

# MERIDIAM CLIMATE POLICY

NOVEMBER 2024



**Meridiam**  
for people and the planet

# CONTENTS

**Forward** ..... 3

## Meridiam **Climate Strategy**

The Fundamentals of Meridiam’s Climate Policy ..... 5

Meridiam Corporate ..... 8

Meridiam Portfolio ..... 9

**Low Carbon Investment Policy** ..... 9

**Climate Risk Management** ..... 11

**Climate Objectives** ..... 12

## Meridiam **Deployment Approach**

Governance ..... 14

Investment Process ..... 16

Asset Management Process ..... 17

Active Stewardship ..... 20

Monitoring and Reporting ..... 21



# Forward

## The Science of Climate Change

Today's scientific consensus on the cause and effects of climate change is undisputable with IPCC's 6<sup>th</sup> report<sup>1</sup> confirming that changes in climate are unprecedented and observable in every region across the Earth. Triggered

climatic disruptions that inevitably lead to the disruption of natural cycles and ecosystems intensify the magnitude and occurrence of natural disasters as is already widely observable, impacting societies' health and wealth.

## How this relates to Meridiam's Activities

Meridiam's purpose is to work for people and the planet by designing, financing, developing and operating transformational infrastructure, for the long term with the mission to address what we believe are the world's most pressing challenges – building resilient communities, tackling climate change and protecting the environment. Infrastructures both provide essential services for the

communities they serve and are material contributors to ensuring the achievement of the 2030's Sustainable Development Goals<sup>2</sup>. They are also, however, responsible for an estimated 79 per cent of total anthropologic emissions<sup>3</sup>, mostly associated with energy, buildings and transport. As such, Meridiam has a material role to play in the mitigation of climate change.

## Meridiam's Climate-Related Commitments

Being a Société à Mission and more recently a B Corp-certified company, Meridiam embedded the fight against climate change in its mission, as one of its five core strategic sustainability pillars. The third pillar of Meridiam's mission strategy is dedicated to ensuring all assets contribute to SDG 13: Climate action. Meridiam's approach to managing its activities in line with this pillar is based on the reduction of its investments and its corporate activities' carbon footprint and on delivering low-carbon and resilient infrastructure. To measure its

effective contribution, two objectives are defined: to avoid and to reduce Meridiam's corporate and portfolio greenhouse gas emissions. These objectives further translate into three complementary targets:

- 1** Become carbon neutral by 2050 with an interim target of a 50% reduction of its portfolio's GHG emissions scopes 1 and 2 by 2030 as aligned with its commitments as a Net Zero Asset Manager Initiative (NZAM)<sup>4</sup> signatory.
- 2** Align Meridiam Portfolio towards a 2°C climate trajectory.
- 3** Substantially reduce Meridiam's corporate GHG emissions and build a portfolio of carbon mitigation projects.

1. IPCC, 2023: Summary for Policymakers. In: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34, doi: 10.59327/IPCC/AR6-9789291691647.001

2. Thacker S, Adshead D, Fantini C, Palmer R, Ghosal R, Adeoti T, Morgan G, Stratton-Short S. 2021. Infrastructure for climate action

3. UN DESA. 2023. The Sustainable Development Goals Report 2023: Special Edition - July 2023. New York, USA: UN DESA. © UN DESA. <https://unstats.un.org/sdgs/report/2023/>

4. <https://www.netzeroassetmanagers.org/>

# Objectives of the Policy

This Policy aims to breakdown Meridiam’s strategy to achieve its goal relative to climate change mitigation and GHG emissions reductions. The Policy defines the scope of Meridiam towards climate action and describes how its associated strategy is carried out throughout its activities zooming in on different aspects such as risk mitigation, capital allocation, internal activities, and active stewardship.

## Scope of the Policy

Meridiam’s climate strategy unfolds in two parts. Meridiam defines clear distinct objectives and actions for (i) its **corporate activities**, meaning the activities related to its offices and employees, and (ii) its **operational or portfolio activities**, meaning the activities directly linked to its investments and investees’ activities (this includes the investment process and Meridiam’s assets under management).

### THE CORPORATE STRATEGY IS ARTICULATED AROUND:

- › Annual monitoring of Meridiam’s corporate GHG emissions across all its offices and for all its employees
- › Implementing decarbonization measures across geographies for the different scopes
- › Contributing to meaningful GHG mitigation projects outside our value-chain that help communities to be more resilient to climate change.

### THE PORTFOLIO STRATEGY IS ARTICULATED AROUND:

- › Meridiam’s sustainable investment approach: enabling and accelerating the transition
- › Meridiam’s climate risk management: enhancing its portfolio’s resilience
- › Meridiam’s carbon-related objectives: deploying asset-level emissions reduction measures

The Policy, which refers to the set of action plans and initiatives unfolded to achieve the climate strategy, covers all Meridiam’s offices as well as all its portfolio, in all geographies and regardless of the time of investment.

