG bond framework stands out for its integrated approach, transparent governance, strategic alignment and focus on developing regions. These features make it an original and effective tool for ESG investors seeking to make a positive and measurable impact on sustainable development. Assessed by Moody's Ratings, the framework is aligned with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines of the International Capital Market Association (ICMA). Investor demand regularly exceeds the Group's expectations and needs.

The process for identifying and selecting loans eligible for refinancing through SDG bonds is based on strict eligibility criteria derived from the sustainability ratings of AFD and Proparco (see Section 1.2.6.2). They ensure that funding contributes to at least one SDG and respects general exclusions and sector-specific due diligence. Governance of the issuance framework is overseen by the Thematic Bond Monitoring Committee at AFD, which reviews and approves the eligibility of loans, proposes loan replacements and liaises with external evaluators. AFD is committed to publishing an annual report on its SDG bonds, setting out the allocation of the funds raised as well as environmental and social impact indicators, which are audited annually by an external auditor.

1.2.4 Steering backed by impact measurement and evaluation

Due to its unique *raison d'être*, AFD group has historically paid close attention to the results and impacts of its operational activities. The 2021 programming law on solidarity-based development and the fight against global inequalities, followed by the 10 priority policy objectives reaffirmed by the Presidential Council for International Partnerships (CPPI) in April 2025, call for a further reinforcement of impact measurement and evaluation practices. The same applies to the expectations in terms of transparency and accountability of the Group's investors, fund grantors and partners, as well as those of the general public. In this context, AFD group recently significantly strengthened its historical commitment to impact by adopting the following tools:

Mobilise fund delegations, guarantees and cofunding to accelerate sustainable transitions

AFD group has set itself ambitious objectives in terms of mobilising financial resources, but also in terms of mobilising citizens and expertise (see POS V above). As regards financial mobilisation, this covers all private and public funding flows that it helps to channel towards the achievement of the SDGs in the countries where it operates. Four financial mobilisation targets should make it possible to increase mobilisation effects:

1. increase the mobilisation of partner funds ("leveraged resources", which at this stage consist mainly of resources delegated to the Group);
2. mobilise international and local public finance for solidarity investment ("associated resources");
3. increase intermediation effects ("leverage effects");
4. redirect flows ("catalytic" mobilisation).

In 2025, the Group's outreach efforts resulted in €525M worth of projects commissioned using funds from delegating partners.

Furthermore, in 2025, AFD continued to play a leading and unifying role in relation to the SDGs within the main international networks of Public Development Banks (PDBs) ⁽¹⁾, namely the Finance in Common system (FiCS – chaired by Rémy Rioux, who is also AFD's Chief Executive Officer, and whose secretariat is hosted by AFD) and the International Development Finance Club (IDFC). Proparco plays a key role in mobilising its peers and coordinating efforts within the coalition of European EDFIs ⁽²⁾. More specifically, the creation of the management company EDFI MC contributed to the signing of several programmatic guarantees with the European Union (EFSD+) for the benefit of Proparco's customers and operations.

1.2.4.1 A new monitoring and evaluation policy for AFD group

This policy, adopted in 2024, reinforces a monitoring and evaluation culture aligned with AFD group's strategic orientations. It focuses on evaluations that are impactful (to inform decision-making), collaborative (centred on project leaders) and tailored (customised and integrated into a monitoring and evaluation continuum). The goal is also to improve governance and the resources allocated to ensure the efficiency and accountability of operations. The appraisal work carried out complies with the six criteria defined by the OECD's Development Assistance Committee (DAC) (relevance, coherence, effectiveness, efficiency, sustainability and impact) and with the principles governing their use.

1) FiCS – In 2020, the regional associations of public development banks, members of the International Development Finance Club (IDFC), and the multilateral development banks signed a joint declaration marking the launch of the Finance in Common (FiCS) system: <https://financeincommon.org/>; <https://financeincommon.org/>; see also Section 2.1.1.2 IDFC – Established in 2011, the International Development Finance Club brings together 27 national and regional development banks from around the world, most of which are active in emerging markets. Through the IDFC and in close collaboration with other development bank networks, members are joining forces to form a platform aimed at promoting and leveraging investments in sustainable development on a global scale: <https://www.idfc.org/>. See also Section 2.1.1.2.

2) EDFI's role is to promote technical and financial cooperation among its members, as well as with other bilateral, multilateral and regional development finance institutions. Cooperation with European institutions has, notably, led to several agreements governing their investments, such as the guiding principles for responsible financing and offshore financial centres. It also made possible the creation of two common funds: the European Financing Partners (EFP) dedicated to private sector financing in the African-Caribbean-Pacific (ACP) region, and the Interact Climate Change Facility (ICCF) dedicated to the development of renewable energies and energy efficiency in the Global South.

AFD group carries out several types of evaluation, positioned in a monitoring, evaluation and research continuum. Project evaluations focus on individual operations or groups of projects and aim to provide support for dialogue with stakeholders and to foster mutual learning. Broader assessments cover themes, sectors, regions, strategies or instruments and are designed to inform strategic and operational decision-making. Impact evaluations, on the other hand, seek to rigorously measure the impacts and results of the activities backed by AFD group and its partners (public and private), and most often do so by mobilising international research teams.

In 2025, the evaluation rate amounted to 52%, i.e. 80 projects evaluated for 51 appraisals (compared with 72 projects in 2024). 64% of the projects involved decentralised evaluations, 57% of the projects are part of a cluster (of projects), and 31% of the projects were evaluated ex-post. The 2025 review also includes four broad-scope evaluations, eight knowledge-sharing initiatives and reviews, and four impact evaluations.

1.2.4.2 A new results and impacts framework

In 2025, AFD group developed a results and impact framework to monitor and manage its main impacts and to further increase its transparency and accountability efforts vis-à-vis external stakeholders. The results and impact framework is composed of 22 key indicators that are aligned with the Group's strategic investment issues and priorities. This framework and its associated indicators therefore reflect the main development impacts sought through its operational activities and form the basis of AFD group's overall impact goal. The formulation of each issue also makes the Group's commitments to its stakeholders legible. This approach follows the Operating Principles for Impact Management (OPIM)¹⁾ to which AFD and Proparco adhere. The alignment of AFD and Proparco's mechanisms with the impact principles is subject to an independent review.

The RIF was adopted by AFD's Board of Directors in September 2025 and is the cornerstone of the Group's results-based approach. The 2025 financial year was therefore the first year of implementation of this new system, which is expected to be evaluated and adjusted if necessary. The construction of the RIF is based on a selection of issues and indicators that make it possible to situate the Group's impact logic at the crossroads of three imperatives: 1) contributing to the policy of the French State, clarified by the 10 Development Objectives of the Presidential Council for International Partnerships (CPPI) and its requirement for results; 2) ensuring the credibility of SDG bond issues among investors; 3) providing a gateway to the Group's impact, helping to convince French citizens and stakeholders in our partner countries of the value and effectiveness of the Group's work.

The RIF sets out the Group's impact strategy as defined by the POS V: linking the three 100% SDG strategic priorities (planet, social link, citizens and institutions) with the Group's three priorities for solidarity-based and sustainable investment (PISD - priorités d'investissement solidaire et durable) (human development; sustainable economy and finance; sustainable infrastructure). To translate this thesis of impacts into measurable results, the RIF makes a rigorous selection, focusing on 22 impact issues and a limited number of 22 Results and Impact Indicators (Impact KPIs).

The structure of the RIF is thus based on three main elements:

- i. the impact issues, which reflect the sectoral goals of each priority in such a way as to reflect the spectrum of AFD group's interventions and meet the three imperatives above;

- ii. customer context indicators that identify the problems to which AFD responds based on shared frameworks at the international level and based on public information (World Bank, United Nations);
- iii. result indicators (impact KPIs), which make it possible to measure and monitor results in response to an impact issue.

There are two main types of results and impact data monitored:

- **development targets** made when financing was approved: these are the targets corresponding to the expected results of the operations financed, which will materialise in the future;
- the **actual and measured results** generated by projects that have been concluded.

These two types of data are requested from customers and beneficiaries and monitored each year on different project portfolios: projects concluded during the year to collect actual results and impacts; projects awarded during the year to collect development targets.


The generation and collection of data are based on the contractual commitments between AFD group and its customers, which include half-yearly reporting on the financial and technical execution of projects financed or backed, and annual reporting on result indicators. Projects are equipped with a monitoring and evaluation system defined during the initial consultation with the customer, comprising a limited set of indicators relating to outputs and outcomes. The customer also submits key follow-up deliverables. An annual quality assessment campaign also supports portfolio management by identifying implementation risks and assessing progress against targets. Lastly, the Group implements an internal quality control plan to ensure the reliability and auditability of this impact data. The interoperability of similar approaches by the Group's different entities is also ensured.





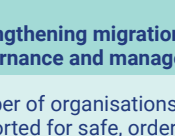
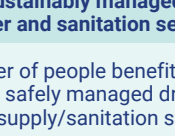
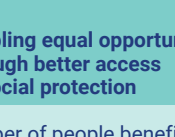
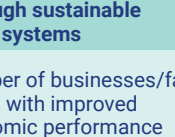
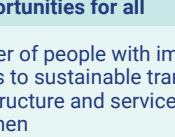


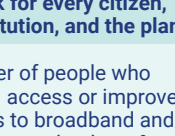
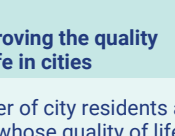
In addition, AFD carries out a sustainability analysis of projects completed since summer 2023, which is included in the completion report: the sustainability impact targets made at the time of approval are compared with the results achieved in order to inform discussions on what worked well and what did not go so well in the project's implementation in terms of sustainability. Lastly, the insights gained and lessons learnt from evaluations enable projects, strategies and operational tools to be refined in order to improve their quality and enhance their impact on sustainable development, as part of a process of continuous learning. In addition to evaluation, AFD also carries out knowledge-sharing initiatives that examine the practices and experiences arising from its interventions, with a view to turning them into knowledge that can be shared.

The choice of KPIs demonstrates AFD group's focus on measuring results for beneficiaries rather than achievements (such as kilometres of roads built). This is monitored across the board by measuring the number of disadvantaged beneficiaries receiving support, the gains in women's autonomy, beneficiaries in crisis and conflict zones, and beneficiaries of measures aimed at climate change adaptation. The indicators associated with the PISD measure the improvement of human capital (health, education, etc.); access to economic opportunities and basic services (water, energy, transportation, housing, etc.). The RIF thus provides quantifiable proof that the Group's action is intrinsically focused on improving the quality of life of local populations.

1) The OPIM Principles provide a framework of best practices that investors can use to design, implement and continuously improve their impact management systems and processes: <https://www.impactprinciples.org/>

Investment priorities:



Human development	Sustainable economy and finance	Sustainable infrastructure
 <p>1. Training in the skills of tomorrow to promote equitable integration</p> <ul style="list-style-type: none"> Number of beneficiaries of education, training and employment services created or significantly improved, % women and girls 	 <p>5. Supporting financial systems to support eco-friendly pathways to align economies with the SDGs</p> <ul style="list-style-type: none"> Number of beneficiaries of new or improved access to appropriate financial services, % women and girls 	 <p>9. Ensuring access to affordable, reliable and sustainable energy for all</p> <ul style="list-style-type: none"> Number of people with improved direct or indirect access to energy, % women
 <p>2. Safeguarding global health through access to health systems</p> <ul style="list-style-type: none"> Number of beneficiaries from supported health services or improved access to health services, % women 	 <p>6. Strengthening migration governance and management</p> <ul style="list-style-type: none"> Number of organisations supported for safe, orderly and regular migration 	 <p>10. Ensuring universal access to sustainably managed water and sanitation services</p> <ul style="list-style-type: none"> Number of people benefiting from a safely managed drinking water supply/sanitation service, % women
 <p>3. Enabling equal opportunities through better access to social protection</p> <ul style="list-style-type: none"> Number of people benefiting from better social protection, % women 	 <p>7. Reducing global hunger through sustainable food systems</p> <ul style="list-style-type: none"> Number of businesses/family farms with improved economic performance 	 <p>11. Developing greener transport for access to services and opportunities for all</p> <ul style="list-style-type: none"> Number of people with improved access to sustainable transport infrastructure and services, % women
 <p>4. Supporting fair and opportunity creating transitions</p> <ul style="list-style-type: none"> Number of jobs supported 	 <p>8. Supporting businesses and entrepreneurship, particularly in Africa</p> <ul style="list-style-type: none"> Number of businesses supported or created (including VSEs/SMEs, focus on Africa) 	 <p>12. Making digital technology work for every citizen, institution, and the planet</p> <ul style="list-style-type: none"> Number of people who gained access or improved access to broadband and/or telecommunications, % women
		 <p>13. Improving the quality of life in cities</p> <ul style="list-style-type: none"> Number of city residents and users whose quality of life has been improved, % women

Cross-functional ambitions:



Citizens, institutions and democracy



14. Supporting the rule of law and citizen participation

- Number of regulatory frameworks/mechanisms for citizen participation established in projects/programmes, including budgetary and matrix financing



15. Supporting the transformation of players towards greater efficiency and transparency

- Number of institutions supported to improve the effectiveness of public action, transparency and resilience to crises



16. Investing in crisis and conflict prevention and response

- Number of people whose resilience to crises and violent conflicts is supported (including persons displaced), % women



Social Link



17. Promoting equality and inclusion

- Number of disadvantaged or underprivileged beneficiaries supported, % women



18. Promoting the structural reduction of gender inequalities and the empowerment of women and girls

- Number of people benefiting from specific support for the physical, economic and/or political empowerment of women and girls, % of women and girls



19. Promoting sport and the cultural and creative industries as an accelerator of social cohesion

- Number of people with better access to the sports and cultural sectors: activities, employment, training, infrastructure (including heritage), % women



Planet



20. Promoting low-carbon transitions and climate change mitigation

- Number of countries and stakeholders supported in their low-carbon transition and/or projected GHG reductions (ex ante tCO₂e) enabled by earmarked financing



21. Strengthening adaptation to climate change

- Number of people whose climate resilience is increased by the project, % women



22. Promoting nature conservation and environmental sustainability

- Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity

1.2.5 Internal operations aimed at setting an example on sustainability

The internal workings of a group of services – and banking services in particular – are far from having as significant an impact as the operational decisions relating to the financing and project portfolio. Nevertheless, consistency and a commitment to continuous improvement and setting an example in the area of sustainability are also essential to our internal operations. AFD group has chosen to be exemplary internally, whether in terms of environmental, social or governance issues. The areas of focus include, notably:

- managing the internal carbon impact;
- an ambitious approach as a responsible employer protecting the Group's workforce, and
- zero tolerance for corruption and money laundering and the financing of terrorism.

1.2.6 The Group's due diligence framework (GOV-4)

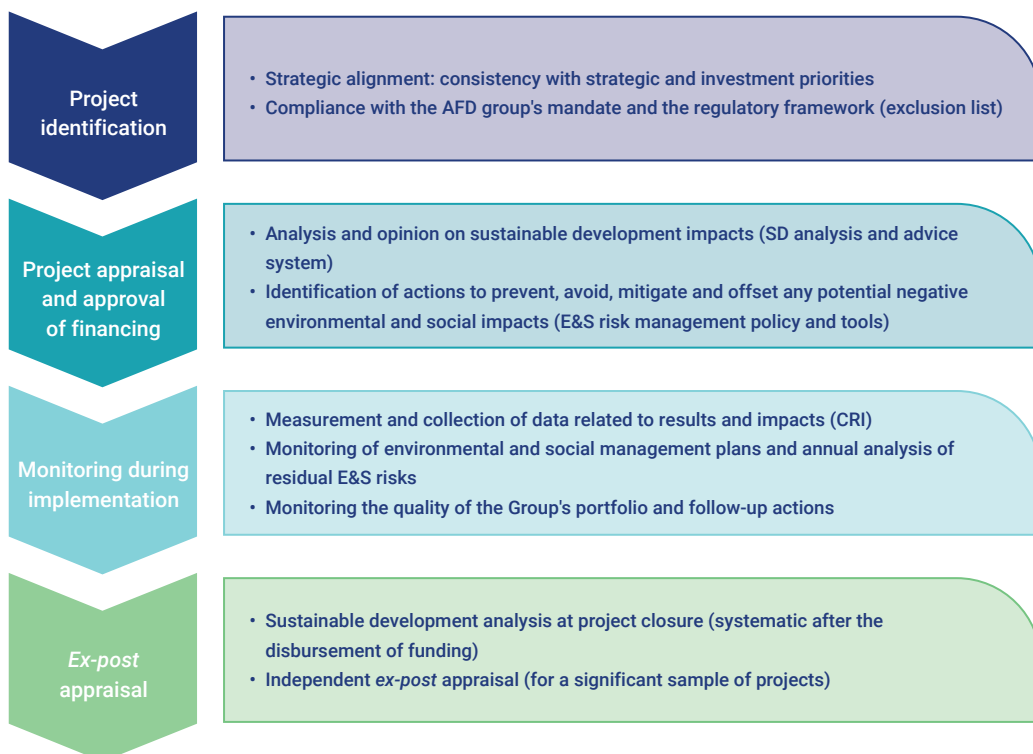
Several mechanisms, policies and procedures contribute to the exercise of due diligence in the face of sustainable development issues at the Group:

- the exclusion list provides upstream guidance in the creation of the portfolio of activities by defining the types of activities that the Group refuses to finance due to environmental, social, ethical or regulatory criteria, among others (Section 1.2.6.1);
- the sustainable development system ensures the alignment of operations with the SDGs (Section 1.2.6.2);
- risk management policies make it possible to avoid, reduce or offset any negative impacts of operations (Section 1.2.6.3);

- the environmental and social complaints system makes it possible to plan remediation when negative or unexpected environmental and social impacts could not be avoided, reduced or offset (Section 1.2.6.5 and Section 3.2 "Populations");
- and finally, the new results and impacts framework (RIF) and the evaluation policy complement them (Section 1.2.4).

At the same time, the Group is working to integrate climate and nature-related financial risks, both physical and transitional, into its risk analysis processes (Section 1.2.6.4).

The diagram below summarises the mechanisms, policies and procedures that contribute to the exercise of due diligence and the following sections briefly present them.



1.2.6.1 Targeted funding: exclusion lists and other tools

In order to ensure that its operations effectively contribute to the essential objectives of sustainable development, AFD group has adopted a set of tools:

Firstly, an exclusion list ⁽¹⁾ sets out the illegal activities or those not in line with the commitments made, which the AFD group refuses to finance from the outset, thereby guiding the very composition of the portfolio of activities at an early stage. It applies to all new financing approved by all Group entities in foreign States and French Overseas Departments and Collectivities. The Group exclusion list is reviewed approximately every five years. Whilst the exclusion list is drawn up prior to the appraisal and evaluation of the initiatives in question, it also serves as a useful reference throughout the lifetime of the funded projects, and may lead to the Group withdrawing support for operations in the event of clear breaches identified during their appraisal or implementation.

Further exclusions arise from the strategic frameworks (such as climate selectivity) and sector-specific intervention frameworks, which can be viewed on the Group's website. These selectivity doctrines and positioning notes, which are updated on a regular basis, are intended for use in the project assessment process.

Furthermore, AFD group's activities are also governed by a **General Policy on the prevention and combating of prohibited practices**, including corruption, fraud, anti-competitive practices, money laundering and terrorist financing, as such practices constitute major obstacles to development (see Section 4. "Governance information", G1).

1.2.6.2 Sustainable development analysis and advisory system

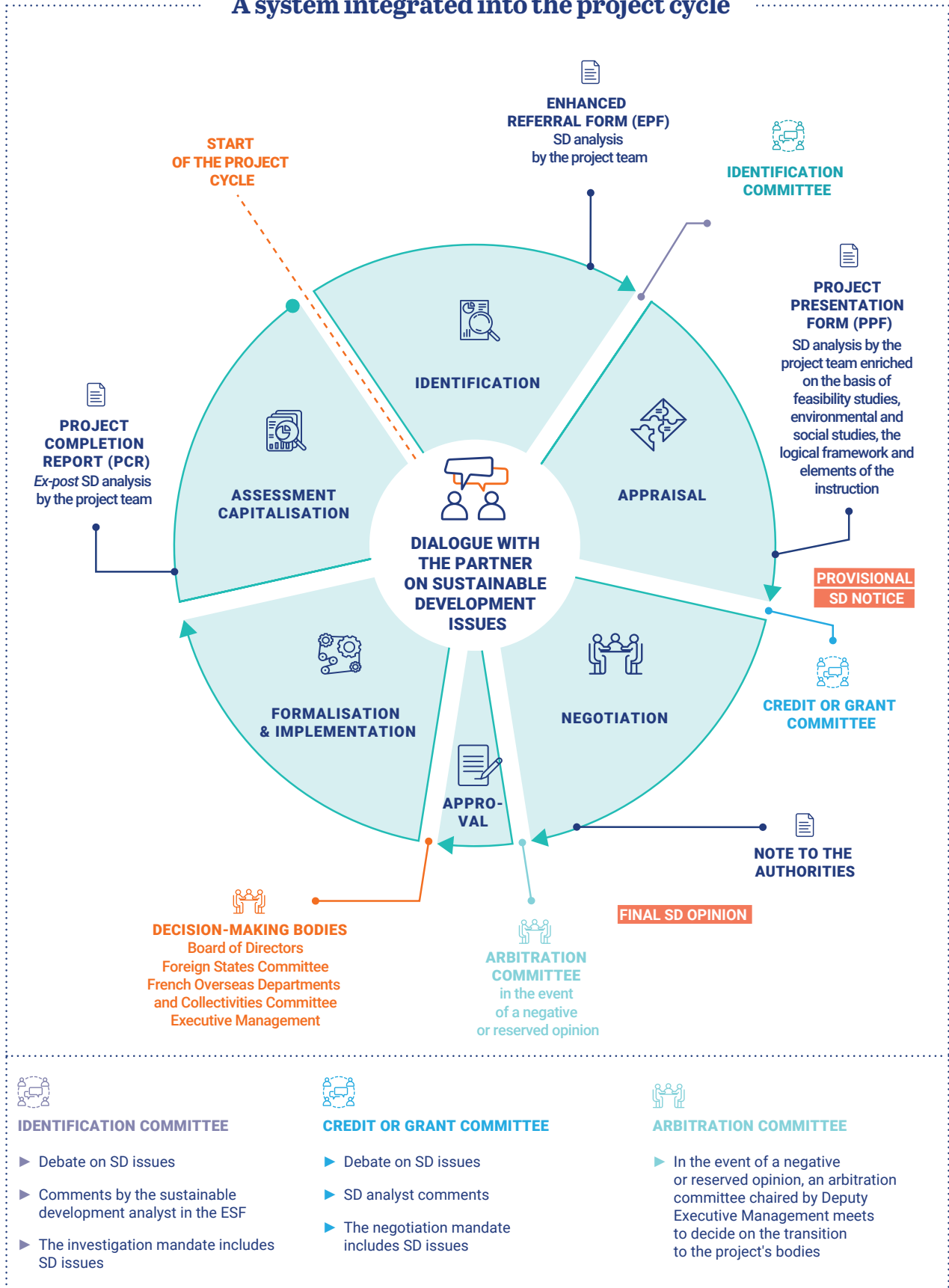
In 2014, AFD adopted the sustainable development analysis and opinion (SDAO) mechanism, which aims to promote the consideration of sustainable development issues in AFD's financing transactions and strategies. This mechanism provides for sustainable development analysis to be carried out by the operational teams at the first level and, for the second level, for the issuance of a sustainable development opinion issued by the Sustainable Development Opinion (ADD) unit ⁽²⁾, a structure

independent of the operational department. The sustainable development analysis and opinion mechanism consists of a detailed analysis of the project's expected impacts on each of the seven operational dimensions underpinning the three pillars of sustainable development, grouped under the terms planet, people and economy and governance: biodiversity, low-carbon transition, climate resilience, social link, gender equality, the economy and governance.

1) www.afd.fr/sites/default/files/2023-01-10-20-06/liste-exclusion-groupe-afd.pdf

2) The sustainable development opinion applies to projects of a certain value (over €1.5M for grants and over €5M for loans) that may be subject to an impact assessment. Macro-fiscal consolidation aid projects – also known as general budget support – and budget support for local authorities in the French Overseas Departments and Collectivities are specifically excluded from the scope of this opinion, as are projects funded through special funding budgets: FISONG and FICOL NGO funding.

A system integrated into the project cycle



The grid for sustainable development analysis

The analysis grid ⁽¹⁾ makes it possible to identify the potential negative and positive impacts of the transaction according to a scale of progression: -2 (significant negative impacts), -1 (moderate negative impacts), 0 (neutral impacts), +1 (moderate positive impacts), +2 (significant positive impacts), +3 (structuring positive impacts).

Sustainable development opinion

At AFD, the ADD unit issues an independent opinion based on the data from the analysis of the operational teams, which is itself based on the content of the project (feasibility study, environmental and social impact study, diagnosis on gender, inequalities or regarding the institution's governance). The sustainable development opinion can be favourable, favourable with recommendations, reserved or negative. It is consultative and informs the decisions of the decision-making bodies (Board of Directors and its Committees). An annual report of the opinions issued is presented to the Board of Directors. Moreover, this mechanism is a tool for dialogue and is part of the appraisal process for financing, with a view to raising questions and encouraging the consideration, as early as possible, of the impacts of projects on sustainable development. With regard to the climate, it notably calls for an assessment of how the project and/or the borrower, as appropriate, has taken physical and transition risks into account.

In line with AFD group's commitment to align its activities with the requirements of the Paris Agreement, if a project is deemed to have potential negative impacts on the climate, the assessment of the project is negative. In 2025, this automatic triggering of negative impacts and the type of opinion was extended to all other dimensions to achieve AFD group's **100% SDG commitment**. If a negative or qualified opinion is issued regarding a project during the assessment phase, approval of its funding is only possible following a decision by an Arbitration Committee chaired by AFD's Executive Management. From 2020 to 2024, between 3% and 7% of sustainable development opinions issued were reserved or negative.

A Group version to take into account the specificities of subsidiaries

The sustainable development analysis approach initially developed at AFD was extended to its subsidiaries in 2023 by adapting the approach to their specificities. At **Proparco**, the framework reflects the nature of its operations and incorporates the objectives set out in the 2023–2027 strategy, whilst remaining faithful to the philosophy of the framework established at AFD and drawing on the same pillars and dimensions of analysis (biodiversity, low-carbon transition, climate change resilience, social link, gender, governance and the economy, see above). This also applies to operations financed by Fisea. The main difference in the way AFD and Proparco mechanisms operate lies in their governance methods: at Proparco, the sustainable development rating is carried out by

the project teams and is not the subject of an opinion issued by an independent team. This rating analysis is nevertheless reviewed by the sustainable development department from various angles (ESG risk and positive impacts).

A negative score of -2 obtained on one of the dimensions leads to a negative opinion from either the Risk Management Department or the Compliance Department. A negative rating (-1) issued at the time of the project committee presentation must be resolved (upgraded to neutral or positive) before funding is approved or, at the latest, before the contract is signed, on the basis of evidence provided to the "support for sustainable development" department (such as an Environmental and Social Action Plan (ESAP) containing measures to prevent, reduce and/or offset the identified negative impacts, which the customer contractually undertakes to implement and ensure is implemented by its subcontractors, or satisfactory clauses in the funding agreement). Failing that, in order to be successful, the project will have to be approved by an Arbitration Committee chaired by Proparco's Executive Management.

At **Expertise France**, all projects are analysed and given a sustainable development rating that is integrated into the project committee procedure. This system, taken from that of AFD and adapted to the specificities of Expertise France's business lines, aims to ensure that sustainability issues are taken into account across the board while ensuring methodological consistency and data consolidation at Group level. It serves as a tool for decision-making, management and accountability, enabling the assessment of the scope and sustainability of the expected impacts of Expertise France's projects on the basis of the seven dimensions common to AFD group (biodiversity, low-carbon trajectories, climate resilience, social cohesion, gender equality, governance and the economy), which are themselves aligned with the 17 SDGs. The rating guides the design, adjustment and validation of projects at an early stage, whilst helping to monitor Expertise France's commitments and demonstrate their alignment with the Group's priorities and international frameworks (SDGs, Paris Agreement, Global Biodiversity Framework, etc.).

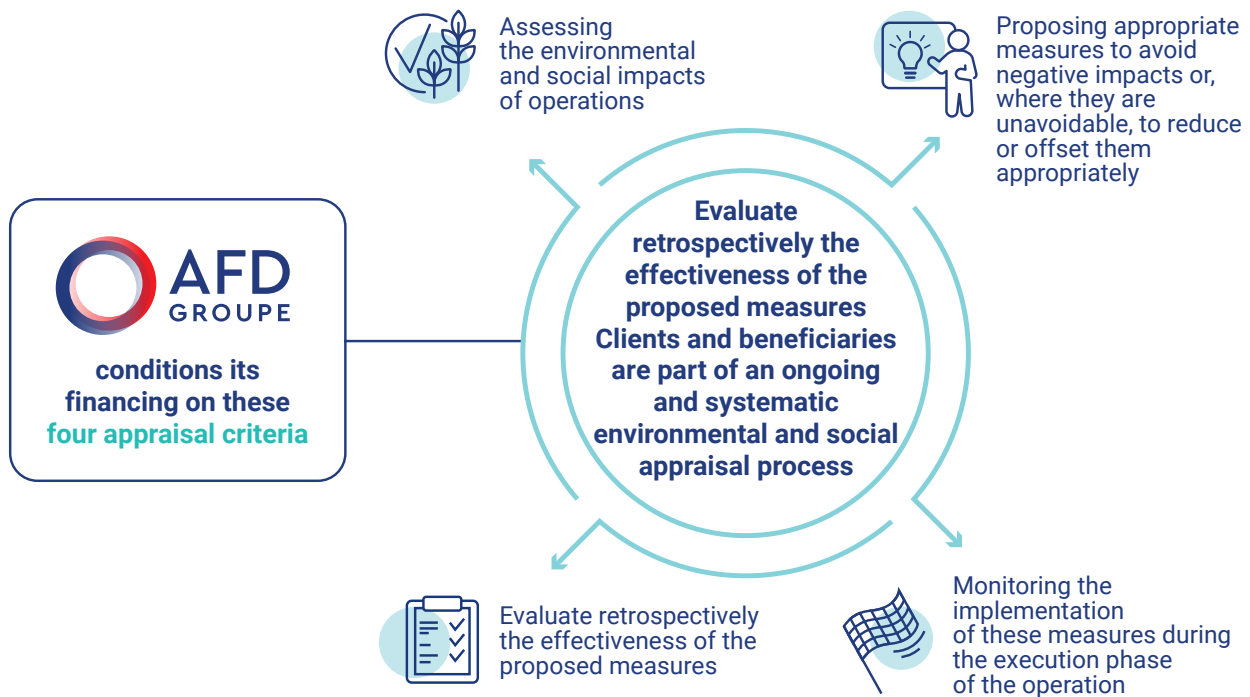
The rating is established by the operational teams and then assessed and validated by the Development Committee ⁽²⁾, ensuring the consistency, quality and traceability of the process. The rating system, identical to that of AFD group, uses a scale ranging from -2 (significant negative impact) to +3 (structuring positive impact), thus ensuring the comparability of analyses and consolidated results at Group level. It is also aligned, where applicable, with that of the lead donor, notably with regard to the criteria set by the OECD's Development Assistance Committee (DAC), in order to ensure the consistency of data reported under Official Development Assistance.

Lastly, the thematic accountability indicators enable Expertise France to provide, a posteriori, the concrete results of projects, based on the data collected annually.

1) The sustainable development framework is presented on the AFD website: afd.fr/fr/le-dispositif-developpement-durable, where it is also possible to download the current assessment grid.

2) The Development Committee is the internal validation body for Expertise France projects. Chaired by the Operations Department, it reviews the strategic coherence, quality and compliance of the analyses carried out, and approves the terms of reference for negotiations with the lessor issued to the teams, prior to the signing and implementation of the project.

1.2.6.3 Managing the risks of generating negative environmental and social impacts



AFD group makes its financing conditional on the implementation by customers and beneficiaries of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess a *posteriori* the effectiveness of the proposed measures.

AFD thus adopted an environmental and social (E&S) risk management policy ⁽¹⁾ for the operations it finances ⁽²⁾. AFD also has a procedural corpus allowing it to operationally implement this policy. The sustainable development analysis approach initially developed at AFD was extended to its subsidiaries in 2023 by adapting the approach to their specificities.

The environmental and social risk management policy implemented in the context of development operations financed by AFD group is a continuous, differentiated and proportionate approach: it is continuous because different actions are to be

carried out at each stage of the project cycle (identification, feasibility, *ex-ante* appraisal, presentation to bodies, contracting, monitoring and *ex-post* evaluation) and are part of a *continuum*. It is also differentiated and proportionate, as the nature and scope of the actions to be carried out as part of this approach are tailored to the level of environmental and social risks to be managed (risk of negative impact). This principle of proportionality applies at the various stages of the project cycle and relates notably to the choice of the applicable environmental and social regulatory framework (national regulations, whether or not supplemented by international standards from the World Bank or the International Finance Corporation ⁽³⁾), to the nature and scope of the studies on negative environmental and social impacts to be produced in collaboration with the beneficiaries of AFD group financing, to the level of involvement of AFD's Environmental and Social Support (AES) Division or Proparco's Environment, Social and Governance (ESG) Division, to the support provided to the beneficiary in managing environmental and social issues, or to the robustness of the environmental and social monitoring mechanism during project implementation.

1) This policy was adopted by AFD's Board of Directors in July 2017; it is available on the AFD website: <https://www.afd.fr/en/ressources/environmental-and-social-risk-management-policy-afd-funded-operations>. An internal audit was conducted in 2024 to assess its implementation. This policy was updated in 2025.
 2) These standards include ES Standard No. 1 "E&S risk and impact assessment and management", No. 2 "Labour and working conditions", No. 4 "Community health and safety" and No. 5 "Land acquisition and involuntary resettlement", No. 7 "Indigenous peoples/traditional local communities...", and No. 10 "Stakeholder consultation and information disclosure".
 3) IFC PS: Performance Standards on Environmental and Social Sustainability | International Finance Corporation (IFC).

E&S classifications established at the identification stage

In order to determine, at the outset of the assessment process, the resources to be mobilised in this context by AFD and the beneficiaries of the funding, the E&S risks associated with the operations are categorised, distinguishing between four levels of potential risk for projects receiving direct funding:

- high E&S risk projects: Category A;
- significant E&S risk projects: Category B+;

- moderate E&S risk projects: Category B, or
- low or no E&S risk projects: Category C.

For projects financed through financial intermediaries (FIs), three levels of risk are determined according to the constitution of the FI's portfolio:

- high E&S risk portfolio: Category FI-A;
- moderate E&S risk portfolio: Category FI-B, or
- low E&S risk portfolio: Category FI-C.

■ AFD: environmental and social risks of new projects financed in 2025 (and for 2024 as a reminder) in foreign countries (in number and amount of projects awarded)

E&S risks	Breakdown by number of projects allocated				Breakdown by amounts allocated			
	Number of projects - 2025	% in 2025	Number of projects - 2024	% in 2024	Amounts allocated (in € millions) in 2025	% in 2025	Amounts allocated (in € million) in 2024	% in 2024
A	16	8.8%	16	7.0%	1,091	13.63%	1,329	15.2%
B+	49	27.1%	58	25.3%	3,757	46.9%	4,026	46.1%
B	53	29.3%	66	28.7%	1,590	19.9%	1,079	12.4%
C	46	25.4%	57	24.8%	474	5.9%	581	6.7%
FI-A	9	5.0%	18	7.8%	759	9.5%	1,210	13.9%
FI-B	5	2.8%	8	3.5%	319	4.0%	361	4.1%
FI-C	3	1.7%	7	3.0%	17	0.2%	139	1.6%
TOTAL	181	100%	230	100%	8,009.8	100%	8,727.0	100%

The change compared to year N-1 reflects the annual changes in the composition of the portfolio of projects allocated.

The E&S rankings established at the identification stage, as detailed previously, are based on an analysis of the significance of the potential negative E&S impacts of the projects, i.e. the impacts that would appear in the absence of mitigation measures (avoidance, reduction or offsetting measures).

Mitigation measures defined during the appraisal and contracting phases

Mitigation measures may be defined as part of potential negative environmental and social impact studies. They are recorded in an **environmental and social management plan (ESMP)**, which describes the measures (environmental, social, biodiversity, resettlement, etc.), the necessary resources, the associated budgets, as well as the monitoring system to be implemented. This ESMP is a contractual commitment by the customer included in the financing agreement.

E&S monitoring of projects during their implementation phase

The implementation of each environmental and social management plan (ESMP) during the execution of projects (under the responsibility of customers) requires, for AFD, monitoring that is proportional to the complexity and level of environmental and social risks (initially) or the residual environmental and social risks of the projects.

Also, to strengthen the E&S monitoring of projects during their implementation phase, in 2020, AFD developed a method to assess the residual E&S risks of projects that are considered to be the riskiest (classified as A or B+ at the identification stage). This residual E&S risk assessment method is based on four criteria:

- the magnitude of the E&S impacts, taking into account the progress of the project;
- the quality of the project's environmental and social management and compliance with the E&S commitments made by the beneficiary through the financing agreement;
- the sensitivity of the context;
- the occurrence of major E&S events.

Projects may now be classified according to six levels, based on the importance of their residual E&S risks:

- project on alert requiring specific monitoring;
- sensitive project requiring increased monitoring;
- project requiring ongoing monitoring;
- project requiring basic monitoring (or no monitoring);
- project for which E&S monitoring is suspended;
- project for which E&S monitoring has been completed.

This analysis of residual E&S risks is carried out during the first half of each year and recorded in the information system for all projects classified during the identification as having high (Category A) or significant (Category B+) environmental or social risks, which were authorised and signed after 1 January 2016 and before 31 December of the previous year. It not only makes it possible to have an overview of the quality of the portfolio at a given time, but also to define specific and proportionate E&S monitoring programmes for each level of risk ⁽¹⁾, and thus to focus on the riskiest projects.

An analysis of the portfolio's residual E&S risks carried out in 2025 addressed projects classified as A and B+, allocated between 2016 and 2024, and in progress (projects not cancelled, for which an agreement has been signed before 31/12/2024 but not completed) which amounted to a total of 333 projects. The level of E&S monitoring to be implemented was thus determined for each of these 333 projects. The breakdown by level of monitoring is as follows:

■ Breakdown of the levels of environmental and social monitoring of the portfolio of ongoing A and B+ projects allocated since 2016, by number of projects and by amounts*

Level of E&S monitoring	Number of projects	as a %	Amounts (in €M)	as a %
Project on alert requiring specific monitoring	10	3.0%	669	4.7%
Sensitive project requiring increased monitoring	163	48.9%	8,701	61.2%
Project requiring ongoing monitoring	82	24.6%	2,832	19.9%
Project requiring basic monitoring (or no monitoring)	38	11.4%	1,054	7.4%
Project for which E&S monitoring is suspended	16	4.8%	284	2.0%
Project for which E&S monitoring has been completed	24	7.2%	678	4.8%
TOTAL	333	100%	14,217.9	100%

*For the 2025 cycle, the review of residual environmental and social risks covers projects awarded and signed between 1 January 2016 and 31 December 2024, which have not been cancelled or completed

Adaptation of the E&S monitoring of projects to the specificities of the subsidiaries

The Group's subsidiaries follow similar approaches (adapted to their specific characteristics) to analysing the environmental and social risks inherent in each loan or project. In line with the practices of international financial institutions, Proparco's approach is based on the performance standards of the International Finance Corporation (IFC) ⁽²⁾, the standards of the International Labour Organisation (ILO) ⁽³⁾, the land guidelines of the Food and Agriculture Organisation of the United Nations (FAO) ⁽⁴⁾, the United Nations Guiding Principles on Business and Human Rights (UNGPs) ⁽⁵⁾ and the resources of the Corporate Governance Development Framework (CGDF) ⁽⁶⁾

E&S due diligence is carried out by **Proparco** for each operation. Their objectives are (i) to determine the scale and severity of the E&S risks associated with the transaction, (ii) to analyse the ability of the financed/investee company to manage these risks effectively within a reasonable timeframe, and (iii) to identify, where necessary, the measures required to eliminate, reduce or mitigate these risks and impacts for the highest-risk projects. The financing or investment decision is based notably on these procedures.

An E&S ranking makes it possible, during the identification phase, to determine the level of potential E&S risks of the activities financed (directly or by a financial intermediary). This rating is assigned on a scale ranging from A (high risk) to C (low risk), as described above for the AFD; it does not change over time (unless there is a substantial change in the nature of the activity during the course of the project) and does not take into

account the customer's ability to manage these risks ⁽⁷⁾ (management systems and performance) ⁽⁸⁾. The ranking defines the principles and methods of intervention of Proparco's teams in charge of E&S issues. The higher the level of risk estimated, the greater the E&S appraisal effort.

In the case of projects presenting significant levels of risk and for which the involvement of a Proparco E&S specialist is deemed necessary at the signature stage or during the life of a project, monitoring of the evolution of E&S performance is carried out. This monitoring takes the form of the evaluation of four annual E&S indicators, determined on the basis of assignments, discussions with the client or documentary reviews. These indicators are (i) the E&S management system (measures the maturity of all E&S risk management processes), (ii) the E&S organisation (the client's resources and capabilities to manage E&S risks), (iii) E&S performance (changes in the due application of the E&S standards selected), and (iv) residual risk (assessment of the E&S risk to date by integrating the other indicators). In addition, concrete improvement actions are defined with the beneficiaries of the financing and grouped in an environmental and social action plan which is included in the contractual documentation. The implementation of these improvement action plans is monitored by the ESG team.

The tables below present the classification of the potential E&S risk of Proparco's projects signed in 2025 and 2024 according to their number (Table 1, N.B.: a project may be linked to several types of financing) and their amount (Table 2). The tables also provide a comparison for information with all the projects in Proparco's portfolio in 2025.

1) This is the risk of contributing to a negative impact and not a financial risk within the meaning of the CSRD.
 2) IFC PS: Performance Standards on Environmental and Social Sustainability | International Finance Corporation (IFC).
 3) ILO standards: labour standards (ilo.org).
 4) VGGT : Voluntary Guidelines on Tenure Governance of Tenure Food and Agriculture Organization of the United Nations (fao.org).
 5) UNGPs: guidingprinciplesbusinesshr_en.pdf (ohchr.org).
 6) CGDF: Home page – CG Development Framework.
 7) Contributing to negative impacts.
 8) Only customers requiring specific E&S monitoring are subject to an E&S performance assessment based on their E&S organisation, their E&S management system, and their level of compliance with the standards of the International Finance Corporation (World Bank Group) and Proparco requirements.

■ Environmental and social classification of Proparco projects signed in 2024 and 2025, in terms of numbers

In numbers	2025		2024	
	Number of projects signed	% of projects signed	Number of projects signed	% of projects signed
A	6	6.1%	8	6.9%
B+	14	14.1%	27	23.3%
B	6	6.1%	10	8.6%
C	1	1.0%	5	4.3%
FI-A	28	28.3%	17	14.7%
FI-B	13	13.1%	21	18.1%
FI-C	31	31.3%	28	24.1%
TOTAL	99	100%	116	100%

■ Environmental and social classification of Proparco projects signed in 2024 and 2025, in terms of amounts

In millions of euros	2025		2024	
	Amount	% of projects signed	Amount	% of projects signed
A	101	4.6%	327	13.1%
B+	451	20.4%	864	34.5%
B	39	1.8%	100	4.0%
C	0	0.0%	2	0.1%
FI-A	1,004	45.5%	616	24.6%
FI-B	261	11.8%	290	11.6%
FI-C	352	15.9%	304	12.1%
TOTAL	2,208	100%	2,504	100%

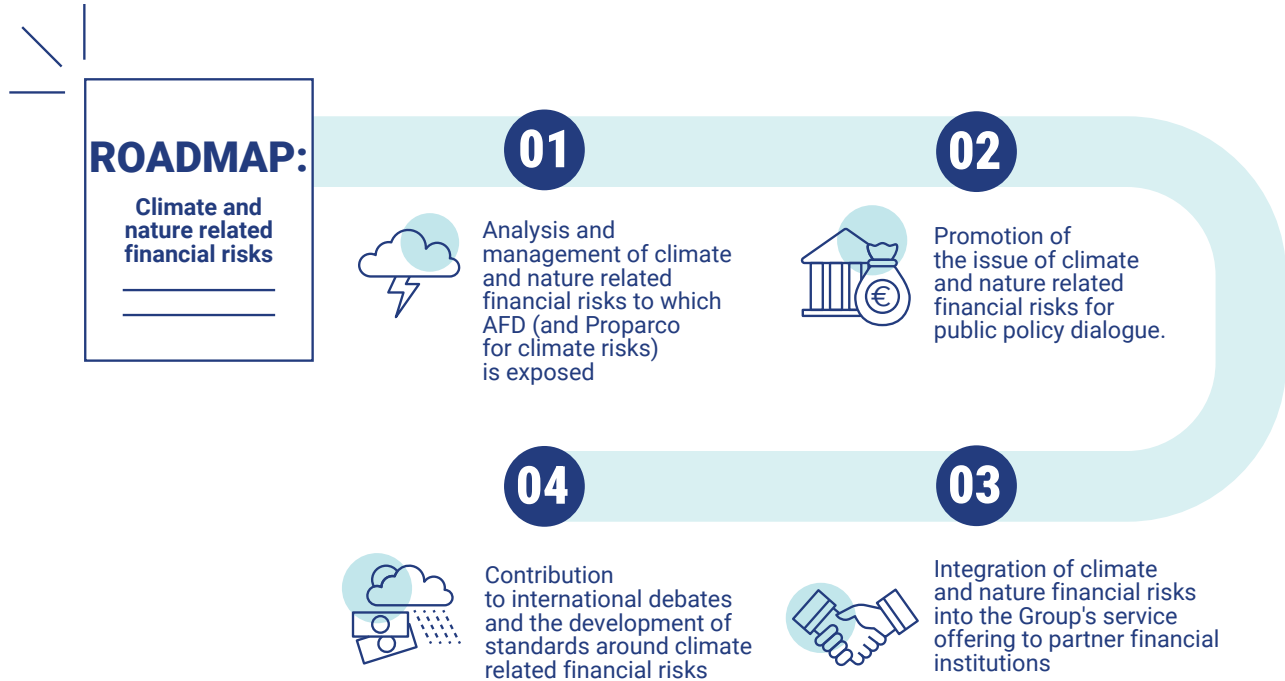
Each Proparco operation is also subject to a governance review in which a governance specialist may be involved, depending on the level of complexity. It makes it possible to determine, where applicable, the methods for improving governance (formalised in a governance action plan included in the contractual documentation) and any possible need for associated technical support. These commitments and support are then monitored annually to verify their effective implementation.

Lastly, when unforeseen events or significant delays in the implementation of the action plan materialise – including biodiversity studies or preservation actions – the projects under monitoring may be placed on an ESG watchlist. The purpose of this list is to draw internal attention to projects where a significant environmental, social or governance risk has been identified.

As an operator, **Expertise France** applies the environmental and social framework defined by its donors in the implementation of its projects, in accordance with their respective policies and requirements. Expertise France monitors and reports on the implementation of these requirements, in accordance with the terms provided for in the contract and in line with the Group's accountability mechanisms.

Thus, for Expertise France projects financed by AFD, the development and implementation of activities are part of AFD's environmental and social risk management procedure presented above.

1.2.6.4 Consideration of climate and nature-related financial risks



Since 2017, AFD group has been working to integrate climate-related financial risks, both physical and transitional, into its risk analysis processes and has developed internal and external training modules. This work is documented in an internal roadmap validated by the Executive Committee in 2019 for climate risks and in 2022 for nature risks, which is based on four pillars:

- **the first pillar focuses on the analysis and management of financial risks related to climate and nature ⁽¹⁾ to which AFD and Proparco (only for climate risks) are exposed.** The Group currently has methodologies in place to monitor the climate-related risks (both physical and transition risks) of its counterparties, covering both sovereign exposures (AFD) and non-sovereign exposures ⁽²⁾ (AFD and Proparco) (see Section 2.1.1.2. Operationalisation of the AFD Group's climate commitments). Nature-related physical and transition risks, for their part, are monitored specifically only for AFD's sovereign exposures (see Section 2.2.4.4). The implementation of this pillar is accompanied by internal training and methodological guides to ensure a due dissemination and appropriation of the associated tools and procedures. This work is now being carried out as part of efforts to comply with the relevant regulatory requirements;

- **the second pillar concerns the mobilisation of the analysis of climate and nature-related financial risks as part of public policy dialogue.** To this end, AFD uses several modelling tools to identify macroeconomic vulnerabilities in the face of low-carbon transition schemes;
- **the third axis aims to integrate climate and nature-related financial risks into the Group's service offering to partner financial institutions,** including central banks, in order to strengthen their capabilities to analyse and manage these risks;
- **the fourth pillar of the roadmap aims to contribute to international discussions and the development of standards relating to climate and nature-related financial risks,** either directly or through the IDFC (International Development Finance Club) and FiCS (Finance in Common Summit) networks, as outlined in Section 1.2.3. This involves presenting research in this field at international events and engaging in dialogue with partners in the financial sector and associated networks, such as the Network for Greening Financial Systems (NGFS) ⁽³⁾, for example. The implementation of the Group's roadmap on climate and nature-related financial risks is overseen by a dedicated Steering Committee comprising teams from the Executive Departments involved in the various pillars, as well as Proparco. It meets twice a year and presents its work to the AFD Executive Committee.

1) The concept of "nature" includes not only biodiversity and ecosystems, but also the physical conditions necessary for life, such as the availability of water.
 2) 'Sovereign' refers to States or public entities that benefit from a State guarantee; 'non-sovereign' refers to companies, public institutions and local authorities that do not benefit from a State guarantee.
 3) Launched at the "Paris One Planet Summit" in December 2017, it is a network of central banks and regulators committed, on a voluntary basis, to sharing best practices and contributing to the development of environmental and climate risk management in the financial sector, as well as to mobilising traditional finance to back the transition to a sustainable economy.

1.2.6.5 Environmental and social complaints management system

AFD and Proparco's environmental and social complaints systems offer individuals or groups affected by their funded projects the opportunity to submit a non-judicial complaint, which is subject to an eligibility assessment and then addressed through conciliation or a compliance audit to ensure transparency, accountability and, where appropriate, remedial

action. AFD manages complaints through an independent secretariat under the supervision of the Ethics Advisor, while Proparco uses a mechanism shared with DEG and FMO, composed of a panel of independent experts. Results, lists of eligible claims and annual reports are published. Although Expertise France does not have its own support scheme, affected individuals or groups can turn to the mechanisms provided by EF's donors, notably the AFD and the EU. See Section 3.2.3.1.

1.2.7 Interests and views of stakeholders (SBM-2)

AFD group is committed to exemplary transparency and open dialogue with its stakeholders (see above, POS V strategy – "Working by your side" section).

Through its current transparency policy, AFD group has aligned itself with the best practices observed among other donors and with international standards, including those of the International Aid Transparency Initiative (IATI), whilst taking into account the expectations of its stakeholders. This policy reflects the Group's commitment to responding ever more effectively to the growing demand from its stakeholders for information and explanations regarding its governance, strategy, objectives, funding allocations, development objectives and outcomes. AFD group contributes to an open data portal ⁽¹⁾ designed to make the most of all data falling within the scope of transparency. AFD

group continues to strengthen its data publication policy on its open data website. In order to better communicate on its financing, AFD publishes a "Public Communication Note on Operations (NCO)" for each project with a summary of the agreement signed and a description of the project, its stakeholders and financial information. At 31 December 2025, project data published through an NCO covered 86% of projects falling within the scope of transparency, an increase compared to 31 December 2024 (83%) and 31 December 2023 (79%).

In addition to its commitment to transparency, the Group seeks to maintain a structured dialogue with its stakeholders. To this end, it regularly updates the mapping of its main stakeholders and organises a structured dialogue with them at various levels.

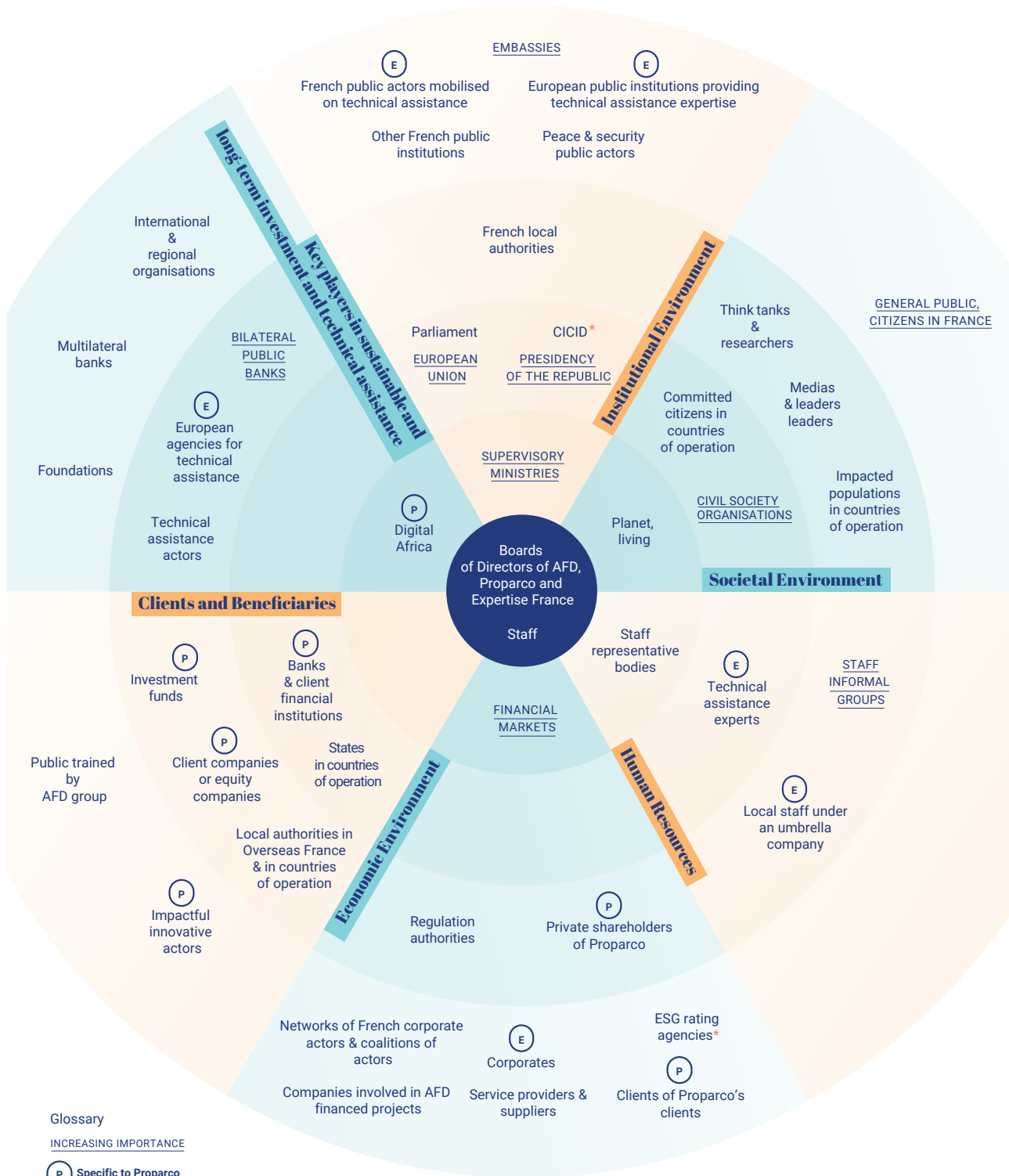
1) <https://opendata.afd.fr>

1.2.7.1 AFD group stakeholder mapping

Stakeholder mapping was updated in 2022 following a desk review and consultations with the Group's CSR focal points and managers of the Group's strategy and partnerships sectors to refine the identification of stakeholders and the rating of their proximity (see diagram).

