



Sustainable
Markets
Initiative

BAIN & COMPANY  **PMDR**

Private Markets Decarbonisation Roadmap Summary

2024

Document description

- This summary deck **provides a brief introduction of the PMDR guidance**—a leading decarbonisation industry standard—to all relevant parties across the Private Markets space (i.e., GPs, LPs, PortCos)
- In addition to a consolidated overview of the **Roadmap’s main features**, this deck highlights key benefits, primary use cases, as well as key learnings. It also includes deep-dives into **core concepts** and **asset-class specific considerations**
- For further information on the PMDR, please visit the [PMDR Microsite](#) or directly [get in touch](#) with the Bain PMDR team

250+

Organisations globally have contributed to the development of the PMDR

200+

GPs consulted in both one-on-one and group consultations¹



40+

LPs consulted from across ILPA membership base



10+

Broader ecosystem players to ensure consistency and support



US\$3T+

Combined Assets Under Management (AUM) of current PMDR adopters²

Notes: 1) With PESMIT and iCI co-sponsoring; 2) Includes AuM from ~50% of PESMIT firms, PMDR pilot firms, firms of working group participants, firms which have publicly disclosed, and firms which have shared their adoption during events/ interactions

AGENDA

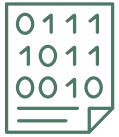
Executive summary

Deep-dives into core concepts

Asset-class specific considerations

The PMDR provides a common and flexible approach for Private Markets to achieve decarbonisation, delivering transparent results and progress at their own pace

The Private Markets Decarbonisation Roadmap is...



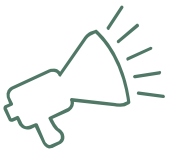
A **common language** for asset managers to:

- Describe where **their portfolios** are on **their decarbonisation journey**
- Speak to **stakeholders** about their decarbonisation activities in a way that is **mutually understood**



A **comprehensive guidance** so firms:

- Can apply the approach across **different asset classes** in their portfolio
- Have clear activities for each stage in the **decarbonisation journey**



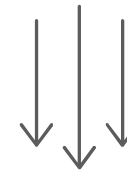
A **flexible approach**, where firms can choose for their funds:

- Where and how to disclose performance (to LPs, publicly, etc.) using metrics that are most relevant to their context

The Private Markets Decarbonisation Roadmap is not...



A **public commitment** to deliver a common goal (e.g., GFANZ net zero Initiatives)



A framework with **fixed emissions reduction targets** or **portfolio coverage** requirements (e.g., IIGCC's net zero Investment Framework)



A **regulator, third-party verifier** or **standard setting reporting body** (e.g., EU Taxonomies and SBTi)

PMDR's core feature—the Alignment Scale—helps GPs to categorise their portfolios along their decarbonisation journey

Q1: What measures has the PortCo taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP ²	Committed to a decarb. plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Minimal or no emissions data No decarbonisation plan in place	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway ³	Committed to near-term science-based target aligned to a long-term net zero-pathway	Demonstrated YoY emissions profile in-line with net zero-pathway

Q2: Is there a recognised transition pathway for this PortCo?

No Current Pathway to Align	Cannot progress past 'Preparing to Decarbonise'
Definition: PortCos with no pathway to align to the transition using existing technology	
Criteria: Greater than 50% of revenue generated using high-emitting assets that is not feasible to decarbonise through redevelopment, retrofitting or replacement	

Q3: Do the PortCo's operations enable the NZ transition?