# Meridiam Climate Policy

## Fundamentals of Meridiam’s Climate Policy

To ensure a systematic integration of its impact-driven mission within its activities, Meridiam changed its by-laws to become a Société à Mission and has reinforced its mission strategy by defining 5 pillars based on the SDGs most relevant to its role as a long-term infrastructure asset developer, investor, and manager. Meridiam’s sustainable objective is to invest in assets which align positively to its 5-pillar mission strategy.

Our Climate Policy is rooted in the principles of four of those five pillars, i.e. **SDG 9 & 11** (resilient infrastructure & sustainable cities), **SDG 7** (affordable and clean energy) **SDG 13** (climate

action), and **SDG 14 & 15** (together: biodiversity). It underscores our commitment to taking an active part in the fight against climate change and guaranteeing the resilience of the communities we serve, for today and the future. This comprehensive framework aligns seamlessly with Meridiam’s overarching documents such as our Charter on Sustainable development as well as our existing policies. All together, this reflects our broader commitment to transparency and amplifies our proactive stance to further deploy our efforts towards Meridiam’s climate action and to ensure the long-term success of our investments.





In addition to embedding its responsibility to participate in the fight against climate change within the by-laws of its Société à mission status, Meridiam also considers it as part of its fiduciary duty to not only recognize and manage climate-related risks but also to pursue the opportunities and fulfil its broader responsibilities toward clients, including transparency, engagement, and long-term value preservation.

**Thierry Déau**  
Founder and  
CEO, Meridiam

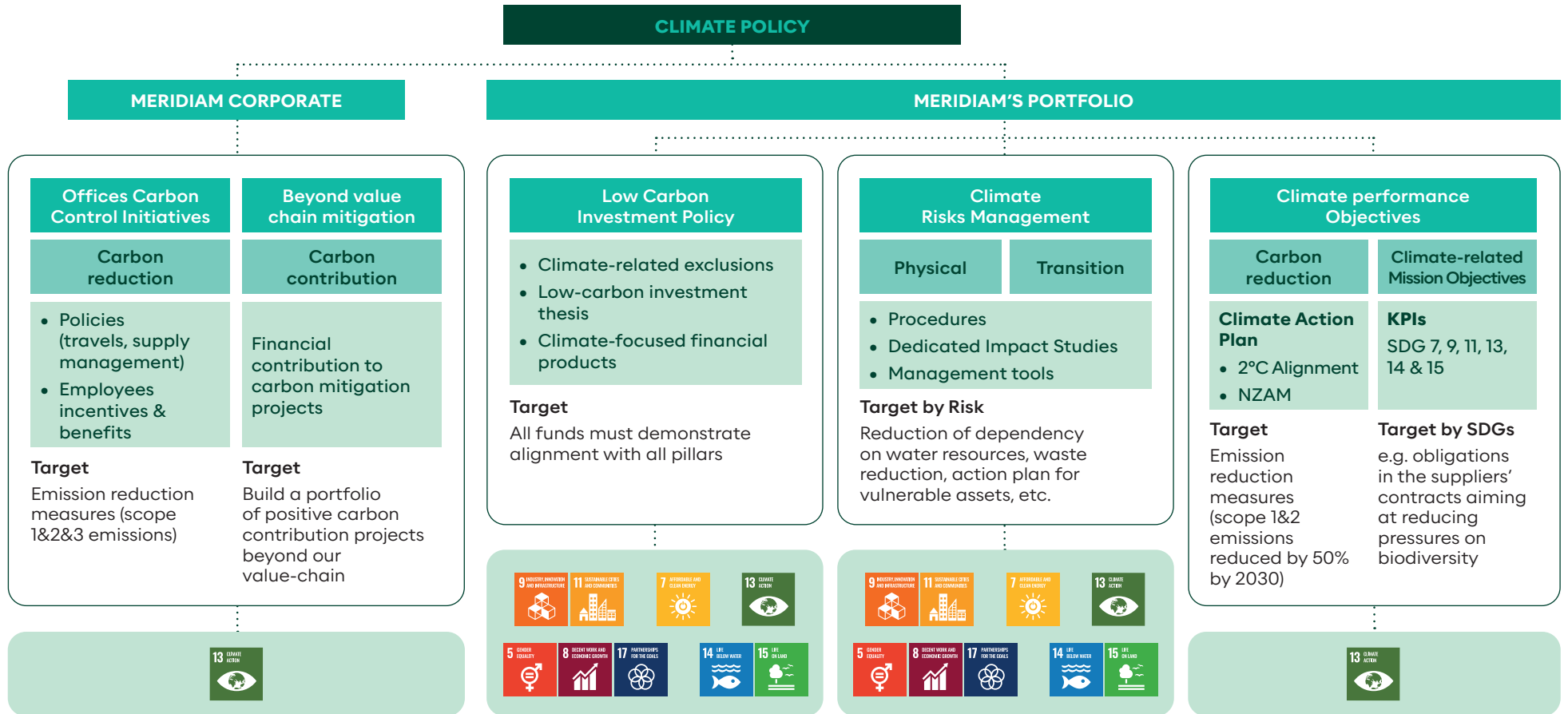
Meridiam Climate Policy reflects Meridiam's holistic view of climate change: recognizing the interplay of a spectrum of interconnected components, including physical and transition risks, biodiversity impacts, greenhouse gas (GHG) emissions, and opportunities for sustainable development, reflecting the need for comprehensive strategies.