Mapping of the AFD group's stakeholders

Revision 2022



Glossary

INCREASING IMPORTANCE

(P) Specific to Proparco

(E) Specific to Expertise France

* CICID: Interministerial Committee for International Cooperation and Development (Comité interministériel de la coopération internationale et du développement)

* ESG rating: environmental, social and governance rating

1.2.7.2 Overview of main stakeholders, organisational arrangements, engagement objectives, and how these are integrated into the strategy and business model

Main stakeholders		Organisational arrangements	Engagement objectives	Integration into strategy
Institutional Environment	Government	Presence in the Group's governance bodies; Exchange at the meetings of the Presidential Council on International Partnerships (CPPI) and the Interministerial Committee for International Co-operation and Development (CICID)	Discussion and validation of strategic orientations; accountability; validation of cross-cutting policies and funding approvals	Definition, validation and monitoring of strategic priorities (POS V, Objectives and resources contract agreed by AFD and the State)
	Parliament	Presence on the AFD and EF Boards of Directors; Parliamentary hearings and parliamentary questions	Accountability	Consultation on the draft Objectives and resources contract agreed by AFD and the State
	European Union	Structured dialogue through the platforms set up by the EU ⁽¹⁾ ; regular dialogue at the level of the Executive Managements and in the framework of the JEFIC networks ⁽²⁾ , EDFI and the Practitioners' Network; dialogue and accountability specific to (co-)funded EU projects	Structuring of a relevant and effective European architecture of international partnerships and cooperation; impacts of (co-)financed projects	"Mobilisation platform" POS V pillar; better strategic alignment for increased impacts; identification and monitoring of joint operations, notably in the framework of EU Global Gateway projects
	Institutional public actors	Regular or <i>ad hoc</i> consultations	Mobilise players and French expertise in the service of cooperation (expertise, cofunding, etc.)	"Mobilisation platform" POS V pillar
Societal Environment	Civil society organisation (CSO)	Regular consultations with CSO networks such as Coordination Sud; establishment of an annual strategic dialogue with key CSO partners at Executive Management level; in-depth funding discussions and dialogue within the framework of the CSO-Initiatives scheme ⁽³⁾	Discussion of strategic orientations and identification of synergies and areas of support for CSOs	"Mobilization platform" POS V pillar; optimisation of support provided to French and local CSOs in the countries of intervention
	Local populations and citizens of the countries of intervention	E&S complaints management systems	Promotion of constructive approaches, based on the search for amicable solutions	Feedback to change operational practices
	General public & citizens in France	Awareness-raising and <i>ad hoc</i> dialogue initiatives (festivals, tilt.fr media, etc.); support for education on citizenship and international solidarity (ECSI) projects led by CSOs	Feedback and promotion of the values of education for citizenship and international solidarity	Possible inclusion in intervention procedures and priorities
Human resources (employees, non-employees and employee representatives)	Group employees and their representative bodies	Regular meetings of the Group's bodies with employee representative members; consultation of employee representative bodies; <i>ad hoc</i> meetings	Maintaining an inclusive dialogue, a vector of fairness, cohesion and employee commitment	Contribution to strategic orientations and priorities
	Technical assistance experts (non-employees)	International Technical Expertise Days (ETI) organised by Expertise France in conjunction with the Ministries of Foreign Affairs and the Economy	Reflection and exchange on strategic themes	Contribution to strategic orientations and priorities

1 GENERAL INFORMATION (ESRS 2)

Main stakeholders	Organisational arrangements	Engagement objectives	Integration into strategy	
Economic Environment	Investors (buyers of securities issued by AFD and Proparco shareholders)	Regular meetings for investors, as well as <i>ad hoc</i> interactions and communication via the investor portal on the AFD website; meetings of Proparco's governing bodies attended by shareholders	Consideration of investors' expectations and preferences, notably on the SDG issuance framework; accountability	Contribution to the evolution of the bond issuance framework (ESG information); contribution to Proparco's strategic orientations
	Social and solidarity economy players	Implementation of cross-functional strategic dialogue; financing and in-depth bilateral dialogue	Discussion of strategic orientations and identification of synergies and areas of support for these players	POS V reaffirms AFD group's support for SSE actors, and states the goal of strengthening ties with these actors. The review of the Social and Inclusive Business Strategy, published in June 2024, assesses relations with these stakeholders
	Rating agencies	Meetings relating to financial and non-financial ratings	Responses to local office expectations and improvement of financial and non-financial communication	Contribution to the evolution of the bond issuance framework
	Regulation authorities	Regular exchanges as part of the prudential supervision mission	Compliance with the applicable regulatory and prudential framework	Periodic updating of the risk management policies and of the accountability framework, including any material ESG risks
Customers and beneficiaries	States and public actors	Ongoing dialogue, notably to feed into the country intervention frameworks ⁽⁴⁾ or to identify and implement projects	Sharing findings and taking into account partners' policies and strategies, and aligning them with AFD group's strategic priorities; taking into account the due diligence processes in place (sustainability assessments, E&S risk management, second opinions, etc.)	Alignment with national and international policies and AFD's strategic priorities and due diligence
	Banks and private corporate customers, other players	Ongoing dialogue: through conferences, with banking or corporate players during prospecting or customer visits; "Proparco Days"	Consideration of due diligence processes in line with Proparco's strategic priorities	Alignment of strategic orientations with customer expectations
International cooperation actors	Public development banks	Ongoing dialogue, including in the FICS and IDFC networks and on a bilateral basis	Consultation and, where relevant, harmonisation of strategies and methods for positive impacts and ESG risk management	Alignment of the Group's strategies with international best practices in terms of sustainability, notably in the framework of cofunding
	International & regional organisations	Ongoing or <i>ad hoc</i> dialogue	Consultation and, where relevant, harmonisation of strategies and methods for positive impacts and ESG risk management	Alignment of the Group's strategies with international best practices on sustainability

(1) Global Gateway Forum, investment platforms, etc.

(2) AFD group is actively involved in the main networks of European development banks and agencies, which are: Joint European Financiers for International Cooperation, comprising bilateral banks and European financial institutions such as AFD; the Practitioners' Network for European Development Cooperation, bringing together implementing agencies such as Expertise France; and the Association of European Development Finance Institutions (EDFI), in which Proparco participates.

(3) The AFD's CSO Initiatives programme provides funding for international solidarity projects led by French CSOs or CSOs registered under the local law of one of the countries where the AFD operates.

(4) Developed through a participatory process and updated every four to five years, the country intervention frameworks (CIFs) guide the Group's positioning and operational priorities in a given country.

Dialogue with external stakeholders

AFD group defines and implements its initiatives through a wide range of practical partnerships and in consultation with a large number of stakeholders. It maintains close dialogue with various stakeholders in France (ministries, public bodies, civil society organisations (CSOs), social and solidarity economy (SSE) enterprises, French companies with an international focus, foundations, local authorities, private companies), as well as at European and international levels (regional and multilateral banks, UN organisations, philanthropists, etc.) as well as with local stakeholders (civil society organisations, foundations, local authorities, the private sector) within the countries where it operates (see table). For example, as part of the development of its 2025-2030 Strategic Orientation Plan, AFD group held several meetings with French civil society actors, research centres, European think tanks, peers and partners. In addition, AFD facilitates a platform for dialogue and consultation, known as the partners' committee, which brings together French and international CSOs, ministries, French think tanks and commercial banks twice a year to discuss the Group's climate and nature-related issues. Cross-cutting strategic dialogue has been established with French CSOs and stakeholders in the social and solidarity economy. Quarterly discussions are also held with selected CSOs on climate issues and corporate social responsibility. When assessing and implementing the projects it funds, the Group ensures, through contractual clauses and support measures, that the customer or beneficiary consults the various stakeholders.

Exemplary approach to populations along the value chain

As part of an exemplary approach, the Group has developed procedures designed to channel its financial resources and expertise towards projects and beneficiaries that adhere to protective social standards, including measures to prevent child labour and forced labour. This involves, for example, backing

minimum working conditions that are more ambitious than certain national laws. Furthermore, the Group's exclusion list (see Section 1.2.6.1) and its sustainability framework (see Section 1.2.6.2), which form part of its due diligence procedures, also contribute to this commitment to exemplary conduct towards workers throughout the value chain. This same exemplary approach and reasonable due diligence also applies to local populations (communities benefiting from or affected by the Group's projects) in order to protect their rights. The Group's E&S complaint management systems (see Sections 1.2.6.5 and 3.2.3.1) also complement this approach.

Internal social dialogue

Social dialogue is a cornerstone of AFD group's policy and a key driver of fairness, cohesion and employee engagement. It contributes to the prevention of social risks, notably those related to employment practices, the lack of internal consultation and psychosocial risks. The Group's human resources policy promotes open, inclusive and constructive social dialogue.

1.2.7.3 Presentation of the views and interests of governance stakeholders

Sustainability and the SDGs are at the heart of AFD group's mandate, which consults with the main stakeholders concerned during the development of its strategies and on an *ad hoc* basis (see table above). The points of view and interests of stakeholders therefore contribute to the development of the Group's strategic framework and the Group's bodies are informed of the main findings of these consultations. Moreover, activity reports and the operation of AFD's environmental and social complaints system are presented to AFD's Board of Directors at least every three years. For its part, Proparco presents the annual reports on the system to its bodies (Risk and Audit Committee and Board of Directors).

1.3 Governance (GOV-3)

1.3.1 Composition and role of governance bodies

As AFD group's business model is intrinsically dedicated to the management of sustainability issues (see sections above), sustainability issues are dealt with by the Group's main governance bodies and not by *ad hoc* governance structures. Chapter 3 of the Universal Registration Document (corporate governance) describes the composition of these governance bodies and their roles (GOV-1 and GOV-2), notably as regards the management of IROs. See also Sections 1.3.3.4 and 1.3.3.5

for the control of ESG data and the governance sections of the thematic chapters. Furthermore, the Group set up a Steering Committee under the authority of AFD's Chief Operating Officer, in order to coordinate the preparation and publication of ESG information (CSR, ESG Pillar 3, European taxonomy). This Steering Committee is assisted by a task force composed of representatives of the Group's various entities.

1.3.2 Integration of sustainability-related performance in incentive schemes

It should be noted that AFD group has not set up any incentive mechanism through remuneration for members of its Board of Directors and Executive Management; there is therefore no incentive mechanism for sustainability issues.

1.3.3 Risk management and internal controls over sustainability reporting

The risk assessment and internal control framework is set to evolve in order to cover the new processes associated with the recent sustainability reporting requirements. The implementation of these changes is under way at AFD group and is taking place gradually. The evolution of this system will continue in 2026 with a reinforcement of the existing system, including the implementation of controls on this new reporting process.

1.3.3.1 Description of AFD group's internal control system

AFD group's internal control system is based on the following three lines of defence:



The internal control of sustainability information is integrated into the existing control system following the identification and analysis of the risks in terms of sustainability reporting to which the Group is exposed. This integration process is currently being updated and will continue over the coming years.

Whilst the first and second lines of defence are currently being established for this first year of voluntary reporting, the audit plan for the periodic review is scheduled to be finalised for the 2027 report. Risk management related to sustainability information is based on the following principles:

- a review of the risks borne by the Group through the annual operational risk mapping exercise;
- the definition of the risk appetite framework;
- regular reporting to the management (Executive Committee, Risk Management Committee) and supervisory bodies (Internal Control Committee, Risk Management Committee and Board of Directors).

Chapter 4 of the Universal Registration Document presents the Group's risk management approach more generally, and more specifically it does so in the paragraph dedicated to Internal Control and risk monitoring.

1.3.3.2 Assessment and management of risks related to sustainability information

In order to monitor and better control all the risks to which AFD group is exposed (including those in terms of sustainability), a global management framework was developed, which covers raising awareness of risks, identifying and anticipating them, as well as a system for controlling and monitoring these risks.

The first step in this approach to sustainability risk management involves better identifying the data deemed critical to the Group in relation to sustainability, which mainly comprises:

- **data risk:** risk related to the quality, unavailability or absence of the data necessary for sustainability reporting;
- **risk related to reporting and regulatory communication:** the risk of failures in external communication (supervisory authorities, public, etc.) or failure to comply with the reporting obligations required by ESRS standards.

Thus, the operational risk framework – based on the seven Basel risk categories and a reference tool common to the Group in the internal control system – was enhanced with these clarifications on risks related to sustainability reporting.

The second change concerns the declaration and processing of operational incidents, which are identified as part of a continuous improvement approach. This is an essential component of the regulatory internal control system of credit institutions.

To enhance the system in place at the Group, operational incidents reported in 2025 were reclassified in light of the new risk labels related to sustainability information.

The third development concerns the operational risk map, which sets out the risks to which the Group is exposed and serves as the primary tool for measuring and monitoring operational risks. This mapping is updated at least annually, on the basis of incidents occurred, the results of controls, the recommendations of the General Inspection, or the progress of action plans.

The operational risk mapping exercise involves the operational departments conducting a self-assessment of the risks to which they are exposed, as identified in the framework provided by Permanent Control. For the 2026 financial year, the exercise will be carried out on the basis of the enhanced risk framework (see above), which will make it possible to better identify sustainability-related risks, specify their impacts, strengthen existing controls, and adapt control plans and related mitigation strategies.

1.3.3.3 Strategy to mitigate identified risks related to sustainability information

Data quality is a requirement that applies to all scopes of activity, throughout the data life cycle and through successive processing instances.

For this first reporting exercise, the main strategies identified to control this risk are as follows:

- establishment of dedicated governance and committees;
- definition of roles and responsibilities for the production and validation of information;
- implementation of a process of industrialisation of some of the indicators;
- organisation of an end-to-end pilot exercise based on 2025 data in order to test the process for preparing the sustainability statement and secure its production;
- establishment of a cross-functional Proofreading Committee comprising various business lines;
- generally, for all data, the goal of remedial work is to correct the anomalies observed.

1.3.3.4 Involvement of internal control in managing risks related to sustainability information

The internal control system relies on each employee and involves AFD group's three lines of defence.

For the first line of defence, first-level controls are gradually put in place by the actors in charge of manipulating/transforming data.

The second line of defence is ensured through permanent control over the entire system. As regards the control of sustainability information, two new controls were added to the Group control plan (one control on qualitative *data* points and a second on quantitative *data* points).

1.3.3.5 Reporting to governance bodies

The main conclusions stemming from the internal control system are communicated to the various governance bodies of the Group's constituent entities (Internal Control Committee, Risk Management Committee, Board of Directors, etc.).

1.4 Impact, risk and opportunity management

1.4.1 Identification and assessment of material impacts, risks and opportunities

1.4.1.1 Reminder of the definition of double materiality

In accordance with the standard, materiality refers to the current or potential impacts, whether positive or negative, caused by AFD group on people or the environment (environmental, social and governance) in the short, medium or long term, throughout the value chain.

Financial materiality refers to current or potential financial risks and opportunities that have, or could have, an impact on AFD group's financial position or performance, cash flows, access to finance or cost of capital in the short, medium or long term.

A sustainability theme is material when it is defined as material from an impact perspective, from a financial perspective, or both.

1.4.1.2 Organisation and overall framework

The general outline of the AFD group's dual materiality analysis process is as follows:



To carry out its double materiality assessment, the Group followed a number of steps:

1. definition of the value chain. The value chain (1.2.2 "Value chain") is divided into two scopes:
 - **operational activities:** financial activities (project financing, grants, investments, bond issues, etc.) and provision of expertise and/or training for projects,
 - **internal operations:** employee work, building maintenance, purchases of support functions, etc.;
1. identification and assessment of impact materiality along the value chain (1.4.1.3);
2. identification and assessment of financial materiality (1.4.1.4).

The assessment of the materiality of the IROs according to a methodology based on internal tools, processes and expertise makes it possible to rank the IROs in order of priority on the basis of their probability and relative severity;
3. definition of the materiality threshold (1.4.1.5).

As this sustainability statement was prepared on a consolidated basis, AFD group developed and applied its double materiality assessment methodology at Group level rather than at the level of each individual entity.

1.4.1.3 Identification and assessment of impact materiality

For each sub-theme of the standard, AFD group sought to identify positive and/or negative impacts on the two scopes of its value chain (operational activities and internal operations). The assessment of the known or potential nature of the impact and its time horizon were defined on the basis of an expert opinion. The Group then assessed the impacts identified using the tools, processes and expertise available. The impact analysis was the same for all themes and covers all activities (products and regions) and the entire value chain.

The sustainable development analysis system, at the heart of the analysis of impacts on operational activities

The materiality analysis of impacts is based primarily on the sustainability analysis and assessment framework detailed in Section 1.2.6.2, which conducts due diligence on each project by scoring negative impacts (rated -2 or -1) and positive impacts (rated +2 or +3) across several ESG dimensions. The SDAO mechanism rating takes into account the severity and probability of impacts.

Initially, a quantitative analysis was carried out on projects validated in 2023 benefiting from an SDAO mechanism rating.

Based on the SD ratings for each project, the Group weighted the financial figures to identify the areas where it has the greatest impact: impacts of +3 and -2 carry more weight in the rating than impacts of +2 and -1. The Group thus obtains, for each theme, a positive impact percentage and an aggregated negative impact percentage for the entire 2023 portfolio. This percentage is then used to rate these impacts on a three-point scale (1 – Low or negligible / 2 – Moderate / 3 – Significant).

Following this analysis of the 2023 portfolio, a subsequent review based on an expert opinion took into account the portfolio of projects prior to 2023, thereby confirming that the ratings are consistent.

A complementary analysis, based on an expert opinion

For impacts not covered by the SDAO mechanism and for internal operations, the assessment of positive and negative impacts is carried out on the basis of an expert opinion using the tools and data available at the Group and the opinion of stakeholders. It should be noted that a negative impact relating to themes S1 and G1 gives rise to a risk that is taken into account in AFD group's operational risk mapping (presented below).

Stakeholder consultation for the assessment of the Group's impacts

Stakeholder consultation was incorporated into the approach:

- for external stakeholders, *via* a questionnaire asking them to assess each positive and negative Group impact on the two sub-scopes of the value chain. These ratings were integrated into the impact assessment at the same level as the internal analyses;
- for internal stakeholders, consultations were held with the main bodies: the Social and Economic Committee, the Executive Committee, the Group Audit and Risk Committee, and the Board of Directors.

1.4.1.4 Identification and assessment of financial materiality

AFD group's partners and customers may operate in environments particularly sensitive to climate shocks (physical climate risks) and to the consequences of the low-carbon transition (transition climate risks). They are also generally highly dependent on nature (natural resources, biodiversity and ecosystem services, food or health). Failure to take account of dependence on nature gives rise to physical ⁽¹⁾ and transition ⁽²⁾ risks related to nature, which – just like physical and transition climate risks – can feed into AFD group's other identified risks (credit risk, reputational risk, etc.).

Risks

AFD group focused on identifying ESG-related risks for all its regions. The assessment was carried out at Group level using existing methodologies and analyses validated by the Risk Management Department:

For **credit risk** on AFD and Proparco's loan portfolios:

- the analysis of physical and transitional climate-related financial risks carried out on AFD's sovereign and non-sovereign portfolio, the methodological specificities of which are presented in Section 2.1.1.3;
- the analysis of nature-related financial risks, which covers the physical and transitional nature-related risks on AFD's sovereign portfolio, the methodological specificities of which are presented in Section 2.2.3.5.

1) That is to say, the direct impacts of biodiversity loss or degradation on the human activities that depend on it, such as the depletion of natural resources, the disruption of ecosystems, or the loss of essential ecosystem services.
 2) This includes economic, legal or regulatory risks associated with changes in policies, markets or behaviour aimed at protecting biodiversity, which may affect businesses or investors.

For **operational risks** across all activities, notably on regulated activities and financial transactions, the work was based on the mapping exercise of gross operational risks, covering in particular risks relating to the Group's personnel and its business conduct. This mapping made it possible to determine the gross ESG risks across the two scopes of the Group's value chain. A correlation was established between the operational risk rating scale and the risk assessment scale used in the double materiality assessment.

These tools were supplemented, based on an expert opinion, to extrapolate the scopes not covered by the analyses. To assess the overall risk qualitatively, two factors are taken into account: its severity and its frequency, prior to any mitigation measures. These two parameters are assessed on the same scale as impact materiality (1–Low or none to 3–Significant) to determine the final risk assessment.

Severity	3 - Importante	2	3	3
	2 - Average	1	2	3
	1 - Low or none	1	1	2
		1 - Low or none	2 - Average	3 - Important
		Frequency		

Where no existing analysis was available at the Group, the identification and assessment of risks was carried out in consultation with in-house experts. The double materiality assessment produced does not take into account the integration of ESG risks into the Group's operational risk mapping, which is ongoing.

Opportunities

Based on an expert opinion, opportunities are identified and assessed on the basis of *ad hoc* studies, taking into account the Group's business model and its public interest mandate. The Group views the issue of opportunities as follows:

- activities angle: financial income generated through operational activities (net interest income, commissions, facilitating bond issues through sustainable development initiatives, etc.);
- refinancing and market position angle (reputation);
- reduction of expenses angle.

In order to assess the likelihood and the scale of opportunities, the Group drew on its strategic development priorities, as set out in its Strategic Orientation Plan and the cross-functional roadmaps, to identify the themes that generate opportunities: (i)

the Planet, (ii) Social Link, and (iii) Citizens, Institutions and Democracy. These strategic goals are based on analyses of financing needs. The process was defined based on climate finance data sources and strategic development pillars.

The process of identifying, assessing and managing opportunities is integrated into the Group's overall management process. The demand for financing and support solutions from the Group's customers is particularly significant when it comes to climate issues (mitigation and increasingly adaptation). The Group's response to these needs (in 2025, around €7.8bn in financing was allocated to projects with climate co-benefits) reinforces the Group's business model.

1.4.1.5 Definition of materiality threshold

Using the three-point scale applied to each IRO (impacts, risks and opportunities), the Group has, based on an expert opinion, defined the materiality threshold as 3–Significant. Thus:

- a theme is material as soon as at least one of the IROs is rated 3–Significant;
- a theme is non-material if all the IROs identified for it are rated 1–Low or none, or 2–Medium.

1.4.1.6 Governance and internal control of the double materiality assessment

Historically responsible for drafting and coordinating the Statement of Non-Financial Performance (SNFP) as part of its remit for accountability and CSR monitoring, the Strategy, Partnerships and Institutional Relations Department within AFD's Innovation, Strategy and Research Department is responsible for coordinating the work on the double materiality assessment; it is assisted in this role by the Sustainable Development Solutions Department.

The double materiality assessment involved nearly 30 employees from the finance, risk, strategy, HR, compliance and operations departments at the three AFD group entities. It benefited from the expertise of an in-house project team dedicated to ESG reporting, which was backed by an external firm and by a Steering Committee in Group format headed by AFD's Chief Operating Officer. The methodology and results were

validated by the Executive Committee and then presented to the company's works council, the Group Audit and Risk Committee and the Board of Directors.

The double materiality assessment process is not currently integrated into AFD group's overall risk management process. However, the Group Audit and Risk Committee issues an opinion on the methodology as well as on the results of the double materiality assessment, which is communicated to AFD's Board of Directors. The latter approves the work on the double materiality assessment. The double materiality assessment is then included in the sustainability statement, which is submitted to the Group Audit and Risk Committee for its opinion and to the AFD Board of Directors for approval.

The double materiality assessment will be updated annually and revised in 2027. The internal control relating to the process for identifying, assessing and validating the double materiality assessment is presented in Section 1.3.3 "Risk management and internal controls over sustainability reporting" (GOV-5).

1.4.2 Material impacts, risks and opportunities and their interaction with the strategy and the business model

The double materiality assessment was an opportunity to further develop the work carried out since 2022 to identify the non-financial issues of most relevance to AFD group. The work

highlighted that AFD group's materiality is based primarily on impact, in full alignment with its mandate as set out in Section 1.2.1.1. The following themes have been identified as material:

Topics or subtopics	Operating activities				Internal functioning			
	I+	I-	R	O	I+	I-	R	O
E1 Adaptation	3	1	2	3	1	1	1	1
E1 Mitigation & energy	3	1	2	3	2	2	1	1
E2 Pollution	1	1	1	1	1	1	1	1
E3 Water & marine resources	2	1	1	1	1	1	1	1
E4 Biodiversity & ecosystems	3	2	2	1	1	1	1	1
E5 Resource use and circular economy	1	1	1	1	1	1	1	1
S1 Group workforce	Not applicable				2	3	3	1
S2 Employees in the value chain	2	2	1	1	1	1	1	1
S3 Affected local communities	3	2	1	1	1	1	1	1
S4 Consumers & end-users – Transparency	1	1	1	1	Not applicable			
S4 Consumers and end-users – Security	1	1	1	1	Not applicable			
S4 Consumers and end-users – Social inclusion	3	1	1	1	Not applicable			
G1 Whistle-blowers	1	1	1	1	1	1	1	1
G1 Corruption	2	3	3	1	2	3	3	1
G1 Political engagement and lobbying	Not applicable				1	1	1	1
G1 Relations with suppliers	1	1	1	1	2	1	1	1
G1 Animal welfare	1	1	1	1	Not applicable			

Material IRO

Non-material IRO

IRO not applicable

Insofar as AFD group has placed the 100% Planet commitment at the heart of its Strategic Orientation Plan (climate, via the Paris Agreement, and nature, including biodiversity and ecosystems), the positive impacts relating to the ESRS E1 Climate Change are material with regard to both adaptation and

mitigation/energy. The same applies to the positive impacts relating to ESRS E4 "Biodiversity and ecosystems", a topic of major interest to the Group, which has dedicated specific teams to it and is devoting an increasingly significant proportion of its projects to this area.

AFD group employs 5,062 employees (as at 31 December 2025) and the well-being of its staff is central to its strategy (see Section 1.2.1 above). In addition, employees are required to intervene in geographic areas that may be at risk. ESRS S1 "Group workforce" is therefore material; it covers employees (having an employment contract with one of the Group's entities) and non-employees (international volunteers, temporary workers and experts in wage portage).

The themes S3 "Local affected communities" and S4 "Social inclusion of consumers and end-users" are addressed by the Group under a single issue, that of local populations. They are material in view of the positive impacts sought by the Group.

Lastly, in terms of governance, the Group may have to intervene in countries or territories with potential negative impacts and associated corruption risks, including money laundering and the financing of terrorism. It strives to prevent all forms of prohibited practices through its policies, processes, training and monitoring mechanisms. Exemplary integrity is very important in the Group's operations, which explains the materiality of the ESRS G1 "Business conduct – corruption".

These positive impacts are directly linked to AFD group's strategy and business model, which aims to build a fairer, more inclusive and sustainable future with its international partners. Its action is based on a dual strategic mandate to fight poverty and inequality, and to preserve common goods (climate, biodiversity, global health).

The Group's **negative impacts** relate to internal operations:

- Involuntary contribution to unequal treatment for the Group's workforce;
- involuntary contribution to the degraded working conditions of the Group's workforce, notably during international travel (assignment) or expatriation;

- potential incidents of corruption and fraud involving AFD group employees.

These negative impacts are also directly linked to the Group's strategy and business model, which involves international banking and project finance activities.

Analyses of climate-related, physical and transition financial risks, and of the resilience of the Group's strategy and business model in this regard, are presented in the section dedicated to ESRS E1.

The work under way focuses first and foremost on the climate. The ultimate goal is to update all of AFD group's risk maps through an ESG lens, using materiality analyses, resilience and climate stress tests, and relevant performance and risk monitoring indicators. In anticipation of the EBA's guidelines on ESG risk management, AFD group has committed to carrying out an initial ESG risk mapping exercise as part of its financial risk mapping process in 2025. The existing mapping highlights certain social and governance risks, notably internal risks.

There is a strong need and demand for funding to address the climate challenges of sustainable development. In 2025, around €7.8bn in financing was allocated by the Group to projects with climate co-benefits, mainly on mitigation. Funding for adaptation is nevertheless increasing and accounts for around 40% of the Group's total climate-related approvals. Meeting this demand for funding and support for transitions reinforces the Group's business model, which in turn justifies the significance of the following **opportunities**: expansion of the Group's portfolio linked to the roll-out of solutions for climate change adaptation and mitigation.

1.4.2.1 Table of IROs and AFD group policies

A summary of the IROs defined by AFD group is set out below:

Material ESRS theme [ESRS 2 SBM-3.48 h]	Description of the IRO	Time horizons	IRO management policies	Value chain
E1 Climate	Positive impact: protection or adaptation at different scales against climatic hazards related to interventions	Long term	<ul style="list-style-type: none"> Planet roadmap Exclusion list* Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco 	<i>Downstream</i> Planet (climate, biodiversity, natural resources)
	Positive impact: reduction of greenhouse gas emissions at different scales linked to interventions	Long term	<ul style="list-style-type: none"> AFD credit policy/Proparco credit and investment policy Roadmap on climate-related financial risks Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<i>Downstream</i> Planet (climate, biodiversity, natural resources)
	Opportunity: development of the Group's portfolio related to the implementation of solutions for climate change mitigation and adaptation	Long term	Planet roadmap	<i>Proprietary operations</i> Financial services (loans, guarantees, grants, investments)
E4 Biodiversity	Positive impact: protection and/or restoration of biodiversity	Long term	<ul style="list-style-type: none"> Planet roadmap Exclusion list* Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco AFD credit policy/Proparco credit and investment policy Roadmap on climate-related financial risks Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<i>Downstream</i> Planet (climate, biodiversity, natural resources)
S3 Affected communities & S4 End-consumers	Positive impact: contribution to the economic, political and social development of countries, thus contributing to the improvement of the living conditions of local populations	Long term	<ul style="list-style-type: none"> Social link roadmap Citizens, institutions and democracies roadmap Planet roadmap Exclusion list* Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco 	<i>Downstream</i> Local populations (final beneficiaries)
	Positive impact: helping to improve local people's access to goods and services	Long term	<ul style="list-style-type: none"> AFD credit policy/Proparco credit and investment policy Roadmap on climate-related financial risks Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<i>Downstream</i> Local populations (final beneficiaries)

Material ESRS theme [ESRS 2 SBM-3.48 h]	Description of the IRO	Time horizons	IRO management policies	Value chain
S1 Number of employees	Negative impact of an unintentional contribution to unequal treatment or degraded working conditions	Medium term	<ul style="list-style-type: none"> “Shared framework: AFD group's social policy value” 	<i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECS
	Operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or a deterioration in the health and safety of employees	Current		<i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECS
	Negative impact of potentially deteriorating working conditions, notably the safety of the Group's employees (assignments, expatriation, etc.)	Medium term	<ul style="list-style-type: none"> “Shared framework: AFD group's social policy value” 	<i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECS
	Operational risks associated with exposure to danger due to the security situation, and the risk of accidents	Short term		<i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECS
G1 Business conduct	Negative impact of potential incidents of corruption, money laundering or terrorist financing involving an employee or as part of operations (G1)	Current or short-term depending on the risk map	<ul style="list-style-type: none"> Ethics Charter* AFD group Code of Conduct against Corruption and Influence Peddling* and EF Code of Conduct AFD group's general policy on preventing and combating prohibited practices* Combating money laundering and the financing of terrorism reference document* Policy on national and international economic and financial sanctions* 	<i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies <i>Downstream</i> Project leaders (counterparties) Suppliers, subcontractors and service providers
	Risks of corruption, misappropriation of aid, influence peddling, external or internal conflicts of interest, money laundering or terrorist financing, and failures or shortcomings in the management of suppliers and subcontractors on funded projects (G1)	Current or short-term depending on the risk map		<i>Upstream</i> Suppliers, subcontractors and service providers for internal operations <i>Proprietary operations</i> Employees (salaried and non-salaried), members of governance bodies <i>Downstream</i> Project leaders (counterparties) Suppliers, subcontractors and service providers

These policies also apply to Sogefom.

A summary of AFD group's policies is presented below:

Policies	Scope	Objectives	References to third-party standards or initiatives
Planet roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the planet theme; Reconciling climate, nature and development	SDGs 13 (climate), 14 (life below water), 15 (life on land) and 16 (partnerships) Paris Agreement Kunming-Montreal Global Biodiversity Framework EU: Green Deal, global gateway
Social link roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the social link theme (development of more egalitarian and inclusive societies) Helping to reduce multidimensional inequalities and promote inclusion Accelerating action towards gender equality through a transformative feminist approach	UN SDGs (1, 5, 10, 16) European framework: European Consensus on Development: a. Fighting inequalities, leaving no one behind, protecting human rights b. Inequality marker of the European Commission adopted in 2023 French framework: 2021 law on inclusive development and the fight against global inequalities France's International Strategy for Feminist Diplomacy (2025-2030)
Citizens, institutions and democracies roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the citizens, institutions, democracies theme. Backing and reinforcing democratic practices led by institutions and citizens	SDGs (16)
Exclusion list	AFD, Proparco, EF, Sogefom	Identifying the types of activities that the Group refuses to finance. Includes climate and nature criteria Ensuring that the Group's operations contribute to the core objectives of sustainable development Refusing to fund projects involving forced labour, child labour or human trafficking, forced evictions, or projects whose approach contravenes human rights	2030 Agenda for the SDGs Paris Agreement Compliance with UN, EU and France's economic sanctions AZE (Alliance for Zero Extinction) UN Guiding Principles on Business and Human Rights Council of Europe Convention on Action against Trafficking in Human Beings (2005); Directive 2011/36/EU. Compliance with CITES provisions The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes Kimberley Process
E&S risk management policy – AFD	AFD	Identifying, assessing, reducing and monitoring the E&S risks of financed operations Improving the E&S performance of these operations	a. World Bank Environmental and Social Standards b. IFC Performance Standards c. Harmonised Approaches to EDFIs
E&S assessment and monitoring approach – Proparco	Proparco	Identifying, assessing, reducing and monitoring the E&S risks of financed operations Improving the E&S performance of these operations	The IFC's Performance Standards and Guidelines on Environment, Health and Safety (EHS), as well as the ILO's core labour standards and basic employment conditions, and the UN Guiding Principles on Business and Human Rights.

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document (summary): afd.fr/fr/commmuniqes-de-presse/feuille-de-route-planete-2025-2030-lagence-francaise-de-developpement-afd
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document (summary): afd.fr/fr/thematiques/reduction-des-inegalites-et-promotion-de-linclusion#_ftn1
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	An assessment is public: afd.fr/fr/ressources/bilan-activite-2024-citoyens-institutions
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document: afd.fr/fr/ressources/liste-dexclusion-du-groupe-afd
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document: afd.fr/sites/default/files/2017-10/politique-maitrise-risques-environnementaux-sociaux-afd.pdf
N/A	Executive Management	Internal document

Policies	Scope	Objectives	References to third-party standards or initiatives
AFD credit policy/ Proparco credit and investment policy	AFD/Proparco	Specifies the methods for managing credit risk. Covers the management of E&S impacts and the monitoring of climate-related financial risks	In response to the European Banking Authority (EBA) guidelines of 29 May 2020 on approving and monitoring loans (EBA/GL/2020/06)
Climate and nature-related financial risks roadmap	AFD, Proparco	Breaks down the climate strategy into four strategic areas: a. Consideration of climate-related financial risks at AFD group; b. Mobilisation of climate and nature-related financial risks for public policy dialogue; c. Contribution to the adoption of climate-related financial risk analysis tools by AFD group's financial partner customers; d. Contribution to international debates and the development of standards around climate-related financial risks.	Climate Energy Law (2019) – Energy Transition for Green Growth Law (2015)
Group monitoring and appraisal policy	AFD, Proparco and EF	Strengthens a monitoring and evaluation culture aligned with AFD group's strategic orientations	The OECD DAC's principles and standards of quality for development evaluation; the charter of Société Française de l'Évaluation (SFE) on the evaluation of public policies and programmes.
Results and impacts framework	AFD, Proparco and EF	Apply the Group's impact-driven approach across the organisation as a whole, and in particular: a. be legible and understandable; b. be a learning institution; c. be 100% SDG throughout our financial model (our SDG-linked issues are backed by "impact" assets); d. mobilising more resources	World Bank Group Scorecard Operating Principles for Impact Management (OPIM)
Environmental and social complaints system	AFD/Proparco	Any person or group of people affected from an environmental or social point of view by a project financed by AFD/Proparco can file a complaint via the environmental and social complaints management system. Through these two initiatives, AFD and Proparco are strengthening the management of environmental and social risks in the projects they finance, with a view to enhancing transparency and accountability towards their partners	IFC Performance Criteria The Equator Principles UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises
"AFD group's social policy values" shared framework (1)	AFD, Proparco, EF	Expresses the founding values of AFD group's social policy	NA
Ethics Charter	AFD, Proparco and EF	Strengthening the Group's identity, unity and performance, facilitating the working life of employees, and protecting the Group and its employees from the risk of damage to the Group's reputation	The applicable texts govern activities in France and internationally in accordance with the Charter, the Deal, and the UN and ILO conventions

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
Validated at the Board of Directors, which includes State representatives	Board of Directors	Internal document
N/A	AFD Executive Committee	Internal document
Developed in a participatory way	AFD Board of Directors	Public document: afd.fr/sites/default/files/2025-11/politique-suivi-evaluation-groupe-afd-web_0.pdf
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	The document is available in the internal procedures manual. A presentation is available online: afd.fr/fr/mesurer-nos-resultats-concrets
Civil Society Systems industry experts Development finance institutions Customers Consultants Office of the United Nations High Commissioner for Human Rights Validated at the Board of Directors, which includes State representatives	Proparco Board of Directors AFD Board of Directors	Documentation and system available online for AFD: afd.fr/fr/dispositif-de-gestion-des-reclamations-environnementales-et-sociales Proparco documentation and system available online: proparco.fr/mecanisme-independant-de-traitement-des-reclamations-environnementales-et-sociales-icm
The elected staff representatives of AFD/ Proparco, as well as the elected staff representatives of Expertise France and those of the Committee of Representatives of Foreign States were consulted on the drafting of this shared framework	Chief Executive Officers of AFD, Proparco and Expertise France	Internal document
NA	Chief Executive Officers of AFD, Proparco and Expertise France	Available to the public on the AFD group website: afd.fr/sites/default/files/2023-02-11-17-52/charte-ethique-groupe-afd.pdf Available to the public on the EF website: https://www.expertisefrance.fr/fr/ethique-conformite

1 GENERAL INFORMATION (ESRS 2)

Policies	Scope	Objectives	References to third-party standards or initiatives
AFD group Code of Conduct against Corruption and Influence Peddling / EF Code of Conduct	AFD, Proparco/EF	Anchoring a corporate culture with zero tolerance for corruption in all its forms	The Sapin II law and all international conventions, European directives and French texts governing the fight against corruption and influence-peddling
AFD group's general policy on preventing and combating prohibited practices	AFD, Proparco + EF (expected to be formally added in 2026)	Preventing, detecting and combating any Prohibited Practices (including corruption) that would taint AFD group's activities or operations	A body of international conventions, European directives and French legislation governing the fight against corruption, fraud, money laundering and the financing of terrorism (including the Sapin II law, the French Monetary and Financial Code and the AFA guidelines)
"Combating money laundering and the financing of terrorism" reference document	AFD, Proparco	Setting out the main principles followed by the Group in the fight against money laundering and terrorist financing, and reporting on the approach adopted in relation to AML/CFT risks. It should be read in conjunction with the procedures, operating instructions and tools	A body of international conventions, European directives and French legislation governing the fight against money laundering, terrorist financing and corruption (including the French Monetary and Financial Code, the Sapin II law, and the guidelines issued by the ACPR and the AFA)
Policy on national and international economic and financial sanctions	AFD, Proparco/EF (has its own procedures, in line with the Group Policy).	Defines the principles and obligations applicable in this area	Regulations on financial and economic sanctions applicable to AFD and its subsidiaries

(1) Chapter 3.1 "A meaningful work environment" (S1) mentions the documents and procedures that complete the shared framework.

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
The elected staff representatives of AFD/ Proparco, as well as the elected staff representatives of Expertise France and those of the Committee of Representatives of Foreign States were consulted on the drafting of this shared framework	AFD group Chief Executive Officer and Head of Compliance Chief Executive Officer of EF and Head of the Risk, Internal Control and Compliance division	Available to the public on the AFD group and EF website: AFD, Proparco: afd.fr/sites/default/files/2023-02-11-17-52/charte-ethique-groupe-afd.pdf EF: https://www.expertisefrance.fr/sites/expertise/files/2025-06/code-de-conduite-d-expertise-france.pdf
NA	Executive Management	https://www.afd.fr/sites/default/files/2020-12-02-04-02/politique-generale-groupe-afd-prevention-et-lutte-contre-pratiques-prohibees.pdf
NA	Executive Management	Internal document available in the procedures manual.
NA	Executive Management	Internal document available in the procedures manual.

1.4.2.2 Link to strategy

AFD group has identified two material opportunities linked to the strong financing needs and demands for the climate challenges of sustainable development. Meeting these needs strengthens the Group's business model and helps to consolidate its financial performance. In 2025, AFD group generated €7.8bn in high value-added climate financing, *i.e.* 60% of total business.

With regard to the current financial effects of material risks, the Group is working to develop training for its staff to ensure the integrity of its practices. In 2025, the Group did not receive any fines for breaches of anti-corruption legislation or acts of corruption.

With regard to the security risks identified for staff on assignment, the Group has an international security management system in place and has introduced specific training for those concerned.

With regard to climate and nature-related financial risks, internal analyses enable us to study the resilience of our model. Methodological items are presented in the relevant sections (ESRS E1 and E4).

1.4.3 Materiality of information

1.4.3.1 Explanation regarding the non-materiality of information

Non-materiality of theme E1 on internal functioning

The Group seeks to be exemplary in terms of its internal carbon footprint and aims to reduce its emissions, which are also offset. AFD group has not identified any operational risks relating to climate transition factors, as its internal carbon footprint is not significant enough to warrant this. This theme's risks for this financial year are therefore considered as infrequent and not very severe. AFD group has not identified any cost reduction opportunities related to this topic.

AFD group has not identified risks related to acute or chronic physical climatic hazards, as buildings are little or not exposed to such hazards. This theme's risks for this financial year are therefore considered as infrequent and not very severe.

Non-materiality of themes E2 "Pollution", E3 "Water & marine resources" and E5 "Circular economy and use of resources"

Whilst climate change and biodiversity are key priorities in AFD group's activities, pollution, water, aquatic and marine resources, and the circular economy are not major focus areas; these themes were not identified as material during the double materiality assessment.

Non-materiality of theme S2 "Workers in the value chain"

The Group ensures that project managers backed by AFD group comply with applicable local labour regulations, thereby preventing negative impacts and risks. The Group does not aggregate specific data on this subject, which is not material.

Non-materiality of sub-theme G1 on relations with suppliers

In terms of its internal operations, the Group has not identified any material challenges in this area. Nevertheless, as an entity subject to the rules of public procurement, it must be exemplary and maintain good relations with its suppliers and support functions. The Purchasing Department is particularly attentive to keeping payment terms below the regulatory 30 days. In terms of operating activities, the Group has no direct contractual

relationship with the suppliers of its customers and beneficiaries, nor a direct impact on payment terms.

Non-materiality of sub-theme G1 on lobbying

AFD group does not aim to protect its particular interests during French, European or local legislative processes. Lobbying expenses are therefore very low. Moreover, the Group does not finance French or European political parties. With regard to operational activities, the Group does not finance the lobbying activities of its beneficiaries, nor does it participate in this type of activity. The Group does not finance or provide expertise to local political parties.

Non-materiality of sub-theme G1 on animal welfare

AFD group's impact on animal welfare is minimal given the very low amounts dedicated to livestock farming, pharmaceuticals and cosmetics. Non-compliance with animal welfare by AFD group's customers and beneficiaries has not been identified as a factor increasing the credit risks of AFD counterparties and is therefore assessed for this exercise as infrequent and not very severe.

1.4.3.2 Information materiality methodology

In order to determine the materiality of the information, AFD group assessed the materiality of the Disclosure Requirements (DR) relating to metrics, and subsequently the associated data points, based on an expert opinion taking into account (i) the link to the Impacts, Risks and Opportunities identified as material following the double materiality assessment, and (ii) the significance of the indicator for the Group's business model.

At the end of this review, certain DRs were deemed:

- non-material because they are linked to non-material IROs, such as E1-5 "Energy consumption" related to the negative impact on the energy consumption of its own operations;
- non-material as not monitored, such as E1-7 on internal carbon pricing;
- equipment and monitoring, such as E1-6 on greenhouse gas inventories.

Certain data points relating to a material DR were subsequently deemed immaterial as they were not significant given the Group's business model; for example, data point [ESRS S1-17 104] concerning serious human rights incidents (children's rights, forced labour).

2

Environmental information

2.1 Climate change (E1)

SUMMARY



Climate change (E1)

The Climate Transition Plan is a priority for the Group to support the transitions of its customers and beneficiaries. This is a structural strategy, integrated into the business model since 2017, based on:

- 100% of its financed activities compatible with low-carbon and resilient development trajectories as defined by the Paris Agreement, with €6bn in annual commitments dedicated to high climate value-added projects, and support for the players in these transitions beyond the financed assets
- Management of physical and transition climate risks
- A specific system for appraising and the accountability of actions

The Group's financed emissions and internal emissions

Financed emissions:
43 MtCO₂e

Internal emissions:
112 ktCO₂e related to the Group's operations

2025 highlights:

100%

Paris Agreement

All financed activities have been compatible with low-carbon and resilient trajectories since 2017.

€7.8bn

Volume of commitments dedicated to high climate value-added projects exceeding the target of €6bn per year set for 2025-2030, of which approximately 40% is for adaptation.

€4.6bn

Transformational climate commitments to support transition players beyond asset financing.

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets
E1 Climate	<p>Positive impact: protection or adaptation at different scales against climatic hazards related to interventions</p> <p>Positive impact: reduction of greenhouse gas emissions at different scales linked to interventions</p> <p>Opportunity: development of the Group's portfolio related to the implementation of solutions for climate change mitigation and adaptation</p>	<ul style="list-style-type: none"> Planet roadmap Exclusion list Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco AFD credit policy/ Proparco credit and investment policy Roadmap on climate-related financial risks Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<ul style="list-style-type: none"> Project support: examination of applications and financial or expert contribution Systematic analysis of projects through a sustainable development analysis and opinion framework Systematic analysis of investment projects through the Climate screening procedure Ripple effect/ mobilisation of other actors 	<ul style="list-style-type: none"> [Group] Number of commitments that do not have a negative rating on the Resilience and Low Carbon dimensions of the SD ratings (%). Target of 100% at 31/12/2025) [AFD] [RIF #20] Number of countries and players backed and/or projected GHG emissions reductions (ex ante tCO₂eq) enabled by earmarked funding. No target. [AFD] [RIF #21] Number of people whose climate resilience is increased by the project, (Number and % women). No target [AFD-PRO] Climate co-benefits (€/year): target of €6bn/year at 31/12/2025 [AFD-PRO] Absolute project emissions in terms of flows (tCO₂eq) (no target) [AFD-PRO] Project emissions avoided in terms flows (tCO₂eq) (no target) [AFD-PRO] Financed emissions portfolio in terms of inventories (tCO₂eq) [E1-6] (no target) <p>Cross-cutting monitoring indicators for the activity, not specific to climate change, presented in ESRS 2:</p> <ul style="list-style-type: none"> [AFD-PRO] Institutional mobilisation via delegated funds (€). No target

2.1.1 Climate transition plan

The transition plan sets out the **strategic and operational measures** put in place by AFD group to ensure that its financing and support activities are **consistently aligned with a low-carbon transition and climate resilience in the countries where it operates**; this is part of a response to the requirements of the Paris Agreement (and, more broadly, the SDGs – the Sustainable Development Goals defined by the UN) as well as those of the French State. This approach was adopted in 2017 **and structures all of the Group's activities**.

AFD group's work in support of net-zero transitions is **fully in line** with the role expected of Northern development banks under the Paris Agreement. It is firmly underpinned by a set of operational procedures that enable its implementation to be reported on and serves as a benchmark amongst its peers (the so-called **100% Paris Agreement commitment** adopted by all multilateral development banks and receiving a very favourable assessment from specialist CSOs).

More specifically, AFD group has structurally integrated the transition to a sustainable economy and the Paris Agreement's objectives regarding the limitation of global warming into its strategy and business model, through:

- its objectives of **systematically backing transitions** with:
 - a **commitment to ensure that 100% of funded activities are consistent with low-carbon and resilient development pathways** as defined by the Paris Agreement,
 - a **recurring target for the volume of climate-related value-added financing** (historically 50% of the total amount of commitments, or **€6bn from 2025 onwards**, subject to the availability of budgetary resources allocated by the French State), with a focus on maximising climate finance that has a structural and transformative impact,
 - support for the players in these transitions (countries or economic players) beyond investment financing;
- its management of **financial climate risk** (physical and transition risks) with:
 - a formal assessment of these net risks as part of a continuous evaluation at the counterparty level,
 - a policy of phasing out fossil fuels – coal, oil and gas;
- **its system for the preliminary assessment and analysis of interventions, ex-post evaluation, and accountability**.

In doing so, the strategic focus of AFD group, in accordance with its mandate (AFD/Proparco), specifically in relation to its climate mitigation efforts, is not the reduction of the Group's **financed emissions** (i.e. in the PCAF ⁽¹⁾ sense of the term, emissions associated with the institution's portfolio, weighted by outstanding amounts and considered retrospectively) but specifically the support and financing of its customers' transitions – whether under way or in the future – to ensure they are integrated into emissions trajectories – primarily at country level – that must move towards zero (more precisely, the Paris Agreement implies global net-zero). The goal is to work with carbon-intensive actors – both sovereign and non-sovereign – by funding effective initiatives and assets as part of long-term,

monitored and evaluated low-carbon transitions across all sectors of development.

AFD group's business model is therefore inextricably linked to the low-carbon and resilient development processes of its customers, whether sovereign or non-sovereign: not only does its activity fully support these processes through its range of instruments, but its risk analysis also takes into account an assessment of their effective implementation.

AFD group's transition plan is structured around the elements outlined above, in order to address the need for "an understanding of its contribution to the mitigation process and the compatibility of its strategy and business model with the transition to a sustainable economy, limiting global warming to 1.5°C in accordance with the Paris Agreement and with the aim of achieving climate neutrality by 2050", as set out notably by the CSRD framework. The transition plan does not include financed emissions targets, as these do not reflect the Group's positioning or climate action objectives. As a result, this is not a transition plan that would include a financed emissions target for 2030 within the meaning of the ESRS standards.

Pursuant to AFD group's Strategic Orientation Plan, Expertise France contributes to the implementation of the Group's climate transition plan. As a development cooperation agency, Expertise France is committed to implementing transformative projects that have a positive impact, contributing to the achievement of the SDGs and the priority policy objectives defined by the CPD and the CICID.

In 2025, Expertise France carried out an expanded Bilan Carbone® carbon assessment. On the basis of it, Expertise France is undertaking work to implement and adapt the Group's climate transition plan in line with the specific nature of its activities and operating methods. This work is under way and will make it possible to gradually clarify the relevant guidelines.

2.1.1.1 The Paris Agreement alignment strategy at Public Development Banks and at the Group

The Paris Agreement's expectations of development finance providers

The Paris Agreement, following on from its objectives of limiting the rise in temperature (Article 2.1a) and adaptation capacity building (Article 2.1b), introduces the formal objective of "**aligning financial flows with a trajectory towards low greenhouse gas emissions and climate-resilient development**" ⁽²⁾ (Article 2.1c).

The implementation of the Paris Agreement is based on the development of long-term low-carbon development strategies at the level of each country. The expectation arising from this objective 2.1c is therefore that a development financier should **ensure that each funded intervention is consistent with the strategies or plausible scenarios for low-carbon and resilient development in the country or countries concerned by the intervention**. It is also a question of identifying the catalytic and structuring effects required to redirect all financial flows in these countries, in line with these strategies and scenarios.

1) Partnership for Carbon Accounting Financials.

2) Art 2.1 (c) Making finance flows consistent with a pathway towards low greenhouse gases and resilient development.

The Paris Agreement also sets out its “means of implementation” – namely **climate finance**, technology transfer and capacity building. In this regard, it is worth noting that the COP 21 decision explicitly highlights the importance of climate finance in supporting “the implementation of policies, strategies, regulations and action plans” – specifically measures that require a shift in the allocation of funds beyond investments in the strict sense. Climate finance is also defined in Article 4 of the Paris Agreement as a means of enabling developing countries to raise their ambition in terms of a low-carbon and resilient transition.

A response framework shared by AFD group, all the Multilateral Development Banks, and IDFC

Following the Paris Agreement, the French government announced, as early as 2017, as part of its **Climate Plan** ⁽¹⁾, that **AFD group would become the first bilateral development bank with an explicit mandate to implement the Paris Agreement across its entire portfolio of activities**. This is what AFD group has been doing since 2017.

For their part, the multilateral development banks did not define an “**approach to alignment with the Paris Agreement objectives**” ⁽²⁾ until their joint statement of 2018, prior to the IDFC publishing its **recommendations on the matter in 2021**.