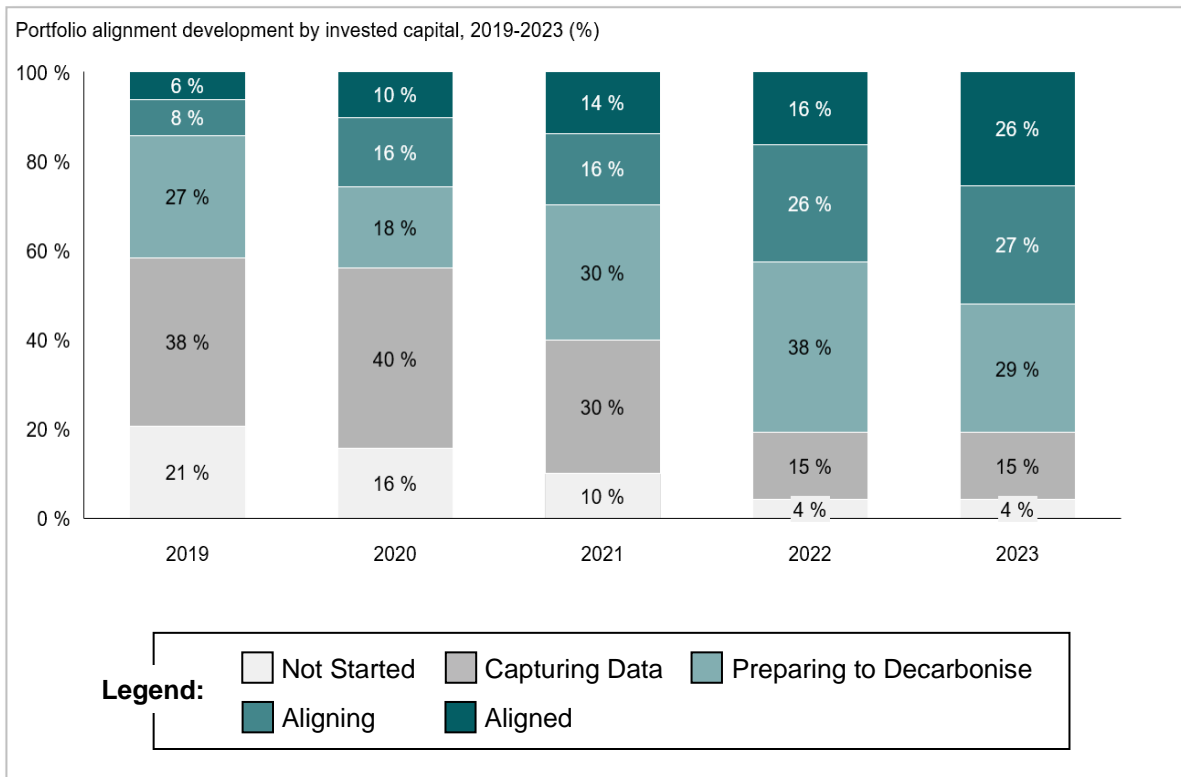
Decarbonisation Enablers
Definition: PortCos working to support a subset of Climate Solutions ⁴ related to the transition to a low-carbon economy
Criteria for Decarbonisation Enabler: Greater than 50% of revenue is related to an economic activity that is enabling net zero transition
Criteria for Emerging Decarbonisation Enabler: Greater than 10% of revenue is related to an economic activity that is enabling net zero transition and less than 50% of revenue from high-emitting assets

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero; 4) Climate Solutions as defined by GFANZ as one of their four core financing strategies

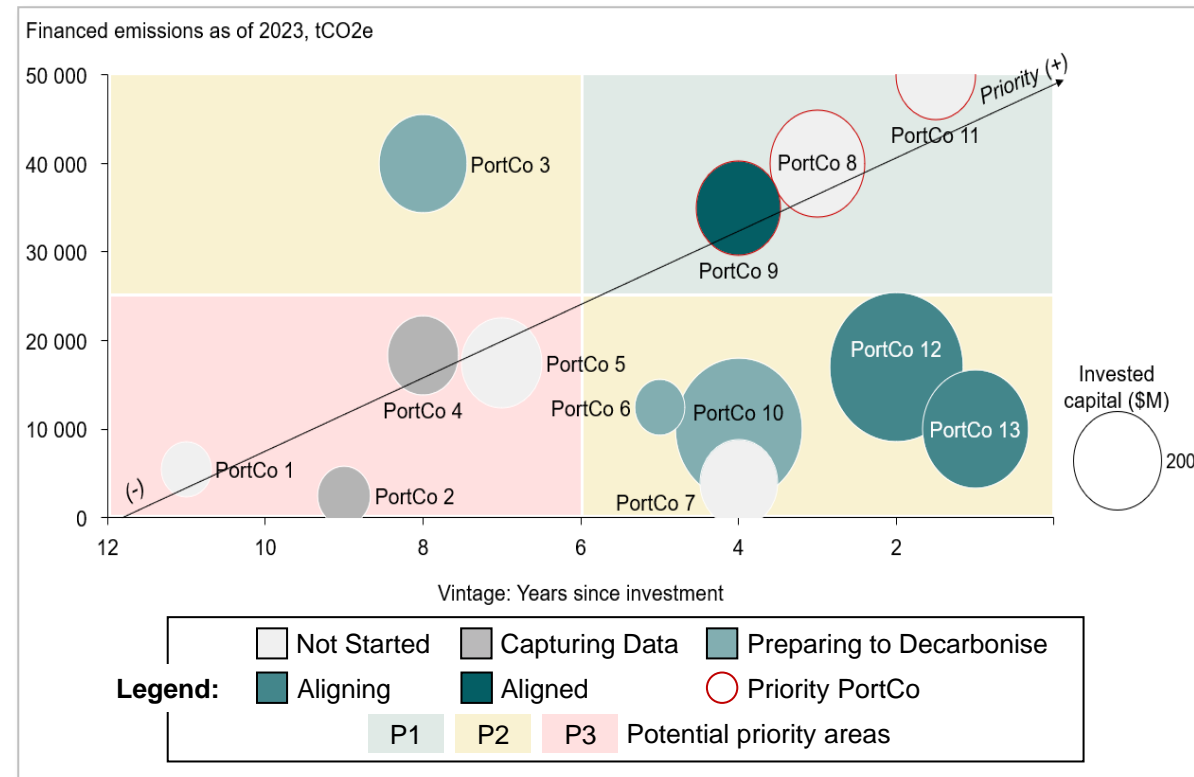
The PMDR enables financial investors to visualise progress, helping them prioritise and shape effective decarbonisation strategies