This perspective considers not only the immediate physical risks but also the systemic and transformative aspects of climate change, acknowledging its implications for ecosystems, economies, and societies.

As an infrastructure asset manager, Meridiam approaches climate change by integrating both adaptation and mitigation strategies into planning and operations. Mitigation involves reducing or preventing the emission of greenhouse gases throughout the value chain, while adaptation focuses on enhancing resilience to the impacts of climate change. This approach not only safeguards against climate-related risks but also contributes to a more sustainable and resilient infrastructure portfolio as well as Meridiam's offices.

Regular monitoring, continuous improvement, and collaboration with relevant stakeholders are key components of an effective climate change strategy for Meridiam.

Meridiam's Climate Policy is designed to deliver its overall climate strategy which is linked to specific mission objectives and formal commitments. Its deployment on both corporate and portfolio levels ensure full coverage of Meridiam's ambition to contribute to the climate action.



**Stewardship and Engagement**  
Reporting, Communicating and Engaging with Stakeholders

- Net Zero Asset Managers
- Task Force on Climate-related Financial Disclosures
- Impact Report
- Taskforce on Nature-related Financial Disclosures
- Investors' Reports



# Meridiam Corporate Commitments and Initiatives

## **MERIDIAM'S CLIMATE STRATEGY LINKED TO ITS CORPORATE ACTIVITIES IS STRUCTURED AROUND THE FOLLOWING APPROACH:**

- › Undertake an exhaustive assessment of its own corporate practices and their associated GHG emissions for all its employees and all Meridiam's offices;
- › Define and deploy efficient actionable decarbonization initiatives across all offices for scope 1, 2 and 3 emissions;
- › Contribute to carbon mitigation projects beyond our value-chain equivalent to our absolute GHG emissions.

Explicitly, emission sources classified under scopes 1, 2 and 3 have been delineated in compliance with the Greenhouse Gas (GHG) Protocol. These encompass electricity utilization, waste management, Information Technology (IT) services, and air and rail transportation. The data acquisition process is a collaborative effort involving Meridiam's support functions (Travel, Administration, IT) and external service providers (travel agencies, waste management firms, electricity suppliers, and other vendors). The carbon management platform Sweep enables us to monitor this data across all our offices and employees on an annual basis.

We aim to curtail our scope 1, 2 and 3 GHG emissions and promote initiatives that will reduce our corporate carbon footprint.

Furthermore, an annual budget for carbon mitigation projects is allocated, based on a CO<sub>2</sub>e value of 100€ per ton. This budget facilitates the execution of decarbonization measures and bolsters positive climate projects beyond our value chain. To build our contribution portfolio, we forge direct partnerships with developers, selecting their projects with meticulous scrutiny to ensure alignment with our corporate values and ensure that these projects generate multiple co-benefits in terms of Sustainable Development Goals (SDG) impacts beyond carbon reduction, avoidance or sequestration.

This contribution-based approach is instrumental in aligning our corporate commitments with our mission and fortifying our role as a responsible change leader.



# Meridiam Portfolio Commitments and Initiatives

## **MERIDIAM'S CLIMATE STRATEGY FOR ITS PORTFOLIO IS STRUCTURED AROUND THE FOLLOWING THREE COMMON BASES:**

- › Integration of investment guidelines based on a common definition of low carbon ambitions;
- › Implementation of a strong climate risk management process;
- › Definition of strong climate objectives.

## **Low Carbon Investment Guidelines**

### **Climate-Related Exclusions**

*As part of its investment Policy, Meridiam, since inception, has committed to not only exclude activities known to generate large quantities of GHGs, but also to avoid encroachment into areas that act as carbon sinks (oceans, terrestrial habitats) and/or participate in carbon capture. In particular, Meridiam commits through its exclusion list to not knowingly finance, directly or indirectly:*

- › Projects related to the extraction, processing or production of coal, oil and other fossil fuels nor assets using coal as the main energy source. Meridiam will also not invest in projects that are mainly dedicated to transporting coal or fossil fuels;
- › Projects related to the conversion or degradation of critical forest areas or forest-related critical natural habitats;
- › Projects in or impacting areas on the United Nations List of National Parks and Protected Areas;
- › Projects in or impacting natural World Heritage Sites;
- › Extraction or infrastructure projects in or impacting protected area Categories I, II, III, and IV (Strict Nature Reserve/Wilderness Areas and National Parks, Natural Monuments and Habitat/ Species Management Areas), as defined by the International Union for the Conservation of Nature (IUCN).
- › Destruction<sup>1</sup> of High Conservation Value<sup>2</sup> areas.
- › Marine and coastal fishing practices, such as large-scale pelagic drift net fishing, with nets in excess of 2.5 km in length, and fine mesh net fishing, or other practices (e.g. blast fishing) harmful to vulnerable and protected

1. Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of an habitat in such a way that the area's ability to maintain its role is lost.