The response of public development banks to the expectations of the Paris Agreement is structured around the following main complementary axes:

- **the systematic coherence of projects and interventions financed through a low-carbon development of countries within the meaning of the Paris Agreement;**
- consistency with resilient development (and consideration of resilience aspects in risk assessment);
- **support for the development of countries' low-carbon and resilient development strategies;**
- **the production of climate, mitigation and adaptation finance with a view to accelerating transitions.**

While AFD group established a strategic framework (Climate Strategy) based on the aforementioned principles ⁽³⁾, it did so as early as 2017 and implemented it across the following four key areas:

- a commitment to ensuring that all AFD group financing is consistent with low-carbon and resilient development, and to helping countries in establishing low-carbon and resilient pathways in line with the Paris Agreement; this commitment is summarised by the term **100% Paris Agreement** in AFD’s strategy and communications;
- a recurring annual commitment to climate finance, with a target of at least 50% of total funding allocated, which from 2025 onwards will become an absolute target of €6bn (see below);
- a contribution to the reorientation of financial and investment flows; this focus reflects the unique position of a development bank such as AFD, which is able to back public policies and roll out financial instruments that mobilise

private resources, and which meets the broadest interpretation of the expectations set out in Objective 2.1c of the Paris Agreement;

- the joint development of solutions and influencing standards; this focus reflects the Group’s proactive and pioneering approach, and its intention to work alongside its peers and the wider development community to foster a coordinated and collaborative approach. The scale of the IDFC or FiCS network (see Section 1.2.3 “Business model”) on these issues since 2017, as well as the complete alignment of the principles adopted by the Multilateral Development Banks with those implemented by AFD, demonstrate AFD group’s contribution to optimising the positioning of public development banks in response to the expectations of the Paris Agreement. The IDFC is a vector of influence for the community of public development banks, particularly on the climate. It played a leading role in pushing the commitment to align with the Paris Agreement and the Sustainable Development Goals (SDGs) at the first edition of the Finance in Common summit in November 2020. FiCS has brought the voice of public development banks to the international stage and succeeded in gaining recognition for their unique role and potential to finance the SDGs, especially on climate and nature. At the New Financial Pact Summit in June 2023, the FiCS initiative was reaffirmed as a key component of the international financial architecture and is now part of the Paris Agenda for People and the Planet.

The aforementioned commitments and objectives are further **underpinned by operational due diligence processes and specific accountability mechanisms, and supplemented by a framework for assessing climate risk, as set out in the rest of the climate transition plan.**

The planet roadmap

In 2025, the Group’s core strategic climate commitments outlined above were **reaffirmed in the 2025-2030 planet roadmap** and expanded to include, on the one hand, a commitment to align the Group’s activities with the Global Biodiversity Framework and, on the other, a **robust definition of climate finance with systemic impact**. This final strand addresses the need to implement and demonstrate more clearly the potential added value of the activities of public development institutions such as AFD and Proparco in terms of this type of systemic impact – as targeted by the Paris Agreement under the heading of climate finance – beyond the direct effects associated with investments (see above), given its instruments, mandate and privileged position in supporting development policies in the countries where it operates.

The planet roadmap remains fully in line with French policy priorities and is also aligned with the European objectives of the Green Deal ⁽⁴⁾, the Fit for 55 legislative package ⁽⁵⁾ and the Global Gateway initiative ⁽⁶⁾. It also takes into account issues relating to international, national, geopolitical and socio-economic uncertainties as part of its approach to backing national plans and the transformation of stakeholders. It relates to AFD, Expertise France and Proparco and covers all the regions where the Group operates, including the French overseas territories.

1) 2017.07.06 – DP Presentation of the climate plan.

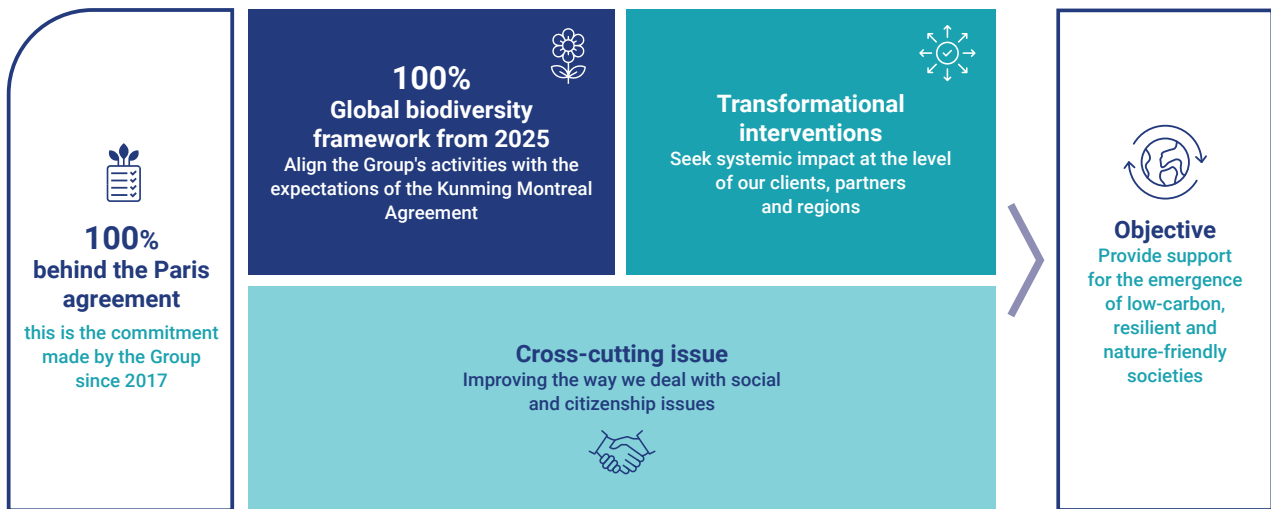
2) The MDB’s alignment approach to the objectives of the Paris Agreement : working together to catalyse low-emissions and climate-resilient development.

3) Climate Strategy – Development in 2017-2022 | AFD – Agence Française de Développement.

4) The Green Deal is an environmental roadmap that was presented in 2019 by the European Commission and which aims to make the continent climate neutral by 2050.

5) The “Fit for 55” package is a set of legislative measures aimed at reducing the EU’s greenhouse gas emissions by at least 55% by 2030 and putting the EU on track for climate neutrality by 2050.

6) An initiative by the European Commission contributing to the development of the EU’s emerging and developing partner countries, notably in the digital, energy and environmental sectors, by engaging the private sector.



4 key areas of action to achieve this:

1. Maximising AFD group's impact on the Environmental SDGs
2. Providing support for sustainable trajectories and the reorientation of financial flows
3. Amplifying action through the mobilisation of actors
4. Continue to develop AFD's internal practices

The Group's renewed planet roadmap (final approval by the Board of Directors in July 2025) is now formally structured around four areas (see table above):

- **Maximising AFD group's impact on the Environmental SDGs**
 - This includes commitments:
 - ensuring that all interventions are systematically aligned with low-carbon development and climate-resilient growth (the 100% Paris Agreement commitment), underpinned by an operational mechanism – the sustainable development analysis framework – which has also been strengthened to back the new accountability (see below).
 - on climate finance (a commitment of €6bn per year over the 2025–2027 period, with a target raised to 40% for adaptation, disaster risk reduction and responses to loss and damage) structured by a proven framework (see Section 2.1.1.2 below) that is both consistent with and more rigorous than the international framework;
 - the planet roadmap introduces a **commitment to consolidate funding dedicated to operations with transformative impact**, with a view to ensuring that these represent the majority of the Group's climate-related initiatives on a long-term basis. With this in mind, the **framework for analysing sustainable development was overhauled** in January 2025 to **identify these interventions with a systemic impact**.
- **Providing support for sustainable trajectories and the reorientation of financial flows**
 - This involves:
 - continuing and strengthening efforts aimed at defining, financing and implementing national low-carbon, climate-resilient, nature-friendly and equitable trajectories,
 - reinforcing the transformation of national financial systems (financial institutions, regulators and supervisors),
 - backing the transformation and transition of public and private players; a condition for the achievement of national trajectories.

- **Amplifying action by mobilising public and private players, civil society and expertise**

- This involves:
 - mobilising public banks, in particular *via* the IDFC and in Common (FICS) coalitions,
 - mobilising private finance in a more systematic manner; notably by positioning Proparco as an anchor investor and a promoter of innovative financing solutions, including, amongst other things, risk transfer, but also by integrating business environment considerations into the support provided for transition trajectories through various forms of intervention in this area,
 - mobilising external resources (e.g. delegated funds, partnerships with foundations),
 - consolidating strategic partnerships with CSOs, research centres and think tanks, specialising in climate and biodiversity, and the Global North and South,
 - mobilising and strengthening the technical capacities of AFD group's counterparties, notably through the capabilities of projecting French expertise abroad (Expertise France), but also through the Group's partnerships and training (Campus).

- **Continuing to develop AFD group's internal practices to ensure the coherence of its actions and greater accountability**

- This involves, among others:
 - strengthening the consistency of the framework for assessing financial risks and the appetite for climate-related financial risks in line with the Group's mandate,
 - seeking ever greater accountability regarding the implementation and impact of the Group's commitments, as well as the risks involved.

The strategic framework outlined above and the associated operational measures implemented by AFD group inherently entail an economic model that is inextricably linked to the low-carbon, climate-resilient sustainable development processes of the AFD group's sovereign and non-sovereign customers. Its activities feed into and support these transition processes in a systematic and comprehensive manner, drawing on the Group's full range of tools, whilst its approach to risk ensures that these tools are effectively implemented.

Fossil fuel exclusion policy

Beyond its commitment to ensuring that the Group's operations are consistent with low-carbon and climate-resilient development trajectories, AFD group decided, following a resolution passed by its Board of Directors in 2022 and in the wake of COP 26 in Glasgow, to exclude from its financing: exploration, production, processing or transport projects relating to fossil fuels (coal, oil, conventional and unconventional gas) and their associated infrastructure; projects involving the construction, renovation or extension of power stations generating electricity from fossil fuels, including natural gas, with the exception of mini-grid projects powered by hybrid power stations (combining renewable energy and fossil fuels); projects involving the construction, renovation or extension of new fossil fuel-fired heat generation plants (excluding the industrial and building sectors); and projects involving the construction, extension or renovation of fossil fuel-fired cogeneration or trigeneration plants. For more information on the Group's exclusion list, see Section 1.2.6.1.

Policies for monitoring climate-related financial risks

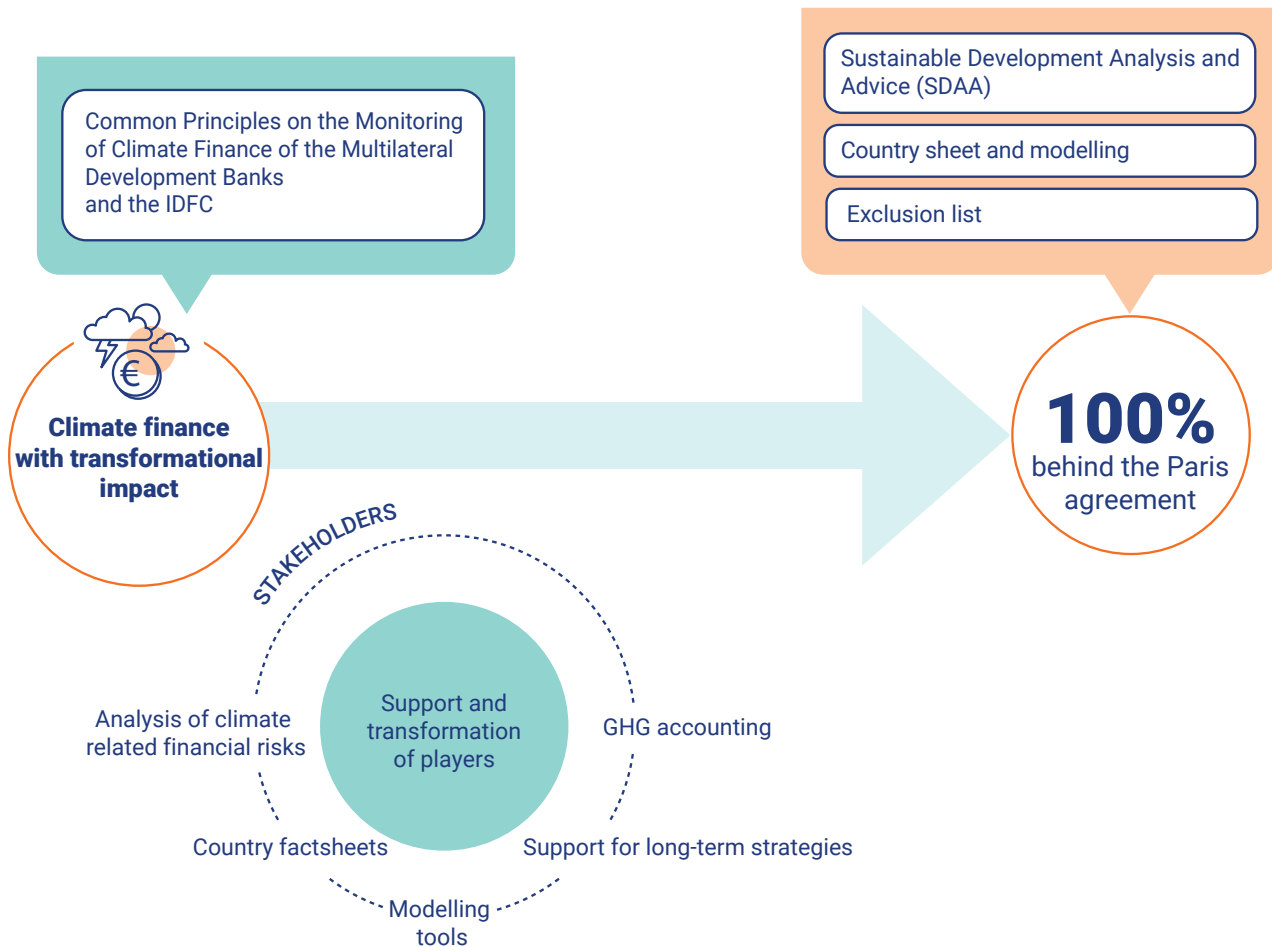
The Group's mandate to support transitions goes hand in hand with the fact that its sovereign and non-sovereign customers operate in environments that are particularly vulnerable to the consequences of climate change and the global transition. Funded projects and customers are likely to be affected by two types of financial risk:

- **physical risks**, i.e. the risk of financial loss caused by the occurrence of extreme weather events or by the physical consequences of gradual changes linked to climate change; and/or by
- **transition risks**, namely the risk of financial losses arising from stakeholders' positions being out of step with global low-carbon transition processes (in particular, a failure to anticipate changes in regulations and markets at both national and international levels).

These financial risks are, of course, analysed and monitored as such by AFD and Proparco in their capacity as financing institutions, quite apart from the fact that the Group's activities generally help customers to better understand and manage them.

Since 2019, AFD and Proparco have thus undertaken work to integrate climate-related financial risks, both physical and transitional, into risk analysis processes (see Section 1.2.6.4 "Consideration of climate and nature-related financial risks").

2.1.1.2 Implementing AFD group's climate commitments



The AFD group's commitments to climate action are implemented through:

- operational and organisational tools: (i) specific operational tools backing the implementation of the climate strategy and the planet roadmap (see Section 2.1.1.1), as well as the cross-cutting integration of sustainable development issues into the Group's financing operations; (ii) tools for assessing the climate-related financial risks of financed projects and clients likely to be affected; (iii) refinancing; (iv) the use of an organisational and governance structure tailored to these tools, commitments and strategic goals; and (v) the mobilisation of partners and public institutions; and
- the steering and monitoring of commitments, and the accountability for climate action.

Operational tools to implement climate action

The operational implementation of AFD group's commitments and its climate action is ensured through a range of complementary tools and mechanisms, namely: the **AFD and Proparco sustainable development analysis framework**; country profiles and support for long-term trajectories; the deployment of **proprietary macroeconomic modelling tools**; the **climate characterisation** of interventions; **greenhouse gas accounting**; and the **mentioned fossil fuel exclusion policy**.

The sustainable development analysis framework

Introduced in 2014, the **Sustainable Development Analysis and Opinion** mechanism aims to facilitate the cross-functional integration of sustainable development issues into the Group's financing operations (see Section 1.2.6.2). **It evolved in 2017 to integrate the new orientations of the Climate Strategy and the analysis of the consistency of projects with the 100% Paris Agreement commitment, and was updated again in 2022 and then in 2025** to adapt it notably to the commitments of the planet roadmap.

For the AFD, the sustainable development analysis framework sets out, in particular, a scoring system for low-carbon and/or climate-resilient projects based on a qualitative approach, accompanied by a user guide drawn up on the basis of the literature and international practices. The rating under this sustainable development analysis and opinion framework has an amplitude of -2 to +3: the projects receiving a negative rating are those that are inconsistent with the country's low-carbon and resilience trajectory.

With regard to the low-carbon transition dimension, it provides for an analysis of interventions based on their contribution to the drivers of the transition – namely political, technological, or relating to the practices of economic and financial actors and economic agents in general.

It should be noted that, in doing so, **the assessment of an intervention's consistency with a low-carbon transition is generally not directly linked to the level of gross greenhouse gas (GHG) emissions associated with the project considered in isolation**, but rather to its consistency in terms of technological choices, compliance with sectoral policies to be developed, and stakeholder practices in order to enable a sufficiently ambitious transition. The analysis therefore focuses primarily on the **types of projects** – and **ultimately on the expected long-term impacts of the transitions** – rather than on the GHG impacts directly attributable to the projects, which are nevertheless assessed separately (see below).

Specifically, the sustainable development framework gives a negative rating to projects that lead to a lock-in effect for GHG emissions in the context of their low-carbon development.

In 2022, the Group completed a project to converge sustainable development analysis systems. Proparco and Expertise France now have analytical frameworks that are consistent with the AFD's Sustainable Development Analysis and Opinion mechanism framework and tailored to the specific characteristics of their respective fields of activity.

The 2025 update of the AFD grid for low-carbon and resilience criteria also clarified and redefined a **set of attributes** that progressively characterise the increasing intensity of a **project's transformative nature**.

- With regard to the low-carbon dimension, the goal is to better reflect – beyond the concept of **relevance** to low-carbon trajectories – the potential systemic contributions of funded projects to the transition in terms of **scope** (cross-cutting nature, removal of systemic barriers, replicability) and **sustainability** (far-reaching impacts, long-term institutional mechanisms, management of political economy issues, citizen participation, etc.). These attributes will characterise the increasing transformative impact of activities, regardless of the lever involved (transformation of public policy, transformation of stakeholders, technical levers, etc.).
- Similarly, the resilience dimension incorporates this aspect of assessing the structural impact of the intervention on the actor or system, and will enable the identification of a portion of funding for transformational adaptation.
- These developments are consistent with the position taken by the international climate finance community on this issue (notably multilateral development banks and dedicated funds such as the ICF ⁽¹⁾, CIF ⁽²⁾ etc.).

From an operational point of view, the selectivity inherent in the 100% Paris Agreement commitment is first and foremost implemented by the operational teams when identifying projects on the basis of these criteria. At AFD, projects are then

submitted to a dedicated division (ADD) to analyse the coherence of each operation and to issue its opinion. At Proparco, the Impact division (IMP), which focuses on the low-carbon dimension, and the ESG division, which covers other dimensions (including resilience), are responsible for assigning negative ratings, thereby assessing the alignment of projects to be financed with Proparco's financing strategy. At Expertise France, this rating is discussed during project development committees and aims to confirm that the project being designed is in line with the commitment to be 100% aligned with the Sustainable Development Goals (SDGs).

Country profiles and support for long-term strategies

In order to carry out assessments of consistency with low-carbon and climate-resilient development, an understanding of the country-specific contexts is required. To this end, AFD group's Climate strategy introduced two tools that have been implemented:

- on the one hand, the systematic production of **country profiles** for all countries where the organisation operates, setting out the relevant structural characteristics of their economies and the long-term policies being pursued or envisaged with regard to the transition; the aim is to assess plausible pathways towards low-carbon development that is resilient to climate change at country level;
- on the other, support, through the **2050 Facility** ⁽³⁾, for countries to **develop long-term strategies for low-carbon and resilient development**; the identification and ownership by countries of long-term strategies and sequences of public policies and investments to implement them will make the coherence analyses of interventions more robust.

Modelling tools at the service of countries

AFD is developing research programmes, in close collaboration with governments, central banks and regulatory authorities, aimed at conducting in-depth diagnostics on climate-related financial risks and developing recommendations for public policies and risk management strategies. To this end, AFD is working on three **complementary modelling tools** to provide support for countries in dealing with climate risks (physical and transitional) and analyse the macroeconomic dimensions of ecological transitions. A significant proportion of the projects involving the roll-out of these models in AFD's countries of operation is funded through the 2050 Facility.

On the one hand, the ESTEEM tool examines countries' exposure and vulnerability to transition risks in terms of employment, wages, tax revenue and exports. Identifying these vulnerabilities makes it possible to anticipate the macroeconomic effects arising from the dependence of the economies concerned on industries that are major emitters of greenhouse gases. The model thus helps to inform decision-making whilst taking into account the specific economic, social and environmental characteristics of countries, so that governments can implement long-term strategies within the framework of the Paris Agreement and the 2030 Agenda ⁽⁴⁾

1) ICF: International Climate Finance.

2) CIF: Climate Investment Funds.

3) The 2050 Facility, endowed with €40M, is an AFD tool which has provided support since 2018. 38 of AFD's partner countries, in the development and implementation of their long-term strategies for low-carbon and climate-resilient development. A number of these exercises were submitted to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). The processes developed involve local capacity building and the mobilisation of international expertise. The Facility's support also makes it possible to back the JET-P (Just Energy Transition) partnerships through more targeted studies or the deployment of expertise.

4) UN Member States adopted the 2030 Agenda for Sustainable Development, known as the 2030 Agenda. It is an agenda for people, for the planet, for prosperity and for peace, through partnerships.

GEMMES, another dynamic quantitative modelling tool developed by AFD, makes it possible to **calibrate transition strategies by analysing the macro-financial impacts of climate change**. The model tests transition scenarios towards low-carbon horizons by generating long-term trajectories.

Both ESTEEM and GEMMES feed into the **public policy dialogue on ecological transitions**, at the national and international levels, based on the principle that the various objectives – ecological, social, economic and financial – must be taken into account simultaneously. They are also based on **multidimensional indicators**, covering both economic and biophysical aspects (land resources, water resources, greenhouse gas emissions, etc.), in order to support countries in developing pathways towards high sustainability and to guide decision-makers on how to reconcile economic, social and environmental objectives.

Lastly, AFD is also developing a **research programme on transition risks and opportunities** based on a **microeconomic and financial approach**. The country studies produced as part of this programme are intended to inform public decision-making on low-carbon transition policies across a wide range of sectors (energy, fossil fuels, transport, industry and agriculture). By analysing transition scenarios, economic relationships and stakeholder dynamics in detail, this approach also enables businesses, financial institutions and local authorities to undertake strategic planning to reduce and better manage their exposure to transition risks, and to capitalise on the opportunities presented by this transition. This research programme and the multi-stakeholder dialogue that accompanies it aim to ensure that greater account is taken of the potential economic effects of low-carbon transition processes, with a view to strengthening the financial and social stability of these processes.

Climate finance characterisation interventions

Since 2012 – that is, prior to the Paris Agreement – all of the AFD group's operations have been categorised according to whether or not they deliver climate co-benefits, that is to say, added value in terms of policies or actions aimed at mitigating or adapting to climate change, within the framework of low-carbon and climate-resilient transitions (climate finance).

In 2017, the Group set itself the target of allocating at least 50% of its annual commitments to initiatives of this kind, or €6bn per year from 2025 onwards, subject to budgetary resources remaining available, building on a similar commitment made in 2012, which allocated 50% to AFD and 30% to Proparco.

In order to categorise its operations according to whether or not they generate climate co-benefits, AFD group has adopted a taxonomy, which is broadly in line with the "IDFC-MDB Common Principles for the Accounting of Climate Finance" ⁽¹⁾ (with two components: mitigation and adaptation respectively). It should

be noted that, with regard to mitigation, these common principles are based primarily on the implementation of low-carbon projects that result in a reduction or avoidance of emissions compared with an alternative baseline scenario ⁽²⁾; the framework is not, in itself, designed to assess the appropriateness or effectiveness of measures aimed at accelerating the transition in a given country ⁽³⁾.

This taxonomy is therefore relevant for tracking AFD group's target, set for 2025 onwards, of allocating at least €6bn in annual commitments to climate co-benefit interventions (subject to the availability of budgetary funds); but it must necessarily be combined with the Sustainable Development analysis, which remains essential to ensure consistency with a country's transition and to verify compliance with the 100% Paris Agreement commitment.

Moreover, the context surrounding international climate negotiations ⁽⁴⁾ calls for a **greater focus on improving the effectiveness of public climate finance**. Public climate finance should therefore be directed primarily towards initiatives – particularly projects with systemic effects – that are capable of accelerating the transitions and mobilising and redirecting investment flows, in line with the objectives of the Paris Agreement. It is in this respect that AFD group's planet roadmap suggested characterising (in the framework of the SDAO) and maximising the provision of this transformational finance (see Section 1.2.1.2).

Lastly, while Expertise France does actively, as part of its mandate to combat poverty and safeguard global public goods, contribute to protecting the planet through action to mitigate and adapt to climate change, the proportion of funding strictly dedicated to climate action is not recognised separately within its operations.

Recognising greenhouse gases (GHG)

In 2012, AFD group adopted a dedicated tool for **calculating emissions associated with projects across 30 sectors of activity**, based on a tool originally developed by Ademe (the Bilan Carbone® tool). The tool is available free of charge online and is also used by many service providers, notably in France.

It should be noted that this tool enables GHG emissions to be calculated, primarily in the context of funding allocated to physical assets. Mitigation funding directed towards technical assistance or public policy, even though it is always intended to contribute to the conditions for systemic mitigation, and thus to the **ultimate GHG reductions** necessary for the decarbonisation of the economy, can rarely be attributed a specific figure for emissions avoided due to the dilution of the causal chain between the funding – which is always partial at the level of national budgets and economies – and the actual outcomes.

1) "MDB-IDFC Common Principles for Climate Mitigation Finance Tracking", published in July 2015 and revised in 2020 and 2023.

2) Most often, this refers to a 'business as usual' scenario, i.e. one involving an alternative project using standard technologies, or a situation where no project is in place.

3) For example: a grant-funded technical assistance project leading to a reform of standards with a significant structural impact on emissions from the building sector at national level will be valued at the amount of the grant; a loan of a higher amount for improving the energy efficiency of a single building, with limited effects on associated emissions, will de facto be valued more highly (possibly up to the amount of the loan) within this framework.

4) Notably, the text negotiated in Baku at COP 29 regarding North-South Climate Finance flows.

A calculation of greenhouse gas emissions directly associated with projects and interventions – even though it therefore covers only part of AFD group's activities and can reflect only a fraction of its overall impact – remains essential in a context where:

- it generally reflects an understanding of these figures, and the reporting of **projects' direct emissions** has been in line with the practice of multilateral donors for several years;
- the **physical carbon intensity** (CO₂eq/unit produced) of projects or customers plays a significant role in assessing their position within the low-carbon transition of their markets;
- in specific contexts, some projects could also have a massive impact on emissions, which in itself could jeopardise the achievement of national mitigation targets; in certain country contexts and up to 2025 ⁽¹⁾. AFD group had set an emissions cap of 1 MtCO₂eq per project, above which it would not participate in the project;
- an analysis of **avoided emissions** is required across a number of infrastructure sectors to substantiate the characterisation of an initiative as climate finance;
- Finally, the specific accountability requirements attached to green bonds include reporting on the calculation of emissions avoided for a set of pre-determined projects.

It should be noted, however, that while these emission calculations are reported and published, they are not subject to quantitative targets for the AFD group's climate action management.

Tools for assessing climate-related financial risks

Analysis of climate risks for sovereign customers

AFD systematically integrates the appraisal of climate-related financial risks into its country and sovereign risk analyses.

For physical risks, a methodological framework assesses countries' exposure to fourteen climate-related hazards (droughts, floods, cyclones, etc.), based on their territorial and sectoral vulnerability. The analysis is based on a worst-case scenario (IPCC RCP 8.5 ⁽²⁾) and draws on international indices (ND-GAIN ⁽³⁾), external reports (World Bank) and the historical impacts of climate shocks. It includes possible socio-political repercussions (migration, social tensions, food security). This analysis can be applied to different time horizons (2040, 2070, 2100). These time horizons were defined over 30-year periods to take into account climate change. Furthermore, the 2040 horizon is the most suitable with regard to the AFD portfolio, as well as the country risk and sovereign risk analysis horizon. The capacity and ambition of adaptation policies strongly influence the magnitude of these risks.

Transition risks are assessed using the country's emissions profile (greenhouse gas trajectory and sectoral composition, carbon and energy intensity, and energy mix). A model that combines country vulnerability with a sectoral score provided by the French Prudential Supervision and Resolution Authority (ACPR) assesses the extent to which economies are dependent on declining sectors in the context of the low-carbon transition. The analysis also takes into account countries' macro-financial and social vulnerabilities, as well as their transition policies, which may either mitigate or exacerbate the risk.

Climate risk analysis for non-sovereign customers

AFD integrates climate risks into the credit risk analysis, i) in the final rating for historically materialised climate-related financial risks, ii) as a non-financial score for forward-looking climate-related financial risks.

AFD's climate-related financial risk analysis tools have had no impact on counterparties' credit ratings to date. However, the structure of the projects may have been affected by the climate-related financial risks identified.

The raw climate risk vulnerability scores for AFD's non-sovereign customers are largely based on the same tools and databases as those used for analysis at the sovereign level. They enable an assessment of customers' exposure to transition risks and climate-related hazards, based on their location and sector of activity. A more detailed analysis of these risks, using a questionnaire and a qualitative, case-by-case assessment of adaptation and mitigation measures, enables a net assessment of climate-related financial risks to be carried out.

These two tools, which are integrated into the AFD's information system and applied across all of the AFD's areas of operation, enable monitoring at both the micro (customer) and macro (overall portfolio) levels.

The analysis of climate-related financial risks for Proparco's customers is based on the same approach and the same tools. It has been implemented gradually since 2025, initially covering the physical risks of the portfolio's counterparties on the debt portion, and aims to analyse the physical climate-related financial risk of the entire portfolio (excluding guarantees) by the end of 2026.

For the non-sovereign segment, the time horizon is 2050 based on the scenarios of the 2020 ACPR stress test. For sovereigns, our approach is static and based on an analysis of countries' emissions profiles, their exposure to sectors deemed to be in decline as part of the transition (the ESTEEM model), their macroeconomic and socio-political vulnerability, and national mitigation policies.

Resources: SDG refinancing

All of AFD group's interventions comply with the Group's Climate Strategy and operational requirements. *De facto*, all the resources mobilised – including, of course, SDG bond issues (see Section 1.2.3) – contribute to the implementation of this strategy and therefore to financing the transitions.

1) This provision is not included in the Planet 2025-2030 roadmap.

2) RCP stands for "Representative Concentration Pathways", which is a scenario for the future evolution of greenhouse gas concentrations; RCP 8.5 is the most pessimistic scenario.

3) The Global Adaptation Institute has published a world map that summarises each country's vulnerability to climate change and other global challenges, alongside its commitment to improving resilience.

Governance and organisational arrangements

Governance

The role of the Board of Directors

The AFD Board of Directors approved the **2017–2025 Climate Strategy and the 2025–2030 planet roadmap**, which set out all the measures underpinning the Group's response to the objectives of a transition plan.

The Board of Directors also approved the energy transition strategy, which covers the entire energy sector and sets out the Group's exclusion policy regarding fossil fuels, as well as its mid-term review in October 2021. The Board of Directors considers financial support allocated by AFD on the basis of project proposals that systematically outline the project's alignment with the climate strategy, the climate risks associated with the project, and the sustainable development assessment.

Proparco's Board of Directors determines the orientations of Proparco's activities and ensures their implementation. It validated Proparco's 2023-2027 strategy, which is a variation of the Group's strategy and includes a strong climate component, notably with a view to increasing financing for mitigation and adaptation actions, backing customer transitions and promoting innovative solutions.

The Expertise France Board of Directors is responsible for deliberating on the institution's affairs, notably its general organisational and operational procedures, its Objectives and resources contract (COM), and its strategic orientations. To this end, it supported the climate objectives set out in the Objectives and resources contract, which aim to facilitate a fairer transition and promote adaptation and mitigation in the face of climate change. The Board of Directors also discusses the financial and budgetary management of the establishment.

The Executive Committee

AFD's Executive Committee meets several times a year to address major issues relating to the Sustainable Development Goals, climate in particular. It oversees the implementation of AFD group's climate and biodiversity objectives and confirms their major guidelines. Every two years, the Executive Committee is informed of the work on climate and nature-related financial risks, pursuant to the internal roadmap on the subject.

Proparco's Executive Committee brings together Executive Management and the directors of the various departments. It discusses internal guidelines and policies and manages the activity, including its climate dimension: climate finance and alignment of operations with the Paris Agreement.

Expertise France's Executive Committee is the company's general steering body. The Chief Executive Officer relies on the Executive Committee to ensure the implementation and monitoring of the commitments set out in the Objectives and resources contract and for any question relating to the internal organisation of Expertise France, in particular with regard to climate issues. COMEX is committed to protecting the planet through initiatives aimed at mitigating and adapting to climate change, as well as preserving biodiversity. It determines the decisions and implementation arrangements for this strategy and monitors key performance indicators, including climate-related issues.

The Risk Management Committees

See Chapter 4 of the Universal Registration Document. The assessment methodologies and aggregate indicators of the non-sovereign portfolio's exposure to climate-related financial risks are presented to the **Risk Management Committee**. The climate-related physical risk analysis methodology was validated by the Country Risk Management Committee in May 2019, while the one for climate-related transition risk was validated in May 2022.

The Steering Committee on climate and nature-related financial risks is an internal committee comprising members from various Executive Departments, units and divisions at AFD group. Its role is to steer and monitor the climate and nature-related financial risks roadmap and to coordinate the work of the various teams. The Steering Committee brings together teams working in the Executive Departments in charge of Operations, Risks, Research and Strategy and includes Proparco. It meets twice a year and reports regularly to the Executive Committee on progress made on the roadmap on climate and nature-related financial risks.

Proparco's Risk and Audit Committee advises the Board of Directors on matters relating to the organisation's overall strategy and risk appetite, by regularly reviewing the associated strategies, policies, procedures, systems, tools and internal controls. As part of its remit, it assesses the main risks to which Proparco may be exposed: credit risk, balance sheet and market risks, operational risk, compliance risk and reputational risk. It also takes into account ESG and climate risks that may influence its credit, operational and reputational risks in light of regulatory and non-financial reporting requirements (CSRD).

Organisational arrangements

The operational teams

AFD's and Proparco's entire operational system feeds into the implementation of the Group's planet roadmap. The network's local offices, working at the grassroots level, enable the Group to establish initial contact with customers and beneficiaries of projects, identify potential projects, and maintain an ongoing dialogue throughout their implementation.

Forming part of the Sustainable Development Solution Department (SDD), the technical divisions take the lead on projects funded by AFD, overseeing their appraisal and the associated due diligence, as well as providing technical monitoring during the implementation phase.

The relevant AFD group teams are presented below:

■ AFD group organisation chart showing the structure and governance arrangements for climate and nature issues

PROPARCO registered office Divisions involved, by Department	AFD registered office Divisions involved, by Executive Management			Decision-making bodies
<p>The Business Development & Network (PRP)</p> <p>In charge of identifying new projects aligned with strategic impact objectives. It also plays a role in raising client awareness of environmental issues.</p>	<p>Regions (GEO)</p> <p>Management of operational activity: construction of a programme integrating Nature objectives. The geographical departments identify and monitor operations that meet the Nature targets within their scope of intervention</p>			<p>The AFD, Proparco and Expertise France Boards of Directors</p>
<p>Support for Sustainable Development (A2D)</p> <p>The ESG assumes responsibility for the environmental impact management policy and its implementation in projects The Impact Measurement (IMP) division supports the project teams on nature-related themes and manages nature impact accountability exercises.</p>	<p>Sustainable Development Solutions (SDD)</p> <p>The sectoral technical divisions develop nature expertise related to their sectoral field of activity in order to include it in the instruction and monitoring of projects. They act as the link with local offices and the various support teams to achieve the Nature targets</p> <p>The Climate and Nature (CLN) division oversees the implementation of the Group's Planet roadmap, identifies biodiversity co-benefits, coordinates nature accountability, supports project teams in integrating nature into projects, and participates in methodological development and dialogue with peers on Nature topics</p> <p>The Environmental and Social Support (AES) division manages environmental (negative impacts) risks in projects</p>	<p>Innovation, Strategy and Research (ISR)</p> <p>The Sustainable Development and Opinion (ADD) unit integrates the biodiversity dimension and analyses the project's alignment with the CMB</p> <p>The Economic Assessment and Public Policy (ECO) division includes natural hazards into country analyses and manages studies on the financial impact of the low-carbon transition</p> <p>The Group Accountability and Social Responsibility (CSR) unit is in charge of the environmental responsibility action plan and the environmental complaints management system</p>	<p>Risks management (DXR)</p> <p>The Group Risks Department (GRD) strengthens and manages the ESG risks management system</p> <p>Within this department, the Credit, Climate and Second Opinion (CCS) division is working on the development of methodologies for appraising nature risks in portfolio risk assessment</p>	<p>Committees involved in managing nature risks</p> <p>The Group Audit and Risks Committees (GARC)</p> <p>The AFD Risks Committee (CORIS)</p> <p>The Proparco Risks and Audit Committee (RAC)</p> <p>The Steering Committee (COPIL) for the Group's climate and nature financial risks</p>
<p>Financing (FNT) & Investments (INV)</p> <p>Composed of project team leaders, they develop projects in line with Proparco's strategic plan mandate. These departments also establish Proparco's sectoral strategies</p>				<p>AFD, PRO and EF network</p> <p>The regional departments steer the portfolio's nature objectives, lead regional initiatives and dialogues, and support the local offices</p> <p>The network of local offices plays a key role in identifying, monitoring and implementing projects with biodiversity co-benefits</p>
<p>EXPERTISE FRANCE registered office</p>				
<p>Operations department</p> <p>Supports teams and partners in the implementation of nature projects.</p>				<p>Network of nature officers at head office, local offices and regional directorates (AFD)</p>
			<p>Mobilisation of international partnerships (MIP)</p> <p>Strategic partnerships: IDFC, FICS and Peer Dialogue. Management of delegated external funds</p>	

Technical teams working on climate due diligence

A team dedicated to climate issues: since 2022, the Climate and Nature Division (CLN) has unified climate and nature issues within a single entity. Comprising around twenty staff members within the Sustainable Development Solutions Department and responsible for coordinating these matters across the AFD group ⁽¹⁾, this team is tasked with developing and monitoring the implementation of the Group's planet roadmap.

On climate and nature issues, the CLN Division has two main missions:

- it works alongside the operational teams to consolidate the recognition of climate and nature issues in all the Group's sectors and regions. To this end, it provides support for the appraisal of projects and operational strategies, ensures the deployment of five climate and nature facilities (2050 Facility, AdaptAction Programme, French Overseas Departments and Collectivities Adaptation Initiative, Blue Carbon Facility, and Nature-based Solutions in Asia), develops methodologies and tools to identify climate and nature issues for each country, and develops sustainable and fair development trajectories. It develops and updates the accounting methodologies for climate and nature finance. It calculates the anticipated contribution of projects financed by AFD to climate change mitigation and adaptation, as well as to the conservation and sustainable management of biodiversity; it ensures the accountability of this contribution;
- It helps to mobilise international climate finance, particularly through the Green Climate Fund ⁽²⁾, and maintains partnerships with other donors, French and international think tanks, French banks, NGOs and French government departments. It backs France's environmental diplomacy in international negotiations, engages with its peers (multilateral, national and regional banks in the IDFC Club ⁽³⁾ and the Finance in Common network ⁽⁴⁾), and promotes the AFD group's climate and nature initiatives.

In line with the Group's climate goals, efforts have been made to share climate expertise. The CLN Division relies on a **network of more than 100 focal points at the head office**, in all Executive Departments and in the network of AFD local offices at the regional level as well as in certain countries. Climate and nature focal points are responsible for assisting teams in integrating climate considerations into their activities and for coordinating their respective organisations' contributions to the objectives of the climate strategy. AFD engages with the community of climate focal points through fortnightly newsletters, regular meetings and an annual seminar. The CLN Division develops and conducts internal training for staff at the head office or in the network of local offices, and externally for its partners. In addition to the climate focal points, a team of cross-functional project managers (11 employees in 2025) based in the Group's overseas network provides specific support to ensure that climate considerations are taken into account in operations right from the outset.

The **sustainable development opinion** is issued to AFD by an independent structure, housed within the Strategy Unit of the ISR Executive Department, composed of seven full-time analysts. (See Section 1.2.6.2).

The Economic Diagnostics and Public Policies Department manages the implementation of macroeconomic studies and the ESTEEM and GEMMES models, and the Country Risk Division develops climate risk analyses for sovereign clients.

Proparco has a dedicated department (A2D) to ensure that sustainable development issues are taken into account in its operations and by its customers, and to support the improvement of practices. It brings together Proparco's experts in three areas: Environmental, Social and Governance (ESG); impact measurement and management (IMP); and technical support and pooling of resources (ATM). These teams address a wide range of climate-related issues: assessing the physical climate risks to which projects are exposed; analysing the risk of operations being out of line with the Paris Agreement; recording the climate co-benefits of operations; mobilising delegated funds such as those from the Green Climate Fund; and working with customers in integrating climate considerations into their strategies and operations.

Expertise France has a dedicated department (Sustainable Development) to ensure that these issues are taken into account in its operations. The department is made up of four units: agriculture, energy, urban development, and the circular economy and biodiversity. It is made up of a team of about 80 people. A dedicated climate advisor is in place to assist teams and provide support for sustainable development initiatives in this department, as well as across all others. Projects from other departments can also have very good SDG climate ratings.

Mobilisation of partners and public institutions

IDFC

AFD group is particularly active in the IDFC Club, helping to monitor progress on the Ambition Declaration ⁽⁵⁾ issued at COP26, which aims to (i) end international financing for new coal-fired power plants without carbon capture, and (ii) secure a financial commitment of \$1.3 trillion in green finance over the 2019–2025 period. AFD group encourages its peers to adopt and implement strategies aligned with the Paris Agreement. It helps IDFC to promote the financing of transformative interventions by public development banks, building on the Club's contribution to the work on the New Collective Quantified Goal on Climate Finance (NCQG) and the Sharm el-Sheikh dialogue (on the alignment of financial flows – Article 2.1c of the Paris Agreement).

1) Including Proparco, which draws on this expertise and also has in-house expertise.

2) or Green Climate Fund; This fund is formally a financial instrument of the UNFCCC and as such is covered by the 2015 Paris Agreement and is the subject of recurrent negotiations during COPs.

3) International Development Finance Club – a network of 26 national, regional and bilateral development banks; see above.

4) Finance in Common (FiCS) – network of public development banks aimed at strengthening partnerships among development banks in order to align their financing with the Sustainable Development Goals and the Paris Agreement.

5) Finance in Common (FiCS) – network of public development banks aimed at strengthening partnerships among development banks in order to align their financing with the Sustainable Development Goals and the Paris Agreement.

Finance in Common (FiCS)

AFD, which hosts the FiCS General Secretariat, aims to strengthen dialogue among the key networks in the financial ecosystem – namely public development banks, regulators in the central bank Network for Greening of the Financial System (NGFS), and private sector stakeholders – as well as with major international governance bodies such as the G20 and the United Nations. FiCS facilitates the exchange of best practices, the publication of research findings and a strong collaborative spirit, which is brought to life each year at the FiCS Summits.

AFD also places great emphasis on partnerships with civil society, researchers and think tanks as part of its work, with a view, notably, to promoting innovative approaches.

EDFI

EDFI's role ⁽¹⁾ is to promote technical and financial cooperation among its members, as well as with other bilateral, multilateral and regional development finance institutions. Cooperation with European institutions has, notably, led to several agreements governing their investments, such as the guiding principles for responsible financing and offshore financial centres. It also made possible the creation of two common funds: the European Financing Partners (EFP) dedicated to private sector financing in the African-Caribbean-Pacific (ACP) region, and the Interact Climate Change Facility (ICCF) dedicated to the development of renewable energies and energy efficiency in the countries of the South. Steering and accountability as part of the work on low-carbon and resilient transitions.

Steering, monitoring of commitments and accountability of climate action

Steering framework

Pursuant to AFD group's established approach of systematically providing support for transitions since 2017, the main challenges identified in terms of governance and accountability fall broadly into three categories; they relate to:

- compliance with commitments and objectives regarding the coherence of interventions backing the transitions of sovereign and non-sovereign actors (the 100% Paris Agreement commitment), on the one hand, and the provision of funding generating substantial added value in this area (target of €6bn in annual commitments from 2025 onwards), on the other;
- **optimising the effects of the Group's climate action**; the measurement of the effects of AFD group's action in terms of backing the transition and the tools to guide the most efficient implementation possible in this respect are necessarily complex:
 - its activities – in line with the expectations of the Paris Agreement – go beyond financing strictly earmarked for low-carbon investments or those simply adapted to climate change, where the benefits are quantifiable and attributable, to include a significant proportion of non-earmarked financing, including public policy loans or corporate loans not directly earmarked, underpinned by the adoption of strategies and practices conducive to the transition, the effects of which, in terms of

decarbonisation and resilience (including economic and social resilience), are generally deferred and difficult to attribute solely to the actions of the financiers,

- for this reason in particular, the optimisation of effects cannot be reduced to a search for maximisation of the figures for immediate positive impacts expressed in terms of volume or intensity of greenhouse gases. However, it should also be emphasised that the unit cost of such direct investment-related impacts (in terms of mitigation or adaptation ⁽²⁾) varies considerably from one sector and context to another; therefore, applying such an approach solely to the scope of investment financing could not be adopted without the risk of exacerbating the challenges faced by hard-to-abate sectors or further undermining the financing of adaptation. **No quantitative target has therefore been set for greenhouse gas emissions.**

In this context, **efforts to optimise the effects** involve, in particular:

- the robustness and accuracy of the analysis of customers, of their specific risks and opportunities in the context of a low-carbon and resilient transition, and of the analysis of **how interventions contribute to this framework**. These two aspects are at the heart of the SDAO mechanism applied to the Climate dimensions;
- the **assessment of transformational initiatives**: the sustainability rating system uses these analyses to assess transformational initiatives by distinguishing between different levels of quality (systemic scope with specific sustainability elements); **the Group's planet roadmap also sets out the ambition that 50% of the Group's climate finance by volume will achieve a transformational rating** under the sustainability analysis during the roadmap's implementation period;
- calculating project-related emissions (avoided or absolute emissions) and using this data against benchmarks in a few relevant configurations;
- monitoring of impacts *via* the results and impacts framework (RIF);
- the ongoing monitoring of customers' climate and transition initiatives, which is notably carried out as part of the **analysis of physical and transition climate-related financial risks, and for sovereign customers through country analyses (profiles)**.

Continued improvement of evaluation processes and of the associated accountability

In this regard, the 2025–2030 planet roadmap introduced, notably:

- improvements to the sustainable development analysis framework to enable a robust characterisation of transformational operations in line with the principles developed by development practitioners (notably multilateral banks and vertical funds) in this field;
- stronger support for economic stakeholders, including public enterprises and local authorities;
- real-time benchmarking of greenhouse gas intensities for projects funded in certain relevant sectors.

1) Association of European Development Finance Institutions (<https://edfi.eu>).

2) Expressed in €/tCO₂e avoided or €/person whose vulnerability is reduced, for example.

Moreover, the current establishment of a results and impact monitoring, knowledge management and evaluation function puts the **AFD group's monitoring and evaluation policy** into practice ⁽¹⁾, with a target of 50% of operations being evaluated independently of the operational teams.

Financed Emissions portfolio

As part of its CSRD obligations, **AFD group carried out, for the first time in 2025, an exercise to estimate customer-related emissions weighted by their respective outstanding financing balances at the Group, covering the entire portfolio of active financing, which is reported separately in Section E1-6 of this sustainability statement.**

This exercise does not reflect emissions from financed projects, which are covered by the quantitative assessment exercises described above, but rather a portion of emissions from customers (including country customers).

The fact that a significant proportion of AFD group's operations are not earmarked, combined with the risk approach that prevails in some of these exercises, has in fact led to these issues being assessed on a customer-by-customer basis rather than a project-by-project basis under the CSRD. These figures are also assessed in absolute terms and in terms of intensity as part of CRR3 accountability Capital Requirement Regulation 3 for a sub-segment – non-financial corporate – of AFD customers.

However, portfolio issuance figures weighted by outstandings cannot be used to steer the Group's climate action for fundamental reasons relating in particular to:

- **the Group's positioning, mandate and objectives in this field:**
 - The "financed emissions" figures are based on a **retrospective, institution-focused** review, whereas the Group's approach is **proactive** in working with its **customers**, in line with the expectations of the Paris Agreement, which, moreover, does not impose any requirements regarding the inventories of financed emissions on financial institutions in the broad sense,

- **the Group's objective is therefore not to reduce its own financed emissions;** rather, it is to reduce its customers' ultimate emissions as part of a sustainable, low-carbon and resilient development strategy in line with the Paris Agreement;

- **the need for project-by-project assessments carried out within their specific context** to ensure that interventions are consistently aligned with low-carbon and resilient development trajectories; monitoring based on changes in aggregate indicators such as total financed emissions or emissions intensity does not in any way provide the information required for this type of assessment;

- **an assessment of the institution's financial transition risk based on the aggregation of exposures** deemed to pose a transition risk, rather than on an aggregate of customers' carbon footprints (whether in terms of intensity or absolute figures).

In light of the above, the Group does not set itself any targets for financed emissions – whether in terms of absolute emissions or emissions intensity – as part of its mandate to back transitions or manage risks (as permitted by CSRD Guideline E.1-14 for entities).

Monitoring commitments and accountability for climate action

Meeting the 100% Paris Agreement commitment

Over the 2017-2025 period, eight projects out of approximately 5,700 projects awarded were subject to exceptional financing decisions, even though an unfavourable rating had been issued in the sustainable development opinion on one of the climate dimensions. These cases involved situations where a negative assessment at an advanced stage of the review process, which had been challenged by the technical and/or regional departments, led to a formal decision by the Arbitration Committee chaired by AFD's Executive Management before the matter was submitted to the Board of Directors for funding approval.

■ Quantitative evolution of projects 100% behind the Paris Agreement ⁽²⁾

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	Target
Number of projects	152	181	236	193	192	217	342	348	301	
Of which projects rated as "100% behind the Paris Agreement" via sustainable development analysis	147	180	234	191	190	216	342	346	301	
Percentage	96.7%	99.4%	99.2%	99.0%	99.0%	99.5%	100%	99.4%	100%	100%

AFD and Proparco figures for climate finance mitigation and adaptation

In 2025, the Group committed (financing approvals) €3.2bn to adaptation finance and €4.5bn to mitigation finance. The total climate finance figure for 2025 was therefore higher than the Group's target of €6bn set as of 2025. Despite the ambitious

target set in 2017 – extending the Group-wide commitment to dedicate at least 50% of its activities to climate projects – the Group managed to meet this consolidated target every year from 2017 to 2020, and has consistently exceeded it from 2021 to 2025 (the year the commitment was revised). These figures are also monitored by region and by sector.

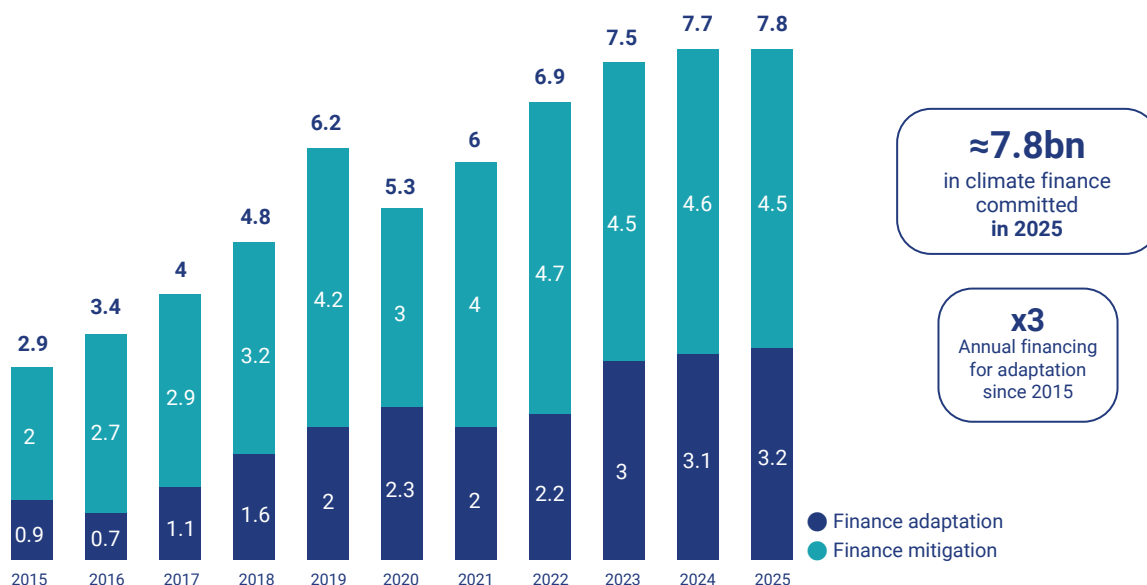
1) <https://www.afd.fr/sites/default/files/2025-03-11-56-49/politique-suivi-evaluation-groupe-afd-WEB.pdf>

2) The data presented is limited to the AFD scope from 2017 to 2022 and then supplemented by data relating to the Proparco scope since 2023 and Expertise France in 2025. The 2025 data therefore corresponds to the Group scope. Furthermore, for AFD, the scope is limited to approved projects that have been subject to a sustainability assessment, which account for more than 80% of AFD's projects in terms of amounts. For Proparco, the scope is limited to projects with a SD rating representing 88% of projects.

Quantitative change in financing characterised as Climate for the Group

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	Target
Group climate financing (in €bn)	4.0	4.9	6.2	5.4	6.0	6.9	7.5	7.7	7.8	6.0
AFD	3.4	4.3	5.5	4.8	5.3	6.0	6.4	6.8	6.5	
Proparco	0.6	0.5	0.7	0.6	0.7	0.9	1.0	0.9	1.3	
% Climate Finance	49.1%	48.6%	48.0%	46.7%	53.5%	61.4%	62.1%	59.4%	63.1%	

Development of Group commitments (in €bn)



Transformational finance figures

From early 2025, the monitoring and management of the objective associated with the share of finance characterised as transformational within climate at AFD is made possible due to the implementation of the corresponding characterisation criteria within AFD's sustainable development analysis grid. A Proparco 2025 figure could only be produced on the basis of a retrospective restatement of the portfolio. The criteria and indicators for transformational finance were rolled out in early 2026 at Proparco, which will contribute to the Group indicator from the next financial year.

For 2025, the level of transformational climate finance at AFD group level is therefore net of the Proparco portion.

For 2025, €4.6bn of AFD's climate finance has been classified as transformational, representing 71% of AFD's climate finance and 59% of the Group's climate finance.

