

**SUMMARY**

# SUSTAINABILITY STATEMENT

# 2025



**AFD Group has voluntarily published its first Sustainability Statement 2025, anticipating the 2028 regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD). In doing so, the Group demonstrates its commitment to setting an example by aligning its reporting with the European Sustainability Reporting Standards (ESRS).**

**This sustainability statement covers AFD, Proparco, Expertise France, Fisea, and Sogefom across the entire value chain, including both operational activities and internal operations.**

## **AFD Group's commitments to climate action, biodiversity, and social cohesion ("social link")**

IN 2025

**€7.8 billion**  
dedicated to  
climate action

**€1.3 billion**  
dedicated to  
biodiversity

**136**  
countries and  
territories in which  
AFD group is active,  
including the French  
overseas territories

**More than  
5,000**  
employees

## **Strategy, business model, and value chain: AFD Group's mandate is fully oriented toward sustainability**

AFD Group's mandate is centered 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. It promotes inclusive and sustainable investment in the least developed and most vulnerable countries, middle-income countries, and the French overseas territories.



### **A 100% Sustainable Development Goals strategy**

The 2025-2030 Strategic Orientation Plan (POS V) structures the Group's sustainability commitment around three cross-cutting priorities, implemented through the operational roadmaps "Planet", "Social link" and "Citizens, institutions, and democracies." Together, they advance the low-carbon transition, biodiversity conservation, the reduction of inequalities, and stronger democratic governance.

The Results and Impact Framework (CRI) reinforces this approach by integrating 22 key indicators into strategic management. This framework forms the basis of the Group's non-financial accountability and underpins its SDG bond issuances (€21 billion raised since 2014).

### **Operationally, the Group's activities are governed by:**

- a publicly available exclusion list identifying the activities that the Group will not finance based on environmental, social, ethical, and regulatory criteria;
- an environmental and social risk management policy designed to avoid, reduce, or offset potential adverse impacts of operations;
- an environmental and social complaints management system that provides for remediation when adverse or unforeseen environmental and social impacts could not be avoided, reduced, or offset.

# Six material topics identified by the Group through the double materiality assessment

The double materiality assessment drew on the expertise of internal specialists and stakeholders from the institutional, social, and economic spheres; the Group's workforce, clients and beneficiaries, and stakeholders were also involved. It was based on existing

tools, including the sustainable development analysis and opinion mechanism, climate- and nature-related risk assessments across the portfolios, and the mapping of inherent operational risks.

The six material topics identified reflect a materiality assessment focused primarily on impacts, in line with the Group's mandate:



The methodology and results were reviewed by the Group Audit and Risk Committee and approved by the Board of Directors.



# 1 • Climate and biodiversity: two levers for successful transitions

## Climate change (E1): an ambitious climate transition plan reflecting the Group's mandate

AFD Group structurally integrates the transition to a sustainable economy and the objectives of the Paris Agreement to limit global warming into its strategy and business model. The Group's transition plan sets out the measures put in place to ensure that its financing and support activities are consistently aligned with a low-carbon transition and climate-resilience.

Given its mandate, AFD Group's objective is not to reduce financed emissions, but **to support and finance its clients' transitions**. The Group's transition plan reflects this specific mandate and therefore does not include a 2030 financed emissions target within the meaning of the ESRS.

The Group's  
financed emissions  
are estimated at  
**43 MtCO<sub>2</sub>e**

Emissions from  
internal operations  
amount to  
**112 ktCO<sub>2</sub>e**

The **fossil fuel exclusion policy**, strengthened since 2022, excludes all financing related to the exploration, production, or use of fossil fuels, with the exception of hybrid mini-grids. In addition, financed projects generate 3.8 MtCO<sub>2</sub>e of avoided annual emissions.

With regard to **internal operations**, the Group has introduced measures to reduce its environmental footprint, including a responsible purchasing policy, lower electricity consumption, support for employees sustainable mobility, and responsible digital practices.

Regarding the **European Taxonomy**, European regulations temporarily allow AFD not to disclose taxonomy-related information (Article 7(9) of Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73). AFD Group has chosen to make use of this provision and therefore does not currently publish information on this topic.

KEY FIGURES FOR 2025

100%

Paris Agreement

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

€7.8 billion

Commitments dedicated to high climate value-added projects, exceeding the annual target of €6 billion set for 2025-2030, of which around 40% supports adaptation.

€4.6 billion

Transformational climate commitments to support transition actors beyond asset financing.