2. High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see <http://www.hcvnetwork.org>).

## Meridiam's Investment Thesis

Meridiam invests in assets that provide essential services to the community focusing on a range of critical infrastructure with a predominant focus on mobility (clean logistic center, LRT, roads, railways...), energy and the environment (biomass, interconnector, energy efficiency, irrigation, waste treatment, water distribution...), and critical public services (fiber, hospitals, schools, public buildings...). Meridiam also supports and accelerates the development of innovative and fast-growing SMEs involved in the ecological transition.

As part of its mission strategy, all funds and investments must demonstrate an alignment with Meridiam's Mission Strategy based on the 5 SDG-linked pillars. Among these pillars, 4 ensure that different aspects of the fight against climate change are systematically addressed and integrated in a

holistic and comprehensive approach towards asset selection, development and management: SDG 9 & 11 (sustainable cities and communities), SDG 7 (affordable and clean energy) and SDG 13 (climate action), and SDG 14 & 15 (together: biodiversity). This translates into:

- › **long term key measurable climate objectives detailed in the [Climate objectives](#) section of this Policy;**
- › **A collection of practical tools supporting Meridiam's teams in positive screening during asset selection, enhancing and optimizing assets in the development as well as management phases. These tools and their application are detailed in the [Meridiam deployment approach](#) section of this Policy.**

## Climate-Focused Financial Products

In addition to its general approach towards integrating climate issues within its investment and management strategies, Meridiam develops thematic funds which aims are to target sectors and type of assets adapted to modern challenges and climate scenarios beyond Meridiam's investment time horizon. Meridiam's new funds all have clear climate objectives and environmental impact-oriented approach:

- › **Meridiam Transition Fund offers an innovative response to the challenges of energy transition by targeting development projects in the field of energy efficiency, local energy supply, smart grids and innovative renewable energies.**
- › **The Urban Resilience Fund ('TURF') Global Platform, focuses on the development of inclusive, resilient**

**and economically sound urban infrastructure projects. The aim being to address today's context of dynamic and changing natural and man-made conditions challenging social, economic, and environmental well-being of societies.**

- › **The Green Impact Growth Fund (GIGF) has an environmental impact-oriented approach by investing in Greentech innovative SMEs at growth operating solutions contributing to the ecological and energy transition. The primary focus of the SMEs' activities will be related to renewable energy, circular economy, energy efficiency, smart city and energy storage. Additionally, GIGF has obtained the GREENFIN certification. The t.eq. CO<sub>2</sub>/€M of turnover has been defined as the reference environmental indicator.**

## Climate Risk Management

Meridiam has more than 120 infrastructure assets in portfolio and/or in development in Europe, Africa and South and North America operating in the mobility, social and energy transition sectors. Therefore, physical

and transition risks associated with climate change vary significantly from one asset to the next and can be non-negligible. Meridiam has identified climate risk drivers falling in two major categories.

- **Physical risks**, resulting from natural and weather-related hazards. These are evaluated based on the specific location and nature of assets, and their risk of exposure. Physical risks are related to a set of 9 acute and chronic physical risks identified as most likely to damage Meridiam’s infrastructure assets or affect their use.

HIGHER AVERAGE TEMPERATURE	HEAT WAVES	FLOODING AND LANDSLIDES
HIGHER PRECIPITATION	FOREST FIRES	HIGH WINDS AND CYCLONES
LOWER PRECIPITATION	WATER STRESS	SEA LEVEL RISE AND COASTAL HAZARDS

- **Transition risks**, stemming from the inherent impacts in the transition from a carbon intensive economy to a decarbonized future, which Meridiam breaks down into four categories.



Meridiam seeks to develop, invest in, and manage projects that are resilient and provide solutions that are adaptable to withstand climate-related physical shocks and transition risks. As such, the implementation of climate-related risks management and opportunities within the investment process allows to determine materiality and support the design of appropriate risk mitigation strategies related to energy, carbon and climate change as part of Meridiam’s investment thesis. Through the early-stage risks

evaluations conducted on investment opportunities and the in-depth evaluations and optimization work carried out on every asset, Meridiam covers, anticipates, avoids, and compensates for any project’s short, medium, and long-term climate-related issues during the investment and asset management phases.

*Details on the implementation of Meridiam’s climate risk management approach are covered in the Meridiam Deployment Approach section.*

## Climate Objectives

### Carbon Objectives

Meridiam's carbon strategy is based on the reduction of its investments' carbon footprint and on delivering low-carbon and resilient infrastructure. From this strategy, two specific objectives are derived: to avoid and to reduce Meridiam Portfolio emissions. These objectives further translate into two complementary targets covering 100% of Meridiam Assets Under Management (AUM).