Exclusion of fossil fuel financing, other indicators of the results and impacts framework

The exclusion list contributes to the selectivity process of AFD group's interventions, in order to ensure that interventions are consistent with AFD's sustainable development mandate on environmental and social aspects.

The AFD group has adopted a results and impacts framework (IRC, see Section 1.2.4.2.) which makes it possible to report on some of the direct impacts of projects and programmes financed by AFD. The number of total indicators is limited in order to provide the reader with a first partial illustration of the impacts of the AFD group's action. Thus, for adaptation, the indicator selected is the number of people whose climate resilience is improved by the projects.

Indicators relating to the exclusion of fossil fuel financing and impact monitoring

Year	2025
Number of projects derogating from the exclusion list	-
Number of people whose climate resilience is improved	3,521,794

Figures for CO₂eq emissions avoided or reduced

As mentioned above, the estimated figure for emissions avoided can be calculated primarily (in particular using the AFD Bilan Carbone® tool) for funding allocated to physical assets. Since 2013, the Group has reported annually the total estimated annual average CO₂eq emissions avoided (ex-ante calculation based on an alternative scenario) or reduced (absolute reduction) attributable to mitigation projects for which a financing decision was made during the year. In the case of co-financing, the figure for emissions avoided or reduced by a project does not depend on the proportion of the project's funding provided by the Group; instead, the total annual emissions avoided by each project are

stated in this context. This figure is also flawed from a physical standpoint, as it corresponds to the sum of average annual emissions associated with projects of varying durations.

The aggregate figure amounts to 54.4 MtCO₂eq for 2025. This figure is subject to significant year-on-year fluctuations, particularly as a few projects alone can have a major impact on this aggregate (this was the case in 2025, with a Proparco project having a significant impact on the figure, but this occurs relatively frequently - see table below; for example, the figure was 5.2 Mt in 2024, 2.8 Mt in 2023, 10.5 Mt in 2022 and 5.5 Mt in 2021 for equivalent commitment volumes).

Change in the aggregate volume of estimated CO₂eq emissions avoided (in MtCO₂eq/year)

In MtCO ₂ eq/year	2020	2021	2022	2023	2024	2025
AFD	3.5	3.9	4.3	2.4	2.4	1.6
Proparco	1.1	1.6	6.2	0.4	2.9	53.0
Group	4.6	5.5	10.5	2.8	5.2	54.6

Proparco, through its impact report, monitors the achievement of the emission reductions estimated at the time the projects were approved. This exercise forms part of an annual impact monitoring process carried out over the five years subsequent to the signing of projects across the entire portfolio.

application and the meaning of an aggregated figure – apply here as well. Changes from one year to the next, and in terms of sectoral breakdown, are also significant. The figure published for 2023 in this respect was 4.7 MtCO₂eq, compared with 7.4 MtCO₂eq in 2022.

Sectoral breakdown of average annual CO₂eq emissions of projects – AFD and Proparco

This is the sum of the average annual gross emissions calculated ex-ante for projects for which a funding decision was made during the year. The same constraints as those applied when calculating avoided emissions – regarding the scope of

Although almost all of the physical projects funded by the Group result in emissions (including mitigation projects, with the exception of projects such as carbon sequestration that lead to an absolute reduction), the calculation focuses on the sectors and projects with the highest emissions, which are primarily infrastructure projects.

From 2020 to 2025, the aggregate figures for calculated project emissions were as follows:

AFD - absolute emissions and sectoral breakdown

Sector	ktCO ₂ eq/ year 2020	% emissions 2020	ktCO ₂ eq/ year 2021	% emissions 2021	ktCO ₂ eq/ year 2022	% emissions 2022	ktCO ₂ eq/ year 2023	% emissions 2023	ktCO ₂ eq/ year 2024	% emissions 2024	ktCO ₂ eq/ year 2025	% emissions 2025
Agriculture	390	26.7%	109	12.7%	5,248	79.8%	569	20.0%	229	5.0%	241	47.9%
Water and sanitation	241	16.5%	248	29.1%	223	3.4%	177	6.2%	1,203	26.2%	140	27.8%
Energy	579	39.6%	130	15.3%	622	9.5%	2,004	70.5%	183	4.0%	45	8.9%
other	0	0.0%	76	8.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Transport	251	17.2%	124	14.5%	292	4.4%	82	2.9%	2,438	53.2%	61	12.1%
Local authorities	0	0.0%	146	17.1%	192	2.9%	11	0.4%	481	10.5%	14	2.8%
Education and health	0	0.0%	21	2.4%	0	0.0%	0	0.0%	52	1.1%	2	0.4%
TOTAL	1,462	100%	853	100%	6,577	100%	2,843	100%	4,585	100%	503	100%

Proparco - absolute emissions and sectoral breakdown

Sector	ktCO ₂ eq/ year 2020	% emissions 2020	ktCO ₂ eq/ year 2021	% emissions 2021	ktCO ₂ eq/ year 2022	% emissions 2022	ktCO ₂ eq/ year 2023	% emissions 2023	ktCO ₂ eq/ year 2024	% emissions 2024	ktCO ₂ eq/ year 2025	% emissions 2025
Agribusiness and agriculture	879	52.5%	469	15.5%	43	3.3%	857	52.8%	571	19.0%	2,613	5.0%
Energy	192	11.5%	81	2.7%	87	6.6%	49	3.0%	212	7.1%	169	0.3%
Industry	596	35.6%	1,747	57.7%	178	13.5%	54	3.3%	1,095	36.5%	45,635	87.1%
Infrastructure	6	0.4%	0	0.0%	867	65.8%	595	36.7%	771	25.7%	3,497	6.7%
Services	0	0.0%	0	0.0%	0	0.0%	68	4.2%	347	11.6%	492	0.9%
Finance	0	0.0%	562	18.5%	129	9.8%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	171	5.6%	13	1.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	1,674	100%	3,030	100.0%	1,318	100%	1,623	100%	2,995	100%	52,405	100%

Beyond the limitations of interpretation associated with their literal meaning or their significant annual variability depending on the nature of annual commitments, these aggregated figures or their trends do not in themselves provide specific information regarding the quality of interventions in the context of transitions, particularly given the very small scale of the volumes calculated relative to global or regional carbon budgets, and more generally the lack of an intrinsic benchmark.

The physical CO₂eq intensity of each project – that is, the ratio of greenhouse gas emissions per unit produced – was not formally used for systematic reporting purposes until 2025. In certain sectors where the technologies required to meet the Paris Agreement's targets are rapidly converging globally, a sector-wide aggregate indicator based on this approach could demonstrate that, on average, all funded projects are aligned with the desired global trends in emission factors. This option applies only to certain industrial sectors – cement, steel and chemicals – at AFD group, representing a small proportion of its commitments.

For these sectors, the 2025–2030 planet roadmap therefore sets out a concrete proposal to align the average CO₂eq intensity per unit produced by projects funded in a given year with an overall sectoral target intensity derived from international scenarios (primarily from the International Energy Agency (IEA)) for 2030, then 2040 and 2050, and also to report, in order to demonstrate a commitment to consistency at the level of each project, the figures relating to the projects launched during the year that perform least well within their sector.

2.1.1.3 Managing climate-related financial risks

Roll-out of the climate risk management system

Following the work undertaken since 2017 on the assessment of climate-related financial risks, and in accordance with regulatory guidelines (in particular CRD6/CRR3 and the European Banking Authority's guidelines on ESG risk management), AFD group is continuing to roll out its climate and ESG risk management framework more broadly, which forms part of and complements its overall risk management framework.

The tools and methodologies for assessing physical and transition financial risks have been rolled out and adopted across the board at AFD, both for the approval of new financing and for portfolio monitoring, and have been under implementation at Proparco since 2025. These methodologies are regularly reviewed to improve their relevance and accuracy.

Work on identifying and assessing climate and ESG risks, going beyond what has already been achieved in relation to credit risk, is continuing. In 2025, AFD group undertook an initial exercise to map ESG risks that affect financial risk mapping, identifying physical and transitional channels through which ESG risks— notably those related to climate change—are transmitted. The long-term aim is to update all of AFD group's risk maps through an ESG lens, with the help of materiality analyses.

The work outlined above lays the foundations for a climate risk monitoring and management system: it enables the definition of relevant performance and risk monitoring indicators, and provides the data required to carry out resilience and climate stress tests.

Since 2025, AFD group's risk appetite framework has incorporated an initial ESG indicator, with the addition of an indicator measuring the vulnerability of AFD's non-sovereign portfolio to physical climate-related financial risks. It is anticipated that additional climate indicators will be gradually incorporated into future risk appetite frameworks, in line with the European Banking Authority's guidelines on ESG risk management.

In terms of transparency, AFD group publishes prudential information on ESG risks on a semi-annual basis in its Pillar 3 disclosures.

Resilience analysis

Transition risks

In 2020, AFD group (excluding EF) took part in a stress test led by the banking sector's supervisory authority (French Prudential Supervisory and Resolution Authority), to assess the French banking sector's exposure to transition risk. The work carried out concluded that there would be a limited impact on the credit ratings of the Group's counterparties, even under the most adverse scenario (assuming an accelerated transition, with carbon neutrality by 2050). The model predicts an average degradation in the portfolio's credit risk of one notch under the most adverse scenario, and of just 0.03 notches under the central scenario.

Physical risks

The physical risk assessment for each transaction (presented in Section 2.1.1.2, "Implementing the Group's climate commitments") enabled the calculation of an aggregate indicator of the vulnerability of AFD's non-sovereign portfolio to physical risks as at 31 March 2023. The vulnerability of the AFD portfolio to climate-related physical risks was therefore deemed to be moderate.

2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions

2.1.2.1 AFD group's financed emissions (E1-6)

AFD group's financed emissions amounted to 43,096 KtCO₂eq in 2025. As set out in the climate transition plan, the production of emissions data is primarily driven by regulatory requirements and does not constitute a relevant management indicator for the Group, whose activities since 2017 have focused on systematically providing support for the low-carbon and resilient transition of its counterparties.

AFD group's approach to calculating its financed emissions is based on financial materiality, in line with Pillar 3 of the ESG framework and the prevailing market practice, as evidenced by the first reports published this year; and on the methodological framework established by the GHG Protocol (1) and PCAF (2). In practical terms, this means that AFD group has assessed its outstanding financing (gross carrying amount of outstandings, as reported in Finrep, as at 31 December 2025) at the counterparty level rather than at the project level. Investments are therefore systematically processed as "unknown use of proceeds" within the meaning of the GHG Protocol, i.e. without being allocated to a specific project.

The estimate of financed emissions covers all financial exposures directly linked to the Group's operations (3), representing a portfolio of over €59bn. The financed emissions are calculated on the basis of outstanding amounts associated with loans and equity investments, both sovereign and non-sovereign. The following are excluded:

- grants, guarantees and notional amounts of swaps that do not fall within the financial risk approach and are not recognised on the assets side of the balance sheet;
- Exposures related to cash management (4) are excluded from the scope of the calculation of financed emissions, as they do not constitute long-term economic investments within the framework of AFD group's strategy and mandate, but rather investments intended to safeguard future liquidity.

Two complementary methodologies were used to approximate the Group's financed emissions:

- **In its sovereign portfolio** (52% of outstandings, €30.63bn), **the AFD allocates a portion of domestic emissions to itself** using the PCAF formula (5). This follows the PCAF recommendation, with the exception being that the Group relies on national territorial emissions inventories (Scope 1) from Climate Watch (2023), in the absence of consumption-based emissions inventory data (Scope 1 to 3, which adjusts emissions for international trade) in the regions where the Group operates. The macroeconomic data (GDP at purchasing power parity) are taken from the IMF's World Economic Outlook (WEO, 2022 data);
- **for the non-sovereign portfolio (corporate, financial institutions, local authorities)**, in the absence of individualised emissions data for counterparties, **the Group uses the JIM tool (Joint Impact Model)** (6). The JIM

methodology, aligned with PCAF and GHG Protocol standards, is based on a macroeconomic model that incorporates emissions resulting from sectoral spillover effects along value chains (upstream Scope 3). The results generated by the JIM tool are estimates that are not based on actual figures specific to the counterparty and should be interpreted as such. The JIM tool is used to estimate financed emissions with a PCAF quality score of 4 (7) where the counterparty's financial data (balance sheet and income statement) are known (8); and a PCAF quality score of 5 for other exposures (9). The lack of precise or recent data – resulting notably from the lack of coordination of internal controls on projects and the automation of data collection (10) – as well as certain methodological limitations may lead to an overestimation of the financed emissions reported for AFD group.

The data used by JIM is based on emission factors from 2017, which are due to be updated. These emission factors cover carbon dioxide (CO₂), as well as methane, nitrous oxide and fluorinated gases.

The calculation of financed emissions is based on external data, which inherently has limitations in terms of its availability and quality, as well as the methodologies used by the Group to estimate financed emissions across the value chain.

2.1.2.2 Management of greenhouse gas emissions associated with the Group's internal operations

Internal operational policies related to climate change mitigation and adaptation (E1-2)

As a public actor, AFD group actively participates in the State's sobriety and ecological transition efforts. In this context, AFD group adopted a new responsible purchasing policy. It aims to reduce the environmental and social impact of the goods and services purchased, to promote inclusive and local businesses, and to foster gender equality. An internal platform helps buyers integrate these criteria into their calls for tenders. In 2025, 50% of contracts notified by AFD included an environmental clause and an environmental criterion, and 45% of notified contracts worth over €221K (formal procedure) included a social clause. Lastly, the travel policies implemented across the various departments aim to prioritise the lowest-carbon modes of transport wherever possible.

1) GHG Protocol – Category 15: Investments: Chapter15.pdf

2) PCAF (Partnership for Carbon Accounting Financial) – Part A (2022) on financed emissions: The Global GHG Accounting and Reporting Standard for the Financial Industry.

3) AFD and Proparco, including Fisea. Financed emissions are not applicable to Expertise France, which does not make loans or equity investments.

4) Taken in the broadest sense, i.e. assets whose investment objective is to (i) ensure operational liquidity through so-called operational liquidity portfolios; or (ii) build up a liquidity reserve through investment portfolios and medium-term liquidity investment portfolios.

5) Attributed emissions = (sovereign financial exposure/GDP-PPP) * national GHG emissions.

6) The JIM Foundation is a collaborative initiative bringing together several international financial institutions to harmonise approaches to impact measurement. It oversees the development, governance and updates of the JIM model, an online modelling tool used to estimate the direct and indirect impacts (employment, value added, GHG emissions) of an investment portfolio. Based on macroeconomic and sector-specific statistics for each country, it provides a robust estimate at portfolio level. The JIM is standardised, transparent, collaborative, secure and regularly updated. See The Joint Impact Model | Joint Impact Model

7) The PCAF quality score ranges from 1 (highest possible quality, for reported and audited data) to 5 (lowest possible quality, data calculated using macro-geographical and/or macro-sectoral estimates).

8) According to the formula: financed emissions = customer emissions * allocation factor; that is, (customer income * sectoral emissions factor) * (outstanding amount / customer balance sheet total).

9) According to the formula financed emissions = outstanding loans * sectoral emissions factor.

10) In this process, the figure used is the most recent validated figure, and not necessarily the one expected for the 2025 financial year

Actions and resources in relation to climate change policies (E1-3)

A number of measures have already been put in place to reduce the environmental impact of the internal operations of the Group's various entities. To reduce its energy consumption, it has implemented a number of practical measures, such as partially closing its offices during certain periods, which has led to a significant reduction in electricity usage. The Group also takes steps to promote environmentally friendly travel: it encourages cycling and car sharing by providing financial support to employees who choose these modes of transport.

In its staff canteen, the AFD has introduced more vegetarian options and products from organic or fair-trade sources. It has also phased out plastic water bottles and set up a system for redistributing food that is still fit for consumption to the Food Bank. These choices are designed to reduce waste and promote more sustainable eating habits.

Furthermore, the Group is working to promote a more responsible use of digital technology. It aims to reduce energy consumption and data storage requirements, extend the lifespan of IT equipment, and raise staff awareness of these issues. All of these initiatives form part of a comprehensive strategy aimed at reducing the Group's environmental footprint whilst maintaining a good quality of life at work.

Similarly, since 2007, AFD-Proparco has been offsetting its reported residual emissions from internal operations by purchasing certified carbon credits on the voluntary carbon market. This initiative enables the Group to take better account of these emissions, as it allows it to monitor them more effectively and understand how to reduce them.

Lastly, in order to set an example, the Group is seeking to adopt a low-carbon trajectory aimed at quantifying the reduction in its residual carbon emissions from internal operations by 2030. Given the specific nature of its activities, Expertise France is committed to this emissions trajectory for its internal emissions ⁽¹⁾. In this context, all the policies referred to here, along with the associated measures, will be reviewed and adapted to ensure they are better monitored.

Scope of methodology: the Scope 3 categories covered are as follows:

Scope 3 categories according to PCAF Part A	Scope 3 categories included in the calculation of emissions
Category 1: Purchased goods	Included
Category 2: Capital goods	Included
Category 3: Activities related to fuels and energy	N/A
Category 4: Upstream transportation and distribution	N/A
Category 5: Waste generated in operations	Included
Category 6: Business travel	Included
Category 7: Employee commuting	Included
Category 8: Upstream leased assets	Included
Category 9: Downstream transportation and distribution	N/A
Category 10: Processing of products sold	N/A
Category 11: Use of products sold	N/A
Category 12: End-of-life treatment of products sold	N/A
Category 13: Downstream leased assets	N/A
Category 14: Franchises	N/A
Category 15: Investments	Included (excluding Expertise France)

The resources deployed under internal climate change policies are primarily human resources, including:

- an FTE (full-time job) dedicated to CSR (Corporate Social Responsibility) and coordinating a network of officers in the various Executive Departments;
- one FTE dedicated to Internal Environmental Responsibility (IER), who calculates the Group's Bilan Carbone® footprint and coordinates a network of representatives across the Group's various entities;
- an FTE dedicated to responsible purchasing.

Each of these FTEs has an annual budget enabling them to run a few workshops and training sessions, and to benefit from services related to their field of intervention.

Gross internal GHG emissions (E1-6)

Calculation method

Since 2005, AFD group has used the Bilan Carbone® methodology and the corresponding tool to calculate its carbon footprint. Defined by Ademe and managed and disseminated by Association pour la transition Bas Carbone (ABC), this methodology is used to calculate the carbon emissions generated by the internal activities of AFD and Proparco (excluding Fisea), relying as far as possible on physical data extracted from our various sites or our information systems.

Scope of the calculation (AFD and Proparco)

The scope of the Bilan Carbone® calculation is as follows:

- Geographical scope:
 - head office: all physical sites, owned or rented, in Paris and Marseille, which represent six buildings;
 - network: all physical premises, whether owned or leased, in the 81 countries where we operate, whether used to house our operations or to accommodate our expatriate staff.

1) "Internal emissions" mention specified in the paragraph on Expertise France.

Method of collecting/storing information

Data is collected directly by the Internal Environmental Responsibility (IER) Officer, who is responsible for calculating the Bilan Carbone® footprint, with their various contacts. It runs from November of year N to February of year N+1 so that the Bilan Carbone® footprint for year N can be shared from the end of February.

Presentation of estimates made

Estimates mainly concern the following items:

- purchasing: use of financial ratios (transforming euros spent into CO₂ equivalent emitted);
- commuting: based on a survey carried out regularly and not on data measured annually;
- air conditioning: replacing all coolants every 10 years;
- real estate: calculated using the square metres per use method, based on a 30-year lifespan.

Other estimates were made but have a smaller impact. For internal emissions, the use of financial ratios (estimated using emission factors) accounts for around 40% of the Bilan Carbone® head office footprint.

The internal and financed emissions (scopes 1 to 3) of SIC (Société Immobilière de la Nouvelle-Calédonie), SOCREDO and STOA S.A. - three equity accounting companies - are also included into the Group's Bilan Carbone in proportion to its equity in these three entities: SIC, SOCREDO and STOA S.A. The data used varies from entity to entity: SIC's emissions (scope 3, category 15) are estimated based on an appraisal carried out in 2011; those of SOCREDO (scopes 1 to 3) and STOA S.A. (scope 3, categories 5 and 15) are updated annually. These emissions are consolidated within scope 3 category 15 of the AFD group's Bilan Carbone.

Scope of the calculation (Expertise France)

As part of its commitment to sustainable development, Expertise France calculates its greenhouse gas (GHG) emissions using the **Bilan Carbone® methodology**, in accordance with the international standard ISO 14064 and the GHG Protocol.

This assessment follows an initial review carried out in 2022, which focused on the head office and air travel.

In 2025, the **geographical scope was expanded to cover all activities at the head office, in the field and in ongoing projects**, in accordance with the standard, and will include related Scope 1, 2 and 3 emissions.

The 2025 Bilan Carbone® assessment will therefore serve as the base year and the starting point for developing Expertise France's low-carbon trajectory, the corporate component of which will be integrated into that of AFD group.

Data collection is carried out using the Toovalu management software, a purpose-driven company certified as a B Corp. Around twenty data collectors, based both at head office and in the field, have been trained by Expertise France's CSR team to ensure that information is reported reliably and consistently. For this project, the CSR expert was assisted by a specialist consultant from the consultancy firm Terra 21, who provided

methodological and technical support throughout the process. A work-study student specialising in CSR joined the team at Expertise France.

The methodological scope adopted differs slightly from that of AFD in order to best reflect the specific nature of Expertise France's activities. Expertise France operates within a framework that is distinct from that of a financier as defined by the GHG Protocol/PCAF standards, without taking into account counterparties' emissions. The carbon emissions generated by Expertise France can therefore be grouped into three main categories of activities:

- activities referred to as internal operations, which encompass all of the organisation's management and governance functions: head office operations, management, cross-functional departments, development and business development activities, as well as the institutional activities of the country departments;
- activities referred to as project engineering which cover activities which are re-invoiced to the project, i.e. the tasks and teams directly involved in the launch, implementation and closure of projects. These include the expertise and contributions of EF's project teams based in France, local teams and associated experts working on projects through travel and operations carried out in the countries of intervention (excluding the institutional dimension);
- other activities carried out, not previously listed, namely those undertaken by implementing partners or on behalf of beneficiaries, corresponding to the actions and resources made directly available to them (including those re-invoiced to the projects, beneficiaries' travel expenses, equipment and materials).

In addition to the Group's low-carbon trajectory, Expertise France will work in parallel on defining and managing the emissions trajectory for project engineering and other implementation activities. Expertise France's overall emissions trajectory will therefore result from the combination of its internal emissions trajectory – which forms part of the Group's future low-carbon trajectory – and that associated with its operations. Lastly, Expertise France's ability to plan and map out its low-carbon trajectory is constrained by budgetary and institutional limitations.

Presentation of estimates made

As the 2025 Bilan Carbone® assessment is the first to cover the full scope of the organisation's activities, estimates were made based on the list of purchases and equipment, and therefore using associated monetary ratios (a positive aspect in terms of covering all emissions, but one that significantly worsens Expertise France's carbon footprint). As we gradually roll out our GHG management system, uncertainty is expected to decrease, giving us greater flexibility when it comes to our future action plan. Apart from international purchases and travel, which were taken fully into account, Expertise France used an extrapolation method. The emissions of eight country departments, of five pilot projects and of head office were measured, then used to extrapolate the emissions of all the other projects and other international antennas.

2.1.2.3 Total gross greenhouse gas emissions - Group

Indicator	Year of reference	Comparative data N-1	2025	% N/N-1
Gross Scope 1 GHG emissions [tCO₂eq]				
Gross Scope 1 GHG emissions [tCO ₂ eq]	2025	N/A	1,576	N/A
Gross Scope 2 location-based GHG emissions [tCO₂eq]				
Gross Scope 2 location-based GHG emissions [tCO ₂ eq]	2025	N/A	4,142	N/A
Significant Scope 3 GHG emissions				
Total gross indirect GHG emissions (Scope 3) [tCO ₂ eq]	2025	N/A	43,202,354	N/A
Cat. 1 – Purchases of goods and services	2025	N/A	66,811	N/A
Cat. 6 – Business travel	2025	N/A	35,208	N/A
Cat. 2 – Capital goods	2025	N/A	1,046	N/A
Cat. 3 – Fuel-related activities	2025	N/A	769	N/A
Cat. 4 – Upstream transportation and distribution	2025	N/A	41	N/A
Cat. 5 – Waste generated in operations	2025	N/A	261	N/A
Cat. 7 – Commuting	2025	N/A	1,379	N/A
Cat. 8 – Upstream leased assets	2025	N/A	0	N/A
Cat. 9 – Downstream transport	2025	N/A	635	N/A
Cat. 10 – Processing of products sold	2025	N/A		N/A
Cat. 11 – Use of products sold	2025	N/A	0	N/A
Cat. 12 – End-of-life treatment of products sold	2025	N/A	0	N/A
Cat. 13 – Downstream leased assets	2025	N/A	0	N/A
Cat. 14 – Franchises	2025	N/A	0	N/A
Cat. 15 – Investment (banking book)	2025	N/A	43,096,203	N/A
Total GHG emissions				
Total GHG emissions (location-based) [tCO ₂ eq]	2025	N/A	43,208,072	N/A
<i>Total emissions Internal functioning (location)</i>	2025	N/A	111,869	N/A
<i>Banking book issues</i>	2025	N/A	43,096,203	N/A

- Regarding E1_6_02_03_M - Gross scope 1 GHG emissions: as a service group, the AFD group does not emit GHGs from its own facilities.
- Regarding E1_6_02_03_M - Gross Scope 2 market-based GHG emissions: this indicator is not published due to the

impossibility of obtaining all the information concerning Guarantees of Origin (GOs) or Power Purchase Agreements (PPAs) to be applied to the countries within the Group's network.

IGHG emissions by net income

<i>In millions of euros</i>	2025
Net Banking Income	1,168
Net banking income used for intensity calculation	1,168
GHG intensity location-based (tCO ₂ eq/€M)	0.04

2.2 Biodiversity (E4)

SUMMARY



Biodiversity (E4)

Through its mandate on global public goods, the AFD group supports its partners in the preservation and restoration of biodiversity, as well as in the transition towards nature-positive socio-economic development. The Group's 5th Strategic Orientation Plan (2025-2030) intends to have the same high standards for nature as for the climate within a unified strategy for the planet, with the objective of:



- to aim for alignment with the Global Biodiversity Framework (GBF).

The AFD group fully places the Global Biodiversity Framework (GBF) at the heart of its work via a two-pronged approach:



- To exclusively finance activities that have no material negative impact on biodiversity.



- To generate net biodiversity gains through its projects and the support of its partners.

In addition, AFD has developed methodologies for appraising the physical and nature-related transition risks to which its sovereign counterparties are exposed. These data are elements of the nature-related financial risks assessment to which the Group may be exposed.

2025 highlights:

€1.3bn

financing with a positive impact on nature

far exceeding the target of the Planet roadmap of €800M/year.

42%

Nature-positive impact financing (Nature+) is operations implementing nature-based solutions in the urban, sanitation and biodiversity conservation sectors; they make it possible to improve the resilience of both climate change operations and biodiversity, by contributing to these two issues in a converging manner.

11.5 million

protected hectares

Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity.

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter

ESRS	Value chain	Title of the IRO	Policies	Equity	Metrics & Targets
E4	Operating activities	Positive impact: Protection and/or restoration of biodiversity	<ul style="list-style-type: none"> Planet roadmap Exclusion list Environmental and social risk management policy (AFD) and E&S assessment and monitoring approach – Proparco AFD credit policy and Proparco credit and investment policy Climate and nature-related financial risks roadmap Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<ul style="list-style-type: none"> Project support: examination of applications and financial or expert contribution Systematic analysis of projects through the sustainable development analysis and opinion framework <hr/> <ul style="list-style-type: none"> Ripple effect/ mobilisation of other actors 	<ul style="list-style-type: none"> [Group] Number of projects exempt from Article 17.ii of the exclusion list (<i>Number</i>). Commitment at 0 at 31/12/2025 [Group] Number of commitments that do not have a negative rating on the biodiversity dimension of SD ratings (%). 100% at 31/12/2025 [AFD-PRO] Biodiversity co-benefits (€/year). Target of €800M/year over the 2025-2027 period [AFD-PRO] Share of biodiversity finance dedicated to ecosystem conservation or restoration projects. 20% target over the 2025-2027 period [AFD-PRO] [RIF #22] Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity (<i>ha</i>). No target <hr/> <p>Cross-cutting monitoring indicator for the action, not specific to biodiversity, presented in ESRS 2:</p> <ul style="list-style-type: none"> [AFD-PRO] Institutional mobilisation via delegated funds (€). No target

Biological diversity, or biodiversity, is a concept that refers to all the components of the living world at three levels: ecological diversity (ecosystems), species diversity (species), genetic diversity (genes). It encompasses all natural environments and forms of life (plants, animals, fungi, bacteria, viruses, etc.), as well as their evolution and interactions. Whilst "nature" is a

broader concept that also encompasses the non-living elements of the physical world (air, earth, water, rocks and minerals), the term "nature" is here restricted to its biodiversity aspect, so that the terms "nature" and "biodiversity" are used interchangeably in this document.

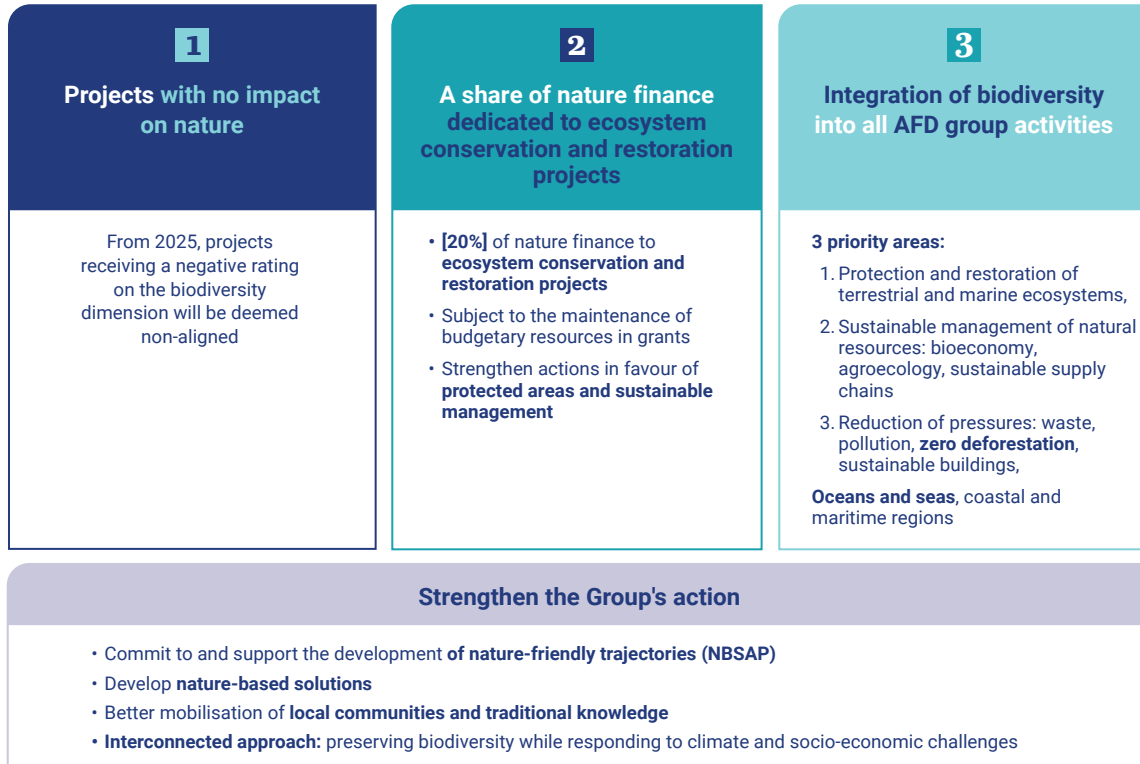
2.2.1 Governance and organisational arrangements

Governance of nature-related issues is managed by the Group's decision-making bodies and committees, which regularly review these matters as part of their respective mandates (for further details, see Section 1.3 "Governance"). Operational

implementation relies on numerous teams at AFD, Proparco and Expertise France (see Chapter ESRS E1) mobilised to integrate Planet issues (climate and nature) into the Group's operations and due diligence.

2.2.2 Strategy and policies: nature fully integrated into the Group's strategy

Following the Paris Agreement, the Group's activities are aligned with the Global Biodiversity Framework



In December 2024, AFD group adopted its **5th Strategic Orientation Plan (POS V)** for the 2025-2030 period (see Chapter 1 "General Information"). AFD – the first public development bank to commit in 2017 to aligning all its activities with the Paris Agreement – and more generally AFD group, intend, through POS V, to maintain the same level of requirements on climate and nature within a unified strategy for the planet. This involves three key areas: increasing the proportion of funding allocated to projects with transformative value; working towards alignment with the Global Biodiversity Framework – that is, ensuring that all its actions are consistent with the commitments made at COP15 in Kunming-Montreal; and better integrating the challenges of a just transition and of vulnerabilities.

Fully in line with POS V, the **planet roadmap** (see Section 1.2 "Strategy, business model and value chain" (SBM-1) reaffirms, in particular, AFD group's existing commitment to ensuring no net loss of biodiversity through its activities; it also raises the Group's goals in terms of finance for nature, aiming to ensure that its activities are "100% Global Biodiversity Framework compliant"; lastly, it promotes the reinforcement of the Group's transformational interventions to seek systemic impact across its partners, customers and regions, thereby endorsing the recommendations set out by IPBES in its latest report ⁽¹⁾.

2.2.2.1 Ensuring that our activities are fully aligned with the Kunming-Montreal Global Biodiversity Framework

Alignment with the requirements of the Global Biodiversity Framework is an ongoing process that involves, notably, ensuring that the Group's actions are consistent with the biodiversity strategies and action plans defined by the countries themselves, and working with these countries to help them prepare and update these plans. This also involves gradually integrating biodiversity considerations into all of the Group's internal processes and areas of operation, by continuing initiatives in the sectors that exert the greatest pressure on biodiversity (water, agriculture, urban development), by identifying nature-friendly activities in the infrastructure and social sectors, and by seeking to achieve a transformational impact through its actions. The requirements for alignment are largely covered by the environmental due diligence procedures, including the exclusion list (see Section 1.2.6.1). For example, AFD group has already committed to ensuring that its activities do not result in any net loss of biodiversity, thereby contributing to the zero-deforestation target. However, some provisions of the GBF require further due diligence. The AFD group is carrying out work with this in mind.

1) <https://ofb.gouv.fr/actualites/ipbes-adopte-le-premier-rapport-mondial-sur-les-liens-entre-entreprises-et-biodiversite>

To ensure consistency in its actions, the Group has undertaken accountability initiatives, including the production of a Biodiversity Transition Plan, which meets the TNFD reporting standards⁽¹⁾.

2.2.2.2 Sectoral doctrines: agroecology, deforestation, and oceans as well as the promotion of nature-based solutions

The AFD Group's ocean scoping note

At the intersection of climate and nature, the "ocean" framework document prioritises Ocean+ projects that generate co-benefits for both biodiversity and the climate. It organises action around three main areas: improving the governance of marine and coastal spaces and resources, promoting a sustainable and inclusive ocean economy, and protecting marine and coastal ecosystems; and two cross-cutting areas: strengthening resilience through nature-based solutions and providing support for island and French overseas territories.

Combining elements of infrastructure, institutional and technical support, awareness-raising and advocacy, the activities covered by this framework note span a range of sectors: sanitation and waste management in coastal areas, maritime transport, sustainable fisheries, marine protected areas (MPAs), and coastal resilience.

The AFD group's "ocean" policy document prohibits the exploitation – including exploration – of the deep seabed, activities that increase the risk of illegal, unreported and unregulated fishing (IUU fishing), and destructive practices; furthermore, it requires high sustainability standards, particularly for aquaculture (in line with the United Nations Food and Agriculture Organisation (FAO) guidelines).

Its implementation prioritises the protection and restoration of marine and coastal ecosystems (marine protected areas (MPAs) and other area-based effective conservation measures (OECMs)), the reduction of pollution (plastic, chemical, biological) and the promotion of blue carbon, notably through the AFD's Blue Carbon Facility⁽²⁾, which is structured around three complementary areas of intervention: strengthening knowledge of coastal ecosystems, integrating blue carbon into national public policies, and testing innovative financing mechanisms, including carbon credits.

The AFD Group's forest strategic orientations

As carbon sinks, reservoirs of biodiversity and a source of livelihood for millions of people, forests are a key driver for the implementation of the international climate and biodiversity

agenda. AFD group addresses these challenges by combining financing, technical cooperation and public policy reform. These complementary areas of action include providing support to strategic forestry countries through country packages⁽³⁾, building on experience in forest financing, conducting strategic analysis of payment mechanisms for ecosystem services, and providing enhanced support for forestry policies.

On the basis of the analysis of the current forest portfolio, the results of capitalisation and the French strategy for international cooperation on tropical forests, AFD group's forest strategic orientations were recently revised. These guidelines are based on a strong integration of forest conservation and the development of sustainable agriculture in line with the needs of local populations and the public policy objectives of partner countries. The territorial approach and the use of innovative financing aim to maximise co-benefits in terms of climate, biodiversity and sustainable development, whilst strengthening the resilience of ecosystems and communities. These strategic orientations are broken down by major region in order to best meet the needs of the partner countries and the reality of the financial tools available.

In addition to these strategic orientations on forests, AFD is currently redefining its principles of intervention for projects to back protection and conservation areas.

AFD group's strategy for agriculture, rural development and biodiversity (agroecology)

For the past twenty years, AFD has been committed to backing the agroecological transition of agricultural systems. As our understanding has evolved, AFD has funded projects promoting diversified agroecological practices, gradually adopting a regional approach. Published in September 2022, AFD group's sectoral intervention framework for "Agriculture, rural development and biodiversity" firmly commits the Group to backing the agroecological transition, on the basis that agroecological production systems combine economic, social, environmental and health outcomes – following a systems-based approach.

In 2023, AFD, in consultation with its external partners (in particular civil society), drew up a position paper entitled "Towards better integration of the agroecological transition into projects financed by AFD group", the aim of which is, on the one hand, to better define the Group's work in support of agroecology (types of projects and impacts) and, on the other, to set out operational guidelines further develop this work.

1) The international initiative led by the Taskforce on Nature-related Financial Disclosures (TNFD), in which AFD is participating, is working to develop a common framework enabling financial institutions and companies to assess, monitor and disclose the financial risks associated with the decline in biodiversity.

2) The Blue Carbon Facility is a €6M programme

3) "Country packages" provide specific programme support for countries with significant forest resources, including technical, financial and institutional support. French funding currently covers four countries: Congo, the Democratic Republic of the Congo, Papua New Guinea and Gabon.

The use of nature-based solutions to increase the number of initiatives that have a positive impact on nature

AFD encourages the implementation of Nature-based Solutions ⁽¹⁾ (NbS) in the projects it funds, focusing on the restoration and conservation of ecosystem services to address societal challenges, such as combating climate change, whilst improving the state of biodiversity. Thus, AFD already finances between 10 and 15 operations with NbS components per year, mainly in the agriculture, water and sanitation and sustainable cities sectors.

Going a step further, the AFD has committed in its new 2025-2030 planet roadmap to ensuring that the potential for implementing Nature-based Solutions (NbS) within projects is systematically assessed, on a par with technological solutions, in the feasibility studies of projects for which such solutions might be appropriate.

Furthermore, AFD promotes the adoption of best practices for the design and implementation of NbSs and has thus contributed to the development of the IUCN global standard on NbSs, as part of the France-IUCN partnership. To put this strategy for deploying nature-based solutions into practice through a collaborative approach, AFD has joined forces with several initiatives and partnerships focused on NbSs, such as the Asian Development Bank's Nature Solution Finance Hub. Lastly, AFD has also collaborated with The Nature Conservancy (TNC) to facilitate the financing of NbSs for water security through the development of a guide entitled "Financing Nature for Water Security – A How-to guide". Within the urban sector, in 2022 AFD published a best practices guide "Biodiversity in the city" which lists many opportunities to mobilise NbSs and how to adapt them to the specific contexts of cities.

AFD group has also developed a special partnership ⁽²⁾ with the French Global Environment Facility (FGEF), which finances projects that contribute to preserving biodiversity, the climate, international waters, land and the ozone layer, and to combating pollution.

2.2.2.3 Working alongside our partners and customers

Integrating nature into the operations of the Group's customers

The Group considers biodiversity as a development solution. It thus set up a nature offering to work with its partners through all phases of their transition with a view to contributing to the achievement of the GBF's objectives.

Firstly, AFD group offers to support private and public sector stakeholders in identifying and mitigating the negative impacts of their activities through technical assistance programmes designed to assess their environmental and social management systems and develop associated action plans. Furthermore,

based on analyses carried out by the Group's Research Department, it offers interested countries the opportunity to model their transition risks, drawing notably on the identification of economic activities that exert pressure on the natural environment and an analysis of their significance within national socio-economic systems. For interested States, the Group can provide support in implementing their National Biodiversity Strategies and Action Plans (NBSAP ⁽³⁾) across their high-pressure economic sectors (for example, through the BIODEV2030 initiative led by Expertise France).

AFD also intends to continue developing a specific approach aimed at public authorities, notably regulators and supervisors of financial systems (central banks, financial market regulators, etc.) to drive the adoption of public policies that contribute to the greening of financial systems, for example by supporting the establishment of regulatory frameworks that incorporate these dimensions (such as the Fin4Bio initiative in Thailand, which aims to integrate biodiversity considerations into the green taxonomy currently being developed at national level) and by supporting financial sector players in appraising their nature-related financial risks.

With regard to financial institutions and public and private companies, in line with its strategy to strengthen its support for systemic approaches that deliver transformative impacts, AFD group works alongside these actors during their environmental transition, through matrix or transformational loans where disbursements are conditional upon the implementation of activities geared towards their environmental transition: these correspond notably to the four pillars of the TNFD (identifying and managing risks and dependencies on nature among stakeholders, either directly or throughout their value chains; approving ambitious nature-positive strategies; implementing tools and products that support ecosystem services; training operational and managerial teams in their use; integrating nature-based solutions into their activities, particularly to mitigate the climate risks they face, etc.). The implementation of these activities is generally carried out through technical assistance programmes. For example, AFD is assisting the OCP group ⁽⁴⁾ in Morocco, the Development Bank of Latin America and the Caribbean (CAF), and the Colombian development bank Bancóldex with their environmental transition. In addition, it launched ITP ⁽⁵⁾ Africa, an initiative aimed at supporting suppliers to major global buyers in developing countries in adopting more sustainable environmental and social practices.

Lastly, AFD provides support for local authorities in the implementation of their territorial action plans in favour of nature: in addition to several Colombian municipalities (Bogotá, Barranquilla), it is setting up multi-tranche facilities for the benefit of local authorities in the French Overseas Departments and Collectivities, to assist them in drawing up their green budget annexes (including biodiversity) and in taking steps to improve their activities that may be detrimental to biodiversity as part of multi-year initiatives.

1) UNEP/EA resolution. 5/Res.5 defines NbS as follows: "Nature-based solutions are measures focused on the protection, conservation and restoration, as well as the sustainable use and management of natural or modified terrestrial, freshwater, coastal and marine ecosystems, which effectively and flexibly address social, economic and environmental challenges, whilst simultaneously delivering benefits in terms of human well-being, ecosystem services, resilience and biodiversity".

2) Through AFD's hosting of the FFEM secretariat, notably, the exchange of skills, the integration of the fund into AFD's ISR Executive Department, and AFD's participation in the fund's investment committees.

3) National Biodiversity Strategies and Action Plans.

4) Office Chérifien des Phosphates.

5) Impact Trade Partnership.

To bring about transformative change in the field of biodiversity, it is crucial to move away from one-off or isolated actions towards systemic and sustainable approaches that engage all stakeholders. To achieve this, the Group also intends to engage with indigenous peoples and local communities at regional and local levels, draw on their knowledge of ecosystems, encourage the development of community projects, and strengthen the governance of local initiatives. The goal is to back the transformation of socio-economic systems and sectors that rely on the exploitation of natural resources – such as agriculture, industry and urban planning – through interconnected approaches, ambitious policies and a concerted effort to preserve and restore biodiversity.

Mobilisation of climate and nature-related financial risks for public policy dialogue

Discussions on the links between financial institutions and biodiversity are still in their infancy; as such, AFD is dedicating resources to research on topics such as robust sustainability, the analysis of risks and dependencies in sovereign operations, and the analysis of the various metrics available, in order to respond more effectively to the challenges of integrating biodiversity considerations and, notably, to the objectives of the GBF.

With this in mind, AFD developed and published a method for assessing the socio-economic exposure of most countries worldwide to both physical and nature-related transition risks, using open-access databases ⁽¹⁾. This method serves both to inform AFD's country risk analysis teams and to feed into research carried out with various partners. It enabled the country risk team to finalise its methodological framework for addressing physical and biodiversity transition risks in 2024, resulting in the creation of Climate and nature country profiles that analyse climate and biodiversity risks. The method has also been applied, for example, to South Africa in collaboration with the South African Reserve Bank (SARB). At the latter's request, an analysis of exposure to physical and transition risks linked to the degradation of the natural environment in most SADC (Southern African Development Community) countries was carried out and presented to a working group of SADC central bank governors, which it chairs.

Moreover, internal research is currently under way to use the Environmental Sustainability GAP (ESGAP) approach to develop scenarios for physical risks. On transition risks, AFD has just launched a research programme with the Centre for Sustainability Transition at the University of Stellenbosch in South Africa, in

order to build pro-nature trajectory scenarios (AFOLU) and simulate their socio-economic effects on biodiversity.

Lastly, AFD has developed forward-looking modelling tools relating to ecological transitions: GEMMES and ESTEEM ⁽²⁾ (see Section 2.1.1.2); these tools are then adapted to different contexts in partnership with national institutions (ministries, central banks and academic institutions) to identify the macro-financial risks and opportunities associated with these transitions. These studies have been published in institutional ⁽³⁾ or academic ⁽⁴⁾ journals.

This goal also involves helping our partners to implement the CMB by providing support for the implementation of their National Biodiversity Strategies and Action Plans (NBSAP), as well as helping to reform public policies to limit subsidies that are harmful to nature. The analyses described in the previous paragraph can also contribute to enhancing the NBSAPs.

Using these tools and analyses, AFD has begun developing a free, open-access web portal that assesses the exposure of 150 countries to nature-related physical and transition risks (similar to the World Bank's open data portal, which provides access to development data for every country in the world). Ultimately, this web portal aims to disseminate and raise awareness of the method for analysing sovereign risk linked to environmental degradation developed by AFD, and to facilitate the initiation of public policy dialogues with the Group's partner countries.

Working and sharing experiences with public banks through IDFC and FiCS

In addition to its work on dialogue and technical assistance regarding biodiversity and natural hazards with its customers and partners, the AFD group also seeks to amplify its impact through its active participation in coalitions of stakeholders such as the European Development Financial Institutions (EDFI), the Finance in Common (FiCS) network, and the International Development Finance Club (IDFC) – see the description of these organisations in Chapter 2.1 “Climate change” – in order to promote alignment with the Global Biodiversity Framework, as well as through strategic partnerships aimed at mobilising the private sector and other financial institutions.

IDFC allocated US\$8bn to biodiversity finance in 2024. At the COP15 biodiversity conference, the club collectively committed to providing US\$100bn in biodiversity funding over five years, through to 2027. It plays a leading role in promoting alignment with the Global Biodiversity Framework.

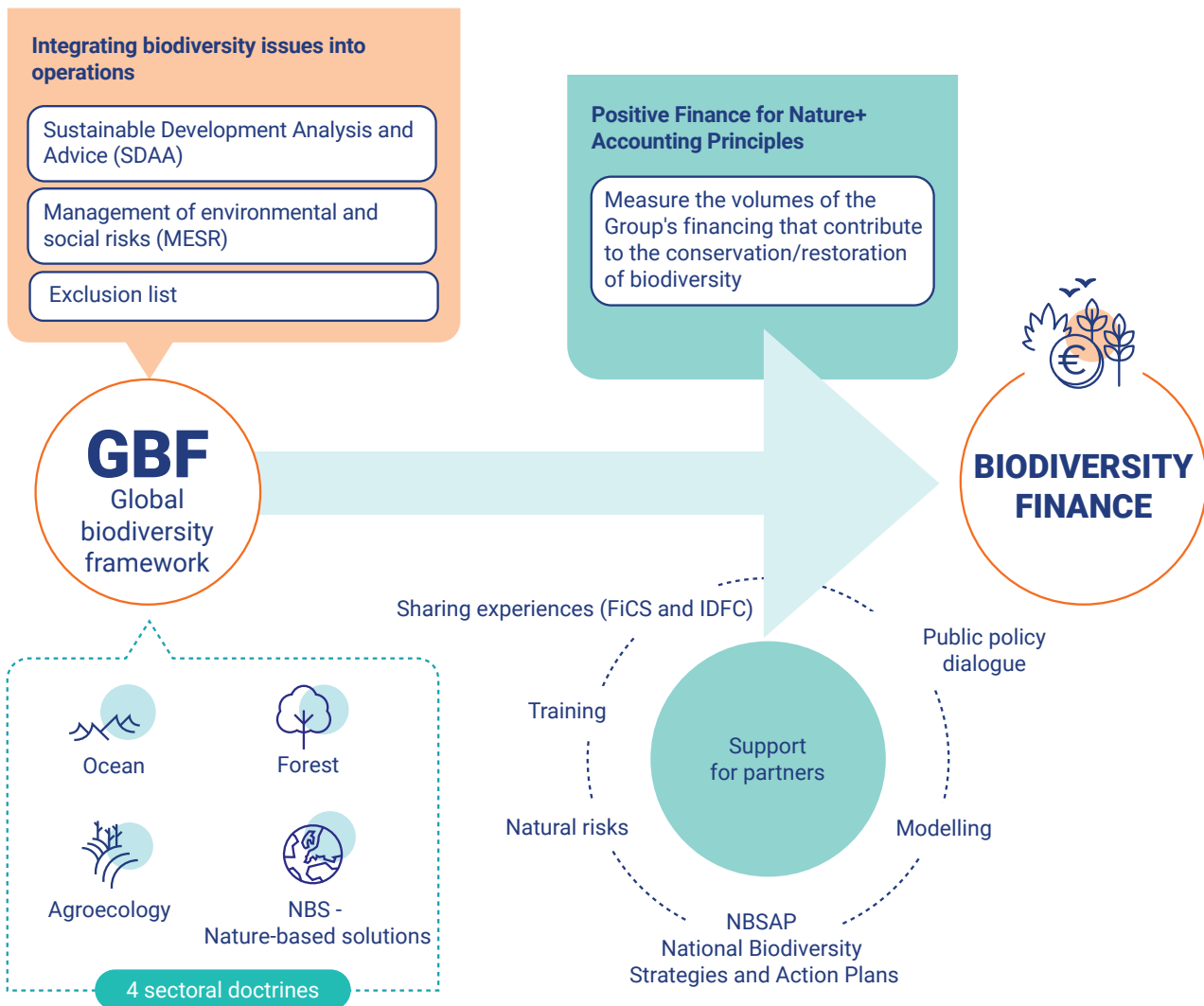
1) Research Paper No. 360. <https://www.afd.fr/en/resources/assessing-economic-exposure-nature-related-risks>

2) <https://www.afd.fr/fr/outils-modelisation-macroeconomique-transition-ecologique>. These are tools for modelling climate and biodiversity transitions (the range of public policies and behavioural changes that enable or aim to reduce all (or most) of the pressures identified by IPBES (land use, GHGs, overexploitation of species, pollution)).

3) For example, in the Colombian Ministry of Finance's medium-term tax framework of 2025, pp. 77-84, <https://img.lalr.co/cms/2025/06/13232122/Marco-Fiscal-Mediano-Plazo-2025.pdf>.

4) For example, in the journal *Ecological Economics* for the study on Tunisia: <https://www.sciencedirect.com/science/article/pii/S0921800924004099>.

2.2.3 Implementation of AFD group's nature commitments



2.2.3.1 An exclusion list that takes the environmental dimension into account

AFD group has an exclusion list ⁽¹⁾, which forms part of its ESG policy, designed to clearly identify the types of activities that the Group refuses to finance on the basis of environmental or social criteria, whether of an ethical or regulatory nature, or arising from the Group's interpretation of regulatory requirements and strategic choices (see Chapter 1 "General information"). Under this framework, two activities are specifically excluded: (i) fishing using a drift net longer than 2.5 km, and (ii) the production, use or trade of hazardous materials (including pesticides and herbicides – the production or use of which is prohibited or subject to a phase-out under the regulations of the country of destination or international regulations). Furthermore, one provision of the exclusion list concerns the protection of

biodiversity: Article 17 ⁽²⁾ of the exclusion list deals with activities that are not in line with AFD group's commitments to sustainable development.

In addition to this exclusion list, the Group has put in place other tools to ensure the selectivity of its operations. Special conditions also arise from sector-specific strategic and intervention frameworks – such as those for bioenergy, aviation or desalination – and are in addition to the standard due diligence procedures for managing environmental and social risks. These selectivity doctrines and tools, which are updated on a regular basis, are intended to be used in the context of project appraisal.

1) See Section 2.1.2.6.1 for further details. The exclusion list is available on the AFD website: <https://www.afd.fr/fr/ressources/liste-dexclusion-du-groupe-afd>

2) 17. Biodiversity: (i) Any operation in (a) Alliance for Zero Extinction (AZE) sites, (b) natural and mixed sites registered on the UNESCO World Heritage List, and (c) legally protected areas (IUCN categories), and (ii) Any operation resulting in a residual, negative and irreversible impact on a critical habitat; (iii) Any forestry project or agricultural project with a large area (> 100 ha) that does not implement a methodology ensuring zero deforestation.

2.2.3.2 Due diligence measures to manage environmental and social impacts at project level

The approach to managing environmental risks is presented in ERSR 2 (1.2.6.3).

Any sustainable solidarity investment operation has potential negative environmental and social (E&S) impacts. AFD group, drawing on an E&S risk management policy adopted in 2017 (see Section 1.2.6.3), makes its financing conditional upon project owners or customers implementing an approach that enables them (i) to assess the E&S impacts of operations, (ii) to define appropriate measures to avoid negative impacts, or, where these are unavoidable, to mitigate them, and (iii) to implement and monitor these measures. Where the reduction is insufficient, AFD endeavours to mitigate these residual negative impacts in an appropriate manner. To this end, AFD group carries out E&S due diligence to assess the arrangements for managing the E&S risks associated with the financed operation. These assessments are carried out systematically for every transaction and help to integrate environmental and social considerations into financing decisions, as well as to better manage the financial and reputational risks faced by the customer and the Group. These due diligence measures form part of an E&S risk management approach that is proportionate to the level of E&S risks associated with the operation and applies to all stages of the operation's financing cycle.