## Biodiversity (E4): a clear commitment to 100% alignment with the Global Biodiversity Framework (GBF)

Through its mandate to safeguard global common goods, AFD Group supports its partners in protecting and restoring biodiversity and in transitioning toward nature-positive socioeconomic development. The Group places the **Kunming-Montreal Global Biodiversity Framework** at the heart of its work via a two-pronged approach: financing only

activities with no material adverse impact on biodiversity, and generating net biodiversity gains through the support of its partners. These commitments are embedded in project appraisal tools and are a condition for financing approval.

KEY FIGURES FOR 2025

€1.3 billion

in financing with positive impacts on nature – far exceeding the Planet roadmap target of €800 million per year.

42%

of AFD Group financing is nature-positive (Nature+), supporting operations that implement nature-based solutions in urban development, sanitation, and biodiversity conservation. These operations strengthen both climate resilience and biodiversity resilience, contributing simultaneously to both objectives.

11.5 million hectares protected.

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

## 2 • Consistency between the Group's external mandates and internal operations

### A meaningful work environment

AFD Group implements an **ambitious social policy** that goes beyond compliance with labor laws and regulations. This policy aims at providing its staff with an environment conducive to skills development and quality of life at work.

Social dialogue is a cornerstone of AFD Group's social policy and an essential driver of fairness, cohesion, and staff engagement. The Group

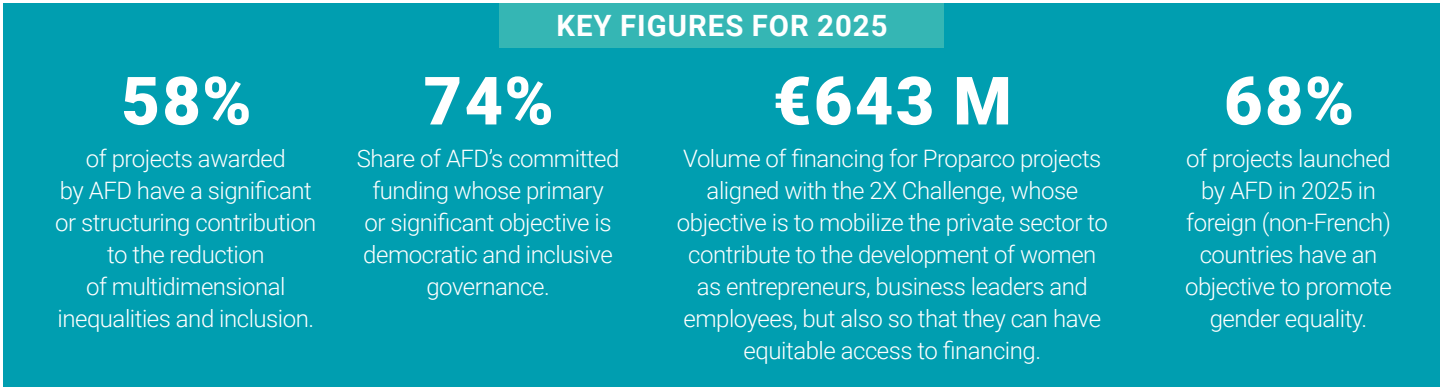
implements a structured and proactive policy to promote gender equality in the workplace and applies zero tolerance for all forms of harassment, discrimination, and gender-based or sexual violence. AFD has adopted a structured approach to diversity and inclusion, with its AFNOR Diversity certification renewed in 2023. The Group also implements a health and safety policy adapted to challenging security environments.



### Local populations at the heart of the Group's strategy (S3/S4)

AFD Group places affected **local populations at the heart of its strategy**, combining the fight against poverty and inequality with the preservation of common goods. All Group operations aim to

improve the living conditions of local populations, who are the ultimate beneficiaries of all financing.



## 3 • Governance: integrity as a major driver of the Group's action

In an international environment where the Group may be exposed to risks of corruption, non-compliance, and reputational damage, AFD Group applies a zero-tolerance policy toward corruption, money laundering, and the financing of terrorism, supported by dedicated policies, procedures, and training.



The compliance framework includes the Ethics Charter, the Code of Conduct against Corruption, the general policy on preventing and combating prohibited practices, the Anti-money laundering and countering the financing of terrorism reference document (AML/CFT), the

policy on national and international economic and financial sanctions; internal reporting mechanisms (incident reporting, management channels, and direct referrals) and external reporting mechanisms available to third parties ensuring the protection of whistleblowers.

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## Towards a World in Common

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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.



[www.afr.fr/en](http://www.afr.fr/en)

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