1

*Become carbon neutral by 2050 with an interim target of a 50% reduction of its portfolio's GHG emissions scopes 1 and 2 by 2030 in tCO<sub>2</sub>e/US\$ invested<sup>1</sup> as aligned with Meridiam's Net Zero Asset Manager Initiative (NZAM) signatory commitments.*

2

*Align Meridiam Portfolio towards a 2°C climate trajectory, using a rigorous methodology called CIARA developed by Carbone 4 and sponsored by Meridiam, through the 2-infra Challenge initiative.*



*Those are effectively two different but complementary ways of looking into achieving global neutrality. The first target addresses Article 4 of the Paris Agreement with the aim of achieving a balance between the amount of anthropogenic GHG emissions going in and going out of the atmosphere while the second target aims at stabilizing the concentration of CO<sub>2</sub> in the atmosphere at acceptable levels, as prescribed in Article 2 of the Paris Agreement. As such, the neutrality target is a “flow” target, and the temperature target is a “stock” target (looking at the total amount of GHG emissions in the atmosphere compared to a predefined carbon budget).*

<sup>1</sup> The baseline year for setting the quantitative target is currently 2019, however, the carbon assessment at that time was covering 61% of the funds invested by Meridiam. As such, the baseline will be updated in 2024 using 2023 data in order to work from a more representative data coverage of Meridiam's global portfolio.

## Climate-Related Mission Objectives

Consistent with its mission statement, Meridiam continues deploying and measuring its mission objectives based on its five pillars built on the UNSDGs. Meridiam's new mission objectives are set from 2024 to 2030.

MERIDIAM MISSION STRATEGY PILLAR CONTRIBUTION	KPI	TARGET	UNIT	YEAR OF ACHIEVEMENT	BASELINE PERFORMANCE	BASELINE YEAR	PERIMETER
SDG 7	Increase the share of renewable energy consumed	100% of assets	% of renewable energy in the total consumption mix	2030	16%	2022	100% AUM
SDG 9 & 11	Assets having developed and implemented at least 4 out of 5 of the following sustainability-related management systems: <ul style="list-style-type: none"> <li>▶ International certification</li> <li>▶ Energy</li> <li>▶ Climate change-related risk assessment</li> <li>▶ Waste reduction and recycling</li> <li>▶ Water</li> </ul>	95% of assets	% of assets achieving the 4/5 threshold	2026	72%	2022	100% AUM
SDG 13	Assets' decarbonization Action Plans (DAP)	75% of involved assets have started defining their plan	Nb of assets that initiated a DAP	Q4 2024	0	2023	100% AUM
SDG 13	Meridiam decarbonization trajectory	A defined trajectory at portfolio level	Modelized trajectory	Q2 2025	-	2023	100% AUM
SDG 13	Quantitative physical and transition climate-related risks*	100% of assets	% of assets for which a complete quantitative risk assessment is performed	Q2 2024	-	2023	100% AUM
SDG 14 & 15	Included measures and/or obligations in the suppliers' contracts aiming at reducing pressures on biodiversity and preserving resources	100% of assets	% of assets that have integrated measures and/or obligations for their supply chain	2030	N/A	-	100% AUM