The implementation of this E&S risk management approach takes into account and analyses the potential negative impacts on biodiversity

The biodiversity analysis only concerns operational activities.

AFD's assessment of the risks of negative impacts on biodiversity

A system for classifying potential risks (based on the nature, scale and intensity of negative impacts) determines the level of detail required for due diligence, involving levels of expertise and skills specific to the identified impacts. See also Section 1.2.6.1 on the exclusion list.

Measures to mitigate negative impacts on biodiversity are recorded in an environmental and social management plan (ESMP) which describes the measures, the necessary resources, the associated budgets, as well as the monitoring system to be implemented. This ESMP is a contractual commitment included in the financing agreement. In the cases where the risks are the greatest, the ESMP may include a specific biodiversity action plan, or even a management plan for compensatory measures. The implementation of these commitments is the subject of monitoring reports drawn up by the project managers and submitted to AFD at intervals determined by the scale of the risks analysed, as set out in the financing agreement.

Annual appraisal of the residual negative impacts of projects under implementation by AFD

The risk-based approach is also applied during the implementation of the funding. Residual negative environmental impacts are analysed annually based on four criteria: the scale of environmental impacts, taking into account the project's progress; the quality of environmental management and compliance with environmental commitments; the sensitivity of the local context; and the occurrence of major environmental incidents. It is carried out annually and recorded in the information system for all projects posing high or significant environmental risks, awarded after 2016 and signed before 31 December of the previous year, or for any project posing a moderate risk where, in the opinion of a member of the project team, one of the criteria warrants an appraisal. This appraisal makes it possible to classify projects into four levels of environmental monitoring: projects requiring specific monitoring, sensitive projects requiring enhanced monitoring, projects requiring routine monitoring, or projects requiring basic monitoring (or no monitoring). It also makes it possible to assess the level of environmental risk associated with the portfolio of projects under monitoring and to identify the requirements necessary to ensure this monitoring.

Proparco's assessment of the risks of negative impacts on biodiversity

For every project that poses a risk of significant negative impact on biodiversity or forests, Proparco's ESG division carries out an initial assessment of these risks using databases (screening). Particular attention is paid to protected areas and to identified but unprotected sensitive areas (potential critical habitats, such as migration corridors, breeding grounds, and areas providing important ecosystem services, etc.). This step makes it possible, notably, to flag up the risk of triggering the exclusion list and to determine the appropriate level of due diligence.

2.2.3.3 The biodiversity dimension of the sustainable development analysis and opinion mechanism

In 2014, AFD established a "sustainable development analysis and opinion" (SDAO) mechanism, which aims to ensure that sustainable development issues, including biodiversity, are taken into account in AFD's financing operations and strategies. The sustainable development analysis approach was extended to Proparco and Expertise France in 2023 (see Chapter 1 "General information").

The SDAO mechanism makes it possible to assess whether the project has no negative impact on nature and its ability to contribute to biodiversity, using a progressive scale that prioritises the following objectives:

- improve the health and preservation of ecosystems;
- improve the management of natural resources;
- provide solutions to the five causes of biodiversity loss identified by IPBES ⁽¹⁾: changes in land and sea use, the direct exploitation of certain organisms (plants and animals), climate change, pollution and invasive alien species;
- promote the inclusion of local populations in the management of natural environments and resources;
- develop or consolidate a policy, regulatory and governance framework favourable to biodiversity that takes into account local populations.

Where a negative or qualified opinion is issued on a project during the appraisal phase, approval of its financing is only possible following a decision by an Arbitration Committee chaired by AFD's Executive Management (the projects concerned are included in Section 2.2.4.1 "Project alignment with the 'net zero' objective") and following a decision by the Board of Directors.

The SDAO ratings are based on environmental impact management analyses and due diligence (see Section 1.2.6.3) and are characterised in relation to a regional context. In the case of Proparco, if a negative rating is assigned, it must be reassessed to a neutral level no later than the date of contract signing, based on evidence provided to the satisfaction of the E&S risk management teams. Failing that, the project will also have to be approved by an Arbitration Committee chaired by Proparco's Executive Management.

2.2.3.4 Natural hazards are among the risks covered by the Group's credit policy and ESG risk mapping

Given the nature of its activities, AFD group is exposed, through its operations, to most of the environmental and social risks faced by financial institutions. AFD group's credit policy manages these risks by specifically incorporating environmental, social and governance (ESG) issues and risk factors, with environmental issues being addressed through the E&S risk management framework described above.

In accordance with the EBA's guidelines on ESG risk management, the AFD group is undertaking an initial environmental risk mapping exercise on its traditional operational and financial risks, and will continue with a similar approach for social and governance risks.

2.2.3.5 AFD group's monitoring of climate and nature-related financial risks

AFD group is committed to integrating the nature-related financial risks of its counterparties, both physical and transition-related, into its risk analysis processes. The Group's sovereign and non-sovereign counterparties ⁽²⁾ operate in environments that are particularly vulnerable to the consequences of environmental degradation. As a result, the counterparties financed are likely to be affected by two types of nature-related financial risks:

- physical risks, i.e. the direct impacts of environmental degradation on the human activities that depend on it, such as the depletion of natural resources, the disruption of ecosystems or the loss of essential ecosystem services;
- transition risks, i.e. the economic, legal or regulatory risks associated with changes in policies, markets or behaviour aimed at protecting nature, which may affect economic operators.

This work is documented in a roadmap dedicated to financial risks approved by AFD's Executive Committee in March 2022 (see Section 1.2.6.4).

The implementation of this roadmap is monitored by a dedicated Steering Committee that brings together the teams working in the Executive Departments involved in the four pillars of this roadmap, as well as Proparco. It meets twice a year and presents its work to the AFD Executive Committee.

The first priority of this roadmap focuses notably on the analysis and management of nature-related financial risks by AFD group. In this respect, a distinction should be made between the monitoring of nature-related financial risks at the customer level and the monitoring and management of negative and positive impacts at the project level.

Together with its research teams, AFD has developed methodologies for assessing nature-related physical and transition risks among its customers. For its sovereign customers, these are based on a sector-specific analysis of the interdependencies between economic activities and the natural environment, as well as the impacts of these activities on the natural environment. The methodologies also take into account the state of biodiversity and ecosystem services, as well as public conservation policies. An analysis of these risks is systematically incorporated across the entire sovereign portfolio.

Unlike climate-related financial risks (see Chapter 1 "General information"), physical and transition **risks are not currently analysed as part of the credit risk approval or review processes for non-sovereign counterparties, either at the level of AFD or the level of Proparco.** However, using the tools described below (for analysis at the sovereign level), an initial assessment of the overall exposure of the non-sovereign portfolio to dependencies on ecosystem services was carried out in 2024.

1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

2) A distinction should be made between the monitoring of nature-related financial risks at the customer level and the monitoring and management of negative and positive impacts at the project level.

Analysis of physical biodiversity risks for sovereign counterparties

The framework for analysing natural hazards is based on the observation that biodiversity is declining and ecosystem services are being eroded. The degradation of these services may therefore undermine the ability of economic activities to generate added value. If a sector is highly dependent on an ecosystem service that is not provided in sufficient quantities by ecosystems, that sector will be vulnerable to a shock.

An analytical framework has therefore been established to identify economic activities that are heavily or very heavily dependent on ecosystem services and which would therefore be exposed to physical and biodiversity risks. Modelling makes it possible to estimate the contribution of these sectors to exports, government revenues, jobs and wages, and national production.

In addition, there is the quantitative appraisal of the region's capacity to provide the different ecosystem services, which takes into account the region's coverage according to different categories of soil (wooded cover, vegetation cover, arid zones, etc.) and the general state of biodiversity (cross-referencing between several indicators on integrity and biodiversity).

The goals and capacity to implement in terms of biodiversity conservation policies are taken into account and can mitigate or amplify these risks.

Analysis of biodiversity transition risk for sovereign counterparties

The framework for analysing biodiversity transition risks is based on the ecological transition dynamics of countries that will develop national biodiversity conservation strategies, alongside sectoral policies (such as regulatory, fiscal or trade reforms) aimed at reducing pressures on biodiversity, catalysing technological change and promoting more nature-friendly behaviours. These policies can target and negatively impact the sectors that exert the greatest pressure on biodiversity. In some countries, sectors exposed to the ecological transition could contribute significantly to key macroeconomic indicators, exposing these countries to the material risks associated with the ecological transition.

An analytical framework has been established to identify the economic activities that contribute the most to the pressures and threats to biodiversity, and which therefore would be exposed to transition risks. Modelling makes it possible to

estimate the contribution of these sectors to exports, government revenues, jobs and wages, and national production. The goals and capacity to implement in terms of biodiversity conservation policies are taken into account and can mitigate or amplify these risks.

Both the physical and transitional financial risk analyses are static and assess countries' exposure to biodiversity risks on the basis of historical data. In addition to the collaborative work carried out by researchers in AFD's Economic Diagnostics and Public Policy Department, environmental considerations are now incorporated into the analytical work carried out in AFD's countries of operation, with discussions taking place with governments, other donors and civil society on environmental issues.

2.2.3.6 Taking ownership of nature conservation objectives

To ensure that the planet roadmap is widely made their own by all AFD group employees and implemented by all Executive Departments, the following activities are carried out on a regular basis or at the request of the technical and regional teams:

- training initiatives focused on biodiversity (challenges relating to the integration of biodiversity into operations, nature finance, and issues concerning the oceans and blue finance) or incorporating biodiversity considerations (for example, internal training on country risk featuring a session dedicated to physical and nature-related transition risks);
- initiatives to disseminate information and promote mainstreaming, i.e. to strengthen the cross-cutting integration of nature-related issues across all sectors and regions (information events on specific topics related to biodiversity, changes in methodologies or the international framework, organisation of "Biodiversity Murals" events, etc.).

In addition, many other in-house training courses address biodiversity issues from a more sector-specific perspective (courses on climate, financial systems, water and sanitation, sustainable cities, environmental and social risk management, etc.)

Lastly, with regard to online training, the Group also embarked on the production of digital self-training capsules (mini-MOOCs) intended for external and internal audiences on nature-related financial risks, with the collaboration of CDC⁽¹⁾.

1) <https://campus.groupe-afd.fr/formation/risques-financiers-lies-a-la-nature-mooc/>

2.2.4 AFD group's biodiversity measurement tools and targets

2.2.4.1 Project alignment with the net zero objective

Within AFD group's portfolio, the proportion of projects expected to have a positive impact on biodiversity has remained stable over the past two years. Over the 2024–2025 period, an average of 31% of approved projects subject to the sustainability assessment (i.e. 401 projects) are expected to make a significant or transformative contribution to the conservation, protection or restoration of biodiversity (scoring +2 or +3 on the biodiversity dimension of the sustainability assessment grid).

In line with its commitment to eventually align itself with the Global Biodiversity Framework, AFD's objective is to only finance:

- no approved projects with an estimated negative impact (below 0) on the biodiversity dimension of the sustainable development assessment framework; and
- no project that is incompatible with Article 17.ii of the exclusion list.

In 2025, three approved projects received negative sustainable development ratings – one on grounds relating to environmental risks or potential harm to biodiversity. This rating is based on environmental and social due diligence that had not been finalised at the time the project was approved. In such cases, conditions precedent may be included in the agreements to ensure that the project does not start without the necessary studies or analyses. For certain sensitive projects, the need for vigilance remains throughout implementation, and E&S monitoring is continuous until the end of the project. **No project with a -2 rating on biodiversity under the SDAO received funding in 2025.** In the event of a negative rating, the Executive Management, meeting in an Arbitration Committee, decides whether or not to present the project to the decision-making bodies.

In 2025, no project funded by AFD group was exempt from Article 17.ii of the exclusion list ⁽¹⁾.

The "avoid-reduce-offset" sequence is systematically applied to nature-based operations in line with the "net zero" target. AFD group monitors offsetting measures at project level. No aggregate monitoring indicator was established, as it was not considered relevant.

The notion of an "ecological threshold" – which refers to a specific activity in a given environment – is meaningless for a financial institution such as AFD. AFD, however, relies on a sustainability analysis to determine whether the "net zero" criterion is met within the scope of the project (no negative rating).

2.2.4.2 The positive nature Approach (Nature+)

The Group's Nature+ approach measures the amount of AFD group funding that contributes to the protection or restoration of biodiversity. This Nature+ approach thus serves as a driving

force for the Group as it pursues its dual goal of increasing investment in the effective protection of biodiversity and promoting a nature-positive society and economy across all its regions and sectors of operation.

These principles also make it possible to manage the amount of funding and its leverage effect on other stakeholders, in particular the private sector and financial institutions. They are aligned with the objectives of the Global Biodiversity Framework (notably Target 19: to increase the total volume of international biodiversity-related finance from developed countries, including Official Development Assistance, domestic resources, the private sector, etc.), and incorporate the regulatory provisions of the European Regulation on sustainable finance.

The Nature+ analytical framework is fully compatible with the guidelines established by the OECD for monitoring Official Development Assistance in support of the Convention on Biological Diversity. Consequently, only investments that meet the criteria for the OECD/DAC1 and 2 ⁽²⁾ Rio biodiversity markers – as identified on the basis of the sustainability assessment rating (+2 or +3 for the biodiversity dimension) – are included in AFD's finance Nature+ programme. To be considered a Nature+ investment, any project must, on the one hand, comply with the highest standards for managing negative impacts, where appropriate by implementing an avoid, reduce, offset approach that ensures there is no net loss of biodiversity; and, secondly, be explicitly designed with a view to producing a net gain in biodiversity – or a Nature+ impact – compared with the situation prevailing prior to the project.

The analysis is conducted according to an ad hoc methodological standard that is currently evolving and should ultimately make it possible to validate the alignment of the investment with the GBF. The methodology is based on two GBF goals – nature conservation and nature-positive society and economy – to which three action levers directly derived from the GBF theory of change are each attached. For each area of action, the Nature+ approach ⁽³⁾ sets out the eligibility criteria and monitoring indicators used to verify that a project does indeed contribute to that action lever.

Applicable across all investment sectors, this analytical framework identifies projects that contribute to a positive development for nature within a country, a region or at the level of a community, an investment sector, a company or a financial institution. Work to roll out the eligibility criteria for the six action levers by sector consolidates a robust internal taxonomy of Nature+ investments for AFD group's sectors of operation.

1) Clarification regarding the scope of AFD indicators: the scope is limited to approved projects that have been subject to a sustainability assessment, representing over 80% of AFD projects in terms of amounts.

2) To be considered pro-climate or pro-biodiversity, Bilateral Official Development Assistance must respect the definition of the Rio markers defined by the OECD's Development Assistance Committee (DAC).

3) This approach promotes development that is in harmony with nature – in other words, "Nature+" – meaning it is beneficial to nature and biodiversity.

■ Nature+ action levers and eligibility criteria

	Action lever	Eligibility criteria
Nature conservation	1 - Effective protection or conservation of terrestrial, aquatic and marine ecosystems and/or natural species	The operation contributes to: <ol style="list-style-type: none"> the extension and/or restoration of natural spaces and species benefiting from permanent protection or other effective conservation measures (OECMs), OR capacity building for and strengthening the resources of their governing bodies, as well as of the conditions and means necessary to maintain the areas concerned in a satisfactory state of conservation on a sustainable basis, OR the conservation (<i>in situ</i> or <i>ex situ</i>) of healthy and resilient populations of natural species and/or their genetic heritage.
	2 - Restoration of natural terrestrial, aquatic and marine ecosystems	The operation generates net gains in biodiversity, ecosystem functions or services in degraded ecosystems through an approach aimed at: <ol style="list-style-type: none"> the active ecological restoration of the state of conservation of ecosystems, OR a significant reduction, on a coherent scale, of the human pressures primarily responsible for the observed degradation in the state of conservation of the ecosystem concerned (e.g. invasive species, pollution, fragmentation, overexploitation of natural resources, etc.).
	3 - Integrated spatial planning of rural and urban areas	The operation leads to an increase in the area covered by integrated spatial planning that takes biodiversity into account and/or to a reinforcement of the regulations governing human and economic activities in the area, so that the following are preserved in a sustainable and simultaneous manner: the due functioning of ecological areas and networks, as well as the sustainability of natural capital and ecosystem services, including where these are exploited for productive purposes.
Nature -positive society and economy	4 - Integrated policies and strategies, biodiversity governance and the mobilisation of financial resources for biodiversity	The operation substantially strengthens governance and implementation goals, effectiveness and resources: <ol style="list-style-type: none"> public strategies, policies and action plans (State or competent authority) for biological diversity, aligned with the GBF and its monitoring framework, OR strategies adopted by private sector actors (companies, financial institutions or civil society organisations) to integrate biodiversity considerations into all their activities and reduce their overall biodiversity footprint
	5 - Sustainable management of natural resources (quantity and quality) and value chains	The operation yields a significant and measurable net improvement in the environmental efficiency of extraction, production, processing and supply chains, as well as the lifecycle of products derived from or dependent on natural capital, thereby making a measurable contribution to the sustainability of the natural capital that is exploited or utilised (in terms of quantity or quality). These net gains can be achieved through strategies targeting: <ol style="list-style-type: none"> the transition of production or processing sectors or industries that rely on natural resources (agriculture, forestry, fisheries, manufacturing) towards practices and technologies that demonstrate their ability to manage negative impacts on the natural environment, and that promote nature and nature-based solutions, OR the implementation of master plans and investment programmes designed to reduce, on a large scale, the pollution and waste generated by economic activities (reduction at source, treatment, and recovery through the circular economy).
	6 - The specific environmental efficiency of an investment or a significant reduction in a specific and chronic anthropogenic pressure leading to environmental degradation	The operation yields a net gain in biodiversity, but its impact on the ecological quality of the habitats or ecological functions it influences is localised or limited, either because the activities promoting biodiversity are isolated within an intervention framework that does not follow an integrated approach to addressing biodiversity issues (projects with an isolated biodiversity component), or because the factor(s) of degradation that are substantially reduced are of a one-off, chronic or local nature in relation to biodiversity.

AFD's and Proparco's nature finance amounted €1,255M (rounded to €1.3bn) in 2025. Subject to the continued availability of budgetary resources for grants, AFD group will maintain its biodiversity funding at an average of €800M per year over the 2025–2027 period. Equally, subject to the continued availability of budgetary resources, it will aim to allocate an average of 20% of its biodiversity funding to ecosystem conservation and restoration projects. The recognition of biodiversity co-benefits in financing relates to commitments made by AFD and Proparco;

it is only recognised where the SDAO biodiversity rating is 2 or higher, indicating a positive, intentional and measurable contribution by the operation to improving biodiversity, and follows the Nature+ methodology described in this section.

Capitalising on ten years of monitoring the Group's investments in this area, AFD's finance Nature+ method is inspired by the best standards available to date in terms of biodiversity-friendly finance.

The method applies a weighting factor of 20% to 100% to the corresponding investment, in order to measure its contribution to AFD group's annual Nature+ finance. Using the framework put forward by the OECD to monitor Official Development Assistance (ODA) for biodiversity, the project's financial contribution to the AFD's Nature+ finance initiative is calculated using a flat-rate weighting factor applied to the committed funding for projects eligible for a key action lever:

Biodiversity action lever	Weighting factor	Main degradation driver identified
LAB 1: Protection and conservation	100%	Net loss of natural habitats
LAB 2: Ecological restoration	80%	Degradation of ecosystems
LAB 3: Integrated spatial planning	60%	Fragmentation of ecological corridors
LAB 4: Policy and governance	50%	Weakness of biodiversity governance
LAB 5: Sustainable management of resources	40%	Overexploitation of resources and pollution
LAB 6: Specific ecological efficiency	20%	Cumulative chronic pressures

The progressive nature of the weighting factors is based on the hierarchy of pressures proposed by IPBES ⁽¹⁾ in its 2019 report on the state of ecosystems. These six levers represent action strategies designed to reduce the six factors of degradation identified by IPBES as the main causes of the accelerated global degradation of biodiversity: the net loss of natural habitats, their degradation and fragmentation, the overexploitation of resources and their pollution, and, more broadly, the weakness of regulatory and environmental governance frameworks. The weighting factor applied to a biodiversity action lever is greater the more the degradation factor is regarded by scientific data as a key driver of the overall decline in biodiversity.

By systematically applying the Nature+ standard to all its investments, the AFD group is able to explicitly state the amount of its investments that contribute to achieving the targets of the Global Biodiversity Framework.

Furthermore, operations relating to the agroecological transition are covered by a separate methodology. A link has been established between this framework for characterising agroecological transition projects and the AFD's system for accounting for biodiversity co-benefits, making it possible to quantify the contribution of agroecology to the achievement of the GBF's objectives.

■ Annual amounts of co-benefits by nature – 2017/2025 ⁽²⁾

In millions of euros	2017	2018	2019	2020	2021	2022	2023	2024	2025	Group
										Target
Amount of nature co-benefits aligned with the biodiversity financing objective	302	431	449	571	589	736	1,134	1,186	1,255	800
of which AFD	302	431	449	571	589	736	1,032	1,145	1,196	
of which Proparco							103	41	60	
Share of co-benefits by nature	3.7%	4.3%	3.5%	5.0%	5.2%	6.5%	9.4%	9.1%	10.2%	

■ Analysis of projects according to the biodiversity dimension ⁽³⁾

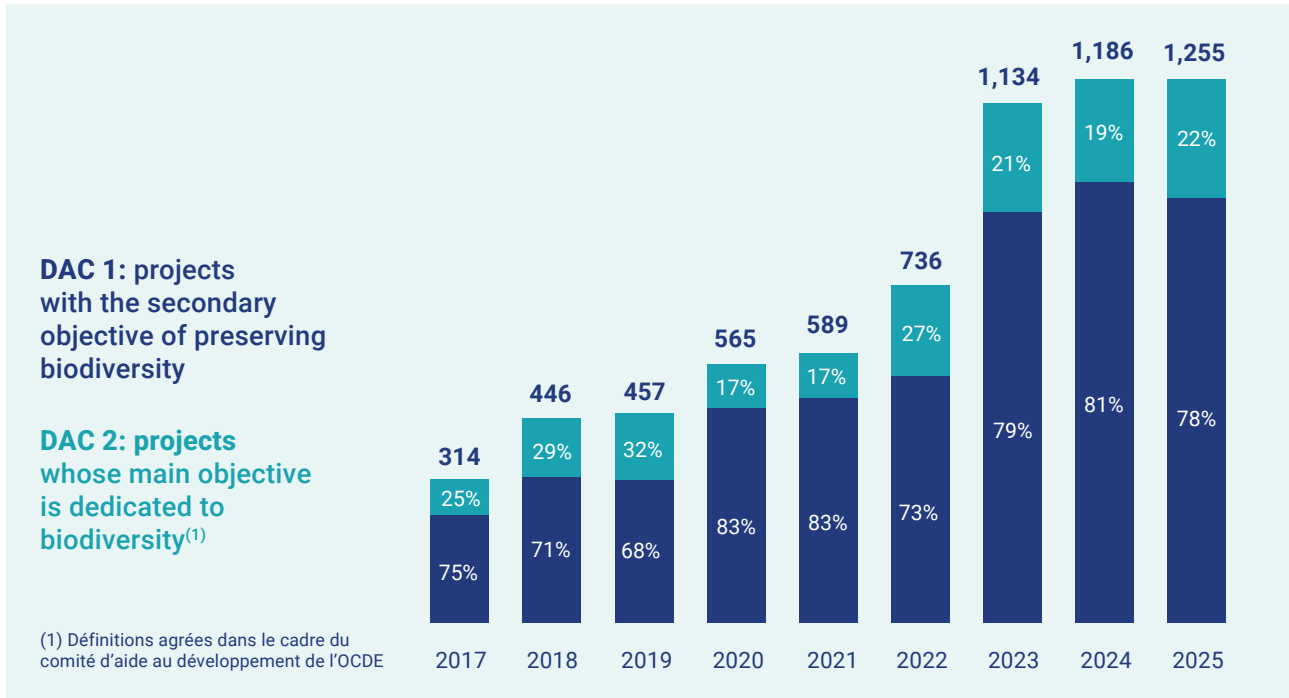
Number of projects	2017	2018	2019	2020	2021	2022	2023	2024	2025	Group
										Target
Share of projects without a reducing negative rating Biodiversity	97.4%	94.5%	92.8%	94.3%	97.4%	97.7%	96.2%	98.0%	99.0%	
Number of projects without a reducing negative rating Biodiversity	148	171	219	182	187	212	329	341	391	100%

1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

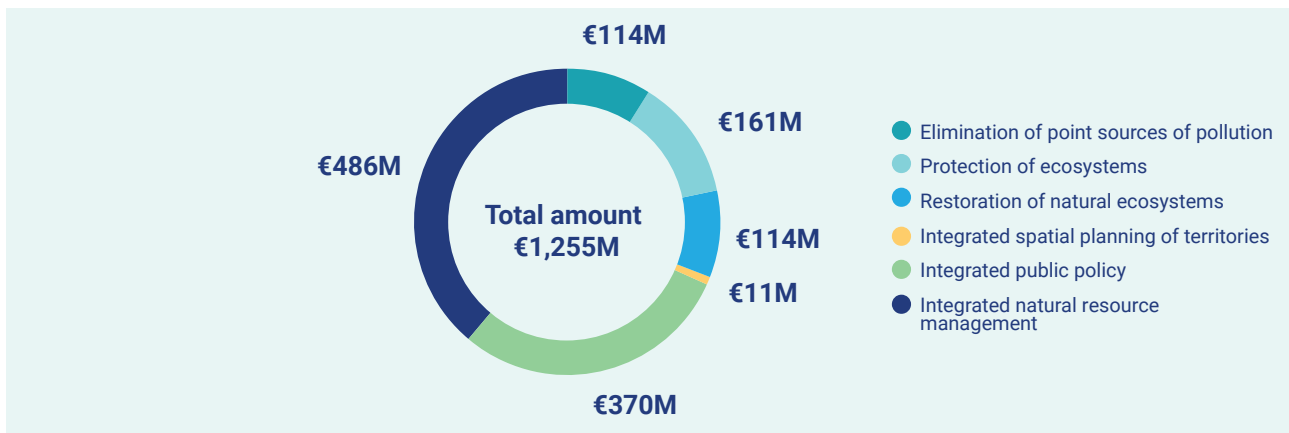
2) The table explains the amount of co-benefits by nature, classifying the operations granted each year according to the Finance Nature + methodology. The percentage shown at the bottom of the table corresponds to the share of this annual amount, in relation to the annual amount of the AFD group's approvals. The data presented is limited to the AFD scope from 2017 to 2022, supplemented by data relating to the Proparco scope since 2023. Clarification regarding the scope of AFD indicators: the scope is limited to approved projects that are subject to a sustainable development viewpoint, representing more than 80% of AFD projects.

3) The data presented is limited to the AFD scope from 2017 to 2022 and then supplemented by data relating to the Proparco scope since 2023 and Expertise France in 2025. The 2025 data therefore corresponds to the Group scope. In addition, for AFD, the scope is limited to approved projects that are the subject of a sustainable development viewpoint, representing more than 80% of AFD's projects. For Proparco, the scope is limited to projects with a SD rating, representing 88% of projects.

■ A significant increase in commitments (In millions of euros)



■ Breakdown of nature-friendly financing, by sectors identified by IPBES, in 2025



2.2.4.3 Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity

With a view to measuring, monitoring and reporting on the impacts of its financing in line with the impact goals of POS V, AFD set up a system of indicators to allow the implementation of the planet roadmap. These indicators are incorporated into the logical frameworks of the operations and help to structure the impact thesis specific to each operation. With regard to biodiversity, the following indicator was used: areas benefiting from protection actions, conservation to restore terrestrial,

aquatic and marine biodiversity (ha) ⁽¹⁾. This is a monitoring indicator, without a target, covering AFD and Expertise France.

The AFD group has adopted a Results and Impacts Framework (IRC) which makes it possible to report on some of the direct impacts of projects and programmes financed by AFD. The number of total indicators is limited in order to provide the reader with a first partial illustration of the impacts of the AFD group's action. Thus, for biodiversity, the indicator selected is the area benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity.

■ Areas benefiting from measures to protect, conserve or restore terrestrial, aquatic and marine diversity

Indicator	Group 2025
Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity (ha)	11,493,788

2.2.4.4 Indicators for monitoring the portfolio's nature-related financial risks

To date, AFD's Economic Diagnostics and Public Policy Department has carried out an analysis of the physical and transition financial risks of 59 countries out of the 60 it monitors.

The nature risk levels measured as part of these analyses do not, at this stage, allow us to conclude that the associated financial risks are material. These analyses provide input for the Climate and nature fact sheets, but have no direct impact on sovereign risk ratings.

- moreover, the projects backed by AFD are implemented in contexts where socio-economic and technological conditions, as well as the availability of information, make it difficult to meet certain current technical criteria of the European Green Taxonomy. However, AFD group ensures that all of its activities are aligned with the expectations of the Paris Agreement and ultimately with those of the Kunming-Montreal Global Biodiversity Framework (see Sections 1.2.1.1, 1.2.1.2 and 1.2.6.2, as well as the chapters on climate change (E1) and biodiversity (E4));
- moreover, since 2015, the Group has been applying an internal taxonomy that is consistent with the Common Principles developed by the multilateral development banks and the members of the International Development Finance Club (IDFC);
- Together with its development bank partners, AFD group is closely monitoring initiatives aimed at promoting interoperability between the European Green Taxonomy standards and the various taxonomies that have been developed or are currently being developed in the regions where it operates;
- lastly, to date, AFD group's exposures falling within the scope of the GAR (Green Asset Ratio) following the Taxonomy 2026/73 Delegated Act of 4 July 2025 are well below the 10% materiality threshold that has been introduced.

2.3 European taxonomy

No activity is declared as being associated with economic activities that may be considered environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (the Taxonomy Regulation).

AFD group would also like to clarify the following elements:

- Through the financing it approves and the technical assistance it provides, AFD group contributes to the transition to a more sustainable world. It provides support for the European Green Deal's efforts to finance the transition to a green economy. As a development bank, its main areas of operation are in low- and middle-income countries outside the European Union;

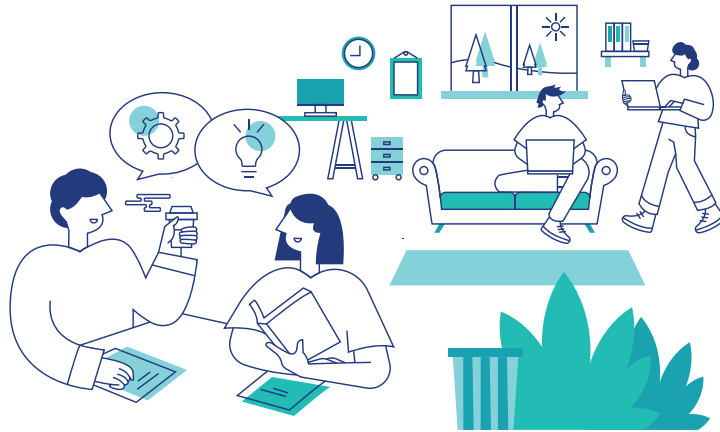
1) This is ex-ante data on projects awarded in 2025. From 2027, the Group will publish ex-ante data on 2026 approvals and ex-post data for projects completed in 2026.

3

Social information

3.1 A meaningful work environment (S1)

SUMMARY



A meaningful work environment (S1)

AFD group deploys an ambitious social policy with regard to its staff, beyond compliance with labour laws and regulations. This policy is characterised by the desire for its employees to benefit from an environment conducive to skills development and quality of life at work.



- **Inclusion:** an inclusive social policy for all employees regardless of their age, gender, origin or health.



- **Zero tolerance:** a zero-tolerance policy regarding any situation of harassment, discrimination, gender-based or sexual violence



- **Social dialogue:** a policy that fosters a rich social dialogue and includes advantageous social protection systems.



- **Health and safety:** a policy committed to the health and safety of staff in all circumstances, particularly in deteriorating safety contexts (dedicated systems in terms of resources, processes, training).

2025 highlights:

6.9/10

Well-being at work

According to the 2025 social barometer, a significant increase on the 2023 social barometer.

3

New agreements signed

Unanimously: QVTC (quality of life, training by trained agent and working conditions), GEPP (management of jobs and career paths), fixed-term contracts.

21

Average number of hours of training per trained employee

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets
S1 Equal treatment	<p>Negative impact of an unintentional contribution to unequal treatment or degraded working conditions</p>	"AFD group's social policy values" shared framework	<ul style="list-style-type: none"> Reporting prohibited conduct Awareness-raising initiatives, training, use of an external counselling service, participation in an inclusion survey Mapping of discrimination risks Social dialogue (inclusion of people with disabilities and LGBT+, compensation) 	<ul style="list-style-type: none"> Diversity [S1-9]: distribution by sex and age (<i>number and %</i>) [No target] Disability [S1-12]: employees with disabilities (%) [Group 6% of employees] Training and skills development [S1-13]: <ul style="list-style-type: none"> Percentage of employees who participated in regular performance appraisals (%) [100% of employees assessed annually] Average number of hours of training per employee and by gender [No target] Compensation: <ul style="list-style-type: none"> Gender pay gap (%) [Target of 0%] [S1-16] Ratio between the highest compensation and the median compensation (<i>number</i>) [limitation of *8 in the bylaws] Incidents of discrimination including harassment [S1-17]: <ul style="list-style-type: none"> Number of incidents of discrimination, including harassment (<i>number</i>) [100% of alerts handled] Number of complaints lodged through channels (<i>number</i>) [target of 0] Total amount of fines, penalties and compensation for damages resulting from complaints (€) [Target of €0]
	<p>Operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or deterioration in the health and safety of employees</p>			
S1 Working conditions	<p>Negative impact of potentially deteriorating working conditions, notably the safety of the Group's employees (assignments, expatriation, etc.)</p>		<ul style="list-style-type: none"> Establishment of the Health, Safety and Working Conditions Committee, the Committee of Foreign Residents' Representatives and Local Social Dialogue Partners Implementation of measures related to the physical safety of workers Design and implementation of a workload assessment and regulation tool Social dialogue (caregivers, working conditions) Improvement of quality of life at work (action plans following the social barometer) 	<ul style="list-style-type: none"> Collective bargaining and social dialogue [S1-8]: <ul style="list-style-type: none"> Percentage of employees covered by collective agreements (%) [No target] Existence of an employee representation agreement (yes/no) Social protection [S1-11]: coverage for sickness, unemployment, workplace accidents, parental leave, retirement. (Table) [100% of countries covered by the Group's social protection plan; 100% application of regulatory texts on unemployment, workplace accidents, etc.] Health and safety [S1-14]: <ul style="list-style-type: none"> Percentage of staff covered by the health management system (%) [Target of 100%], Number of deaths due to occupational accidents and illnesses (<i>number</i>) [Target of 0], Workplace accidents (<i>number and %</i>) [Target of 0], Days lost (<i>number</i>) [Target of 0] Work-life balance [S1-15]: <ul style="list-style-type: none"> Percentage of employees entitled to family leave (%) [Target of 100%] Percentage of employees who took such leave, broken down by gender (% <i>M-F</i>)
	<p>Operational risks related to endangerment due to the safety context, risk of accidents, etc.</p>			



The "AFD group's social policy values" shared framework is broken down into a number of documents and procedures:

- in the field of health and safety for AFD – Proparco (General Crisis Management Plan and Local Office Security Policy); Single document for the assessment of occupational risks (psychosocial risks and physical risks), Annual programme for preventing professional risks and improving working conditions, Quality of Life and Working Conditions Agreement) and Expertise France (Safety Standards Note applied to business travel missions);
- in terms of professional equality (Professional Equality Agreement);

- to promote the employment, integration and continued employment for people with disabilities (Disability Agreement);
- as regards quality of life at work (AFD-Proparco social report, AFD-Proparco social barometer) – in terms of social protection (provident insurance, supplementary insurance, retirement, etc.);
- as regards training ("AFD group Campus" training platform).

It should be noted that Sogefom and Fisea have no employees and are therefore not relevant for this section of the sustainability statement.

The precise scope of the S1 indicators is specified for each table and summarised in Appendix 2.5.4.

3.1.1 Policies related to own workforce

The primary value of human capital at AFD group

AFD-Proparco and Expertise France each have their own Human Resources Department (HRD). AFD makes staff available to Proparco, which has a local HR unit.

These Human Resources Departments (HRDs) have defined a strategy aimed at reaffirming the paramount importance of the Group's human capital in achieving its strategic, operational, functional and financial objectives. Which is why the HR strategy sets human collective performance as its first goal. The four

strategic priorities identified enable human resources management to be aligned with the Group's challenges and help define its strategic priorities in the area of human resources: ensuring staff cohesion around the AFD group's missions; strengthening the strategic management of talent and skills; strengthening and backing managerial practices across the Group; and enhancing the efficiency of the human resources function. The Group's impacts on the workforce (see below) therefore result from the strategy as much as they feed into it, as the HR Department is keen to take these positive or negative impacts into account as part of a continuous improvement approach.



Ensure the cohesion of the social structure around the AFD group's missions



Strengthen the strategic management of talent and skills



Strengthen and support managerial practices within the Group



Strengthen the efficiency of the human resources function



Align human resources management with the Group's challenges and define human resources' strategic priorities

Respect for human rights and labour law

The Group complies with all French and international laws and regulations relating to labour law and human rights, in particular the French Labour Code, legislation on health and safety at work, the fundamental principles of the International Labour Organization (ILO), international human rights conventions such as the Universal Declaration of Human Rights, and the relevant European requirements.

As an employer, the Group is not involved in forced labour or child labour; it is therefore unlikely to have any negative impact on the human rights of its workers and, as such, does not have a specific policy on this matter.

Prevention of occupational risks

AFD group set up a workplace accident prevention system designed to identify, prevent and reduce occupational risks that could affect the health and safety of employees and non-employees involved in its activities.

This system is based first and foremost on an occupational risk assessment approach formalised in the Single Occupational Risk Assessment Document (DUERP), which is regularly updated. This assessment helps to identify high-risk situations, both at head office and during assignments and postings abroad, and to tailor preventive measures accordingly.

Prevention actions are set out in the annual programme for occupational risk prevention and the improvement of working conditions (PAPRIACT), which defines the measures for prevention, collective and individual protection, as well as awareness-raising and information actions for employees.

The framework is supplemented by internal security policies and procedures, notably for international operations, as well as by systems for managing incidents and emergencies. All of these measures aim to limit the occurrence of workplace accidents and reduce their consequences when they occur.

Afnor certification of the AFD group's social policy

AFD-Proparco implements an ambitious and structured social policy based on the principles of non-discrimination, diversity and inclusion, which are enshrined in HR policies and collective agreements. This policy is translated into operational initiatives implemented across the Group, notably in terms of quality of life and working conditions, professional equality, social protection and skills development, and is regularly monitored using HR indicators and tracking mechanisms. Recognition through the Afnor certification attests to the effectiveness and maturity of this approach. The impacts of these policies are analysed, notably in terms of HR attractiveness, employees' career development and the prevention of discrimination based on age, disability, sexual orientation, social and ethnic background, sex and gender identity, with a view to continuous improvement.

Other information (Article L.22-10-35 of the French Commercial Code)

At this stage, AFD is not implementing any specific system or dedicated programme to promote the commitment of its employees to the operational reserve or the National Guard. However, in compliance with its legal obligations and the individual rights of its employees, AFD allows the employees concerned to carry out their civic commitments, notably when these are provided for by the applicable regulations. To date, AFD does not have the "partner employer for local democracy" certification mentioned in Article L.1621-6 of the French General Code for Local Authorities and does not implement any specific mechanism to promote this commitment. Nevertheless, AFD remains attentive to initiatives likely to promote citizen participation and the involvement of its employees in democratic life.

3.1.2 Cross-functional and descriptive information on AFD group's workforce

AFD group's scope includes all employees, both contract workers and expatriates governed by French or local law (unless specified otherwise below); local law employees represent around 16% of the Group's total workforce. Non-employees, notably consultants, external service providers, and employees

employed by third-party employers are not included in the salaried workforce but may be taken into account in other reporting scopes. The people making up the Group's salaried workforce are of legal age.

3.1.2.1 Characteristics of AFD group employees (S1-6)

Table of the number of employees by gender and geographic area for the year 2025

Countries where the Company has at least 50 employees, representing at least 10% of its total number of employees

31/12/2025 Indicator	AFD & Proparco		Expertise France		Group		Total
	Men	Women	Men	Women	Men	Women	
Number of employees	1,354	1,770	864	1,074	2,218	2,844	5,062
Of which permanent employees	1,253	1,630	322	633	1,575	2,263	3,838
Of which temporary employees	101	140	542	441	643	581	1,224
Number of employees leaving the company		145		74		219	219
Employee turnover rate		4.6%		4.4%		4.6%	4.6%

Methodology for calculating the salaried workforce – cross-functional information in indicators S1-6:

S1-6 only covers employees (therefore non-employees are excluded from the scope of indicators S1-6).

The data presented in this section relate to the scope of consolidation comprising the Group's three entities (AFD, Proparco and Expertise France) surveyed as part of the social data collection campaign for the financial year ended 31 December 2025. The Sogefom and Fisea entities have no employees of their own.

The S1-6 indicators, with the exception of the total number of employees that have left the Group, cover the entire scope of the AFD group's workforce: namely, staff employed under French law and local law. AFD group does not employ any staff on non-guaranteed-hour contracts, as this type of contract does not form part of the Group's business model.

The staff figures are taken from the information systems of the Group's Human Resources Department (AFD and Expertise France) and have been supplemented by local HR teams as part of data collection campaigns (for Expertise France).

The figures refer to the number of employees (headcount) rather than full-time equivalents (FTEs) and relate to the 2025 financial year.

Reconciliation with the workforce presented in the Universal registration document

The Group's headcount is also presented in Section 1.6.2. Information on locations and activities as at 31 December 2025; Universal Registration Document.

The difference between the two pieces of information is mainly due to a difference in calculation methodology, as paragraph 1.6.2 is based on the average workforce for the year, whereas the S1-6 reporting is based on the workforce at the end of the reporting period.

Employees by gender, contract type and geographic area

The scope of employees includes permanent contracts, fixed-term contracts – including work-study students (apprenticeship and professional training contracts) – civil servants (on a compensation scale or fixed-salary basis), as well as seconded staff (outgoing). Note: interns were not included in the scope insofar as in France interns are not considered employees of the company.

The genders "women" and "men" are reported; current capabilities do not yet allow for the identification of the categories "undeclared" and "other" at Group level.

With the exception of France, AFD group does not operate in countries where it has more than 50 employees representing at least 10% of its total number of employees.

Definitions of key terms

- Executive corporate officers: an executive corporate officer (Chief Executive Officer or Deputy Chief Executive Officer) is a person who holds a corporate office on behalf of the legal entity they represent and who is paid for the work they do in this capacity.
- Permanent contract: open-ended contract, including local employees.
- Temporary contract: fixed-term contract including work-study students, CIFRE contracts, as well as local employees under fixed-term contracts, and excluding interns and international volunteering.

Total number of employees leaving the Group during the reference period

The indicator presented is limited to permanent contracts. The total number of employees who left the Group during the reference period, for Expertise France, is limited to employees subject to French law. Data on employees under local law will be included in the scope of the next publication.

The following reasons for leaving were included in the calculation of the indicator: resignation, end of probationary period, mutual termination of contract, retirement and individual early retirement, dismissal and death. Outflows related to internal mobility were not included in the calculation of the indicator.

Turnover of employees during the reference period

This indicator covers all employees on permanent contracts, expressed as natural persons. Temporary contracts were excluded from the calculation of this indicator as their presence at the Group is by definition temporary.

The turnover rate presented corresponds to the exit rate.

It is calculated as follows: number of permanent staff leaving during the reference period/number of permanent staff as at 31 December of the reference year.

Gender equality at AFD group

The Group does not set a numerical target for female or male employees, but implements an active and structured policy to promote gender equality. It is based, particularly in the case of AFD and Proparco, on commitments set out in their gender equality agreement, which aims, notably, to ensure there is no discrimination in recruitment, to promote gender diversity across all sectors and levels of responsibility, to guarantee equal compensation for equal work, and to broaden women's access to senior management positions. A project was launched at Expertise France to enable the organisation to establish a system similar to the one in place at the AFD. Taken together, these measures represent a path of continuous progress, aimed at achieving a sustainable balance in the representation of women and men.

3.1.2.2 Management of non-employees

In accordance with the transitional measure provided for by the applicable regulations, this indicator was not published for the 2025 reference year.

The action plan for future publications is as follows:

- define the concept of “non-employee” and identify the groups concerned;
- identify the resources available to monitor said people;
- implement an appropriate monitoring process to collect and improve the reliability of the corresponding data.

3.1.3 Social dialogue at AFD group (S1-2)

The Group relies on a structured, multi-channel social dialogue, enabling employees – either individually or through their representatives – to contribute to the development and refinement of social, organisational and HR policies, as well as to the identification and management of their social impacts. This dialogue informs the Group’s decision-making processes and is in line with AFD group’s social values, as set out in the Shared Framework ⁽¹⁾ (active listening, quality of social dialogue, protection of individual and collective rights, equality, and support for career development).

As part of operational risk management and efforts to prevent any adverse effects on human resources, the measures implemented are determined in consultation with the Social and Economic Committee for head office staff and with employee representatives for staff employed under local law.

A dialogue conducted both directly and via employee representatives

AFD group recognises several forms of staff expression:

Formal representative dialogue

The staff is represented by the elected representatives of the various trade union organisations in the following legal bodies:

- Institutions’ Social and Economic Committees (SEC) ⁽²⁾;
- Central Social and Economic Committee (CSEC) for AFD only;
- Representation of elected staff members on the Board of Directors (for AFD and Expertise France).

Operating agreements for the SEC and CSEC set out in detail the procedures governing their composition, information and consultation processes, and the thematic committees that help ensure employees’ views are taken into account (the Health, Safety and Working Conditions Committee, the Committee on Support and Respect for Individual and Collective Rights, the Committee on Employment and Skills Development, the Local Liaison Committee, etc.).

Spaces for direct expression (AFD/PRO, EF)

In addition to the legal bodies, several other mechanisms allow staff to express their views:

- a biennial social barometer ⁽³⁾ to collect social perceptions, expectations and risks;
- internal reporting mechanisms, notably through managers, the occupational health services, the social support services or the reporting units (e.g. the monitoring unit for psychosocial risks – governed by an addendum to the SEC agreement for the AFD; see Section 3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence⁴);
- team meetings, business workshops, QLWC (Quality of Life at Work) approaches;
- additions from the social report ⁽⁴⁾ including HR indicators to monitor the state of the social climate.

Moments, frequency and type of dialogue

The procedures for dialogue are clearly defined at each entity:

- Head office SEC: monthly meetings, including four meetings focusing on health, safety and working conditions, with the possibility of holding extraordinary meetings;
- Health, Safety and Working Conditions Committee: at least once every three months.

AFD has also set up additional bodies to diversify its dialogue bodies, taking into account its specific characteristics:

- SEC of the French Overseas Departments and Collectivities for AFD: bimonthly meeting, with the possibility of extraordinary meetings;
- Central SEC for AFD-Proparco: chaired by the Chief Operating Officer, regular meetings on strategic orientations, mandatory information-consultation blocks and cross-cutting issues:
 - specialised committees, meeting at a defined frequency:
 - Health, Safety and Working Conditions Committee: at least quarterly,
 - Committee on Support and Respect for Individual and Collective Rights: every two months,
 - Committee on Employment and Skills Development: according to the needs of the consultations.

These various forums provide an opportunity to combine collective feedback, individual input, risk analysis and consultation on projects affecting staff.

1) The Shared Framework is an internal document, adopted on 21 April 2022 by AFD, Proparco and Expertise France, which aims to express the founding values of AFD group’s social policy.

2) 1 SEC for AFD and Proparco and 1 SEC for Expertise France.

3) Survey conducted among all employees at the head office and the network to better understand the assets, the challenges and the difficulties encountered by employees.

4) The social report summarises in a single document the key figures needed to assess the company’s social performance, record its achievements and measure the changes that have taken place over the past year and the two preceding years.

Function responsible for ensuring dialogue and integrating its outcomes

The operational responsibility for social dialogue falls to the Executive Department of Human Resources. It is explicitly identified in the AFD SEC/CSEC operating agreement as the central point of contact for staff representatives and the body responsible for ensuring that information and consultation obligations are fulfilled.

The HR Departments:

- organise meetings and disclosures/consultations;
- co-construct agendas with the secretaries of the SECs;
- answer questions (e.g. Committee on Support and Respect for Individual and Collective Rights/ Local Liaison Committee);
- lead the Appeals Committee;
- follow up on the commitments resulting from discussions.

At AFD, the HR Department:

- also oversees the Appeals Committee;
- helps to ensure that employee feedback informs decisions affecting employment, working conditions, organisational changes and quality of life at work.

Collective agreements allowing employee points of view to be taken into account

AFD-Proparco has entered into a series of agreements to organise social dialogue and facilitate an understanding of employees' expectations and needs. The agreements in force include:

- agreement on the functioning of the SECs and the CSEC;
- agreements on quality of life at work/QLWC;
- professional equality agreement;
- disability agreement;
- teleworking agreement;
- donation of days, caregivers agreement;
- incentive agreement;
- agreement on the penalty payment scheme, electronic voting, appeals committee, etc.

These agreements establish formal channels for dialogue and set out explicit mechanisms for consultation, monitoring and employee participation in decisions that affect them.

The Staff Regulations of Agence Française de Développement ⁽¹⁾ are themselves based on a principle of consultation and transparency, notably with regard to compensation, staff mobility, job classification, appeals, risk prevention, etc.

For its part, Expertise France has also entered into the following agreements which remain in force with employee representatives:

- agreement on the functioning of the SEC;
- company agreement;
- teleworking agreement;
- agreement on the target-based bonus scheme;
- incentive agreement;
- agreement on the annual fixed number of days;
- agreement on the Mandatory Annual Negotiation.

Assessing the effectiveness of social dialogue

AFD-Proparco assesses the effectiveness of its social dialogue through several complementary mechanisms:

Social barometer (every two years)

It makes it possible to identify:

- the overall perception of the social climate;
- the quality of dialogue with management;
- weak signals on social risks (psychosocial risks, work intensity, team functioning, etc.).

In 2025, the social report showed that AFD's overall situation has improved since 2023, and reached its most favourable level since the launch of the scheme in 2020. The well-being at work indicator was 6.9/10, an increase compared to 2023 (6.3/10).

Annual social report indicators

They help measure the impact of social dialogue on:

- changes in the workforce and mobility;
- training and development;
- working conditions (absenteeism, accidents, etc.);
- professional diversity and equality;
- quality of life at work;
- monitoring of collective agreements.

Some committees (e.g. The Health, Safety and Working Conditions Committee, the Committee on Employment and Skills Development and the Committee on Support and Respect for Individual and Collective Rights ⁽²⁾ regularly review the implementation of these commitments and make recommendations.

Feedback on the SEC/CSEC consultations

Feedback on the SEC/CSEC consultations takes place via the verbatim transcripts of the sessions, which enable the quality of discussions, the number and nature of the opinions issued during SEC/CSEC contributions to be measured, and adjustment measures to be implemented by management.

Recourse mechanisms

The Joint Committee (staff regulations, Article 4.2.3), which corresponds to the implementation of the agreement on the Appeals Committee, also makes it possible to assess the fairness of HR decisions and the remediation of contentious individual situations.

1) Decree of 22 December 2022 approving the Staff Regulations of Agence Française de Développement (AFD), available online: <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000046846396>

2) Committee on Support and Respect for Individual and Collective Rights.

3.1.3.2 Systems put in place by AFD group to manage and mitigate its negative impacts and material risks in relation to its staff (SBM-3)

Inclusion of all relevant staff in the scope

During its double materiality assessment, AFD group included all staff members likely to be materially affected by its activities. This involves:

- head office staff;
- staff based in local offices in the French Overseas Departments and Collectivities;
- expatriate staff;
- local managers employed in country offices when they are under the direct responsibility of the company in respect of the Group's HR management or social responsibility schemes;
- non-employees treated as employees, insofar as they are affected by social provisions (volunteers, apprentices, trainees, etc.).

This scope takes into account the specific features of AFD group's bylaws and the social values stipulated, for AFD, in the Shared Framework (equality, security, fundamental rights, risk prevention, support for career pathways) as well as in the staff regulations of Agence Française de Développement. All the impacts, risks and opportunities identified concern the entire workforce, without distinction.

AFD group, and in particular AFD, as a public institution subject to French law, operating within a rigorous ethical framework (Ethics Charter and Shared Framework), does not generate systemic negative impacts such as forced or compulsory labour or child labour, or serious violations of fundamental rights.

The Group identified two potential negative impacts leading to two operational risks, described below.

Involuntary contribution to degraded working conditions and/or unequal treatment

The Group's activities may potentially have negative impacts on its workforce, mainly in relation to:

- occupational risks to employees, notably psychosocial risks identified through the Health, Safety and Working Conditions Committee, the monitoring unit and the DUERP ⁽¹⁾;

- individual situations of tension or unease at work, dealt with notably in the framework of the Committee on Support and Respect for Individual and Collective Rights or the Appeals Committee;
- specific organisational repercussions related to changes in the business lines, tools or internal reorganisations (prepared via the Committee on Employment and Skills Development).

These potential and unintended impacts are managed and mitigated by several workforce management actions detailed in sections 3.1.3 "Promotion of professional equality and diversity" and 3.1.4 "Working conditions and employee safety".

Potential deterioration in working conditions, notably with regard to the safety of the Group's employees (assignments, expatriation, etc.)

Given the nature of its strategy and the countries where it operates, the Group may contribute to potential negative impacts on the safety of its employees, notably those on assignment or working abroad.

AFD group therefore identified as a potential risk the exposure of certain employees – notably those on assignment or working abroad – to working conditions that may deteriorate due to unstable security situations (high-risk areas, socio-political unrest, security incidents).

Procedures to provide solutions and remedy negative impacts

Should a situation arise or be identified that could jeopardise an employee's safety or working conditions, the Group implements the following procedures:

- activation of security and crisis management systems, in accordance with the General Crisis Management Plan and applicable security policies (Group Security Policy, Local Office Security Policy);
- an immediate assessment of the individual's situation, including an analysis of the level of risk and the conditions under which the mission is to be carried out;
- appropriate protective measures, which may include adjustments to working arrangements, the temporary suspension of activities, or the repatriation or relocation of the employee;
- HR support and, where necessary, medical or psychological support, notably after a security incident;

These procedures apply to all the staff concerned, whether employees or non-employees working on behalf of the Group.

1) Employers are required to assess the occupational risks (physical and psychosocial) to which their staff are exposed and to record them in a document known as the Single Occupational Risk Assessment Document (DUERP - document unique d'évaluation des risques professionnels). The purpose of this assessment is to implement actions to prevent the risks that were identified.