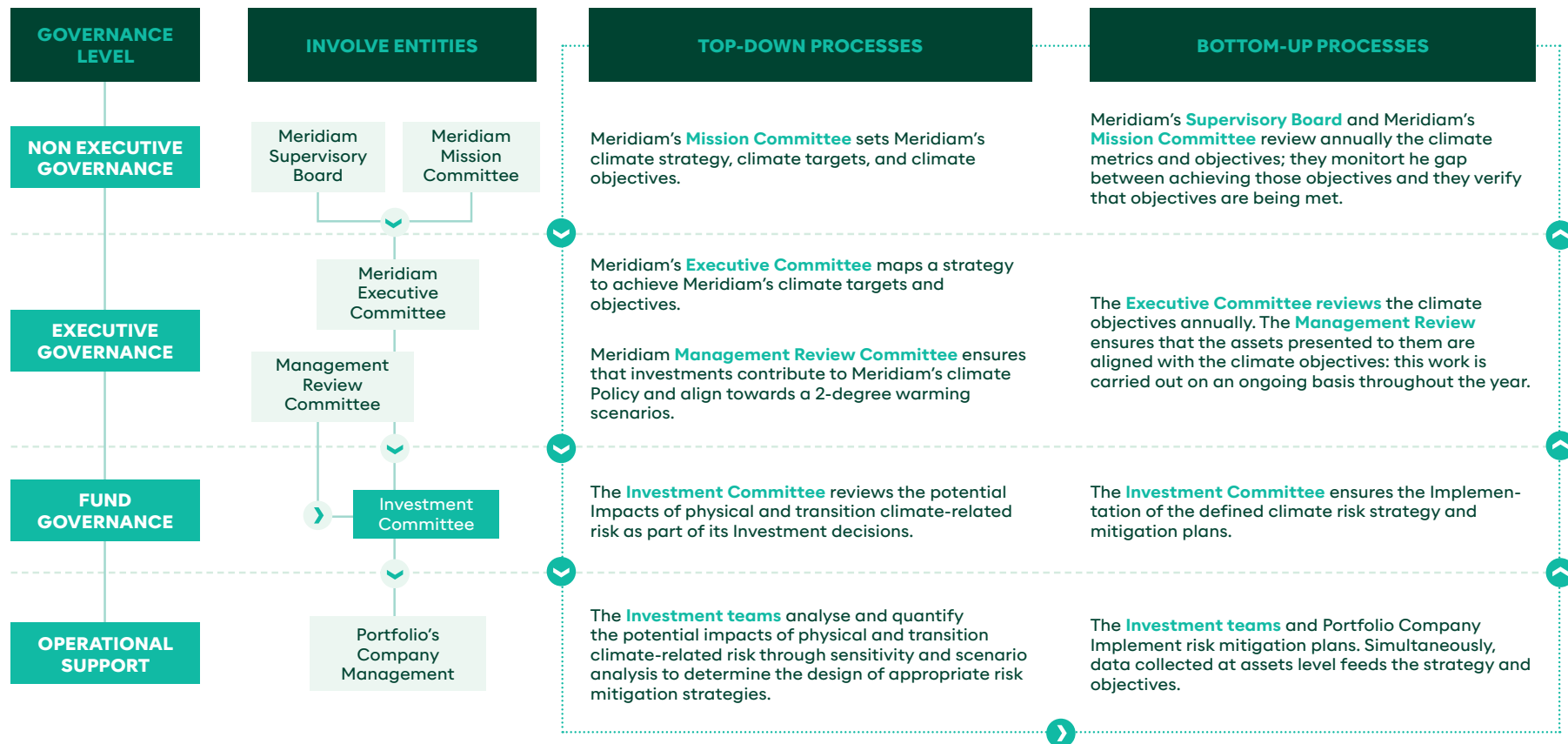
# Meridiam Deployment Approach

The deployment of the Climate Policy depends on the involvement and dedication of all employees and governance parties within Meridiam. The general approach includes a clear governance structure and operational processes according to which the work is undertaken. It also implies an active stewardship from Meridiam with regards to its assets and dedicated monitoring and reporting to inform its stakeholders and monitor performance.

## Governance

### Governance Structure

Meridiam's Climate Strategy is carried out throughout the organization via a specific governance structure that ensures an efficient deployment, full accountability and optimal coordination between the management and operating teams.



## Operational Governance

Meridiam has developed an approach to portfolio investment and management that underpins the delivery of its mission and its five primary goals.

It has been designed to ensure that the performance of its funds exceed investors' expectations both in terms of financial and non-financial criteria.




Meridiam Portfolio management operations are organized to ensure efficient knowledge sharing that enables proper steering of and quality reporting, tailor-made action plans on each asset implemented by the Project Leaders and a forum for continuous improvement and new tools: the Lab.

All of Meridiam's employees are held accountable when it comes to implementing the climate strategy. Support is provided to the teams namely in the form of yearly mandatory training sessions on how to integrate ESG considerations, including climate change issues into the investment process. The teams are also responsible for the firm's overall stewardship activities and ESG integration into the investment process. Additionally, since 2021, a malus has been integrated in all new funds if the investment team does not reach certain KPIs related to SDG targets, including climate-related ones. To further incentivize the investment teams to achieve the ESG impact targets, Meridiam links carried interest and yearly performance reviews to sustainability performance, including climate-related ones.

TEAMS	RESPONSIBILITIES	OVERARCHING POLICIES & TOOLS
ESG	<b>Implementation of Meridiam's:</b> <ul style="list-style-type: none"> <li>› Mission strategy &amp; objectives</li> <li>› Climate Policy</li> <li>› ESG Procedures under ISO 9001 system</li> <li>› Meridiam &amp; SPV employees' training</li> <li>› Portfolio monitoring</li> </ul>	<ul style="list-style-type: none"> <li>› <a href="#">Sustainability Risk Policy</a></li> <li>› Mission objectives</li> <li>› Climate Policy</li> <li>› Internal ESG-SDG Procedures</li> </ul>
HUB	<b>Portfolio steering:</b> <ul style="list-style-type: none"> <li>› Knowledge sharing</li> <li>› Monitoring and deployment of best practices over the entire portfolio</li> </ul>	<ul style="list-style-type: none"> <li>› <a href="#">Simpl.</a><sup>®</sup></li> <li>› CIARA</li> </ul>
Project Leader	<b>Deploy internal process and cross-functional actions promoted by Meridiam :</b> <ul style="list-style-type: none"> <li>› Asset SDG Implementation Plan (ASIP) and Decarbonization Action Plan (DAP)</li> <li>› Best practices, knowledge sharing, dedicated clubs, Meridiam network</li> <li>› Coordinate data collection with SPV</li> </ul>	<ul style="list-style-type: none"> <li>› ReportL.</li> <li>› Meridiam clubs</li> <li>› Asset SDG Implementation Plan (ASIP)</li> <li>› Decarbonization Action Plan (DAP)</li> </ul>

# Investment Process

Climate-related risk management and opportunity enhancement procedures are an integrated part of the overall investment process. The table below focuses on these climate-related risks and demonstrates how they are managed at each stage of the investment process.

DEVELOPMENT AND IMPLEMENTATION PROCESSES	PROJECT PHASE	INTEGRATION OF CLIMATE-RELATED ISSUES IN THE INVESTMENT PROCEDURES	TOOLS
Investment process	<p><i>Environment and Market Analysis / Origination</i></p> 	<p>Climate Change risk screening as part of the Initial ESG/SDG evaluation based on Meridiam's ESG/SDG requirements:</p> <ul style="list-style-type: none"> <li>▶ Selective filtering with Meridiam's exclusions and restrictions lists.</li> <li>▶ Energy, carbon and climate risk analysis matrix developed to assess material physical and transition risks per type of infrastructure. This matrix relies on an exhaustive framework based on the French Development Agency's approach, to pre-assess potential material climate-related risks of Meridiam's specific asset types. The result of this preliminary evaluation is used to tailor the in-depth impact analysis</li> <li>▶ Identification of climate-related opportunities to enhance/optimize the contribution of the investment opportunities to Meridiam's climate strategy.</li> </ul>	<p><i>ESG exclusion and restriction lists</i></p> <p><i>Carbon, Climate Change and Energy risk analysis</i></p> <p><i>Preliminary SDG assessment checklist</i></p>
	<p><i>Initial Project Development</i></p>  <p><i>Tender / Active Development</i></p>	<p>A more detailed ESG/SDG due diligence is undertaken at this stage of the development process to understand the detailed characteristics of the asset, the components of the environment in which it is located and the environmental and social impacts it generates. This due diligence may include an in-depth analysis of climate-related risks and opportunities which may result in a dedicated detailed climate risk assessment.</p> <p>Definition of a strategy for managing potential climate-related issues and risks when relevant, as well as enhancing asset's positive levers to contribute to the fight against climate.</p>	<p><i>Detailed ESG Due Diligence, including value chain due diligence</i></p> <p><i>Climate Change dedicated risk assessment</i></p>
	 <p><i>SPV creation</i></p>	<p>The appropriate management process, including the optimization of the asset design to avoid or reduce the climate-related adverse impacts, are put in place through specific measures covered by an implementation as well as a management plan.</p>	<p><i>ESG Measures and Implementation Plan, including dedicated Climate resilience measures</i></p> <p><i>Integration of sourcing clauses in suppliers' contracts</i></p>





# Asset Management Process

As for the investment process, the climate-related issues are an integrated part of the asset management process. They are addressed on an ongoing basis, for as long as the assets are in portfolio.

PROJECT PHASE	INTEGRATION OF CLIMATE-RELATED ISSUES IN THE INVESTMENT PROCEDURES	TOOLS
Asset Management	<ul style="list-style-type: none"> <li>› Carbon footprint assessment of every asset is undertaken on a yearly basis, using the principles of the GHG protocol on scopes 1, 2 and 3 perimeters;</li> <li>› Asset temperature assessment and Climate-related physical and transition risks assessment</li> <li>› Asset SDG Implementation Plans and Asset Decarbonization Action Plans, both are developed by each asset.</li> </ul>	<ul style="list-style-type: none"> <li>› Climate stress test tools:               <ul style="list-style-type: none"> <li>• GHG assessment</li> <li>• CIARA</li> </ul> </li> <li>› Asset SDG Implementation Plan (ASIP)</li> <li>› Asset decarbonization Action Plan (DAP)</li> </ul>

## Climate Stress Test Tools

An in-depth knowledge of assets' climate related issues is key to Meridiam to ensure resilience and proper management of its assets.

Meridiam uses several climate tools to define its portfolios baseline, assess the forward-looking carbon performance of assets and portfolios, track the progression towards its objectives, identify which

assets are at risk or not within a low-carbon trajectory, and define informed decarbonization solutions and mitigation measures when appropriate at asset level.

These tools are consistently adapted and improved, and the analyses are undertaken systematically for each asset in portfolio with regular updating.

### ASSETS GHG ASSESSMENT

The carbon footprint of each asset in portfolio is assessed following the principles of the GHG Protocol and undertaken by an external consultant. Significant emissions are calculated along the entire infrastructure value chain (scopes 1, 2 and 3) and presented according to the project's life phases (construction, operation, use). Calculations are based on assets' physical characteristics (kWh, m<sup>2</sup>, traffic etc.). Emission factors are taken from reference databases, such as ADEME, Ecoinvent, IEA depending on the asset's geography and characteristics.

## CIARA

CIARA is a rigorous and operational methodology that addresses key climate-related challenges including:

- ▶ Assessing the alignment of infrastructure funds with a 2°C climate trajectory, as prescribed in Article 2 of the Paris Agreement. This methodology assesses the GHG annual deviation of each infrastructure asset with a 2-degree scenario and provides a dynamic assessment of each portfolio.
- ▶ The assessment of exposure of assets to physical climate risks and to transition risks. Risk scoring combines climate projections, transition hazards projections, local context information, and assets' structural (CAPEX) and operational (EBITDA) vulnerability.

## Asset SDG Implementation Plan (ASIP)

Meridiam leverages its annual reporting campaign using a management tool called the Sustainability Impact Measurement Platform; SIMPL.®

The tool is calibrated to assess a given asset's contribution to the Sustainable Development Goals (SDGs) and thus its contribution to Meridiam's five-pillar strategy. SDG KPIs are leveraged to develop Asset SDG Implementation Plans (ASIPs) – an action plan that identifies tailored pathways to improve positive contributions to the SDGs.

This is done in close collaboration with the portfolio company in order to ensure that the analysis is comprehensive of the asset's specific context and scope.