Operational risks relating to Group staff

The main material operational risks identified are:

- operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or to the deterioration of the health and safety of employees.
- These operational risks stem from several factors: (i) psychosocial risks identified in the single occupational risk assessment document and monitored by the Health, Safety and Working Conditions Committee and the monitoring unit, (ii) risks arising from insufficient skills in the face of changes in the workplace, and (iii) risks linked to structural reforms, which may lead to organisational tensions;
- These risks are taken into account and managed through a number of internal processes: (i) the forward-planning processes for jobs and career paths (GEPP), which are currently under negotiation, (ii) the work of the Committee on Employment and Skills Development regarding changes in job roles, and (iii) the individual support measures provided for in the staff regulations;
- operational risks associated with exposure to danger due to the security situation, and the risk of accidents.

- These risks are caused notably by (i) fatigue and psychosocial risks associated with travel, (ii) safety or health risks depending on the country, (iii) isolation or mental strain, and (iv) the impact on work-life balance (personal and professional).
- These risks potentially affect a single group of staff who are more vulnerable to negative safety-related impacts: namely, employees who are required to go on international assignments. The Group was able to identify this increased exposure by analysing operational contexts in terms of security, health constraints, climate risks and travel conditions.
- These risks give rise to mitigation measures such as mission safety procedures, medical support, international assistance and pre-departure preparation; these measures are described in more detail in Section 3.1.4.4 "Health and safety" (S1-14). It should be noted that these assignments also enable the Group's workforce to develop inter-cultural skills and enhance their professional development.

AFD group has not anticipated any impact on its employees as a result of the climate and environmental transition aimed at aligning its activities with the objectives of the Paris Agreement.

3.1.4 Promotion of professional equality and diversity

3.1.4.1 Promotion of diversity (S1-9)

With a view to improving equal opportunities for all, AFD and Proparco signed a "professional equality" agreement with the social partners in January 2021. This agreement guarantees access to employment; career progression and development; equal compensation; the organisation of work and work-life balance; training and awareness-raising on gender equality in the workplace; and measures to combat domestic violence.

Notably, the work of the AFD-Proparco Human Resources departments focuses on access to training and skills development, as well as inclusive and strengthened social dialogue through a number of dedicated committees. AFD has also been implementing a structuring approach to promote

diversity and inclusion since 2019, which was recognised when it obtained the Afnor diversity label in July 2021, which was confirmed by a mid-cycle audit in July 2023.

With regard to quality of life at work, the Group's Human Resources Departments implement measures to prevent psychosocial risks, provide support in difficult situations and optimise the functioning of the unit responsible for monitoring workplace distress. New procedures for reporting and dealing with cases of bullying, discrimination, and gender-based and sexual violence have been in place since 2024. Social barometers are carried out at the three entities.

The agreement covering AFD and Proparco staff on gender equality in the workplace sets out ambitious targets and implements structural measures in several key areas: recruitment, the representation of women in management and across the network, compensation, combating gender

stereotypes and sexist behaviour, as well as taking parental responsibilities into account. These commitments demonstrate AFD and Proparco's commitment to placing professional equality at the heart of their HR policy and corporate social responsibility approach.

Structuring actions include:



All HR processes incorporate requirements relating to non-discrimination and gender equality: gender-neutral job advertisements, training for managers involved in recruitment (hiring without discriminating), and regular analyses of any gender gaps. The gender equality index calculated in 2025 for 2024 was 93/100, reflecting the level of commitment achieved.

Table of employees by age group

Age groups	Number of employees (workforce)	31/12/2025	
			%
< 30	480		9.5%
≥ 30 and < 50	3,325		65.7%
≥ 50	1,257		24.8%
TOTAL Employees	5,062		100%

This indicator covers:

- the entire scope for AFD/Proparco;
- a partial scope for Expertise France; an action plan has been put in place to ensure comprehensive data collection from the next publication onwards (strengthening the system for reporting information from country managers to Expertise France’s head office).

The breakdown of employees by age group is calculated as follows: number of employees in each age group divided by the total number of employees (as defined by indicator S1-6 and in accordance with the reporting scope set out above).

Table of employees at senior management level by gender and age

Senior management	Number	31/12/2025	
			Share
Employees at senior management level	114		-
Of which women	40		35.1%
Of which men	74		64.9%

The indicators presented cover the entire scope: employees under French and local law.

For AFD/Proparco, the criteria for belonging to this population are as follows:

- managerial category: executive, operational manager, local manager, and strategic manager;
- relevant positions within these categories: Chief Executive Officer, Chief Operating Officer, Chief Executive Officer of a subsidiary, Deputy Chief Executive Officer, Executive Director, Deputy Executive Director, Regional Director and Department Manager, SIR Unit Manager, and Secretary General of the FGEF (French Global Environment Facility).

For Expertise France, the criterion used is the number of employees with a managerial function and sitting on the Expertise France Management Committee.

The calculation of the senior management indicator is as follows:

Percentage of women in senior management: number of women in senior management/total number of employees in senior management.

Percentage of men in senior management: number of men in senior management/total number of employees in senior management.

3.1.4.2 Proactive measures taken by AFD group to support employees with disabilities (S1-12)

AFD and Proparco have made an ambitious commitment to the employment of people with disabilities and reaffirmed their commitment by signing the 4th Disability Agreement, approved by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DREETS) in 2024 (valid until 2026). This structured and proactive approach aims to improve the integration, retention and career progression of employees with disabilities, by combining recruitment initiatives, personalised support, workplace adaptations, training, raising awareness amongst work teams, and promoting responsible procurement from the sheltered and adapted sector.

This agreement applies to all staff at the AFD and Proparco head office (including seconded staff) as well as at their offices in Guadeloupe, Martinique, French Guiana, Mayotte and Réunion, and forms part of a proactive initiative aimed at promoting diversity and equal opportunities within the organisation.

AFD has set itself ambitious objectives to promote the inclusion of people with disabilities, including:

- increase the representation of people with disabilities in its workforce, by promoting their recruitment, integration and retention in employment;
- raise awareness and train all employees on disability issues in order to create an inclusive and caring work environment;
- adapt workstations and premises to ensure accessibility for all, in collaboration with specialised partners;
- support managers in addressing disability-related issues by providing them with the necessary tools and resources;

Through this policy, AFD reaffirms its role as a committed advocate for a more inclusive society, where every individual, regardless of their circumstances, can thrive professionally and contribute fully to the institution's mission.

Five priority areas for action structure AFD's disability policy:

- **the recruitment plan:** direct employment to integrate people with disabilities into teams, and indirect employment by

backing adapted companies and French ESATs (Établissement et services d'aide par le travail), which are key partners in AFD group's ecosystem; the objective of hiring, on permanent contracts and/or fixed-term contracts of more than six months' duration, at least 13 people covered by the employment obligation ⁽¹⁾, including at least eight permanent contracts, by the end of the 2024–2026 Disability Agreement;

- **the job retention** scheme designed to support every employee facing a disability and safeguard their career progression;
- **training** in order to develop skills and back everyone's career progression;
- communication and awareness-raising to change views and promote an inclusive culture;
- **working with organisations that focus on people with disabilities:** work-based support centres and services, sheltered workshops, temporary employment agencies for people with disabilities, and self-employed people with disabilities, to pool our resources and innovate together. AFD will spend €700,000 (excl. tax) per year on disability-related purchases over the duration of the 2024–2026 agreement.

■ Employees with disabilities

Indicator	Group
	2025
Share of employees with disabilities (%)	2.8%
Number of people with disabilities (Number)	117

The monitoring of this indicator is currently limited to the scope of employees under French law.

Employees with disabilities are defined in the Agreement on the Employment and Integration of People with Disabilities (those holding RQTH status, recipients of the adult disability allowance or a disability pension, war victims, etc.).

In order to maintain consistency between this indicator and the other indicators published under the CSRD, the "workforce" data should be considered in terms of the number of employees present (number of contracts).

Employees with disabilities voluntarily declare their RQTH status (Reconnaissance de la Qualité de Travailleur Handicapé - Recognition of the Disabled Worker Status) either directly to the AFD and Proparco's Disability Unit or to their payroll administrators. This declaration is confidential and stored in the employee's HR file. Payroll administrators note the RQTH status in the employee's file. They declare this information in the DSN (Déclaration Sociale Nominative - Nominative Social Declaration), a monthly file sent to social organisations (including Urssaf). The DSN enables the RQTH status of employees to be officially recorded.

The percentage of employees with disabilities is calculated as follows: workforce with disabilities at 31 December of the reference year/workforce present at 31 December of the reference year.

Within the Group, the target is 6% of workers with disabilities, in line with legal requirements and the commitments to inclusion. This target is set on the basis of the applicable regulatory framework and an analysis of the workforce situation. It is monitored regularly by measuring the employment rate as a proportion of the total workforce and tracking how this changes over time. Analysing the results makes it possible to identify any discrepancies and adjust the measures put in place, notably in relation to recruitment, staff retention and workplace adjustments. This approach aims to ensure that the inclusion of people with disabilities is part of a process of continuous improvement and the prevention of situations of exclusion.

1) The quota system for the employment of workers with disabilities is a scheme designed to encourage private and public sector employers to hire workers with disabilities.

Working with Agefiph, Expertise France carried out a disability assessment to identify needs, analyse its practices and gather feedback from its employees with disabilities (RQTH), from managers and from head office employees. The findings of this participatory assessment enabled the development of an action plan structured around several key areas, including job retention, recruitment and integration. This policy, which will be implemented in 2026, addresses the regulatory, human and social responsibility (CSR) challenges that are at the heart of the agency's commitments.

The Mandatory Declaration of Employment of Disabled Workers (DOETH - Déclaration obligatoire d'emploi des travailleurs handicapés) is a legal requirement for companies with 20 or more employees, which must employ at least 6% of disabled workers (or pay a financial contribution). A single DOETH is completed for AFD and Proparco as a whole, as they are considered as a single employer for this declaration.

3.1.4.3 A training and skills development policy adapted to the Group's challenges (S1-13)

The training policy aims to strengthen the skills needed to navigate transitions and achieve the Sustainable Development Goals whilst maintaining a high standard of core competencies essential for operational excellence. It is based on three areas: developing expertise, renewing relationships with partners in the Global South and strengthening internal cohesion.

The AFD group Campus is the training centre of the Agence Française de Développement (AFD) group, dedicated to building shared knowledge, exchanging experiences and developing the skills required to design, back, finance and implement transition projects and policies in the Global South. Based in Marseille and Paris, it brings together AFD group's training programmes and promotes training that transforms perceptions by incorporating

creativity, critical thinking, collective intelligence, and systemic approaches. Based in Marseille and Paris, it brings together AFD group's training programmes and promotes training that transforms perceptions by incorporating creativity, critical thinking, collective intelligence, and systemic approaches.

It is an educational innovation laboratory that designs, tests and deploys, in partnership, innovative learning formats adapted to strengthening the knowledge, know-how and interpersonal skills of those who, in Africa, Asia, Latin America and the French Overseas Departments and Collectivities, as well as at AFD group and among development partners in the North, work towards a sustainable world.

Teaching methods are evolving towards more engaging face-to-face learning, hands-on learning and digital learning (MOOCs, e-learning, virtual classrooms). The mix of internal and external participants serves as a catalyst for shared learning and mutual enrichment. The programme covers AFD group's core competencies, sector-specific and banking expertise, as well as cross-functional skills. The skills required to tackle transformational challenges complement the fundamental knowledge and expertise essential for project management and quality assurance.

AFD group promotes and encourages skills development by offering its staff a wide range of training opportunities. The extent of the offering reflects the variety and multitude of skills issues that arise throughout the organisation: for a new employee who needs to familiarise himself or herself with the way AFD group works, for a mobile employee who needs to acquire new skills, for a manager faced with new working methods, for a profession that is constantly forced to integrate regulatory changes, for a department that wants to maintain its level of expertise, for an employee who aspires to progress in his or her field, to adapt to an increasingly complex and uncertain environment, etc.

■ Training and skills development

Training	Group
	2025
Total number of hours of training	106,359
Of which men	42,350
Of which women	64,009
Average number of hours of training/employee	21
Of which men	19
Of which women	23

The indicators presented cover the entire scope: employees under French law and local law.

The calculation is based on the number of training hours completed and finalised during the reference year (compulsory or voluntary training, delivered in person or via e-learning) for people with open-ended and temporary contracts as defined in S1-6. The duration of the training course corresponds to its theoretical duration.

The average number of hours of training per employee is calculated as follows: number of hours of training completed in the reference year/total workforce present at 31 December of the reference year.

The target set for monitoring training programmes is 100%, as these programmes involve activities that must be fully implemented to ensure the compliance and effectiveness of the relevant systems.

Performance is tracked using a training management tool that measures completion rates by target group. Regular reviews identify any deviations from the 100% target, leading to follow-up actions and, where necessary, corrective measures. This system ensures effective and documented monitoring of compliance.

Regular performance and career development reviews

	Group	
	2024	Target
% of employees who participated	92.8%	
Of which men	92.8%	
Of which women	92.8%	100%
Total number of employees who participated in reviews	3,486	
Of which men	1,463	
Of which women	2,023	

The indicator covers the entire scope for AFD/Proparco and a partial scope for Expertise France.

As the annual evaluation campaign for year N (2025) runs from mid-December of year N to mid-March of year N+1 (2026), data for the reference year are not available. The data presented for N (2025) correspond to the results of the N-1 campaign (2024).

The annual appraisal interview conducted between an employee and their manager to assess performance over the past year against the employee's objectives applies only to permanent contracts. This interview also aims to determine objectives for the coming year.

The data is updated in the Group's HRIS and can be accessed via an extraction of "completed" interviews.

The percentage of employees who have taken part in regular performance and career development reviews is calculated as follows: the number of employees who have completed their annual review divided by the total workforce as at 31 December of year N-1 (excluding employees who left the Group between 1 January and 31 March of year N). This adjustment is intended to exclude employees who were unable to complete their appraisal because they left the organisation before the appraisal cycle was officially closed.

Indicators for measuring equality in terms of employee compensation

Indicator	Group	
	2025	Target
Gender pay gap (%)	7.4%	0%
Max/median compensation ratio	2.19	8

In terms of remuneration, the scope is limited to AFD/Proparco (head office, expatriates and French Overseas Departments) on permanent contracts (permanent contracts of more than six months). Employees of Expertise France, employees of the French Overseas Territories and employees governed by local law are excluded from the scope. A roadmap aimed at improving the reliability of operational data and data relating to staff employed under local law will be implemented as of the next financial year.

Compensation was calculated on a 100% basis (full-time equivalent, assuming a 100% employment rate) and includes: basic compensation (basic salary, bonus, holiday pay), guaranteed compensation components (family allowance and length-of-service allowance), performance-related compensation (profit-sharing and variable collective performance bonus) and employment-related benefits (travel allowance, remote working allowance and the face value of meal vouchers).

All other forms of compensation are excluded (expatriation allowances, one-off payments (for weddings, births, etc.), employer contributions, payment for days off, employer contributions to health insurance and pension schemes, etc.)

Data is taken from the individualised social report (reflecting the annual summary of individual compensation). This data comes from AFD's Human Resources Information System (HRIS).

3.1.4.4 Principle of equal compensation among employees (S1-16)

The principle of equal compensation for women and men with equivalent skills, responsibilities and performance is a cornerstone of equality in the workplace. This principle applies from the recruitment phase. With this in mind, AFD group is committed to offering equal compensation to women and men from the moment they are hired, based solely on objective criteria such as educational qualifications, experience and the skills required for the role. The goal is to ensure strict gender compensation equality at AFD and for equivalent roles.

With regard to action plans, the pay gaps are closely monitored by the Human Resources Department, which carries out specific analyses based on individual circumstances and career paths. The aim is to gradually address unjustified pay gaps and prevent new disparities from arising through the annual pay review. A budget is also dedicated to salary gaps identified during this annual review.

The gender pay gap indicator is calculated as follows: $(\text{average gross compensation of male employees} - \text{average gross compensation of female employees}) / (\text{average gross compensation of male employees}) * 100$.

The total annual remuneration ratio indicator is calculated as follows: $\text{total annual compensation for the highest-paid individual} / \text{median total annual compensation (excluding the highest-paid employee)}$.

The target set for the gender compensation gap is 0, in line with the Group's commitment to equal compensation. AFD's bylaws set a maximum compensation gap of *8 between the highest and lowest salaries.

The achievement of the compensation gap target is monitored through periodic analyses comparing the compensation of women and men, overall and by comparable categories. The discrepancies identified give rise, where necessary, to corrective measures included in the salary campaigns. This system ensures regular and documented monitoring of performance in terms of equal compensation.

3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence (S1-17)

AFD group advocates a zero-tolerance policy towards any situation of discrimination, harassment, or gender-based and sexual violence. It has put in place procedures for reporting and dealing with all such situations, which apply to all staff at head office and across the network, regardless of their employment status. A guide is available on the company's intranet setting out the procedure for this scheme. It specifies the special legal protection available to persons who report facts. Employees can consult it freely. The various people employees interact with (staff representatives, the HR manager, line managers, etc.) can regularly remind them of this scheme.

HR cases or incidents are handled through a formalised system, overseen by the Human Resources Department, based on procedures for reporting, analysis and, where necessary, investigation, ensuring confidentiality, impartiality and the protection of those involved.

Staff can contact the team responsible for handling these reports by sending an email to a dedicated address.

The report is then processed and, as a minimum, the person making the report, the alleged victim (if they are not the person making the report) and the person against whom the allegations are made are interviewed separately, with the interviews recorded in a written statement.

Once the reported facts have been analysed, the team responsible for handling the case informs each party of its conclusions. These are forwarded to the head of Human Resources.

The whistle-blower is entitled to protection, even if it transpires that the situation involving harassment, discrimination or gender-based and sexual violence does not constitute a legal offence.

Exception: should it be clearly established that false information was brought to the attention of the unit responsible for processing reports for the sole purpose of harming the person concerned, disciplinary action may be taken against the person who made the report.

Table of incidents, complaints, and severe human rights impacts

Indicator	Group	
	2025	Targets
Reports of serious human rights incidents (Number)	33	
Complaints (Number)	16	
Serious human rights cases (Number)	0	0
Amount of fines or penalties for breaches (€)	0	0
Target: % of alerts processed	100%	100%

Alerts come from the alert reporting system (dedicated email address).

The percentage of alerts processed is calculated as follows: number of alerts processed / total number of alerts from the reporting system.

The total number of reported incidents of discrimination, including cases of harassment (reports confirmed as substantiated following an investigation and resulting in disciplinary action), refers to the total number of substantiated incidents recorded through the reporting system.

The total number of complaints reported through specific channels includes criminal complaints or cases referred to a court. This figure represents the number of cases referred to industrial tribunals or any other court during the reference year relating to discrimination and/or harassment.

The total amount of fines and financial penalties associated with a conviction of the Group resulting from an incident of discrimination is calculated as follows: the total amount of financial penalties associated with a conviction of the Group resulting from an incident of discrimination.

AFD group has a centralised HR complaint management system, overseen by a dedicated team. The scheme's objectives focus on the accessibility, quality and traceability of the complaints-handling process. Performance monitoring is based on tracking volumes, types of cases and processing times, enabling trends to be identified and informing initiatives for the continuous improvement of HR practices. The Group aims to process 100% of alerts

3.1.5 Working conditions and employee safety

3.1.5.1 Coverage of employees by collective agreements and social dialogue (S1-8)

AFD group strives to prevent negative impacts on its workforce by relying on a structured social framework. Employees are covered depending on the entity:

- By a collective agreement (SYNTEC for Expertise France – head office);
- Staff Regulations set by ministerial decree (AFD and Proparco);
- Or by the French Labour Code, which includes specific benefits for staff hired internationally.

In the case of employees governed by foreign law, the concept of a collective agreement as defined in this indicator does not apply, as their contractual relationship is governed by the applicable local law and does not fall within the scope of a comparable collective agreement.

100% of employees in the European Economic Area (mainland France, French Overseas Departments and COM) are represented by employee representatives as provided for by applicable labour law.

AFD group is not required to establish a European Economic and Social Committee.

The effectiveness of these measures is assessed in terms of the coverage of all employees under a defined employment framework, the effectiveness of employee representation, and the implementation of a shared social framework that strengthens social protections for different groups: 100% of employees in the European Economic Area (Metropolitan France, French Overseas Departments) are represented by staff representatives as provided for by the applicable labour law.

The Group has not identified any material risks or opportunities arising from the impact on its staff or its reliance on them.

As its service sector activities require academic skills, the Group is not involved, as an employer, in forced labour or child labour.

Table on collective bargaining and social dialogue

	Collective bargaining coverage*		Social dialogue *
	Employees - EEA	Employees - outside the EEA	Workplace representation (EEA only)
0-19%		NA*	
20-39%		NA*	
40-59%		NA*	
60-79%		NA*	
80-100%	France (100%)	NA*	France (100%)

* Outside France, subsidiaries are not affected by French collective agreements (EEA only).

The data relating to AFD and Proparco are limited to employees under French law. Data relating to Expertise France will be published over the next reporting period.

With regard to employee representation, AFD group complies with the rule applicable in French law regarding employee representation. In France (including the French Overseas Departments), all employees under French law are covered by an SEC (Social and Economic Committee).

With regard to employees governed by local law, the Group does not currently have consolidated information regarding their coverage by employee representation bodies under the applicable local legal frameworks. An analysis of the methods of collecting and making reliable this information will be carried out in order to assess its relevance and feasibility for future publications.

3.1.5.2 Access to adequate wages (S1-10)

Exhaustive information on adequate wages is not available to AFD group at this stage, as its definition has not been stabilised to date, due to the numerous countries in which the Group operates. In order to publish this data in future, plans are in place to establish a process for estimating the level of an adequate wage in the countries and territories where the Group operates, and to benchmark and monitor employees' compensation against this adequate wage. The disclosure of the data has been deferred to a subsequent report.

3.1.5.3 Coverage of employees with appropriate social protection (S1-11)

AFD group, as a responsible employer that places particular emphasis on ensuring its staff have access to social services of general interest, such as social protection, fulfils all its obligations as an employer in accordance with the local social standards applicable to its various locations. This includes affiliation to all social protection schemes that are compulsory under national law.

It also operates a comprehensive social protection scheme that enables all employees, regardless of their status or location, to benefit from high-quality healthcare cover, personal protection

cover for disability, death and long-term sick leave, as well as retirement cover.

Its various regulations provide for replacement benefits in the event of workplace accidents or occupational illnesses, as well as arrangements for paid leave in the event of the birth or adoption of a child.

Collective agreements and social security cover (i) expatriate and secondment assignments and (ii) non-employees of Expertise France who are employed by third-party employers in the countries where Expertise France operates (these staff are subject to local labour law and collective agreements, where applicable, and are covered by local social protection schemes).

■ Social protection of Group employees

As a %	AFD/Proparco		Expertise France	
	French law	Local law	French law	Local law
Illness	100%	100%	100%	NA
Unemployment	100%	NA	100%	NA
Workplace accidents	100%	NA	100%	NA
Parental leave	100%	NA	100%	NA
Retirement	100%	100%	100%	NA

NA: not available

Guaranteed social protection services

AFD regularly compares the company's systems with those of comparable entities and manages them through management committees and regular monitoring bodies.

AFD group guarantees all its employees access to social protection services that comply with the applicable local social standards in the countries where it operates, notably by enrolling them, upon being hired, in all the statutory schemes provided for under national law and in its specific internal health and pension schemes.

In France, all employees are covered by social security provisions addressing the four major life events, without a significant difference between the events or the entities: illness, workplace accidents and disability, parental leave, and retirement. Employees subject to French law are covered by the social security system and a private health insurance scheme.

Furthermore, its status as a public body has led AFD to enter into an agreement with France Travail to ensure that any employee leaving AFD or Proparco is eligible for unemployment insurance.

In the various countries where we operate, the social security and employee benefits schemes available to staff take into account not only the applicable laws and regulations, but also industry best practice. The Group has not identified a risk of non-compliance with applicable local regulations.

The unemployment coverage indicator for employees under local law is excluded from the 2025 reporting scope.

A roadmap designed to analyse the regulations and entitlements applicable in each country of operation will need to be deployed to ensure that all Group employees are adequately covered for the four major life events as defined by the indicator.

AFD group aims to ensure that all its employees are fully covered by a Group social protection scheme and to comply with all local regulatory requirements (unemployment, workplace accidents, sickness, parental leave, retirement, etc.). Performance is monitored using coverage and compliance indicators. All employees are covered by a social protection scheme for all major life events, with no significant difference depending on the event or entity.

Thus, 100% of countries are covered and 100% of regulatory texts are applied. This monitoring feeds into a continuous improvement process aimed at preventing any shortcomings and strengthening worker protection.

3.1.5.4 Health and safety (S1-14)

AFD group ensures the safety of employees and non-employees. Given the nature of its strategy and the countries where it operates, the Group may contribute to potential negative impacts on the safety of its employees, notably those on assignment or working abroad. Employees work in geographic areas that may be at risk (accidents, safety incidents, socio-political unrest, etc.). Activities at head office do not pose any safety risks to the Group's staff.

The security of AFD group's people and property is based on several internal policies and texts which have been regularly updated since 2021 to take account of changes at the Group; in particular the General Crisis Management Plan was validated at the end of 2023 and the Local Office Security Policy was validated at the end of 2024. In order to cover the entire AFD spectrum, these texts cover activities in France and abroad (Group security policy, security policy for sites in mainland France). These documents are made available to all Group employees and can be consulted on the intranet.

The Operational Security Department, which reports to the Executive Management of Expertise France, is responsible for ensuring the protection of Expertise France's staff, operations and assets abroad. It designs and updates the overall security policy, the operational security management system and security standards. Every employee – whether an expatriate, a local employee or a specialist, internal or external – is subject to an individual security policy that sets out the requirements for expatriation, local recruitment or short-term deployment. This doctrine requires the maintenance of appropriate units, the provision of protective equipment and, more generally, the implementation of safety measures. It illustrates the agency's ongoing commitment to safeguarding the physical and psychological well-being of its staff, whilst also anticipating reputational risks. The Operational Security Department is also responsible for countering interference and cyberattacks that could have a direct impact on the safety of staff and projects. It acts as a specialised operational function, aligned with the pace of operations, and serves as a tool to ensure the continuity and compliance of interventions.

Risk prevention is underpinned by a structured framework covering all activities in France and internationally, including a Single Occupational Risk Assessment Document (DUERP) and an annual programme for occupational risk prevention and the improvement of working conditions (PAPRIACT), both of which are shared with employee representatives.

International security management system

The Group has an international security management system in place, overseen by the department responsible for security and regularly audited by AFD's Internal Audit Department. This system, pursuant to the international security risk prevention strategy (2017), positions the Regional Directorates at the heart of the system. This makes it possible to take into account the diversity of security situations in the network, and to have a system that is as adapted as possible to the security situations concerned, guaranteeing responsiveness in the event of an incident, whatever its severity.

In addition to the security standards and the process for ensuring the safety of staff travelling abroad – updated in 2023 – AFD has deployed human resources dedicated exclusively to providing support to the network. Regional Security Advisers – whose number increased from five to six in 2022, one of whom is based within the Middle East Regional Directorate in Amman – are on permanent standby for the Regional Directorates to ensure constant vigilance on security matters and to proactively adapt local security measures. Security advisors also help to strengthen the safety culture in the field and take part in AFD's crisis units.

The main mission of Expertise France's operational security system is to ensure the safety of activities in all the countries where it operates. This includes the protection of people and assets and the preservation of operational continuity.

The Operational Security Department implements comprehensive safety strategies, draws up contingency and response plans, ensures the implementation of specific safety measures, and works closely with the various operational units. In addition, it ensures an effective chain of command, promoting the decentralisation of the organisation on the ground and

subsidiarity in decision-making. It also provides ongoing staff training and crisis management, and contributes to innovation in relation to security.

The Operational Security Department is structured around three units and a decentralised implementation of its actions:

The Operational Anticipation Unit assesses threats and determines the measures and protocols designed to prevent them from materialising or to limit their impact.

The Operational Security Support Unit plays a key role in providing support for projects and activities in the field.

It consists of four specialised cells:

- Employee Operational Monitoring Cell;
- Administration, Finance and Logistics Cell;
- Technical Support & Innovation Cell;
- Training Cell.

The Geographic Security Network Unit is tasked, notably, with building and strengthening the security network deployed on the ground. This unit, which is dedicated to decentralising security operations, includes, notably, operational security coordinators and security officers. It also relies on the security focal points.

Safety training

Since 2022, security training and awareness-raising efforts have been stepped up at the head office and in the network. All newly arrived employees are made aware of AFD's security issues and how the protection measures they use work on a daily basis; special attention is paid to international volunteers in administration (VIA) who generally have less field experience. The regional directors were systematically trained in their specific responsibilities in terms of security. In addition, training standards were drawn up and published in 2024. They set out the expectations and requirements regarding safety training at AFD and Proparco.

In order to raise awareness among employees of international security risks, the department responsible for security has rolled out a series of compulsory e-learning courses that must be completed before any staff member is sent on a mission: depending on the risk level in the AFD employee's destination area, the traveller will be required to complete one or more modules containing scenario-based exercises.

Since December 2023, following a change in the provider of the travel monitoring solution, travellers must now monitor up to three modules, depending on the risk level of the country they are travelling to.

In addition, AFD has expanded its "risk management in the field" training programme (Hostile Environment Awareness Training – HEAT): sessions are organised at least once a month in France and across the network, as required.

These training courses cover employees (on AFD contracts) and non-employees (AIV) of AFD and Proparco. Permanent service providers and consultants are not concerned by these training courses.

No distinction is made between AFD and Proparco employees, who have the same requirements with regard to this training.

Occupational health and safety – Coverage, accidents, and occupational illnesses (Group)

Indicator	Group	
	2025	Targets
Health and safety management system coverage		
Employees covered by a health/safety management system (%)	100%	100%
Workplace accidents		
Recordable workplace accidents (Number with lost time)	19	
Workplace accident rate (%)	3.1%	
Deaths related to accidents and occupational illnesses (Number)	0	0
Days lost – accidents and health problems (Number)	325	
Occupational illnesses		
Cases of occupational illnesses that can be recorded (Number)	0	0

Health and safety management system

For employees subject to French law, the regulations require that all employees be covered by a health and safety management system.

For employees under local law, AFD group has implemented a set of policies designed to cover all staff during working hours. The coverage rate is 100% for all AFD group employees.

The data presented covers all employees, whether based at the head office or travelling abroad.

Frequency rate of workplace accidents

This indicator is limited to employees under French law. Current information systems do not allow for comprehensive reporting on local employees. A roadmap is currently being considered at Group level to enable the collection and reporting of this data.

Workplace accidents include accidents occurring at the workplace as well as accidents on the journey between the employee's home and their place of work, with time off work declared to the French Social Security; they are calculated as follows: total number of workplace accidents/total number of hours worked * 1,000,000.

Occupational illnesses are those recognised as such by a healthcare professional in accordance with the applicable regulatory framework.

Health and safety training courses

AFD group has set itself the objective of providing systematic training for its employees on safety issues, particularly in high-risk areas. Performance is monitored using coverage indicators, with 100% of network staff having completed a safety e-learning course and 100% of staff in high-risk areas having received training in risk management (HEAT). This monitoring feeds into a process of continuous improvement of prevention systems.

3.1.5.5 Work-life balance indicators (S1-15)

AFD Staff Regulations provide for various types of family leave (maternity leave, adoption leave, paternity leave, and leave for family events, parental and caregiver leave) and include measures designed to promote a healthy work-life balance, notably through the use of remote working and a formal discussion between manager and employee during the annual performance review.

The actions relate to the formalisation and consolidation of these policies, the monitoring of their use by means of HR indicators (use of leave, teleworking) and the analysis of differentiated impacts, notably in terms of professional equality. These areas are subject to annual review and continuous improvement, alongside ongoing social dialogue.

In France, all leave provided for by French regulations is accessible to employees (100% coverage rate). At local level, a detailed analysis of the relevant regulations must be carried out to enable the disclosure of information. The work-life balance indicator is therefore limited to employees subject to French law (excluding seconded employees).

A roadmap is currently being considered at Group level to enable the collection and reporting of this data.

The percentage of eligible employees who took leave for family reasons is calculated as follows: number of employees who took family leave/total number of employees under French law (excluding employees on secondment).

Leave requests are made and validated in the Group's Human Resources Information Systems. The information is therefore collected through data extraction.

AFD group has set a target of ensuring that all eligible staff have access to and can make effective use of family leave. Performance is monitored using coverage and usage indicators, with 100% of employees eligible for family leave and 100% of eligible employees having actually taken such leave, broken down by gender. This monitoring contributes to the continuous improvement of equality and work-life balance practices.

100% of employees are entitled to family leave, 100% of employees concerned have taken such leave, with breakdown by gender

Table of employees covered by social protection for each type of major life event

Reporting period	Group	
	2025	Targets
Employees entitled to family leave	100%	100%
Employees who took family leave	5.1%	
Of which women	5.8%	
Of which men	4.2%	

3.2 Populations: affected local communities and consumers and end-users (S3/S4)

SUMMARY



Affected local communities and consumers and end-users (S3/S4)

3

The AFD group places local communities at the heart of its strategy, combining the fight against poverty and inequality with the preservation of common goods. This ambition is set out in the 2025-2030 strategic orientation plan and through the three cross-functional roadmaps:



Social link



Citizens, institutions and democracy



Planet

Supporting the development of more equal and inclusive societies

Reducing inequalities is a key driver for justice and sustainable social and economic efficiency. Gender equality in particular is a fundamental human rights issue and a factor of inclusive economic development.

Supporting and strengthening democratic practices promoted by institutions and citizens

Effective, transparent, accountable and inclusive institutions with a stronger focus on democratic processes are essential to achieving the SDGs.

2025 highlights:

58%

Projects awarded by AFD have a significant or structuring contribution to the reduction of multidimensional inequalities and inclusion.

74%

Share of AFD's committed funding whose primary or significant objective is democratic and inclusive governance.

€643M

Volume of financing for Proparco projects aligned with the 2X Challenge, whose objective is to mobilise the private sector to contribute to the development of women as entrepreneurs, business leaders and employees, but also so that they can have equitable access to financing.

68%

Of projects launched by AFD in 2025 in foreign countries with an objective of promoting gender equality.

The management of each material IRO is presented in this summary table, then presented in detail in the rest of the chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets
S3 Affected communities	<p>Positive impact: Contributing to the economic, political and social development of countries, thereby helping to improve the living conditions of their populations</p>	<ul style="list-style-type: none"> Social link roadmap Citizens, institutions and democracies roadmap Planet roadmap Exclusion list Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco AFD credit policy/ Proparco credit and investment policy Roadmap on climate-related financial risks <ul style="list-style-type: none"> Group monitoring and appraisal policy Results and impacts framework Environmental and social complaints system 	<p>Promotion of social link:</p> <ul style="list-style-type: none"> increase the impact of operations on social links mobilisation of partners internal transformation at the Group: Skills development and tools <p>Promoting citizens, institutions and democracy: Providing support for project teams:</p> <ul style="list-style-type: none"> on democratic practices in the operations that the Group finances or implements qualifying the methods of consolidating democratic practices and citizen participation providing support for project teams to improve the effectiveness of institutions in projects backing the development of more egalitarian and inclusive societies providing support for teams in integrating issues relating to the reduction of multidimensional inequalities and the promotion of gender equality throughout AFD's portfolio managing project E&S risks 	<ul style="list-style-type: none"> [AFD] Number of annual commitments that do not have a negative sustainable development rating (-2 or -1) on the social link: reduction of inequalities and inclusion, gender equality or governance dimensions (<i>number</i>). Target of 100% from 31/12/2025 until 2030. <p>Resource indicators Social link:</p> <ul style="list-style-type: none"> [AFD] (Equality & Inclusion) Share of commitments (<i>in number of projects</i>) whose main or secondary objective is the reduction of multidimensional inequalities and inclusion (%). Target of 50% at 31/12/2025 and of 50% by 2026 [AFD] (Gender) Share of commitments marked DAC 1 and DAC 2 in loans and grants in foreign States (%). Target of 55% over the 2025-2027 period [PRO] (Gender) Proparco's commitments to 2X-qualified projects (€). Target of €1.2bn over two years (2026-2027) [EF] Share of new projects signed on French funding whose main or significant objective is gender equality (marked OECD DAC 1 or DAC 2) (%). Target of 60% in 2024 and 75% in 2025 and 2026 <p>Citizens, Institutions, Democracy:</p> <ul style="list-style-type: none"> [AFD] (Gender) Share of AFD commitment approvals where democratic and inclusive governance is the primary or significant objective (%). Target of 55% in 2025 <p>Result and impact indicators [The definition of these indicators is specified in paragraph 1.2.4]</p> <ul style="list-style-type: none"> [AFD-PRO] [RIF #1] [AFD-PRO] [RIF #2] [AFD] [RIF #3] [AFD-PRO] [RIF #4] [AFD-PRO] [RIF #5] [AFD] [RIF #6] [AFD] [RIF #7] [AFD-PRO] [RIF #8] [AFD-PRO] [RIF #9] [AFD-PRO] [RIF #10] [AFD-PRO] [RIF #11] [AFD-PRO] [RIF #12] [AFD-PRO] [RIF #13] [AFD] [RIF #19]
S4 Consumers & end-users	<p>Positive impact: helping to improve local people's access to goods and services</p>	<ul style="list-style-type: none"> Results and impacts framework Environmental and social complaints system 	<p>Promoting citizens, institutions and democracy: Providing support for project teams:</p> <ul style="list-style-type: none"> on democratic practices in the operations that the Group finances or implements qualifying the methods of consolidating democratic practices and citizen participation providing support for project teams to improve the effectiveness of institutions in projects backing the development of more egalitarian and inclusive societies providing support for teams in integrating issues relating to the reduction of multidimensional inequalities and the promotion of gender equality throughout AFD's portfolio managing project E&S risks 	<ul style="list-style-type: none"> [AFD] Number of annual commitments that do not have a negative sustainable development rating (-2 or -1) on the social link: reduction of inequalities and inclusion, gender equality or governance dimensions (<i>number</i>). Target of 100% from 31/12/2025 until 2030. <p>Resource indicators Social link:</p> <ul style="list-style-type: none"> [AFD] (Equality & Inclusion) Share of commitments (<i>in number of projects</i>) whose main or secondary objective is the reduction of multidimensional inequalities and inclusion (%). Target of 50% at 31/12/2025 and of 50% by 2026 [AFD] (Gender) Share of commitments marked DAC 1 and DAC 2 in loans and grants in foreign States (%). Target of 55% over the 2025-2027 period [PRO] (Gender) Proparco's commitments to 2X-qualified projects (€). Target of €1.2bn over two years (2026-2027) [EF] Share of new projects signed on French funding whose main or significant objective is gender equality (marked OECD DAC 1 or DAC 2) (%). Target of 60% in 2024 and 75% in 2025 and 2026 <p>Citizens, Institutions, Democracy:</p> <ul style="list-style-type: none"> [AFD] (Gender) Share of AFD commitment approvals where democratic and inclusive governance is the primary or significant objective (%). Target of 55% in 2025 <p>Result and impact indicators [The definition of these indicators is specified in paragraph 1.2.4]</p> <ul style="list-style-type: none"> [AFD-PRO] [RIF #1] [AFD-PRO] [RIF #2] [AFD] [RIF #3] [AFD-PRO] [RIF #4] [AFD-PRO] [RIF #5] [AFD] [RIF #6] [AFD] [RIF #7] [AFD-PRO] [RIF #8] [AFD-PRO] [RIF #9] [AFD-PRO] [RIF #10] [AFD-PRO] [RIF #11] [AFD-PRO] [RIF #12] [AFD-PRO] [RIF #13] [AFD] [RIF #19]

3.2.1 Local populations: at the heart of AFD group's strategy

All the Group's initiatives seek to improve the living conditions of local populations, who are the ultimate beneficiaries of all funding.

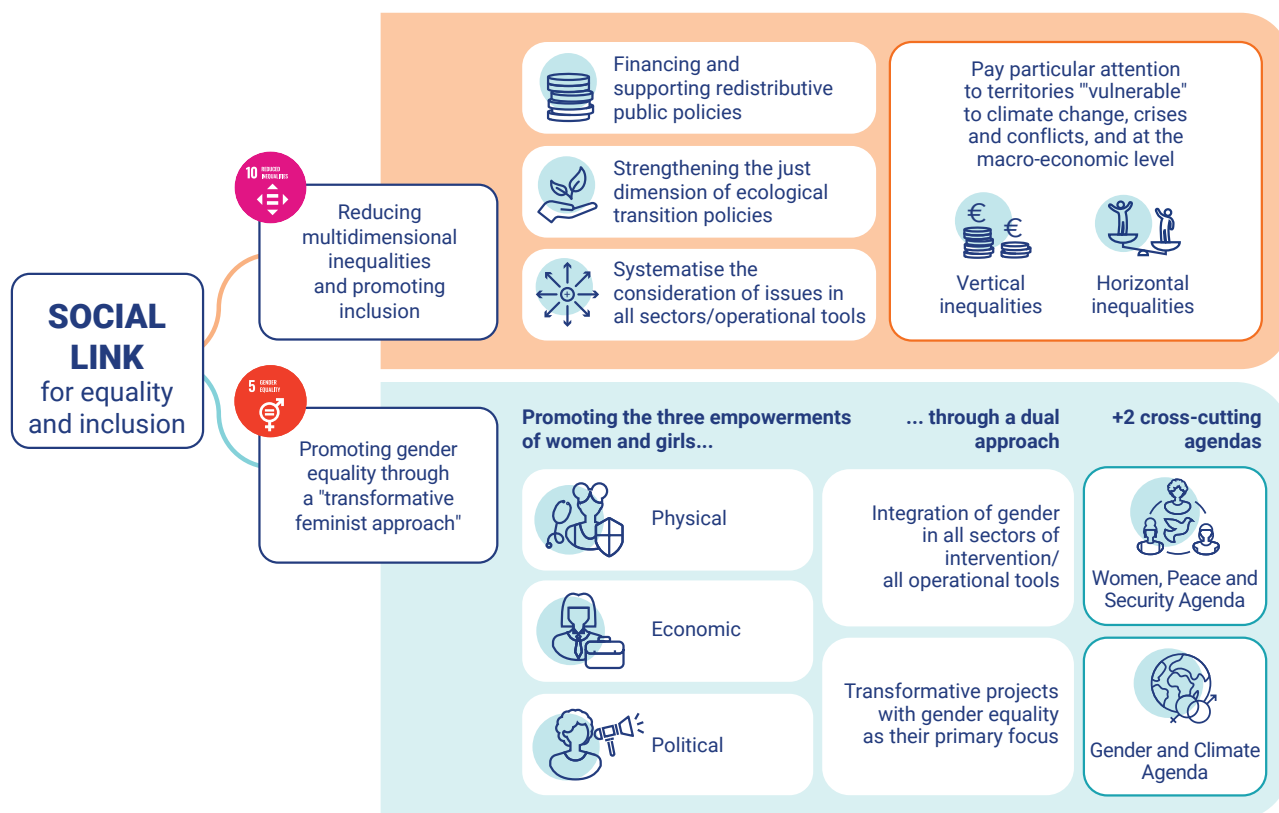
This goal is reflected in:

- i. POS V: overall strategic orientations (see General Information, Section 1.2.1.1);
- ii. the country intervention frameworks guide the Group's positioning and operational priorities in a given country (see "General information", Section 1.2.1.4);

- iii. the three cross-functional roadmaps (social link; citizens, institutions and democracies; planet) set out the Group's strategic goals in three areas of the POS V;
- iv. the 10 sectoral action plans set out the sectoral objectives, the goals and the intended results and impacts in the relevant sectors (see notably the section on result and impact indicators below).

The social link roadmap

Section 1.2.1.2 outlines the content of this social link roadmap, which addresses the recognition that it is impossible to achieve the Sustainable Development Goals without social cohesion and effective institutions. The social link roadmap is presented below:



In terms of governance, AFD has set itself the following objective:

- **reducing multidimensional inequalities and promoting inclusion:** in 2026, ensure that at least 50% of its annual commitments (in terms of the number of projects) have the reduction of multidimensional inequalities and the promotion of inclusion as their primary or secondary objective. In 2026, this goal will be reviewed and rolled out across each of the Group's entities, through to 2029;
- **promoting gender equality:** for AFD, this goal is reflected in a key indicator: a target of 55% on average of commitment approvals allocated to projects where gender equality is a significant objective (marked DAC 1 by the OECD Development Assistance Committee) or the main objective (marked DAC 2) ⁽¹⁾ over the 2025–2027 period.

1) Rating according to the OECD's DAC (Development Assistance Committee) marker: DAC 1 for projects for which gender equality is a significant objective, and DAC2 for those for which gender equality is the main objective.

Citizens, institutions and democracies roadmap

Section 1.2.1.2 provides a more detailed description of the content of this roadmap, which addresses the recognition that it is impossible to achieve the SDGs without effective, transparent, accountable and inclusive institutions, and without a greater focus on democratic processes. The citizens, institutions, democracy roadmap is presented below:



In terms of project management, the Group is committed to ensuring that 55% of AFD's commitment approvals are classified as DAC 1 or DAC 2 under the DAC indicator democratic and inclusive governance, subject to the continued availability of budgetary resources for grants.

The planet roadmap

See Section 1.2.1.2 and Section 2.1.1.1.

3.2.1.1 Managing impacts on local populations is a key priority for the AFD group (S3.SBM-3 & S4.SBM-3)

The two ESRS themes - S3 and S4 - are treated jointly under the term "local populations".

Local populations are directly or indirectly impacted by AFD group's activities. AFD group's principles for managing impacts, risks and opportunities also apply to local populations. Consequently, taking into account the positive and negative, actual and potential impacts of its actions on local populations is a key priority for AFD group, whose objective is to maximise positive impacts on local populations: improving the living conditions of local populations through better access to essential services (health, education, water, energy, etc.) by increasing their incomes (training/jobs, support for entrepreneurship, etc.) and by promoting equality (gender, inclusion) whilst respecting institutions and fostering civic dialogue.

The management of impacts, risks and opportunities for local populations is based on four pillars (see Section 1.2.6 "The Group's due diligence framework"): the exclusion list, the environmental and social risk management (ESRM) mechanism, the sustainable development analysis and opinion (SDAO) mechanism, the assessment and the results and impacts framework (RIF).

Moreover, in 2025, AFD group set up an *ad hoc* internal committee tasked with developing a policy on combating sexual exploitation, abuse and harassment (PSEAH) in AFD group's operations and with exploring ways to strengthen the integration of PSEAH considerations into AFD's operational policies and procedures.

All local populations on which the projects financed by AFD group are likely to have material impacts, including users and people affected by the project, are included in the scope of the published information. The environmental and social risk management policies and the environmental and social complaints management system, which are open and accessible to all, contain provisions to ensure this.

Each policy takes into account all local populations, including vulnerable groups (economically, climatically, and in the face of crises and conflicts) and indigenous peoples ⁽¹⁾, in its implementation. The Group takes steps to prevent potential negative impacts on local populations, notably by excluding certain projects, by involving all local populations in its operations, and by providing them with a mechanism for lodging environmental and social complaints.

The environmental and social complaints management system provides for the suspension of AFD funding if the secretariat or the Ethics Advisor considers that a project could cause serious and irreversible harm to local populations, including indigenous peoples (see below).

These policies are implemented through 10 sectoral action plans covering AFD group's key sectors: health and social protection; education, employment and vocational training; energy; governance; rural development and agriculture; urban development and local authorities; transport and mobility; water and sanitation; financial systems; and productive systems. They present the main sectoral orientations validated by the SDD Executive Department and then put online on the AFD website. Each sectoral action plan is associated with a results framework comprising a series of indicators, some of which (the key indicators) are included in the RIF.

AFD group has an **exclusion list** which forms the basis of its commitment to human rights (see Section 1.2.6.1). This list, which is regularly updated and made public, prohibits the financing of activities that contravene the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Notably, it covers:

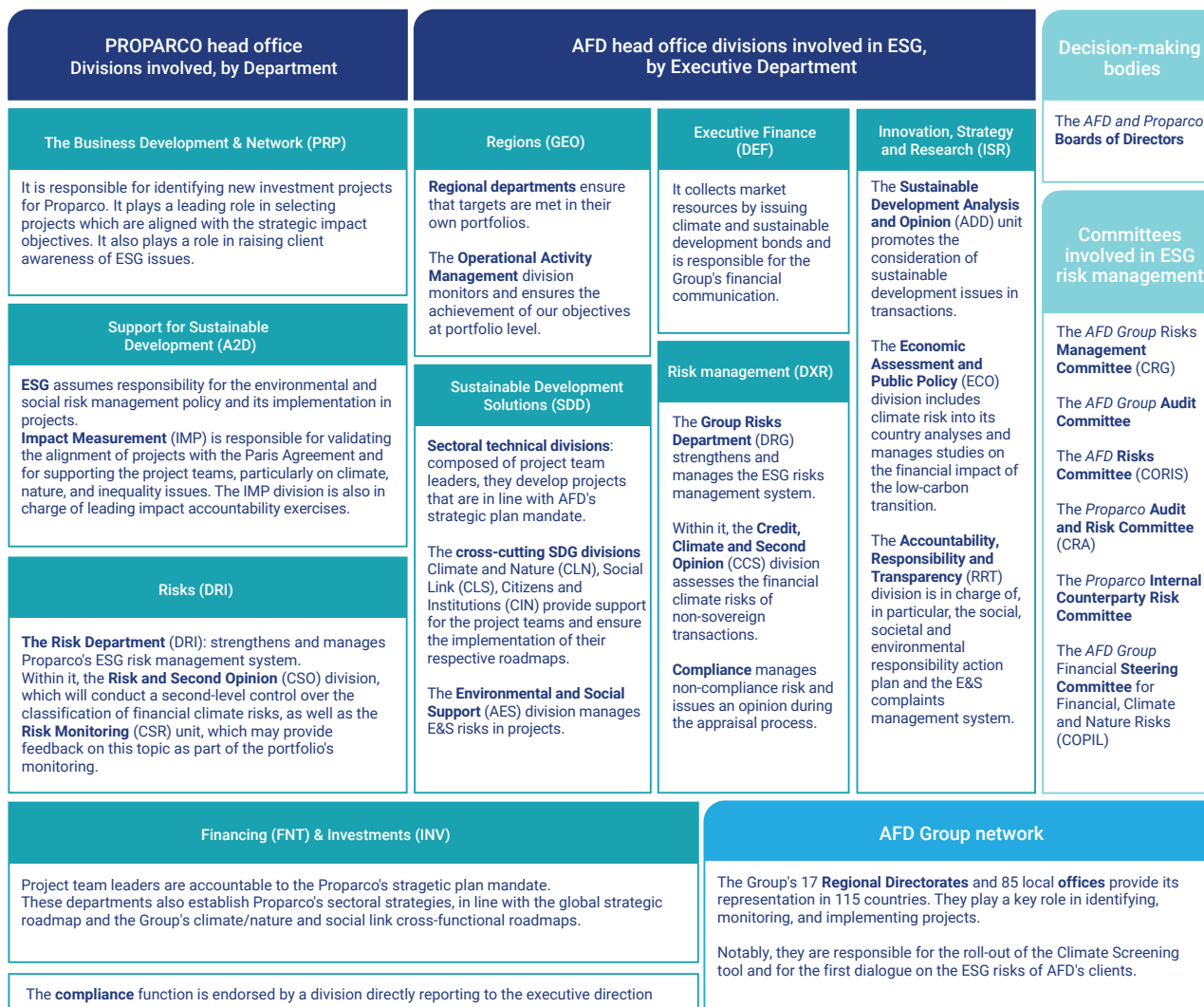
- serious human rights violations (forced labour, child labour, forced evictions, etc.);
- environmental damage (trafficking of protected species, illegal management of hazardous waste, etc.);
- activities that are illegal or contrary to the international commitments of the country of destination.

This exclusion list is part of an approach to **preventing negative impacts** on local populations. This is supplemented by due **diligence mechanisms** built into the project appraisal and monitoring processes, ensuring effective compliance with the criteria set out in the exclusion list.

When assessing project financing or development proposals, AFD group analyses the purpose, key drivers and potential impacts of projects, taking into account international conventions ratified by France, the Universal Declaration of Human Rights, and international conventions ratified by France (or, in the case of Proparco, environmental and social standards issued by the World Bank or the IFC). The Group also verifies that companies' practices comply with the United Nations Guiding Principles on Business and Human Rights (UNGP), in particular by requiring formal commitments and through due diligence processes to identify, prevent and remedy adverse impacts.

1) AFD defines indigenous peoples in accordance with the "Indigenous and Tribal Peoples Convention, 1989 (No. 169)".

Each entity within the Group relies on several teams spread across various departments to identify, measure and manage the various impacts, risks and opportunities relating to local populations. This structure is shown in the following diagram:



3.2.2 Taking the views of local populations into account in AFD group's decision-making processes

Given their status as financial institutions, AFD and Proparco do not directly reach out to local populations during the preparation and implementation of their financing. However, the views of local populations inform decisions and activities at various levels:

1. Consideration of local populations by public institutions funded by the international community

AFD group relies on the legitimacy of public institutions that apply the political orientations of a government. This recognition of different perspectives is consistent with the commitments made by the international community (the 2030 Agenda) and the French government's policy guidelines (the 2025 Presidential Council for International Partnerships). In its 2025-2030 Strategic Orientation Plan (POS V), Agence Française de Développement sets out an ambitious cross-cutting goal: to back effective, accountable and inclusive institutions, notably by fostering citizen participation (SDG 16).

2. Consultations with representative institutions

During the preliminary work (assessments, feasibility studies, etc.), the Group consults the stakeholders, including the representative bodies (local authorities, associations, trade unions). This approach ensures institutional representation of collective interests.

3. Citizen participation

In line with the "Citizens, Institutions, Democracies" ambition carried by the POS V, the Group emphasises the importance of prioritising approaches that encourage public participation in the development of operations, including public policies, public infrastructure or just transition programmes, for example. Citizen participation is defined as a democratic practice that aims to involve citizens, residents and service users in the public decision-making process, beyond the scope of elections alone. It refers to all the mechanisms (participatory budgeting, citizens' assemblies or conventions) that enable citizens to contribute to the design, implementation and evaluation of public policies and projects.

It is based on the belief that sincere and structured dialogue leads to fairer decisions and more sustainable and better-suited public projects and policies. The Group is therefore committed to strengthening social dialogue and encouraging the widest possible participation, beyond identified stakeholders and civil

society, by adapting the scope for public participation in each sector of intervention and providing support for its implementation, which may take place both during the planning stage to define the project's direction or activities, and during the implementation phase, for example to develop terms of use or governance arrangements.

In this context, local populations are involved in managing actual and potential impacts, in line with the project's requirements. The citizen participation mechanism is the subject of discussions with the partner organisation, which receives advice and, in some cases, dedicated funding to support participatory activities. AFD group's CIN team contributes directly to the implementation of citizen participation approaches and monitors their impacts. Unlike the standardised approach to environmental and social due diligence, these consultation activities can take a wide variety of forms and focus on a range of issues: they are not only aimed at preventing negative impacts but can also help to improve projects by shedding light on them from a wider range of perspectives, anticipating future uses, and optimising acceptance by future users, whilst equipping stakeholders for the long term.

These activities are complementary to dialogue with stakeholders which is also carried out through the environmental and social risk management system. As part of the environmental and social due diligence, the project teams ensure that customer institutions consult local populations, notably through formalised documentation requirements. This mobilisation is carried out in a targeted manner according to the subjects. The implementation involves reporting that is integrated into the provisions of the environmental and social commitment plan. Additional details are provided in Section 1.2.6.

The integration of stakeholders' perspectives is also reflected in the Environmental and Social Management Plans (ESMP), which customers must develop and implement in accordance with the provisions of AFD's E&S Risk Management Policy. Depending on the project's specific challenges, these plans may include measures to facilitate dialogue and remediation with local populations, as well as a public participation mechanism designed to consult more widely with the communities adversely affected. More broadly, stakeholders are also consulted in order to maximise the impact of public policy (see also Section 1.2.6.3 for further details).

Feedback from local populations is gathered through the customers acting as project managers, for example through workshops or online public engagement initiatives. The Group can assist its customers in this area, whether in terms of methodology or financially.

Lastly, these perspectives are incorporated into the formulation of customer requirements during the identification phase (which is the responsibility of local offices), regardless of the type of funding: whether it be budgetary funding for public policy or programmes, or funding for investment projects. This consideration forms an integral part of the appraisal process and, as such, is incorporated into the sustainability analysis and assessment, as well as into the preparation of feasibility studies. Then, the monitoring carried out for each funding project during the implementation phase ensures that the original objectives are met (including, therefore, the views of local populations).

As part of ongoing efforts to improve the complaints handling process, a questionnaire was sent to those whose complaints, processed since 2017, had been resolved. The feedback received has helped to improve the scheme.

For Expertise France, the views of local populations inform the design, implementation and monitoring of projects. A qualitative needs assessment, carried out in consultation with local stakeholders (authorities, community representatives, civil

society organisations, beneficiaries), helps to identify the potential impacts and the expectations of local populations. These elements are set out in the theory of change and the logical framework, which translate the identified needs into measurable activities and outcomes.

The project is being implemented as part of the sustainable development framework, in accordance with Expertise France's internal decision-making procedures, to ensure that social, environmental and governance issues are taken into account. During implementation, the teams apply the quality criteria set out in the Practical Guide to Project Management, notably those relating to participation, ongoing dialogue and consideration for vulnerable groups, thereby ensuring regular monitoring of the impact on local communities.

Thus, although AFD group is not in direct and systematic contact with local populations, it ensures through these procedures that it meets their needs and upholds the principles of accountability, transparency and the right of appeal for local populations.

3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns

3.2.3.1 Environmental and social complaints system

Two mechanisms for processing environmental and social complaints, respectively for AFD and Proparco, help to manage, where appropriate, an operational risk. Where negative or unexpected environmental and social impacts could not be avoided, mitigated or offset in accordance with AFD and Proparco's environmental and social risk management policy, these grievance mechanisms may be activated. These mechanisms do not serve as avenues of appeal against AFD or Proparco. Their role is to provide the public with an additional and alternative means of redress, through (a) mediation and/or (b) a compliance audit, in order to address, as far as possible and within the customer's means, the negative environmental and social impacts of a funded project. They also help to strengthen transparency and accountability practices by drawing on the experience of other donors, notably through exchanges within the international IAMnet (Independent Accountability Mechanism Network), in which AFD participates. Furthermore, in order to better address the risk of retaliation against those using the complaints mechanism, the mechanism attended the quarterly meeting on this subject within the IAMnet network. Furthermore, when handling a complaint, the confidentiality of the complainant is guaranteed from the very first point of contact with the system, and anonymity measures may also be arranged for those at risk of reprisals.

At AFD, the environmental and social complaints management mechanism is an extra-judicial mechanism allowing any individual or group of individuals affected by a project financed by AFD, from an environmental or social point of view, to file a complaint. It promotes a constructive approach based on seeking out-of-court solutions. This mechanism is managed by a secretariat independent of the Executive Management of the operations and is placed under the supervision of the Ethics

Advisor. External experts are involved at various phases of the complaint processing process. Complaints can be submitted online, in person or by post, and must be submitted by one or more natural or legal persons affected by a project financed by AFD. They relate exclusively to the environmental and social aspects of the project concerned, for a project carried out in a foreign state, and intervene as a last resort, when the author of the complaint has exhausted the possibilities of dialogue and extra-judicial remedies with the customer or the AFD. Once the declaration has been received, the Secretariat undertakes to acknowledge receipt of the complaint within ten working days of its receipt, and confidentiality is guaranteed to those who request it. The complaint is registered under certain conditions (identification of the complainant, explicit description of the project and its impacts, description of the efforts made by the complainant to settle the dispute). The complaints registered are then subject to a detailed eligibility study, according to the criteria defined in the regulations. The eligibility decision is made by an Eligibility Committee, composed of a representative from the following AFD teams: compliance, legal, transparency and accountability. It is chaired by the Ethics Advisor. When a claim is deemed eligible, two methods to process them are provided. The first is conciliation, which offers the intervention of a neutral, independent and impartial third party to help find an agreement between the complainant, or their representative, and the beneficiary of AFD financing with regard to the dispute giving rise to the complaint. Conciliation is concluded when the parties concerned reach an agreement or when, in the opinion of the conciliator, no further progress is possible towards resolving the dispute. The second processing method provided is a compliance audit, which aims to determine whether AFD complied with its approach to managing environmental and social risks, and to recommend corrective measures if it did not. An action plan is then proposed, the implementation of which is monitored.

The list of eligible complaints, as well as information on how they are being processed and followed up on, is made public. The system's activities are the subject of an annual public report⁽¹⁾ and regular presentations to AFD's Board of Directors.

Since 2019, **Proparco** has also had a complaints-handling mechanism in place, enabling any individual or group of individuals who believe they have been adversely affected by a project financed by Proparco to lodge a complaint and have their case heard by a panel of independent experts. This mechanism, the Independent Complaints Mechanism (ICM), is shared by Proparco and its German and Dutch counterparts, DEG – the German bilateral private sector development bank, a member of the KfW Group – and FMO – the Dutch bilateral private sector development bank.

If the complaint meets the simple eligibility criteria described in the Independent Mechanism for processing Complaints (MIR) heading on the Proparco website⁽²⁾, it is forwarded to a panel of independent experts who, first of all, decide on its eligibility. At a second stage, the panel of experts may either facilitate dispute resolution through dialogue with Proparco's customer, the complainants and Proparco, or conduct a compliance review, which consists of an in-depth examination of Proparco's adherence to its environmental and social risk management policies and procedures, potentially leading to recommendations by the independent experts for the establishment of a Management Action Plan by Proparco aimed at resolving the cases of non-compliance identified. An annual report is published in the MIR section of Proparco's website. The ongoing review of the policy governing this mechanism involves consultation with stakeholders and is expected to result in the adoption of a new version by Proparco, FMO and DEG in March 2026.

Expertise France does not currently have its own environmental and social complaints mechanism. Nevertheless, in the context of the projects it implements, it ensures compliance with the requirements and procedures of its donors, notably those of the AFD and the European Union, as set out in the financing agreements. For projects financed by AFD, affected individuals or communities can file a complaint directly through AFD's environmental and social complaints system, pursuant to the contractual terms in force. Expertise France ensures that the project remains visible to local stakeholders and cooperates with the donor in the event of a complaint being lodged.

3.2.3.2 Sustainable development system: dimensions relating to local populations

During the appraisal phase, **the sustainable development system** analyses the expected impacts of each of the Group's loans on seven sustainability dimensions, as detailed in the General Information chapter, Section 2.1.2.6 "The Group's due diligence framework".

As regards local populations, they are assessed on the following dimensions:

- i. Social link: reduction of inequalities and inclusion": conflict prevention and social cohesion, access to goods and services, decent work, redistributive policies and a social protection floor, participation and inclusion in political and social life, combating discrimination, etc. This dimension analyses, in particular, the socio-economic context in the region of intervention (i.e. people on low incomes, including the poorest 40% of the population (the Bottom 40)), the coherence of the financing plan, the detailed contextual analysis of the level of multidimensional poverty inequalities in the country/project intervention area, and the risks of worsening inequalities, notably with regard to human rights;
- ii. Gender equality: refers to equitable access to essential goods and services, gender equality in terms of access to rights, socio-economic opportunities and resources, gender equality in terms of civil and political rights, risks of gender-based violence, political empowerment; etc. ;
- iii. Democratic and inclusive governance: public consultation and participation, transparency, alignment of the project with public policies and institutions, etc.;
- iv. Biodiversity: see Chapter 2.2 "Biodiversity" (E4);
- v. Low carbon transition" Chapter 2.1 "Climate change" (E1);
- vi. Resilience to climate change: see Chapter 2.1 "Climate change" (E1);
- vii. Economy: balanced regional development, local economy, inclusive economy, etc.

The Group has set itself the objective of ensuring that all projects financed are aligned, i.e. that they have a positive or neutral rating at the time of signature.

It should be noted that each AFD group entity has developed its own sustainable development analysis and rating grid in order to adapt it to the specificities of its intervention. Equally, the nature and level of detail of the analyses vary from one entity to another in order to best capture the impacts of its financing.

3.2.3.3 Due diligence measures to manage the social impacts of projects on local populations

AFD group makes its financing conditional on the implementation by customers of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess *a posteriori* the effectiveness of the proposed measures. See also the approach to managing environmental risks, which is presented in Section 1.2.6.3.

This environmental and social assessment approach is applied at each stage of the project cycle.

1) Environmental and social complaints management system | AFD – Agence Française de Développement

2) Independent Complaints Mechanism (ICM) to process environmental and social complaints | AFD – Proparco.

Assessment of the risks of negative impacts on populations

A risk classification system (based on the nature, scale and intensity of negative impacts) determines the scope of due diligence, involving levels of expertise and skills specific to the identified impacts. Impact assessments analyse the extent of a project's potential negative social impacts and aim to propose, for each identified risk, measures to avoid or mitigate it, or even to compensate for it where avoidance or mitigation measures are insufficient.

The E&S risk management system may also lead to the drafting of measures to mitigate negative social impacts, recorded in an Environmental and Social Management Plan (ESMP) which describes the measures, the necessary resources, the associated budgets, as well as the entity responsible for the follow-up to be implemented. Any actions remaining to be carried out at the time of signature (additional studies, continuous process of engagement of stakeholders (local populations), implementation of the ESMP) are recorded in a Commitment Plan/E&S Action Plan. This ESMP/ESAP is a contractual commitment included in the financing agreement. Its implementation is the responsibility of the customer.

Annual appraisal of the residual negative social impacts of projects under implementation by AFD

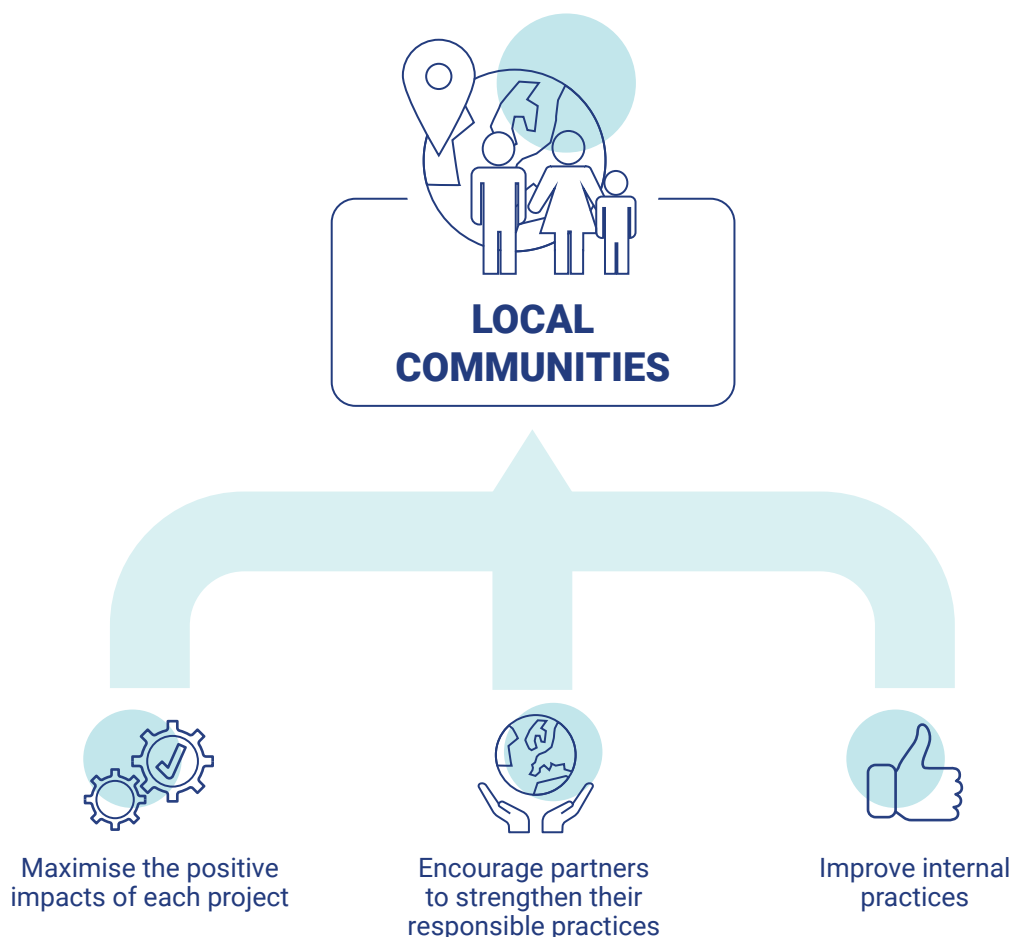
Depending on the nature of the projects, the E&S documentation may be supplemented by an action and resettlement plan where a significant number of people affected by the project face involuntary displacement, whether physical or economic,

permanent or temporary. Such a plan sets out the remedial measures to be implemented to offset the negative impacts.

Accordingly, a compensation mechanism is planned in the event that negative impacts arise. If any negative findings are identified, specific remedial measures are put in place. As soon as human rights complaints arise and are reported, they are dealt with by the system and the operational teams. These reports are confidential. However, the annual report is available on the AFD website and is described in the "General Information" chapter, Section 1.2.6.3 (see also 3.2.3.1). If any negative findings are identified, specific remedial measures are put in place. This reporting, supplemented by specific follow-up measures, enables an annual analysis of any remaining negative social impacts. This analysis is based on four criteria on the AFD side: the scale of environmental impacts, taking into account the project's progress; the quality of E&S management and compliance with social commitments; the sensitivity of the context; and the occurrence of major social events. This appraisal makes it possible to classify projects into four levels of E&S monitoring: projects requiring specific monitoring, sensitive projects requiring enhanced monitoring, projects requiring routine monitoring, or projects requiring basic monitoring (or no monitoring at all), and to identify the resources needed for their implementation. At Proparco, monitoring is based on four criteria: E&S organisation, E&S management system, E&S performance, and E&S effectiveness. When combined with intrinsic risk, these criteria enable the level of residual risk and the level of involvement of the ESG team to be assessed at least once a year.

3.2.4 Actions relating to material impacts on local populations

The Group's activities are fundamentally aimed at generating positive outcomes and impacts for local populations. Three main initiatives are therefore being implemented: (i) maximising the positive impact of each project, (ii) encouraging partners to strengthen their responsible practices, and (iii) improving internal practices.



3.2.4.1 Maximising the positive impacts of projects

With this in mind, the Group prioritises projects that generate positive impacts by ensuring robust project design, overseen by technical experts (project team leaders and project officers from cross-functional technical divisions, cross-functional project officers within the network for AFD, and support from the Support Sustainable Development Department (A2D) at Proparco). The appraisal process is designed to meet the needs of customers and local populations, and to maximise impacts on their behalf. AFD's Development Results and Impacts Division (SDD/RID) supports experts in defining expected results and impacts, whilst Proparco's Impact Measurement division (A2D/IMP) is responsible for doing so at Proparco.

In addition to the process described above, technical experts can draw on funds for project preparation (during the appraisal phase) and technical assistance (during the implementation phase) to maximise impacts.

In particular, during the project appraisal phase, AFD project teams can thus benefit from varying levels of support from cross-functional technical teams on issues such as reducing inequalities and citizen participation, etc.

Conducting diagnostics to support projects

As part of the feasibility studies carried out and the preparatory work undertaken to ensure that the impact on local populations is maximised, specific support may be provided in the following areas: inequalities (analysis of the context of multidimensional inequalities, poverty and, where relevant, the determinants of inequality in the country and/or project area, as well as a fiscal impact analysis); the mainstreaming of gender across all the Group's sectors of intervention (toolkits for each sector) and the reduction of gender inequalities (gender analyses and assessments, analysis of the risks of gender-based violence, gender-responsive budgeting (public finances)); and consideration of institutional strengthening/transformation to improve the effectiveness of public action and the challenges of citizen participation.

The various diagnoses thus provide an overview of the different cross-cutting issues (inequalities, gender, citizens/institutions), put forward a number of recommendations, and identify the additional financial resources required to support implementation. AFD teams are involved in selecting the consultancy firm, monitoring the conduct of the study and helping draft the recommendations.

Encouraging projects to maximise their positive impact

To secure and maximise the expected benefits for local populations, various tools are used to encourage customers to implement project improvement actions.

Subsidies to finance diagnostics or supplement a loan to implement the necessary recommendations

AFD operates five cross-cutting project preparation and monitoring support funds (FAPS - Fonds d'appui à la préparation et au suivi des projets), specifically dedicated to public sector reform and citizen participation; budgetary financing and public policy dialogue; climate, biodiversity and disaster risk reduction; and gender and the social link. Their aim is to ensure that these key cross-cutting issues are given greater consideration in projects and to support the assessment of budgetary funding applications. They enable the funding of studies and technical support at every stage of the project cycle (from identification through to monitoring during implementation), improve the quality of projects, and provide flexible and responsive support. These FAPS also aim to streamline processes, prevent the dispersal of resources and facilitate access to expertise through framework agreements.

In short, these resources make it possible to:

- provide support for the teams during the appraisal phase by financing additional studies on pre-feasibility, feasibility, and/or diagnostics;
- help customers and projects in the start-up/implementation phase to achieve positive impacts relating to populations. The FAPS budget is therefore used to fund technical assistance or capacity building within the projects.

Other FAPS may be dedicated to specific forms of support, such as the "Minka peace and resilience" initiative, which aims to prevent and respond to crises and conflicts in order to improve the living conditions of local populations and social links, and to strengthen their resilience as well as that of institutions.

Proparco also provides technical assistance and training for its customers. They aim to build their capacity to support the transformation of their businesses and the creation of positive impacts, notably in relation to gender, climate change and the improvement of environmental and social practices. Proparco works with the customer to identify their support requirements, after which technical experts capable of delivering the appropriate services are brought in. This support can be financed by drawing on funds delegated to Proparco (primarily national and European resources).

Financing arrangements that encourage customers to take local populations into account

The Group provides its customers with a range of financial instruments designed to encourage them to maximise their positive impact across all the cross-cutting dimensions described above:

- project loans, AFD group's traditional instrument, which aim to finance investment projects in all sectors;
- budgetary financing, the objective of which is to provide support for public policies or sectoral reforms;
- transformational loans ⁽¹⁾ for local and regional banks or local public enterprises;
- subsidies (State resources or delegated funds);
- equity investments in companies or investment funds;
- guarantees.

Funding of local CSOs: the example of the Support Fund for Feminist Organisations (FSOF) ⁽²⁾

The FSOF finances projects that contribute to gender equality and the empowerment of women and girls by strengthening local civil society organisations (CSOs). It finances and strengthens the technical, administrative and financial capacities of CSOs committed to the rights of women and girls. AFD uses several funding mechanisms under this fund: calls for thematic projects to select consortia of CSOs with the technical and financial capacity to back local organisations; calls for expressions of interest for CSOs (French or local) that can submit projects on their own initiative; and the certification of projects arising from AFD's sectoral programming to encourage the cross-cutting integration of funding for local feminist organisations.

The first phase of the FSOF was successfully completed, with €137M allocated to projects providing support for 1,400 feminist civil society organisations in 75 countries. A second five-year phase (2023-2027), with a target amount announced by France of €250M, is being implemented, subject to the continued availability of budgetary resources for grants.

Socially oriented investments

The Group invests in investment funds or provides dedicated credit facilities to finance women's entrepreneurship and thereby contribute to women's economic and financial empowerment. Proparco incorporates gender equality considerations into the projects it backs, drawing on the 2X Challenge framework to guide its work. Proparco invests in social bonds (Social or Gender Bonds) or Development Impact Bonds that incorporate a gender, inequality or climate dimension. These products help issuers to establish accountability and performance monitoring frameworks in accordance with ICMA ⁽³⁾ principles (see Section 1.2.3 "Business model").

Monitor projects and ensure compliance with established criteria

Once the projects have been approved, the Group carries out regular monitoring to ensure that the recommendations are being implemented and to measure the results and impacts.

1) Loans backing the customer's transformation.

2) FSOF's areas of focus: promoting and defending sexual and reproductive health and rights and sexuality education; combating gender-based and sexual discrimination and violence; women's empowerment and participation in economic life; social and political leadership; access to education; the Women, Peace and Security agenda; and gender and climate.

3) International Capital Market Association.

3.2.4.2 Engaging partners

AFD group is committed to strengthening its cooperation with its partners – lenders, donors and organisations working on related issues – in order to magnify its positive impact.

Encouraging and promoting best practices

AFD group promotes best practices for engaging with local populations, particularly in terms of inclusion, reducing inequalities – including gender inequality – and fostering democratic practices that encourage the involvement of stakeholders from diverse backgrounds in the international debate, through dialogue with partners and active participation in bodies and forums, with a view to achieving environmental and social justice. These relationships are also built through cooperation with French and international stakeholders involved in cultural, sporting and diplomatic initiatives, as well as through strategic dialogue with international organisations (e.g. UNESCO, UN Women, UNODC). In 2025, AFD group participated in (i) the World Summit for Social Development organised by the UN in Doha, Qatar, (ii) the Commission on the Status of Women (CSW) led by the United Nations Economic and Social Council (ECOSOC), and (iii) the World Forum for Democracy organised in Strasbourg by the Council of Europe. These international meetings are an opportunity for the Group to share its roadmaps and tools.

Channelling financial flows

AFD group is committed to channelling financial resources towards a social and democratic agenda, notably by seeking cofunding from multilateral and bilateral cooperation agencies. Notably, the Group engages public development banks from the Finance in Common (FICS) global network and the World Bank, and promotes cofunding with the European Union and other European countries, notably within the framework of the Team Europe Initiatives, which encourage coordinated and concerted efforts by European donors to achieve greater impact, as well as to strengthen advocacy and the implementation of concrete actions.

Mobilising research

AFD group also mobilises research, which it has in-sourced within the Group, by focusing its work on its strategic and operational priorities. The fight against inequality, the green transition, the sound management of shared resources, and economic assessments of the countries in which we operate are at the heart of research at AFD group. Whilst enabling public decision-makers and civil society to draw on their findings, studies and research help to ensure that AFD group's operational and strategic decisions are more effective. This work feeds into operations, and this positioning represents a significant source of added value for the Group.

For example, since 2017, the EU-AFD Research Facility on Inequality has enabled the Group to develop recognised and influential scientific expertise, which informs national policy trajectories and underpins public reforms.

3.2.4.3 Improving internal practices

Skills development through training

The Group provides training courses aimed at Group employees, partners and mixed audiences to ensure a thorough understanding of governance, gender equality and social inclusion. This offering is delivered through the AFD Campus, which provides training designed by the Group or in partnership with external organisations, such as the International Labour Organization.

Internally, AFD group's objective is to consolidate the integration of social and democratic issues in projects. This includes training on multidimensional inequalities, inclusion and gender equality, as well as knowledge and skills in geographical intelligence, advocacy, community engagement and leadership.

Externally, MOOCs (Massive Open Online Courses), training courses and workshops are offered on an open-access basis to promote collaborative educational design, as well as being aimed at partners, such as training on feminist organisational transformation.

Available expertise tools

Various tools are available to AFD's technical and regional teams to inform the process of assessing needs and planning the necessary project activities.

Level at which tools are used	Tools
Sector level	<p>Maps that identify the various levers for promoting inclusion and reducing inequalities across different sectors and sub-sectors of intervention</p> <p>Sector-specific gender toolkits containing practical resources and tools tailored to sector-specific issues and needs (governance, transport and mobility, health, energy, education and vocational training, water and sanitation, urban development, the private sector, agriculture and rural development).</p> <p>Thematic notes and factsheets on gender, summarising key concepts, data and issues relating to certain key topics (e.g. thematic factsheet on gender and climate change).</p> <p>Sector-specific impact factsheets on the theme of equality and inclusion, enabling the identification of impacts according to sector of activity.</p>
Country scale	<p>Bottom 40 country profiles providing access to key socio-demographic and economic information on the composition and geographical distribution of the poorest 40% of the population.</p> <p>Multidimensional assessments of inequality and analyses of the tax impact to enhance our understanding of inequality and inform tax reforms. Multidimensional inequality assessments are comprehensive, primarily quantitative reports on multidimensional inequalities produced in collaboration with statistical offices using available surveys and censuses. The tools also include (i) applied research programmes that inform public policy dialogue with partner countries and (ii) analytical tools made available to partners and the international community. Country-specific gender profiles analyse the context (key data, legislation, national strategies), the main stakeholders in the field of gender equality, and the integration of gender considerations into AFD's operations.</p> <p>A gender prospecting kit (2020) mainly targeting AFD local offices in order to provide the necessary tools to establish a dialogue on gender equality and the identification of projects.</p>
Project/ programme level	<p>A toolkit and an inequality checklist are used to structure the stages and questions involved in project assessment, as well as to identify the relevant tools to be used. Proparco also has a tool in the form of a gender analysis checklist for projects.</p> <p>Tools for analysing the distributional effect ⁽¹⁾ make it possible to better understand the impact of projects or public policies on inequalities:</p> <ol style="list-style-type: none"> the tool for analysing the fiscal and budgetary impact on inequality and poverty, which breaks down the impact of fiscal measures (taxes, exemptions and subsidies) and social measures (transfers, contributions and benefits) on poverty and inequality; and the Equity Tool or the Distributional Impact Assessment Tool, in order to assess the position of the projects' direct beneficiaries within the national (urban or rural) distribution of wealth; A guide on gender-sensitive AFD projects²: from identification to evaluation, providing practical factsheets to help better incorporate gender considerations into projects and programmes; <p>Model terms of reference for gender analyses and gender-sensitive feasibility studies in the appraisal of AFD projects.</p>

(1) The distributive effect refers to the way in which the costs and benefits of certain actions are distributed among different social, economic, cultural or geographical groups. The effect may be regressive if the measure widens the gap, or progressive if, conversely, it benefits lower-income groups to a greater extent. The distributional impact of a tool or policy reflects the differences in its effects across different groups (by income, gender, age, etc.).

For issues relating to the reinforcement of institutions, public policy reform in the context of budgetary funding, or citizen participation, various tools are also available at the project level:

Strengthening/ transforming public institutions	<ul style="list-style-type: none"> • Institutional flash diagnosis, in-depth organisational diagnosis, transformation plan • Diagnostic matrix for leadership and project management skills • Effective, Transparent and Resilient Institutions and Access to Communication checklists, used to identify examples of activities and key questions during project assessment in order to maximise impact • Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects • A transformation kit for ministries • A digital transformation kit
Citizen participation	<ul style="list-style-type: none"> • Diagnosis of CIN's citizen participation practices, which seeks to identify: <ul style="list-style-type: none"> • existing or past consultation practices • relevant information and engagement channels, • a map of the actors who will be involved in the project • the ability of consultation to drive the process • Citizen participation checklist used to identify examples of activities and key questions during the project planning phase in order to maximise impact • Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects • A position paper on public participation in projects enables operational implementation • Existing cross-cutting factsheet: citizen participation in just transitions • A kit on citizen participation in projects
Public policy reforms in the context of budgetary financing	<ul style="list-style-type: none"> • Assessment of the stability of the macroeconomic framework • Fiduciary risk study • Public policy (PP) or programme maturity analysis tool • Stakeholder relations analysis • Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects • Financial governance checklist used to identify examples of activities and key questions during the project planning phase in order to maximise impact

The Group is implementing measures to prevent and reduce exposure to negative impacts and to manage identified risks, pursuant to the processes described above (see Section 3.2.3 on the process aimed at remedying negative impacts and channels enabling local populations and end-users to voice their concerns). No specific material opportunities or risks relating to local populations were identified.

3.2.5 Metrics and targets (S3-5 & S4-5)

3.2.5.1 Project monitoring indicators validated during the year

Proportion of projects with no explicit negative rating	2024	2025	2025 target
Social link: reduction of inequalities and inclusion	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%
Gender equality	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%
Governance	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%

As explained in Section 3.2.3.2 “Sustainable development rating”, the Group aims to avoid participating in projects that have a negative impact on local populations.

3.2.5.2 AFD group's performance indicators across various dimensions relating to local populations

In order to manage its activities, each AFD group entity has defined a number of key performance indicators across various dimensions relating to local populations:

Entity	Dimension	2024	2025	2025 target	2026 target	2027 target
AFD	<u>Equality and inclusion</u> – Share of commitments (in number of projects) whose main or secondary objective is the reduction of multidimensional inequalities and inclusion	49.1%	58.2%	50.0%	50.0%	NA
	<u>Gender</u> – Share of amounts committed marked CAD1 and CAD2 in loans and grants in foreign States	61.0%	68.1%	55.0%	55.0%	55.0%
	<u>Governance</u> – Share of AFD commitment approvals where democratic and inclusive governance is the primary or significant objective	55.3%	74.4%	55.0%	55.0%	55.0%
Expertise Farncé	<u>Gender</u> – Share of new projects signed on French funding whose main or significant objective is gender equality (marked OECD DAC 1 or DAC 2).	-	85.7%	75.0%	75.0%	75.0%

In defining its targets, AFD group draws on the guidelines issued by the Presidential Council, and the on sectoral roadmaps. The targets are set in line with the POS V Strategic Orientation Plan and are part of a trajectory based on the historical performance of the portfolio and the Group's ability to identify realistic signs of progress.

In addition, structured dialogue with partner public institutions and customers, beginning at the project prospecting and identification stages, is based on the logical framework underpinning the funding.

For Proparco, the goal to help reduce inequality is also set out as one of the pillars of its 2023–2027 strategy. This goal was reflected in two indicators:

- through a commitment target of €234M per year in projects targeting disadvantaged populations belonging to the Bottom 40. In 2025, projects financed by Proparco amounted to €253M. This objective will be reviewed during the preparation of the next strategic plan in order to take into account a wider range of projects contributing to the equality and inclusion dimension of the strategy's 'reducing inequalities' pillar;
- through a commitment indicator for 2X-aligned projects (€), a goal also set out in the 2023–2027 strategy. The 2025 target, set at €634M, was exceeded, with a total of €643M in 2X-aligned projects in 2025. In 2026–2027, a target of over €1.2bn in commitments to 2X-qualified projects ⁽¹⁾ was set following the mid-term review of the strategy.

3.2.5.3 Result and impact indicators of the AFD group's activities on local populations

AFD group ultimately aims to have an impact on local populations, as measured through the Results and impact framework set out in Chapter "General information", Section 1.2.4 "Steering backed by impact measurement and evaluation". It covers the overall result and impact indicators defined at Group level), which serve both as internal management tools and as a platform for accountability and external communication.

To ensure effective management of funding, these indicators are monitored in the Group's information system from the moment funding is approved (*ex-ante*) and for projects completed during the year (*ex-post*). For this first sustainability statement, only the *ex-ante* indicators were produced. The *ex-post* indicators will be produced as part of the following report ⁽²⁾.

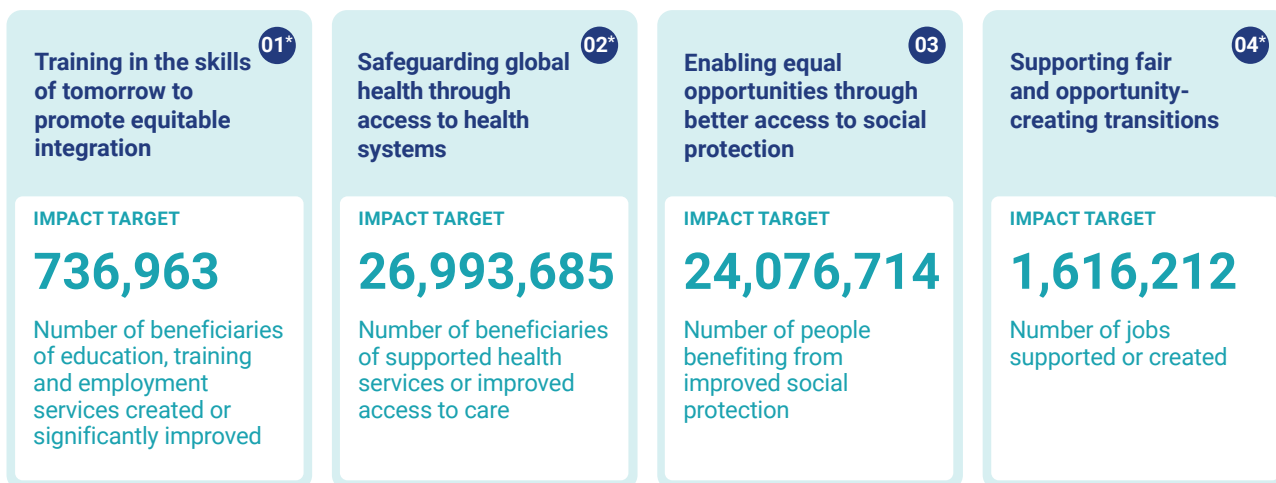
Given the nature of its funding and the inherent difficulty in measuring very-long-term impacts (such as changes in national statistics), AFD focuses its monitoring on intermediate result and impact indicators. These Results and Impacts Framework (RIF) indicators are chosen to capture direct transformations attributable to AFD group's specific intervention, providing a measurement of the effectiveness of its actions while demonstrating how each project contributes to the Group's overall impact thesis.

1) An initiative launched by the G7's development finance institutions (including Proparco) at the 2018 G7 summit in Canada, with a view to collectively committing to and mobilising resources for projects that reduce gender inequality. The 2X criteria were developed to help members identify compatible investments.

2) Joint work by Expertise France and AFD made it possible to identify correspondences between the indicators of the Results and Impacts Framework (RIF) and the aggregatable Expertise France (THEMA) indicators. The THEMA system, designed in line with Expertise France's role as a project implementation body, is based primarily on an annual collection of non-cumulative *ex-post* results, using a methodology standardised across Expertise France. In this context, for projects not funded by AFD, Expertise France is not currently in a position to provide *ex-ante* values for this first report for all RIF indicators for which there is a correspondence between the two indicator systems. For projects financed by AFD, results are included in the values reported by AFD.



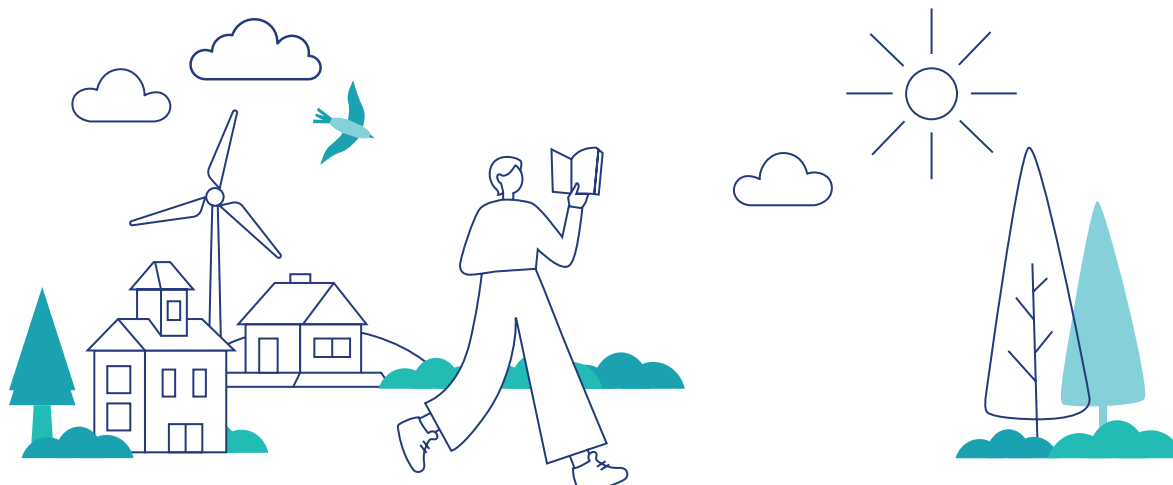
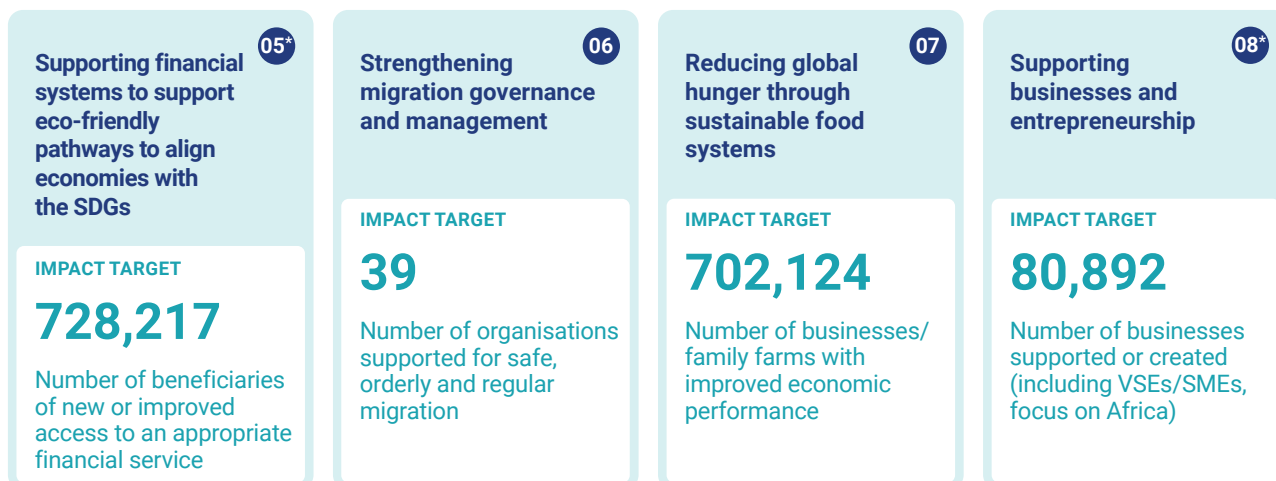
HUMAN DEVELOPMENT



3



SUSTAINABLE ECONOMY AND FINANCE



* These indicators are within the scope of AFD and Proparco – the others are within the scope of AFD



SUSTAINABLE INFRASTRUCTURE

09*
Ensuring access to affordable, reliable and sustainable energy for all

IMPACT TARGET

13,553,781

Number of people whose direct or indirect access to energy is improved

10*
Ensuring universal access to sustainably managed water and sanitation services

IMPACT TARGET

24,827,959

Number of people with access to safely managed drinking water and sanitation services

11*
Developing greener transport for access to services and opportunities for all

IMPACT TARGET

3,099,586

Number of people benefiting from improved access to sustainable transport infrastructure and services

12*
Making digital technology work for every citizen, institution, and the planet

IMPACT TARGET

46,360,563

Number of people who gained access or improved access to the Internet and/or telecommunications

13*
Improving the quality of life in cities

IMPACT TARGET

22,591,868

Number of city residents and users whose quality of life has improved



SOCIAL LINK

19
Promoting sport and the cultural and creative industries as an accelerator of social cohesion

IMPACT TARGET

6,449,415

Number of people with better access to the sports and cultural sectors: activities, employment, training, infrastructure (including heritage)



* These indicators are within the scope of AFD and Proparco – the others are within the scope of AFD

4

Governance information (G1)

SUMMARY



Governance information (G1)

Integrity is at the heart of the AFD group's action, particularly in an international environment where the Group may be exposed to risks of corruption, non-compliance or damage to its reputation.

The Group thus maintains a **zero tolerance policy towards any prohibited practices***, in accordance with its legal obligations, its ethical commitments and its role as a public player in development financing.

This requirement extends to the entire value chain: customers, partners, beneficiaries, suppliers, co-financiers and financial intermediaries.

The management of integrity and compliance risks is based on robust policies and procedures as well as the commitment of management bodies.

To promote these integrity values, the AFD group provides training to its teams on compliance and ethics issues.

Professional whistleblowing and information reporting systems enable allegations of misconduct to be reported. These reports are analysed and following investigations, and when the facts are proven, may lead to appropriate measures being taken.

** Defined in the «AFD group's General Policy on the Prevention and Fight against Prohibited Practices»

2025 highlights:

0

Conviction
for breach of integrity
(France and country of intervention)

0 €

Amount of fines
for breaches of anti-corruption
legislation and
acts of corruption

100%

of employees identified
as working in a high-risk
function are covered by
anti-corruption training

4.1 Corporate culture (G1-1)

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

Title of the IRO	Policies	Equity	Metrics & Targets
Negative impact of potential incidents of corruption, money laundering or terrorist financing involving an employee or as part of operations (G1)	<ul style="list-style-type: none"> Ethics Charter AFD group Code of Conduct against Corruption and Influence Peddling and EF Code of Conduct AFD group's general policy on preventing and combating prohibited practices – AFD and PRO 	<ul style="list-style-type: none"> Systems for reporting reprehensible practices Procedure for preventing and managing conflicts of interest Customer KYC due diligence system Assessment of corruption risks in relations with third parties Internal regulations 	<ul style="list-style-type: none"> Cases of corruption (concerning AFD group) (G1-4) Convictions for corruption offences (<i>number</i>) Amount of corruption offences (€)
Operational risks. Risks of corruption, misappropriation of aid, influence peddling, external or internal conflicts of interest, money laundering or terrorist financing, and failures or shortcomings in the management of suppliers and subcontractors on funded projects (G1)	<ul style="list-style-type: none"> "Combating money laundering and the financing of terrorism" reference document ⁽¹⁾ Policy on national and international economic and financial sanctions 	<ul style="list-style-type: none"> Monitoring of third parties (customers, suppliers) and transactions Mandatory anti-money laundering and combating the financing of terrorism (AML-CFT) and anti-corruption training 	<p>Targets</p> <p>AFD group has zero tolerance for any prohibited practices in the course of its activities and operations.</p>

(1) EF is not subject to the tax.

4.1.1 Mechanisms in place to identify, report and investigate concerns about unlawful behaviour or behaviour contrary to its Code of Conduct

Corruption, human trafficking, fraud, and any form of misappropriation of public and private aid are likely to have a detrimental impact on AFD group's mission. The same applies to

any financing that would lead, without the knowledge of AFD and its subsidiaries, to participating in a money laundering or terrorist financing mechanism.

To this end, **the AFD group promotes a culture of integrity** and ensures, in particular, **compliance with applicable regulations and internal systems** in terms of:



- **AML/CFT:** Avoidance and combating money laundering and the financing of terrorism.



- **Fight against corruption:** Fight against corruption, related offences and prohibited practices.



- **Sanctions:** Compliance with international and national financial and trade sanctions.



- **Banking ethics:** Management of conflict of interest, conduct of banking and financial activities.



- **Personal data:** Protection of clients' privacy and personal data.

Moreover, being subject to banking regulations on the fight against money laundering and the financing of terrorism, AFD, its subject subsidiaries or AFD on behalf of its non-subject subsidiaries, may make a suspicion report to Tracfin¹⁾.

AFD group has also established several reporting mechanisms enabling internal and/or external stakeholders to report misconduct (see Section 4.2.2 "Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings)").

Checks made during a project's life cycle

Prior to funding any projects, a thorough review is conducted of the counterparty and, where applicable, its relevant shareholders and beneficial owners, as required by banking and anti-corruption regulations.

Politically exposed persons, and in some cases public officials, are also identified.

As part of its project monitoring process, the Group set up a number of controls designed to ensure that resources are used appropriately. Moreover, the procedures for reimbursing or receiving payments of any kind – including, notably, dividends – or for divesting equity investments (sale of equity investments) are closely monitored, as they may reveal prohibited practices.

At the time of the examination, and then throughout the life of the projects, the Group provides its employees with filtering tools which consolidate information such as the financial and commercial sanctions adopted by France, the European Union, the United States and the UN. At AFD, this filter is also integrated into the payment processing chain managed by the Finance Department.

The objective is to ensure that no counterparty, beneficiary of financing, supplier or successful tenderer of a call for tenders financed by AFD is facing financial sanctions, or operates in sectors under embargo.

Third-party commitments

As regards customers and beneficiaries, AFD group's financing (or co-financing) agreements contain a number of clauses requiring them to undertake commitments relating to the fight

against corruption, fraud, collusion, money laundering and the financing of terrorism, and to comply with French and international financial and trade sanctions. These clauses notably oblige customers and beneficiaries to inform the relevant AFD group corporate entity of cases of alleged prohibited practices or potential or proven reprehensible practices, and to take remedial action in accordance with the Group's expectations. In the absence of remedial action, the Group reserves the right to terminate the business relationship. It can suspend payments, cancel the portion of its financing in relation to which improper or non-compliant practices have been detected and demand early repayment of all or part of a loan or repayment of all or part of a grant paid. The Group may also decide to take the matter to the French courts or to the local courts where the project is being carried out.

Controls in the context of foreign public contract awards by AFD

When AFD finances a project in a foreign State, the customer or beneficiary contractually undertakes to comply with the "Guidelines for the award of contracts financed by AFD in foreign States", the purpose of which is to establish the best practices expected by AFD and to specify the scope and methods of the verifications that AFD carries out concerning compliance with the conditions for the provision of its financing.

Compliance checks in relation to these directives notably take the form, depending on risk criteria, of the issuance of letters of no objection (LNO) and are carried out *ex-ante* at specific stages of the procurement process. In some cases, *ex-post* checks may also be carried out for certain procurement processes.

In addition to these checks, AFD imposes ineligibility criteria on contractors, over and above those that exist in local legislation.

Notably, a person may not be awarded a contract financed by the AFD if that person, or any subcontractor, director, employee or agent acting on their behalf, has engaged in a prohibited practice (such as an act of corruption), either directly or indirectly, with a view to securing that contract.

These criteria are known to bidders because they are required to submit a declaration of integrity by way of which they acknowledge that they meet the eligibility criteria set by the AFD.

4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations

AFD group rolled out a risk management framework designed to prevent, detect and address any suspected misuse of its funding, both at AFD and within its subsidiaries, including Proparco and Expertise France. This system is based first and foremost on a set of procedures in terms of financial security and professional ethics, which notably includes policy documents such as:

- the Ethics Charter;
- AFD group Code of Conduct against Corruption and Influence Peddling and EF Code of Conduct;
- AFD group's general policy on preventing and combating prohibited practices;
- the Group's whistle-blowing system and Expertise France's internal whistle-blowing system;
- the general policy for the prevention, detection and management of conflicts of interest;
- the Combating money laundering and the financing of terrorism reference document;
- the policy on national and international economic and financial sanctions;

1) Tracfin is the financial intelligence service under the authority of the Ministry of the Economy, Finance and Industrial, Energy and Digital Sovereignty.

- the Guidelines applicable to the conduct of investigations carried out by the Investigation Unit of the AFD group's Compliance Department in the event of reports of prohibited practices;
- as well as various internal procedures and contractual provisions present in all its template financing agreements.

Policies on preventing and combating misconduct, including corruption, are available to all staff members (regardless of their status) via the intranet of AFD and its subsidiaries, whilst those intended for external stakeholders are published on the websites of AFD and its subsidiaries (notably on the page dedicated to the fight against corruption).

In addition, the content of the policies is explained through training sessions, some of which are aimed at all staff, others at expatriate staff, and others tailored to staff who are particularly at risk of corruption. This programme is complemented by annual e-learning modules ⁽¹⁾ and practical resources designed to ensure understanding and implementation.

A Code of Conduct, appended to the internal regulations, is shared with each new employee.

4.2 Anti-corruption (G1-3)

4.2.1 Functions most exposed to the risk of corruption and bribery payments

AFD group entities identify the functions most exposed to the risk of money laundering/terrorist financing and of corruption/misappropriation of aid.

4.2.2 Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings)

AFD group has also established several reporting mechanisms enabling internal and/or external stakeholders to report misconduct.

Whistle-blowing system

AFD group has established a **whistle-blowing system** in accordance with the requirements of the so-called "Sapin II" law and the applicable legislation transposing Directive (EU) 2019/1937 into French law (the Wasserman law).

This mechanism, set out in a formal procedure, is designed notably to ensure that these individuals benefit from whistle-blower protection, specifically by providing:

Internal reporting channel

- A confidential and secure system is accessible to all data subjects via a secure email address.
- All AFD and Proparco employees receive training on this system every year as part of an e-learning course.
- The entry point of the system is the AFD group Ethics Advisor. Appointed by AFD's Executive Management and endowed with an independent status and a three-year term, they have sufficient competence, authority and resources to carry out their missions. To this end, they fully fulfil the duties of collecting and processing the admissibility of the alert and remain independent with regard to the various persons who may be concerned.
- Reports of corruption or any other prohibited practices affecting projects financed by the Group or its

non-project-related proprietary activities are handled by the Investigation Unit of AFD's Compliance Department or by the relevant department at Expertise France. Staff working in the Investigation Unit have the key knowledge required to perform their duties. Keeping this skill up to date requires them to undertake regular professional development activities.

- The handling of whistle-blowing reports concerning discrimination, harassment, or breaches of health and safety legislation that jeopardise the physical and mental health of employees, and more broadly of social legislation, shall, with certain exceptions, fall within the remit of the Group's Human Resources Departments (see notably Section 3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence).
- The processing of alerts relating to other areas authorised by the system and which would not *a priori* fall under the responsibility of the Compliance Departments, the Human Resources Departments or the General Inspection are assigned by the Ethics Advisor to the appropriate entity.

The Ethics Advisor in charge of receiving professional alerts was appointed by the AFD group's Chief Executive Officer. Having trained in mediation at the Conservatoire national des arts et métiers (CNAM) in 2022, following more than 15 years of legal expertise at AFD and Proparco, she went on to hold the positions of General Counsel at Proparco, Head of Permanent Control and Compliance at AFD, and subsequently Secretary General at Proparco. More recently, she established and headed Proparco's Communications, Transformation, Property and Logistics department until September 2024.

1) AFD and Proparco.

Other reporting mechanisms

In addition, there are several other reporting mechanisms at AFD group that allow employees to report misconduct:

- employees working for AFD and Proparco:
 - have access to an operating incident declaration mechanism which collects and centralises all shortcomings identified by employees (including AML/CFT, and reports of corruption and fraud),
 - must also report any suspected irregularities in projects or in the activities of the three entities to the Compliance team through the line management reporting mechanism. The processing of these reports is managed by the Investigation Unit of the Compliance Department in order to have an exhaustive overview of the cases encountered, and to ensure a consistent response to them.
 - also have the option of contacting the director of that department directly whenever they believe they have identified a situation that poses a risk of non-compliance;
- Expertise France's internal whistle-blowing and reporting system is open to employees. It is the subject of a procedure and appears on its intranet site.

A reporting mechanism for prohibited practices is available to third parties associated with the Group. Details on how to submit a report can be found on the AFD's institutional website.

Protection against retaliation under the whistle-blower protection scheme: internal and external staff are protected by their employer against any sanctions, dismissal or direct or indirect discriminatory measures relating to employment (notably compensation, incentive schemes, training, redeployment, assignment, qualifications, classification, career progression, working hours, performance appraisal, transfer or contract).

- Information that could identify the whistle-blower may only be disclosed with the whistle-blower's written consent.
- More generally, anyone using the workplace whistle-blowing mechanism will be entitled to the legal protection afforded to "whistle-blowers", provided that they raise a concern in accordance with the provisions of Directive (EU) 2019/1937 and the French transposing legislation (the Wasserman law). "

Procedures for investigating business conduct reports under the whistle-blowing system

The Ethics Advisor acknowledges receipt of the alert within **seven working days** at the latest and decides on its formal admissibility within fifteen working days, and assigns the processing to the appropriate entity.

The whistle-blower shall be informed in writing, within a maximum of three months from the date of acknowledgement of receipt, of **the measures planned or taken** to assess the accuracy of the allegations and, where appropriate, to address the subject matter of the report, as well as the reasons for such measures.

When the alert has been completed, the Ethics Advisor shall inform the issuer of the alert, in writing, of the terms and conditions of the closure based on the information provided to them by the entities responsible for handling the alert.

With regard to the system for handling reports of prohibited practices, the investigation unit within the Group's Compliance Department is responsible for conducting an investigation to verify the veracity of any allegations brought to its attention, provided that these relate to a project funded by the Group or concern one of the Group's entities or one of its employees who may be the victim of such acts (identity theft, CEO fraud, etc.).

In the event of misconduct by Group employees, this task is primarily assigned to the Group's General Inspection, but also to the HR Departments on referral by the Executive Management.

The investigation unit conducts its investigations in accordance with the "Guidelines applicable to the conduct of investigations", available on the AFD group website.

Independence of the Investigation Unit

AFD group's policies and procedures provide for the independence of investigators in the relevant management chain. This organisation ensures an impartial and objective investigation, with the possibility of using independent external experts where necessary. Furthermore, specific provisions relating to conflicts of interest are provided for in internal procedures and allow the implementation of management measures (including deportation) if a conflict-of-interest situation is identified.

Communication of results to AFD group's governance bodies: as part of their annual activity report, the Ethics Advisor anonymously includes the number of cases and the type of whistle-blowing cases. It is presented to the Executive Management of the relevant Group entities.

With regard to the scope covered by the AFD's Investigation Unit, the Head of Compliance communicates all reports of fraud or corruption to AFD's Executive Management at least once a month. The number of cases referred to Compliance, the nature of these allegations and the related procedures are also presented at internal audit and risk committees, including those of AFD and Proparco's Executive Management.

The Head Compliance presents, at least twice a year and whenever invited to do so, the activities of the Investigation Unit to AFD's Board of Directors.

All of this information is included in the internal control report sent to the French Prudential Supervisory and Resolution Authority, as well as in the Compliance activity report.

Expertise France's Head of Compliance reports to Executive Management on the processing of reports at Executive Committee meetings, and regularly at each meeting of the Internal Control and Compliance Committee and of the Audit and Risk Committee of the EF Board of Directors. Moreover, the number of cases and their type are also shared with the Group Risk Management Committee of the parent company AFD.