The defined actions can range from installing onsite renewable energy projects such as solar PVs, negotiating a higher renewable energy share in the consumption mix, obtaining specific sustainability related certifications such as LEED, BREEAM or ISO 14001, improving the energy management system, establishing carbon reduction targets, etc.

These action plans are updated on a yearly basis based on the annual performance assessment of an asset regarding its contribution to the SDGs.

## Asset Decarbonization Action Plan (DAP)

Reinforcing its action levers towards steering portfolio decarbonization, Meridiam is committed to ensuring the deployment of specific asset decarbonization action plans, for each asset in portfolio through its M.A.D (Meridiam Asset Decarbonization) initiative. This initiative aims at supporting each asset to measure its detailed carbon footprint throughout its value chain and to develop a detailed action plan (Decarbonization Action Plan (DAP)).

The DAPs complement the ASIPs already developed at asset level with a focus on decarbonizing the assets' activities, building around targets and decarbonization pathways tailored to every asset's context and reality. These pathways will be defined with the objective of being aligned to Meridiam's own carbon-related commitments as a Net Zero Asset Manager Initiative signatory.

*These tools ensure actionable management strategies are systematically deployed at asset level, fostering continuous improvements towards achieving Meridiam's ambitions to actively participate in the fight against climate change and provide resilient infrastructure offering a reliable service to the communities they serve.*

# Active Stewardship

## Actionable Portfolio Management

*Meridiam aims to secure a controlling minority or a majority of the capital of each asset, supported by appropriate corporate governance rights, board membership in the portfolio company and active management from the global platform.*

By seeking co-controlling or controlling positions Meridiam is able to pursue an active role throughout the life of the asset over the long-term. In particular, this includes monitoring, evaluating and engaging on climate-related issues.

### **FURTHER, THROUGH CONTINUAL ACTIVE ENGAGEMENT, MERIDIAM IS ABLE TO:**

- › Identify potential issues early;
- › Determine the requisite response; and
- › Implement mitigating action.

Day-to-day monitoring of the construction and operation will typically be conducted by the fully staffed portfolio company or its assigned contractor. Meridiam carefully focuses on the selection of key employees (including the CEO, CFO and other senior employees), some of whom may be appointed or seconded by Meridiam.

Meridiam will provide specific ESG-related trainings and onboardings to the selected key employees, including in relation to its Climate Strategy and specific climate ambitions. This ensures ownership and accountability of these topics at asset level, including the implementation of the ASIP and the DAP.

## Industry Collaboration & Public Policy Engagement

Addressing climate change requires coordinated efforts across sectors, fostering global collaboration to build a sustainable and resilient future. As such, collaboration and public Policy engagement are key to Meridiam's Climate Strategy. Meridiam has sponsored the R&D of key unique market methodologies, including CIARA, to assess the alignment of infrastructure funds with a 2°C climate trajectory and Simpli<sup>®</sup>, to evaluate an asset contribution to the SDGs. Meridiam also initiated the Long-Term Infrastructure Investor

Association (LTIIA) to increase quality sustainable investment in infrastructure and promote ESG best practices between investors.

Additionally, Meridiam has always been very active in engaging with public Policymakers or regulators and has participated in face-to-face meetings with government members or officials to discuss policies associated with climate action. Meridiam is committed to continue doing so in order to facilitate market adoption of climate related regulations and incentives.

# Monitoring and Reporting

*Meridiam monitors its portfolio using the Simpl.<sup>®</sup> platform<sup>1</sup> as well as the previously mentioned climate stress test tools.*

At predefined frequencies, Meridiam issues several reports where investors are updated on the ESG and SDG indicators that are monitored. These reports include:

- › Quarterly reports, which include a specific note on ESG and SDG issues for each asset;
- › An annual ESG/SDG report titled “Impact Report”, which includes a presentation of Meridiam’s approach and Policy on these aspects and an analysis of selected qualitative and quantitative ESG/SDG indicators with a monitoring of performance over time. This report is publicly disclosed on Meridiam’s website;
- › A TCFD<sup>2</sup> report covering Meridiam’s climate-related approach updated yearly, including the carbon footprint of its portfolio. This report is also publicly disclosed on Meridiam’s website;
- › SFDR RTS<sup>3</sup> periodic reports which cover regulatory ESG reporting;
- › A Principle Adverse Impact report on a yearly basis;
- › A yearly Loi Energie Climat<sup>4</sup> report

Through its yearly monitoring Meridiam is able to steer the management of its portfolio to ensure continuous improvement towards achieving its ambitions in the participation of the fight against climate change. With these various reporting exercises, Meridiam ensures full transparency on the deployment of its climate strategy and the performance of its portfolio.



1. Sustainable Impact Measurement Platform -ESG reporting for infrastructure assets: <https://simpl.tools/>

2. Task Force on Climate-related Financial Disclosures: <https://www.fsb-tcfd.org/>

3. Sustainable Finance Disclosure Regulation (SFDR): Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards (RTS): [https://eur-lex.europa.eu/eli/reg\\_del/2022/1288/oj](https://eur-lex.europa.eu/eli/reg_del/2022/1288/oj)

4. Article 29 of law n°2019-1147 of November 8, 2019 (Loi Energie-Climat - French Law)

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