4.2.3 Training on business conduct and anti-corruption

In accordance with applicable French regulations, AFD group ensures that all of its employees, including those of its network of local offices, receive regular training and notifications on the risks and procedures to implement in terms of the fight against money laundering, terrorist financing, fraud and corruption.

These training courses, which include familiarisation with codes of conduct, are delivered through e-learning courses, face-to-face sessions and webinars (synchronous training).

- i. E-learning courses on anti-money laundering and combating the financing of terrorism: all AFD and Proparco staff (at head office and across the network, whether new hires or existing staff) were required to complete one or two e-learning modules, depending on their exposure to this risk.
- ii. Moreover, since 2023, completion of Module 1 of the e-learning training courses on anti-money laundering and combating the financing of terrorism has been included as an indicator in the calculation of the Group's profit-sharing scheme and is highlighted as a key focus during annual performance reviews.
- iii. E-learning training on combating corruption and influence peddling, and on the management of conflicts of interest: every year, all staff of AFD and Proparco must complete two compulsory modules on combating corruption and influence peddling, and on the management and handling of conflicts of interest.

- iv. Training delivered in person or through webinars in terms of compliance: these complement the self-study programme and are designed to provide staff – particularly those in high-risk roles – with all the regulatory and legislative knowledge they need to carry out their duties at AFD group.
- v. Expertise France is rolling out a core e-learning course on the Code of Conduct and the fight against corruption, as well as all practices that contravene the Code of Conduct. An e-learning course aimed at employees who are particularly exposed to the risk of corruption will be introduced in 2026.

The training courses are tailored to the profile of the participants, as they take into account staff assignments as part of the induction process for new hires, as well as the career moves undertaken by AFD group employees.

Training of the Group's directors and executives

An e-learning training course is dedicated to managing AML-CFT risks in the context of the exercise of the duties of director. The training programme also includes a specific focus on conflicts of interest and the responsibilities of directors and corporate officers, notably in the event of non-compliance with anti-corruption regulations.

4.2.4 Conviction for corruption or bribery (G1-4)

AFD group has zero tolerance for any prohibited practices in the course of its activities and operations.

Violation of anti-corruption and anti-bribery laws	Group	
	2025	2024
Number of convictions	0	0
Amount of fines	0	0

Corruption risk mapping enables action plans to be defined to mitigate identified major or critical risks. In 2024, AFD put in place an action plan on the risk of corruption or misappropriation of aid in the context of financing projects. It included four main actions, namely:

- improving information systems by assigning a third-party anti-corruption score, as part of the project to establish a third-party benchmark;
- raising awareness among certain target audiences such as the Purchasing Department and local managers through training;
- physical training in the network (Regional Directorates or local offices);

- the implementation of additional anti-corruption procedures. To date, the last three actions have been rolled out in full.

Non-compliance with anti-corruption procedures and standards

AFD's permanent control centralises incidents of non-compliance with internal procedures, notably with regard to the risk of corruption. These incidents are reported using a database tool and processed. Failures could result either in sanctions (like a formal reminder of the rules to the teams concerned) or in the implementation of reinforced controls.

5

Appendices to the sustainability statement

5.1 Disclosures in relation to specific circumstances (BP-2)

5.1.1 Time horizons

The time horizons specified in the report correspond to the definition of the short, medium and long term indicated in the standard (respectively less than one year, up to five years, and more than five years).

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Time horizons	<p>9.a Disclosure of medium- or long-term time horizons in the event of deviations from the defined time horizons</p> <p>9.b Disclosure of the reasons why the application of these time horizons definitions is different</p>	<ul style="list-style-type: none"> Assessment of climate-related financial risks 	<p>2.2.1 Climate change</p> <p>2.2.1.1.2. Implementation of AFD group's climate commitments</p>

5.1.2 Value chain estimates

This report uses value chain estimates that are made using the following sources, among others:

- when this data is available, the Group uses third parties (rating agencies, recognised databases);
- for financing allocated to projects, AFD and Proparco collect data directly from project leaders, as far as possible;
- the Group seeks to use the latest data available for the year, but there may be a time lag between customer and beneficiary data and the data for the year. When information is not available at 31 December 2025, data from an interim date has been used to represent the situation for 2025 as a whole;

- in the absence of data, proxies, mainly sectoral and geographical, may be used. This leads to uncertainty in the data. The key indicators concerned are exposure to physical and transition risks relating to climate and nature, and emissions;
- furthermore, where actual data is not available for the outcome and impact indicators of funded or supported projects, the Group relies on estimates based, notably, on official statistics or similar projects. Further details regarding the use of assumptions and estimates are provided in the notes to the relevant indicators.

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Value chain estimates	<p>10.a Disclosures of the indicators used, including data on upstream and downstream value chains estimated using indirect sources, such as sectoral averages or other approximations</p> <p>10.b Description of the basis of preparation used for these indicators, which include data relating to the upstream and downstream value chain that are estimated using indirect sources</p> <p>10.c Description of the level of accuracy derived from indicators that include data relating to the upstream and downstream value chain, estimated using indirect sources</p> <p>10.d Where applicable, a description of the measures planned to improve the accuracy of indicators that include data relating to the upstream and downstream value chain, which are estimated using indirect sources</p>	<ul style="list-style-type: none"> Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions GHG emission intensity (total GHG emissions per net banking income) Average annual CO₂eq emissions of projects 	<p>2.2.1 Climate change</p> <p>2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity</p> <hr/> <p>2.2.1 Climate change</p> <p>2.1.1.3.6 Average annual CO₂eq emissions of projects</p>

5.1.3 Sources of estimation and outcome uncertainty

The estimates referred to in the point above give rise to uncertainties in the data, the extent of which cannot yet be calculated with any precision. These levels of uncertainty also depend on each indicator. These uncertainties also depend on whether the customers and beneficiaries of the interventions are directly or indirectly involved (as in the case of cascading financing via local banks, for example). Indicators measuring access to infrastructure typically use proxies to identify a

potential pool of beneficiaries, so the margin of error is greater. By contrast, the figures relating to beneficiaries of training or capacity-building initiatives are generally more closely linked to the project's direct activities and are therefore more reliable. Work to develop the collection of actual data and thereby reduce the reliance on estimates and proxies takes place on an ongoing basis.

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Sources of estimation and outcome uncertainty	11.a Disclosure of quantitative indicators and monetary amounts subject to a high degree of measurement uncertainty	<ul style="list-style-type: none"> • Scope 3 GHG • Total number of employees leaving the company • Employee turnover rate • Number of beneficiaries of education, training and employment services created or significantly improved, % of women and girls • Number of beneficiaries of backed health services or of improved access to care, % of women 	2.2.1 Climate change 2.2.1.2.1 AFD group's financed emissions
	11.b.i Disclosure of information on sources of measurement uncertainty 11.b.ii Disclosure of assumptions, approximations and judgements used by the entity to measure quantitative indicators and monetary amounts	<ul style="list-style-type: none"> • Number of people benefiting from better social protection, % of women • Number of jobs backed or created • Number of beneficiaries of new or improved access to an adapted financial service, % of women • Number of organisations for safe, orderly, and regular migration backed • Number of businesses/family farms with improved economic performance • Number of businesses backed or created (including VSEs/SMEs, focus on Africa) • Number of people with improved direct or indirect access to energy, % of women • Number of people benefiting from safely managed drinking water and sanitation services, % of women • Number of people benefiting from improved access to sustainable transport infrastructure and services, % of women • Number of people who gained access or improved access to the Internet and/or telecommunications, % of women 	2.3.1 A meaningful work environment 2.3.1.2.1 Characteristics of AFD group employees 2.3.2 Populations: affected local communities and consumers and end-users 2.3.2.5.3 Result and impact indicators

Subject	Description of disclosure requirement	Corresponding information	CSRD section
		<ul style="list-style-type: none"> • Number of inhabitants and users of cities whose quality of life improved, % of women • Number of regulatory frameworks/ mechanisms for citizen participation established in projects/programmes, including budgetary and matrix financing • Number of institutions backed in order to enhance the effectiveness of public policy, transparency, and resilience in the face of crises • Number of people whose resilience to violent crises and conflicts is backed (of which displaced), % of women • Number of disadvantaged or underprivileged beneficiaries supported, % women • Proparco: The “Number of Bottom 40 beneficiaries” has been replaced by the “Number of projects with an SDG rating of +2 or +3 on the social dimension”. • Number of people benefiting from specific support for the physical, economic, and/or political empowerment of women and girls, % of women and girls • Number of people with improved access to the sports and cultural sectors: activities, employment, training, facilities (including heritage sites) • Number of countries and stakeholders backed in their low-carbon transition, including projected GHG emissions reductions (ex-ante tCO₂e_q) enabled by the allocated funding • Number of people whose climate resilience is developed by the project, % of women • Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic, and marine biodiversity 	<p>2.2.1 Climate change 2.2.1.1.3 Steering and accountability as part of the work on low-carbon and resilient transitions</p> <hr/> <p>2.2.2 Biodiversity 2.2.2.4.3 Areas benefiting from the protection, conservation or restoration of terrestrial, aquatic and marine biodiversity actions</p>

5.1.4 Changes in preparation or presentation of sustainability information

This report presents AFD group's first CSRD-compliant sustainability statement. Its preparation led to a great deal of methodological work including the double materiality assessment, gap analysis, the definition and production method of quantitative indicators, etc. This methodological work, in line with the CSRD, limits the comparability of the data with the Statement of Non-Financial Performance (SNFP) published by the Group for previous years.

■ Option: cross-reference table with the previous SNFP

Table of contents - AFD group 2025 sustainability statement	Contents of the AFD group 2024 SNFP
2.1 General information (ESRS 2)	
2.1.1 General basis for disclosures (BP-1)	No direct equivalent
2.1.2 Strategy, business model, and value chain (SBM-1)	No direct equivalent
2.1.2.1. A Group strategy focused on sustainability	2.4 Contribution of the Group's activity to sustainable development
2.1.2.2. Group value chain	2.1 The business model
2.1.2.3. AFD group's business model	2.1 The business model
2.1.2.4. Steering backed by impact measurement and evaluation	2.4 Contribution of the Group's activity to sustainable development
2.1.2.5. Internal operations aimed at setting an example on sustainability	2.4 Contribution of the Group's activity to sustainable development
2.1.2.6. The Group's due diligence framework (GOV-4)	2.3 Managing the risks and impacts of our action
2.1.2.7. Interests and views of stakeholders (SBM-2)	2.5 Transparency and dialogue with stakeholders 2.6 Coordination with development actors: partnership by design
2.1.3 Governance (GOV1 to GOV3)	No direct equivalent
2.1.3.1. Composition and role of governance bodies	No direct equivalent
2.1.3.2. Integration of sustainability-related performance in incentive schemes	No direct equivalent
2.1.3.3. Risk management and internal controls over sustainability reporting	No direct equivalent
2.1.4 Management of Impacts, Risks & Opportunities	No direct equivalent
2.1.4.1. Identification and assessment of material impacts, risks, and opportunities	2.2 Identification of the main non-financial issues and risks-
2.1.4.2. Material impacts, risks and opportunities and their interaction with strategy and business model	2.4 Contribution of the Group's activity to sustainable development
2.1.4.3. Materiality of information	No direct equivalent
2.2 Environmental information	No direct equivalent
2.2.1 Climate change (E1)	2.4.4 Impact of the Group's activity on climate change and biodiversity
2.2.2 Biodiversity (E4)	2.4.4 Impact of the Group's activity on climate change and biodiversity
2.2.3 European taxonomy	No direct equivalent
2.3 Social information	
2.3.1. A meaningful work environment (S1)	2.8 Working environment
2.3.2. Populations: affected local communities and consumers and end-users (S3/S4)	2.4.5 Impacts related to the Group's activity in strengthening the social link 2.6 Coordination with development actors: partnership by design
2.4 Governance information	2.7 Fair practices
2.5 Appendices to the sustainability statement	No equivalent (specific ESRS requirements not covered by the SNFP)

5.1.5 Reporting errors in prior periods

As this is AFD group's first sustainability statement, no errors were identified with regard to the previous period.

5.1.6 Disclosure of information derived from other legislative acts or generally accepted sustainability reporting frameworks

Some CSRD *data points* are required by other pieces of EU legislation, as listed below:

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2 GOV-1 Gender diversity in the governance bodies, paragraph 21, point d)	Indicator 13, Table 1, Appendix I		Annex II of European Commission Delegated Regulation (EU) 2020/1816;		Chapter 3 of the URD
ESRS 2 GOV-1 Percentage of independent directors, paragraph 21, point e)			Annex II to Commission Delegated Regulation (EU) 2020/1816		Chapter 3 of the URD
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator 10, Table 3, Appendix I				2.5 Appendices to the sustainability statement 2.5.2 Statement on due diligence
ESRS 2-SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40, point d) i)	Indicator 4, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013; European Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS 2-SBM-1 Involvement in activities related to chemical production, paragraph 40, point d) ii)	Indicator 9, Table 2, Appendix I		Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.1 General information 2.1.2 Strategy, business model and value chain
ESRS 2-SBM-1 Involvement in activities related to controversial weapons, paragraph 40, point d) iii)	Indicator 14, Table 1, Appendix I		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability 2.1.2.1.3 Operational activities: products and services and types of customers and sectors

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2-SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40, point d) iv)			Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1816, Annex II.		2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability 2.1.2.1.3 Operational activities: products and services and types of customers and sectors
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2, paragraph 1, of Regulation (EU) 2021/1119	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS E1-1 Undertakings excluded from Paris Agreement-aligned Benchmarks, paragraph 16, point g)		Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12, paragraph 1, (d) to (g), and Article 12, paragraph 2, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.1.1 The Paris Agreement alignment strategy at Public Development Banks and at the Group
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator 4, Table 2, Appendix I	Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Transition risks related to climate change: alignment indicators	Article 6 of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator 5, Table 1, and Indicator 5, Table 2, Appendix I				Not applicable
ESRS E1-5 "Energy consumption and energy mix" paragraph 37	Indicator 5, Table 1, Appendix I				Not applicable
ESRS E1-5 "Energy intensity associated with activities in high climate impact sectors" paragraphs 40 to 43	Indicator 6, Table 1, Appendix I				Not applicable

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E1-6 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions, paragraph 44	Indicators 1 and 2, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013, European Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions 2.2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity
ESRS E1-6 Gross GHG emission intensity, paragraphs 53 to 55	Indicator 3, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013, European Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Transition risks related to climate change: alignment indicators	Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions 2.2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Non-material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II to Delegated Regulation (EU) 2020/1818, Appendix II to Delegated Regulation (EU) 2020/1816		Implementation of the phased-in entry into force
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66, point a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66, point c)		Article 449 bis of Regulation (EU) No 575/2013, European Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47, Template 5: Banking book – Physical risk related to climate change: exposures subject to physical risk			Implementation of the phased-in entry into force

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67, point c)		Article 449 bis of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book – Climate change transition risk: Loans secured by immovable property – Energy efficiency of collateral			Implementation of the phased-in entry into force
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II to European Commission Delegated Regulation (EU) 2020/1818		Implementation of the phased-in entry into force
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator 8, Table 1, Appendix I; indicator 2, Table 2, Appendix I, Indicator 1, Table 2, Appendix I; Indicator 3, Table 2, Appendix I				Non-material
ESRS E3-1 Water and marine resources, paragraph 9	Indicator 7, Table 2, Appendix I				Non-material
ESRS E3-1 Dedicated policy, paragraph 13	Indicator 8, Table 2, Appendix I				Non-material
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator 12, Table 2, Appendix I				Non-material
ESRS E3-4 Total water recycled and reused, paragraph 28, point c)	Indicator 6.2, Table 2, Appendix I				Non-material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, paragraph 29	Indicator 6.1, Table 2, Appendix I				Non-material

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2-SBM-3 – E4 paragraph 16, point a) i)	Indicator 7, Table 1, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS 2-SBM-3 – E4 paragraph 16, point b)	Indicator 10, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS 2-SBM-3 – E4 paragraph 16, point c)	Indicator 14, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS E4-2 Sustainable land/ agriculture practices or policies, paragraph 24 point b)	Indicator 11, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap
ESRS E4-2 Sustainable oceans/ seas practices or policies, paragraph 24, point c)	Indicator 12, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E4-2 Policies to address deforestation, paragraph 24, point d)	Indicator 15, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap
ESRS E5-5 Non-recycled waste, paragraph 37, point d)	Indicator 13, Table 2, Appendix I				Non-material
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator 9, Table 1, Appendix I				Non-material
ESRS 2-SBM-3 – S1 Risk of incidents of forced labour, paragraph 14, point f)	Indicator 13, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.1 Coverage of employees through collective bargaining and social dialogue
ESRS 2-SBM-3 – S1 Risk of incidents of child labour, paragraph 14, point g)	Indicator 12, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.1 Coverage of employees through collective bargaining and social dialogue
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.2.2 Processes for engaging with own workforce and workers' representatives about impacts

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S1-1 Policies on due diligence regarding matters covered by International Labour Organization Core Conventions No. 1 to 8, paragraph 21			Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator 11, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.1.1.1 Policies related to own workforce
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator 1, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32, point c)	Indicator 5, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.2.2 Processes for engaging with own workforce and workers' representatives about impacts
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88, points b) and c)	Indicator 2, Table 3, Appendix I		Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.4 Health and safety
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88, point e)	Indicator 3, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.4 Health and safety

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S1-16 Unadjusted gender pay gap, paragraph 97, point a)	Indicator 12, Table 1, Appendix I		Appendix II to Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.3.4 Principle of equal compensation among employees
ESRS S1-16 Excessive CEO compensation ratio, paragraph 97, point b)	Indicator 8, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.3.4 Principle of equal compensation among employees
ESRS S1-17 Incidents of discrimination, paragraph 103, point a)	Indicator 7, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or sexist and sexual violence
ESRS S1-17 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104, point a)	Indicator 10, Table 1, and Indicator 14, Table 3, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Non-material
ESRS 2-SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11, point b)	Indicators 12 and 13, Table 3, Appendix I				Non-material
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				Non-material
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators 11 and 4, Table 3, Appendix I				Non-material

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S2-1 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S2-1 Policies on due diligence regarding matters covered by International Labour Organization Core Conventions No. 1 to 8, paragraph 19			Appendix II to Delegated Regulation (EU) 2020/1816		Non-material
ESRS S2-4 Human rights issues* and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator 14, Table 3, Appendix I				Non-material
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator 9, Table 3, Appendix I, and Indicator 11, Table 1, Appendix I				2.3.2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management 2.3.2.2 Stakeholder dialogue process
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator 14, Table 3, Appendix I				2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.3.1 Environmental and social complaints system

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				2.3.2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management 2.3.2.2 Stakeholder dialogue process
ESRS S4-1 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph, 17	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator 14, Table 3, Appendix I				2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.3.1 Environmental and social complaints system
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, point b)	Indicator 15, Table 3, Appendix I				2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS G1-1 Protection of whistle-blowers, paragraph 10, point d)	Indicator 6, Table 3, Appendix I				2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24, point a)	Indicator 17, Table 3, Appendix I		Appendix II to Delegated Regulation (EU) 2020/1816		2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24, point b)	Indicator 16, Table 3, Appendix I				2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery

Moreover, AFD group's sustainability meets other French publication requirements:

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)
Article L.232-1 of the French Commercial Code	"7° Where the company is a large undertaking within the meaning of Article L.230-1, [the management report] shall include information on its key intangible assets, the extent to which its business model is fundamentally dependent on those assets, and how they constitute a source of value creation for the company."	2.1.2.3. AFD group's business model
Article L.22-10-35 of the French Commercial Code	In companies whose securities are admitted to trading on a regulated market, the management report presented by the Board of Directors or the Management Board to the Ordinary Annual General Meeting, as referred to in the second paragraph of Article L.225-100, shall include, in addition to the information referred to in Section II of Article L.232-1, the following information: 2° Initiatives aimed at fostering the relationship between the nation and its armed forces and to backing participation in the National Guard reserves; 3° Measures aimed at promoting citizens' engagement in local democracy and, where applicable, the award of the "local democracy partner employer" label referred to in Article L.1621-6 of the French General Code for Local Authorities. Where applicable, the group management report referred to in Article L.233-26 of this Code shall include the information referred to in points 1° to 3° of this Article, relating to all the undertakings included in the consolidation. The information referred to in 7° of II of Article L.232-1 applies to companies whose securities are admitted to trading on a regulated market and which are small or medium-sized enterprises within the meaning of Article L.230-1.	2.3.3.1 Policies related to own workforce

5.1.7 Incorporation by reference

Certain specific data points required by a disclosure requirement have been incorporated by reference:

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)	Chapter/Section (outside the sustainability statement)
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	<p>[ESRS 2 GOV-1 20, 21, 22, 23]</p> <p>20. The purpose of this disclosure requirement is to understand:</p> <ul style="list-style-type: none"> a. the composition and diversity of the administrative, management and supervisory bodies; b. the roles and responsibilities of the administrative, management and supervisory bodies in overseeing the process of managing material impacts, risks, and opportunities, including the role of management in these processes; and c. the expertise and skills of the administrative, management and supervisory bodies in relation to sustainability issues, or their ability to acquire such expertise and skills. <hr/> <p>21. The Company discloses the following information on the composition and diversity of the members of the company's administrative, management and supervisory bodies:</p> <ul style="list-style-type: none"> a. the number of executive and non-executive members; b. the representation of employees and other workers; c. the experience acquired that is relevant to the company's sectors, products, and geographical locations; d. the percentage by gender and other factors of diversity that the company takes into account. Gender diversity in the governance bodies (13) is represented by the average ratio of women to men in the governance bodies; and e. the percentage of independent directors (14). or companies with a one-tier board structure, this corresponds to the percentage of independent non-executive directors; for those with a two-tier board structure, it corresponds to the percentage of independent members on the supervisory body. <hr/> <p>22. The company publishes the following information on the roles and responsibilities of its administrative, management and supervisory bodies:</p> <ul style="list-style-type: none"> a. the identity of the administrative, management and supervisory bodies (such as a committee of the Board of Directors or a similar committee) or of a person within a body who is responsible for monitoring impacts, risks, and opportunities; b. the way in which the responsibilities of each body or individual regarding impacts, risks and opportunities are set out in the company's mission statements, the Board of Directors' duties and other relevant policies; c. a description of management's role in the governance processes, controls and procedures used to monitor, manage, and oversee impacts, risks and opportunities, specifying: <ul style="list-style-type: none"> i. whether this role is delegated to a specific position or committee at management level and the way in which supervisory authority is exercised over that position or committee, ii. information regarding the reporting hierarchy structure to the administrative, management and supervisory bodies, iii. whether special controls and procedures are applied for the management of impacts, risks, and opportunities and, if so, the way in which these controls and procedures are integrated into the other internal functions; d. the way in which the administrative, management and supervisory bodies, and senior management, oversee the setting of targets relating to material impacts, risks, and opportunities, and how they monitor progress towards achieving them. 	<p>2.1.3 Governance</p> <p>2.1.3.1</p> <p>Composition and role of governance bodies</p>	<p>Chapter 3 of the Universal Registration Document (corporate governance)</p>

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)	Chapter/Section (outside the sustainability statement)
	<p>23. The information published must include a description of how the administrative, management and supervisory bodies determine whether the skills and expertise available are appropriate or will be developed to oversee sustainability issues, notably:</p> <p>a. sustainability expertise that the bodies, as a whole, possess directly or can acquire, for example through experts or training; and</p> <p>b. the link between these skills and expertise, on the one hand, and the company's material impacts, risks and opportunities, on the other.</p>		
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	[ESRS 2 GOV-5 36 a] The company discloses the content, key features and main elements of its risk management and internal control processes and systems relating to sustainability reporting	2.1.3 Governance 2.1.3.3. Risk management and internal controls over sustainability reporting 2.1.3.3.1. Description of AFD group's internal control system	Chapter 4 of the Universal Registration Document presents the Group's risk management approach more generally, and more specifically it does so in paragraph 4.3.1 "Internal control and risk monitoring".
ESRS E1-1 Transition plan for climate change mitigation	[E1-1.16i] The information required in paragraph 14 on the climate change mitigation transition plan indicates whether the transition plan is approved by the company's administrative, management and supervisory bodies	2.2.1 Climate change 2.2.1.1. Climate transition plan 2.2.1.1.1. The Paris Agreement alignment strategy at Public Development Banks and at the Group 2.2.1.1. 2. Implementation of AFD group's climate commitments	The Executive Committee: Chapter 3 of the Universal Registration Document Risk Management Committees: Chapter 4 of the Universal Registration Document
ESRS 2-SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and the business model	[SBM-3.19a] The company describes the resilience of its strategy and business model with regard to climate change. This description covers the scope of the resilience analysis	2.2.1 Climate change 2.2.1.1. Climate transition plan 2.2.1.1.3. Managing climate-related financial risks	Pillar 3 "ESG risks" chapter: Chapter 4 of the Universal Registration Document

5.1.8 Use of transitional provisions

The transitional arrangements are indicated line by line in the second table of Section 2.5.3 below

5.2 Due diligence cross-reference table (GOV-4)

The Group is subject to Law No. 2017-399 of 27 March 2017 on the duty of care. Each year, a vigilance plan is defined to comply with it.

Core elements of due diligence	Sections in the sustainability statement
a. Embedding due diligence in governance, strategy and business model	2.1.2.6 The Group's due diligence framework
b. Engaging with affected stakeholders in all key steps of the due diligence	2.1.2.7 Interests and views of stakeholders
c. Identifying and assessing adverse impacts	2.1.4.1 Identification and assessment of material impacts, risks and opportunities
d. Taking actions to address those adverse impacts	2.1.2.3 AFD group's business model
e. Tracking the effectiveness of these efforts and communicating	2.1.2.4 Steering backed by impact measurement and evaluation

5.3 ESRS disclosure requirements covered by this sustainability statement according to the results of the materiality assessment (IRO-2)

AFD group has complied with the following disclosure requirements in preparing the sustainability statements, based on the results of the materiality assessment.

Covered Disclosure Requirements (DR)	CSRD section
ESRS 2: General information to be published	
BP-1 – General basis for the preparation of sustainability statements	2.1 General information 2.1.1 General basis for disclosures
BP-2 – Disclosures in relation to specific circumstances	2.5 Appendices to the sustainability statement 2.5.1 Disclosures in relation to specific circumstances
GOV-1 – The role of the administrative, management and supervisory bodies	2.1 General information 2.1.3 Governance 2.1.3.1 Composition and role of governance bodies
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.1 General information 2.1.3 Governance 2.1.3.1 Composition and role of governance bodies 2.1 General information 2.2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
GOV-3 – Integration of sustainability-related performance in incentive schemes	2.1 General information 2.1.3 Governance 2.1.3.2 Integration of sustainability-related performance in incentive schemes
GOV-4 – Statement on due diligence	2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.6 The Group's due diligence framework 2.5 Appendices to the sustainability statement 2.5.2 Statement on due diligence
GOV-5 – Risk management and internal controls over sustainability reporting	2.1 General information 2.1.3 Governance 2.1.3.3 Risk management and internal controls over sustainability reporting 2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities

Covered Disclosure Requirements (DR)	CSRD section
SBM-1 – Strategy, business model and value chain	2.1 General information 2.1.2 Strategy, business model and value chain
SBM-2 – Interests and views of stakeholders	2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability
SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.2 Material impacts, risks and opportunities and their interaction with the strategy and the business model
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
IRO-2 – ESRS disclosure requirements covered by the company's sustainability statement	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.3 ESRS disclosure requirements covered by corporate sustainability statements 2.5 Appendices to the sustainability statement 2.5.3 ESRS disclosure requirements covered by this sustainability statement
ESRS E1: Climate change	
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	2.1 General information 2.1.3 Governance 2.1.3.2 Integration of sustainability-related performance in incentive schemes
E1-1 – Transition plan for climate change mitigation	2.2 Environmental information 2.2.1 Climate change
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
E1-2 – Policies related to climate change mitigation and adaptation	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
E1-3 – Actions and resources in relation to climate change policies	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
E1-4 – Targets related to climate change mitigation and adaptation	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
E1-6 – Gross Scopes 1, 2, 3 emissions and total GHG emissions	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
ESRS E4: Biodiversity and ecosystems	
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts

Covered Disclosure Requirements (DR)	CSRD section
E4-2 – Policies related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
E4-3 – Actions and resources related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
E4-4 – Targets related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
ESRS S1: Own workforce	
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-1 – Policies related to own workforce	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.3 Promotion of professional equality and diversity
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.3 Social information 2.3.1 A meaningful work environment
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.4 Working conditions and employee safety
S1-6 – Characteristics of the undertaking's employees	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-8 – Collective bargaining coverage	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-9 – Diversity indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity

Covered Disclosure Requirements (DR)	CSRD section
S1-10 – Adequate wages	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-11 – Social protection	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-12 – Persons with disabilities	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-13 – Training and skills development indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-14 – Health and safety indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-15 – Work-life balance metrics	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-16 – Remuneration metrics (pay gap and total remuneration)	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-17 – Zero tolerance at AFD group towards any form of discrimination, harassment, or sexist and sexual violence	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
ESRS S3: Affected communities	
ESRS 2-SBM-2 – Interests and views of stakeholders	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S3-1 – Policies related to affected communities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S3-2 – Processes for engaging with affected communities about impacts	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users
S3-3 – Processes aimed at remedying negative impacts and channels enabling affected communities to voice their concerns	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.4 Actions relating to material impacts on local populations
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.5 Metrics and targets

Covered Disclosure Requirements (DR)	CSRD section
ESRS S4: Consumers and end-users	
ESRS 2-SBM-2 – Interests and views of stakeholders	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S4-1 – Policies related to consumers and end-users	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S4-2 – Processes for engaging with consumers and end-users about impacts	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.2 Stakeholder dialogue process
S4-3 – Processes aimed at remedying negative impacts and channels enabling consumers and end-users to voice their concerns	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.4 Actions relating to material impacts on local populations
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.5 Metrics and targets
ESRS G1: Business conduct	
G1-1 – Corporate culture and business conduct policies	2.4 Governance information 2.4.1 Business conduct 2.4.2 Fight against corruption
G1-2 – Management of relationships with suppliers	2.4 Governance information 2.4.2 Fight against corruption
G1-3 – Prevention and detection of corruption and bribery	2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations 2.4 Governance information 2.4.2 Fight against corruption 2.4.2.2 Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings) 2.4.2.3 Training on business conduct and anti-corruption
G1-4 – Incidents of corruption or bribery	2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery

5.4 Scope of publication of S1 indicators

Scope of publication

DR	Name of the DR	S1-1 indicators	AFD/Proparco	Expertise France
S1-6	Characteristics of the undertaking's employees	Total number of employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of permanent employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of temporary employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of employees leaving the company	Total	Partial
S1-6	Characteristics of the undertaking's employees	Employee turnover rate	Total	Partial
S1-8	Collective bargaining coverage and social dialogue	Percentage of employees covered by collective agreements	Total*	Partial
S1-8	Collective bargaining coverage and social dialogue	Total percentage of employees covered by employee representatives	Total*	Partial
S1-9	Diversity metrics	Total number of employees at senior management level, broken down by gender	Total	Total
S1-9	Diversity metrics	Percentage of employees at senior management level, broken down by gender	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) under the age of 30	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) between the ages of 30 and 50	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) over 50 years old	Total	Total
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (illness)	Total	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (unemployment)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (workplace accident)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (parental leave)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (retirement)	Total	Partial
S1-12	Persons with disabilities	Percentage of employees with disabilities	Partial	Partial
S1-13	Training and skills development metrics	Percentage of employees who took part in performance reviews and career development initiatives, broken down by gender	Total	Partial
S1-13	Training and skills development metrics	Average number of hours of training completed by employees, broken down by gender	Total	Total
S1-14	Health and safety metrics	Percentage of workers covered by the company's health and safety management system	Total	Total
S1-14	Health and safety metrics	Number of deaths due to occupational accidents and illnesses (number)	Partial	Partial

Scope of publication

DR	Name of the DR	S1-1 indicators	AFD/Proparco	Expertise France
S1-14	Health and safety metrics	Number of workplace accidents	Partial	Partial
S1-14	Health and safety metrics	Workplace accident rate	Partial	Partial
S1-14	Health and safety metrics	Number of occupational illnesses	Partial	Partial
S1-14	Health and safety metrics	Number of days lost for employees due to workplace accidents, deaths due to workplace accidents, occupational illnesses, deaths due to occupational illnesses	Partial	Partial
S1-15	Work-life balance metrics	Percentage of employees authorised to take leave for family reasons	Partial	Partial
S1-15	Work-life balance metrics	Percentage of eligible employees who took leave for family reasons	Partial	Partial
S1-15	Work-life balance metrics	Percentage of employees entitled to leave for family reasons, by gender	Partial	Partial
S1-16	Compensation metrics	The gender pay gap	Partial	NA
S1-16	Compensation metrics	Ratio of the total annual compensation of the highest paid person to the median annual total compensation of all employees	Partial	NA
S1-17	Serious human rights cases, complaints, and incidents	Total number of reported incidents of discrimination, including harassment	Total	Total
S1-17	Serious human rights cases, complaints, and incidents	Total number of complaints reported through specific channels	Total	Total
S1-17	Serious human rights cases, complaints, and incidents	Total amount of fines and other financial penalties resulting from incidents of discrimination and complaints	Total	Total

* The indicator does not apply to employees under local law
 NA: not available for the 2025 report.

5.5 List of acronyms

Acronym	Definition
EBA	European Banking Authority
DMA	Double Materiality Assessment to identify material ESRS and IROs for the Group
PDB	Public Development Bank(s)
CO2	Carbon dioxide
BD	Board of Directors
CapEx	Capital Expenditure
CBD	Convention for Biological Diversity
EC	European Commission
CICID	Interministerial Committee for International Co-operation and Development.
CRF	Country intervention framework – Developed through a participatory process and updated every four to five years, the country intervention frameworks (CIFs) guide the Group's positioning and operational priorities in a given country.
ESG Steering Committee	AFD group ESG reporting Steering Committee
CRR	Regulation (EU) No 757/2013 of the European Parliament and of the Council (Capital Requirements Regulation)
DMA	Double Materiality Assessment to identify material ESRS and IROs for the Group
DP	(Data Point) ESRS or Group-specific data point
DR	Disclosure Requirement according to the CSRD directive
DR BP-1	Disclosure Requirement – General basis for disclosures on sustainability
DR BP-2	Disclosure Requirement – Disclosures in relation to specific circumstances
DR GOV-1	Disclosure Requirement – The role of the administrative, management and supervisory bodies
DR GOV-2	Disclosure Requirement – Information submitted to the company's administrative, management and supervisory bodies and sustainability issues addressed by these bodies
DR GOV-3	Disclosure requirement – Integration of sustainability results into incentive schemes
DR GOV-4	Disclosure Requirement – Sustainability due diligence statement
DR GOV-5	Disclosure Requirement – Risk management and internal controls over sustainability reporting
DR IRO-1	Disclosure requirement – Description of procedures for identifying and assessing material impacts, risks and opportunities
DR IRO-2	Disclosure Requirement – ESRS disclosure requirements covered by corporate sustainability statements
DR SBM-1	Disclosure Requirement – Market position, strategy, business model(s) and value chain
DR SBM-2	Disclosure requirement – Interests and views of stakeholders
DR SBM-3	Disclosure requirement – Material impacts, risks and opportunities and their relationship to strategy and business model(s)
ESRS	European Sustainability Reporting Standard
ESRS 1	European Sustainability Reporting Standard 1 General requirements
ESRS 2	European Sustainability Reporting Standard 2 General disclosures
ESRS E1	European Sustainability Reporting Standard E1 Climate change
ESRS E2	European Sustainability Reporting Standard E2 Pollution
ESRS E3	European Sustainability Reporting Standard E3 Water and marine resources
ESRS E4	European Sustainability Reporting Standard E4 Biodiversity and ecosystems
ESRS E5	European Sustainability Reporting Standard E5 Resource use and circular economy
ESRS G1	European Sustainability Reporting Standard G1 Business conduct
ESRS S1	European Sustainability Reporting Standard S1 Own workforce
ESRS S2	European Sustainability Reporting Standard S2 Workers in the value chain
ESRS S3	European Sustainability Reporting Standard S3 Affected communities
ESRS S4	European Sustainability Reporting Standard S4 Consumers & end-users
FTE	Full-time equivalent

Acronym	Definition
FICS	Finance in Common System/Summit
GAR	Green Asset Ratio – ratio of green assets according to the EU taxonomic nomenclature
GHG	Greenhouse gases
IPCC	Intergovernmental Panel on Climate Change
IDFC	International Development Finance Club
Retirement lump sum	International Finance Corporation
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IRO	Impact – Risk – Opportunity: IROs are the sustainable development issues identified by the Group. They may or may not be considered material for the Group within the framework of the DMA
ISO	International Organization for Standardization
Kg	Kilogram
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex
MDB	Multilateral Development Banks
UN	United Nations
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goals
ILO	International Labour Organization
NGOs/CSOs	Non-Governmental Organisations/Civil society organisation
OpEx	Operating Expenditure
PCAF	Partnership for Carbon Accounting Financial
GWP	Global warming potential
RIF	Results and impacts framework Science Based Targets Initiative
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council (Sustainable Finance Disclosures Regulation)
POS V	Strategic Orientation Plan, 2025-2030
TNFD	Taskforce on Nature-related Financial Disclosures
EU	European Union
IUCN	International Union for Conservation of Nature
CIV/AIV	Company/Administration International Volunteers
GBV	Gender based violence

5.6 Glossary

Vocabulary	Definition
Transformative feminist approach	A structuring approach aimed at profound and lasting transformations by questioning the power relations based on gender, the interplay of actors, and the social norms that promote gender inequalities.
Matrix financing	Initiatives with significant transformative potential to provide tailored support solutions that meet the needs of stakeholders, thereby accelerating progress towards the SDGs. The principle of matrix lending is based on the conditionality of disbursements and/or margin adjustments, which are not directly linked to specific phases or components of a given project or investment programme, but are determined on the basis of a matrix of progressive objectives to be achieved, as agreed by AFD and the customer. The funds are not earmarked for specific projects; they are fungible, but they are disbursed subject to the achievement of a series of SDG trajectory and stakeholder transformation objectives (objectives set out in a disbursement matrix). Matrix loans are not intended to be used to finance specific projects undertaken by the stakeholder. The stakeholders concerned are financial institutions and public companies.
Impacts	Impacts correspond to the effects of an intervention on populations or ecosystems. Impact assessments aim to measure these impacts and explain the mechanisms that have brought them about, and to rigorously analyse the causal link between the intervention and these effects.
Expertise France Objectives and resources contract (COM) indicators	These indicators are designed to break down policy and strategic guidelines and translate them into operational and ambitious objectives, indicators and targets, with a view to maximising AFD group's quantitative and qualitative contribution (some of the COM indicators were derived from existing THEMA indicators).
Expertise France's THEMA indicators	<p>THEMA is Expertise France's system of aggregable indicators, designed to collect key data from ongoing projects in a standardised manner. It provides a consolidated annual overview of Expertise France's operational achievements, making it easier to showcase these results to internal and external stakeholders. The system is based on annual data collection, focusing on the ex-post results of projects under way in the previous calendar year.</p> <p>The data collected is not cumulative: the results reported for a given year relate solely to that year's achievements, and not to the cumulative results since the project began.</p> <p>Joint work by Expertise France and AFD made it possible to identify correspondences between the indicators of the Results and Impacts Framework (RIF) and the THEMA indicators, with a view to promoting interoperability between the two indicator systems. It is important to note that the collection and aggregation methods currently implemented in THEMA are not fully compatible with the RIF methodology, notably as regards the production of ex-ante values and the aggregation of cumulative results. Further work is needed on the aggregation methodology and the scope of reporting at Group level.</p>
Multidimensional inequalities	The accumulation by a single individual or group of individuals of multiple forms of inequality, whether vertical (inequalities in income or wealth among individuals or between households) or horizontal (inequalities among groups sharing a common identity: ethnicity, religion, gender, disability, age, etc.). These inequalities may include economic inequalities (in terms of wealth, income, and assets), as well as inequalities in access to essential goods and services, quality employment opportunities, political participation, a healthy environment, etc.
Contextual intelligence	AFD group's knowledge of contexts through the consolidation of its network of Regional Directorates or local offices
E&S risk management	According to AFD group's terminology, it is the risk of contributing to negative impacts. It should be noted that AFD's E&S risk management policy (and its equivalent within the subsidiaries Proparco and Expertise France) does not cover financial risks as defined by the CSRD standard, but aims to reduce the occurrence of negative impacts or positive impacts that are less significant than anticipated.
Approvals	Financing approvals decided by AFD group bodies.
Indigenous peoples	This term is used by AFD group in accordance with the definition set out in the Indigenous and Tribal Peoples Convention, 1989 (No. 169).
Results	These are the concrete results and direct changes made possible by the projects financed or backed.

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Report on the certification of sustainability information and on the verification of the publication requirements set out in Article 8 of Regulation (EU) 2020/852 of Agence Française de Développement, relating to the financial year ended 31 December 2025

For the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the sustainability statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Director of Agence Française de Développement,

This report is issued in our capacity as statutory auditors of Agence Française de Développement. It relates to the sustainability information and the information required under Article 8 of Regulation (EU) 2020/852, relating to the financial year ended 31 December 2025, included in Section 2 "Sustainability Statement" of the Group Management Report (hereinafter the "Sustainability Statement").

Our work on this information was carried out in an evolving context characterised by uncertainties regarding the interpretation of the texts and the development of market practices.

In accordance with Article L.233-28-4 of the French Commercial Code, Agence Française de Développement is required to include the above-mentioned information in a separate section of its Group Management Report.

This information is intended to enable an understanding of the impacts of the Group's activities on sustainability matters, as well as how these matters affect the development of its business, its performance and its financial position. Sustainability matters include environmental, social and governance issues.

In accordance with paragraph II of Article L.821-54 of the above-mentioned Code, our engagement consists in performing the work necessary to express a conclusion providing limited assurance on:

- compliance with the requirements arising from the sustainability reporting standards adopted by the European Commission pursuant to Article 29a of Directive (EU) 2013/34 of the European Parliament and of the Council of June 26, 2013, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (the "ESRS" – European Sustainability Reporting Standards), of the process implemented by Agence Française de Développement to determine the information published, including, where applicable, the obligation to consult the Social and Economic Committee provided for in the sixth paragraph of Article L.2312-17 of the French Labour Code;
- the compliance of the sustainability information included in the Sustainability Statement with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the publication requirements set out in Article 8 of Regulation (EU) 2020/852, pursuant to Article 7(9) of Regulation (EU) 2021/2178, as amended by Regulation (EU) 2026/73.

The engagement was performed in accordance with ethical requirements, including independence requirements, and quality standards set out in the French Commercial Code.

It is also governed by the guidelines of the High Authority for Audit entitled "Engagement for the certification of sustainability information and verification of the publication requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections that follow, we present, for each component of our engagement, the nature of the procedures performed, the conclusions drawn, and, in support of these conclusions, the matters that received particular attention and the work performed in relation to those matters. We draw your attention to the fact that we do not express a separate conclusion on these matters taken individually, and that the procedures described should be considered within the overall context of forming the conclusions expressed for each component of our engagement.

Finally, where we consider it necessary to draw your attention to one or more sustainability information items provided by Agence Française de Développement in its Group Management Report, we include an emphasis of matter paragraph.

Limitations of our engagement

As our engagement aims to express limited assurance, the nature of the procedures (choice of audit techniques), their scope and their duration are less extensive than those required to obtain reasonable assurance.

This engagement does not aim to guarantee the viability or the quality of the management of Agence Française de Développement, nor to provide an assessment – beyond compliance with the ESRS information requirements – of the relevance of the choices made by Agence Française de Développement with respect to action plans, targets, policies, scenario analyses and transition plans.

Furthermore, forward-looking information is inherently uncertain, and actual outcomes may differ significantly from the forward-looking information presented in the Universal Registration Document.

Nevertheless, our engagement enables us to express conclusions regarding the process for determining the sustainability information published, the information itself, and the information published pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence or presence of errors, omissions or inconsistencies of such significance that they could influence decisions made by users of the information subject to our work.

Our engagement does not cover comparative information.

Sustainability information and the information required under Article 8 of Regulation (EU) 2020/852 may be subject to inherent uncertainty due to the current state of scientific knowledge and the quality of external data used. Certain information is sensitive to methodological choices, assumptions and/or estimates used in its preparation and presented in the Universal Registration Document.

Compliance with ESRS requirements of the process implemented by Agence Française de Développement to determine the information published, including the obligation to consult the Social and Economic Committee as expected in the sixth paragraph of Article L. 2312-17 of the Labor Code

Nature of procedures performed

- the process defined and implemented by Agence Française de Développement, including the obligation to consult the Social and Economic Committee expected in the sixth paragraph of Article L.2312-17 of the French Labour Code, enabled it, in accordance with the ESRS, to identify and assess its sustainability-related impacts, risks and opportunities, and to identify those that are material and have led to the publication of sustainability information in the Sustainability Statement; and
- the information provided on this process is also compliant with the ESRS.

Conclusion

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Agence Française de Développement with the ESRS.

Matters that received particular attention

Below, we present the matters that received particular attention from us with regard to the compliance with the ESRS of the process implemented by Agence Française de Développement to determine the information disclosed.

Identification of stakeholders

The information relating to the identification of stakeholders is presented in Section 2.1.2.7.1 “AFD group stakeholder mapping” of the Sustainability Statement.

We obtained an understanding of the analysis performed by the entity to identify:

- stakeholders that may affect the entities within the reporting scope or may be affected by them, through their activities and direct or indirect business relationships within the value chain;
- the main users of the sustainability statements (including the main users of the financial statements).

We held discussions with management and other persons we considered appropriate and inspected the available documentation. Our procedures notably consisted of:

- assessing the consistency of the main stakeholders identified by the entity with the nature of its activities and its geographical footprint, taking into account its business relationships and value chain;
- exercising professional judgement to assess the representativeness of the stakeholders identified by the entity.

Identification of impacts, risks and opportunities ("IRO")

The information relating to the identification of impacts, risks and opportunities is presented in Section 2.1.4.1 "Identification and assessment of material impacts, risks and opportunities" of the Sustainability Statement.

We obtained an understanding of the process implemented by the entity for the identification of impacts (negative or positive), risks and opportunities ("IRO"), whether actual or potential, in connection with the sustainability matters referred to in paragraph AR 16 of the "Application Requirements" of ESRS 1 and, where applicable, those that are entity-specific, as presented in Section 2.1.4.1 of the Sustainability Statement.

In particular, we assessed the approach implemented by the entity to determine its impacts and dependencies, which may give rise to risks or opportunities, including, where applicable, the dialogue conducted with stakeholders.

We also assessed the completeness of the activities included within the scope selected for the identification of IROs.

We obtained an understanding of the mapping of identified IROs prepared by the entity, including in particular the description of their distribution across the entity's own activities and the value chain, as well as their time horizons (short, medium or long term), and assessed the consistency of this mapping with our knowledge of the entity and, where applicable, with the risk analyses performed by the Group entities.

We:

- assessed the combined approach used by the entity to collect information from subsidiaries;
- assessed how the entity considered the list of sustainability matters set out in ESRS 1 (AR 16) in its analysis;
- assessed the consistency of the actual and potential impacts, risks and opportunities identified by the entity with available sector analyses;
- assessed the consistency of the current and potential impacts, risks and opportunities identified by the entity, in particular those that are entity-specific, as they are not covered or are insufficiently covered by the ESRS, with our knowledge of the entity;
- assessed how the entity took into consideration the different time horizons, in particular with respect to climate-related matters;
- assessed whether the entity took into account risks and opportunities that may arise from both past and future events resulting from its own activities or its business relationships, including actions taken to manage certain impacts or risks;
- assessed whether the entity considered its dependencies on natural, human and/or social resources in the identification of risks and opportunities.

Assessment of impact materiality and financial materiality

The information relating to the assessment of impact materiality and financial materiality is presented in Section 2.1.4.1 "Identification and assessment of material impacts, risks and opportunities" of the Sustainability Statement.

Through discussions with management and inspection of the available documentation, we obtained an understanding of the process implemented by the entity to assess impact materiality and financial materiality, and assessed its compliance with the criteria set out in ESRS 1.

In particular, we assessed how the entity established and applied the information materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, in order to determine the material information disclosed:

- with respect to indicators relating to material IROs identified in accordance with the relevant thematic ESRS;
- with respect to entity-specific information.

Compliance of the sustainability information included in the Sustainability Statement with Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of the procedures performed

Our procedures consisted of verifying that, in accordance with applicable legal and regulatory requirements, including the ESRS:

- the information provided enables an understanding of the preparation and governance arrangements for the sustainability information included in the Sustainability Statement, including the processes used to determine information relating to the value chain and the disclosure exemptions applied;
- the presentation of this information ensures its readability and understandability;
- the scope selected by Agence Française de Développement with respect to this information is appropriate; and
- provided and the expectations of its users, such information does not contain material errors, omissions or inconsistencies, i.e. matters that could influence the judgement or decisions of users of this information.

Conclusion of the procedures performed

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies with respect to the compliance of the sustainability information included in the Sustainability Statement with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Observations

Without calling into question the conclusion expressed above, we draw your attention to:

- the information disclosed in Section 2.2.1.2.1 “AFD group financed emissions” of the Sustainability Statement, which describes the scope used for the calculation of financed emissions relating to the value chain (scope 3, category 15 within the meaning of the GHG Protocol). This section highlights the limitations related to data availability and data quality, as well as the evolving nature of the methodologies applied to the estimates relating to the greenhouse gas emissions inventory;
- the information disclosed in Section 2.3.1.5.2 “Access to a living wage”, which describes the specific circumstances of the Sustainability Statement in the context of the first year of application of the CSRD and sets out the limitations relating to data collection.

Matters that received particular attention

Information provided in accordance with the environmental standards (ESRS E1 to E5)

The information disclosed with respect to climate change (ESRS E1) is presented in Section 2.2.1 “Climate change (E1)” of the Sustainability Statement.

Below, we present the matters that received particular attention from us with regard to the compliance of this information with the ESRS.

Our procedures notably included:

- based on interviews conducted with management and the relevant persons, in particular the Climate and Nature Technical Division (CLN), assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: climate change mitigation, climate change adaptation, and energy efficiency;
- assessing the appropriateness of the information presented in the environmental section of the sustainability information included in the Universal Registration Document and its overall consistency with our knowledge of the entity.

With respect to the information disclosed in relation to the greenhouse gas emissions inventory:

- we obtained an understanding of the internal control and risk management procedures implemented by the entity to ensure compliance of the information disclosed;
- we assessed the consistency of the scope considered for the evaluation of the greenhouse gas emissions inventory with the scope of the consolidated financial statements, activities under operational control, and the upstream and downstream value chain;
- we obtained an understanding of the greenhouse gas emissions inventory protocol used by the entity to prepare the greenhouse gas emissions inventory and assessed its application, on a selected basis of emission categories and sites, for scope 1 and scope 2.
- With respect to scope 3 emissions, we assessed:
 - the justification for the inclusion and exclusion of the various categories and the transparency of the related disclosures;
 - the data collection process;
 - the methodology used to calculate financed emissions included in scope 3, category 15.
- we assessed the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the current state of scientific or economic knowledge and the quality of the external data used;
- we held discussions with management to understand the main changes in activities during the financial year that could have an impact on the greenhouse gas emissions inventory;
- With respect to the estimates that we considered to be key in the preparation of the greenhouse gas emissions inventory:
 - through discussions with management, we obtained an understanding of the methodology used to calculate estimated data and the information sources on which such estimates are based;
 - we assessed whether the methods were applied consistently or whether there were changes compared to the prior period, and whether such changes were appropriate.
- we verified the arithmetic accuracy of the calculations used to prepare this information.

Information provided in accordance with the social standard ESRS S1

The information disclosed with respect to the company's workforce (ESRS S1) is presented in Section 2.3 "Social information" of the Sustainability Statement.

Below, we present the matters that received particular attention from us with regard to the compliance of this information with the ESRS.

Our main procedures relating to this information consisted of:

- based on interviews conducted with management and other persons we considered appropriate;
- obtaining an understanding of the data collection and aggregation process used to process qualitative and quantitative information for the purpose of publishing material information in the Sustainability Statement;
- examining the available supporting documentation;
- performing procedures to verify the proper consolidation of this data;
- assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: diversity, talent retention, remuneration, health and safety, and social dialogue;
- assessing the appropriateness of the information presented in Sections 2.3.1 to 2.3.2 of the Social section of the sustainability information included in the Group Management Report and its overall consistency with our knowledge of the entity.

We also:

- obtained an understanding of the internal control and risk management procedures implemented by the entity to ensure compliance of the published information, noting that we did not review the operational effectiveness of these controls;
- examined the geographical and legal scope on which the information was prepared;
- examined, on a sample basis, the supporting documentation underlying the corresponding information;
- verified the arithmetic accuracy of the calculations used to prepare this information, where applicable, after the application of rounding rules.

Compliance with the publication requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures performed

As Agence Française de Développement has opted for the temporary exemption from preparing the information required under Article 8 of Regulation (EU) 2020/852 pursuant to Article 7(9) of Regulation (EU) 2021/2178 as amended by Regulation (EU) 2026/73, our procedures consisted in verifying compliance with the conditions required to benefit from this exemption, including the related disclosure included in section 2.2.3 "European Taxonomy" of the Sustainability Statement.

Conclusion

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies regarding compliance with the requirements of paragraph 9 of Article 7 of Regulation (EU) 2021/2178 as amended by Regulation (EU) 2026/73, which allow the entity not to publish the information required under Article 8 of Regulation (EU) 2020/852.

Matters that received particular attention

We determined that there were no matters to be reported in our report.

Paris la Défense, April 22, 2026

KPMG S.A.

Valéry Foussé
Associé

Isabelle Lhoste
Associée

Paris, April 22, 2026

BDO Paris

Benjamin Izarié
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Toward a world in common

AFD Group finances and drives the transition to a fairer, safer and more resilient world, working with its partners to support communities all over the world. Drawing on the complementary strengths of its entities – Agence Française de Développement for public financing, Proparco for responsible private investment, and Expertise France for technical expertise – the Group is ideally positioned to meet all sustainable development challenges.

Working in over 160 countries, including France's Overseas Territories and Departments, the Group adapts its operations to the realities on the ground, actively supporting local initiatives. With over 4,000 projects, whose objectives are aligned with the Sustainable Development Goals (SDGs), AFD Group works on behalf of the French people, together with all stakeholders committed to economic development and the preservation of common goods: climate, biodiversity, peace, gender equality and global health. Working by your side, toward a world in common.



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