/ ILLUSTRATIVE

Gain holistic overview of portfolio decarbonisation progress



Sharpen decarbonisation strategy and prioritise actions



Visualisation templates are available on the Microsite, to be populated with data from the PMDR Support Tool

Note: Simplified views for demonstration purposes; visualisation templates available on Microsite offer more detailed views and analyses

The Private Markets Decarbonisation Roadmap offers use cases for stakeholders across the Private Markets space, varying by the specific audience

/ NOT EXHAUSTIVE



General Partners



- Inform **internal strategy**
- Support **engagement with PortCos**
- Enhance tailored **disclosure of progress** to stakeholders



Limited Partners



- Better assess **decarbonisation efforts** of investments
- Enhance ability to make **strategic, climate-aligned decisions**



Portfolio Companies



- Track **decarbonisation progress** over time
- Ensure to meet **stakeholder expectations**
- Empower **strategic decisions toward net zero** with a clear, step-by-step roadmap

Note: Based on one-on-one consultations with leading industry stakeholders, results of the PMDR adoption survey and PMDR pilot insights

Several learnings have emerged from PMDR adoption across the Private Markets industry



Key learnings



Increasing top-down decarbonisation ambition

- GPs are increasingly **setting decarbonisation targets** and related **top-down agendas**
- Funds are **challenging PortCos** to accelerate their decarbonisation journey



Prioritising high-emitting and newer vintage PortCos

- GPs are accelerating portfolio decarbonisation **by targeting high-emitting PortCos** first
- Investors specifically **focus on newer vintage PortCos** due to greater time to support progress



Unlocking financial value by leveraging decarbonisation

- Once considered a cost item only, **decarbonisation is increasingly leveraged to drive financial value**
- Enhancing **operational efficiency**, reducing **carbon cost exposure** and meeting **customer needs** are key levers

PMDR

**For further
information, visit**
bain.com/PMDR

**or get in touch with our
team directly through**
PMDR.Global@bain.com



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Executive summary

Deep-dives into core concepts

Asset-class specific considerations

The Roadmap helps GPs categorise their portfolio of assets, across industries and at all stages of the decarbonisation journey

/ BUYOUT FOCUS

Q1: What measures has the PortCo taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP ²	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Minimal or no emissions data No decarbonisation plan in place	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway ³	Committed to near-term science-based target aligned to a long-term net zero-pathway	Demonstrated YoY emissions profile in-line with net zero-pathway

Q2: Is there a recognised transition pathway for this PortCo?

ii

No Current Pathway to Align

Definition: PortCos with **no pathway** to align to the transition using existing technology

Criteria: Greater than **50% of revenue** generated using high-emitting assets that is not feasible to decarbonise through **redevelopment, retrofitting or replacement**

Cannot progress past 'Preparing to Decarbonise'

Q3: Do the PortCo's operations enable the NZ transition?

iii

Decarbonisation Enablers

Definition: PortCos working to support a **subset of Climate Solutions**⁴ related to the transition to a **low-carbon economy**

Criteria for Decarbonisation Enabler: Greater than **50% of revenue** is related to an economic activity that is **enabling net zero transition**

Criteria for Emerging Decarbonisation Enabler: Greater than **10% of revenue** is related to an economic activity that is **enabling net zero transition and less than 50% of revenue** from high-emitting assets

ⓧ Additional insights and explanations for PMDR concepts i-iii on next slides

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero; 4) Climate Solutions as defined by GFANZ as one of their four core financing strategies

i Criteria for decarbonisation plans evolve as PortCos move through the stages of the Alignment Scale

/ FURTHER INFORMATION IN SECTION 3.2.3. OF GUIDANCE

	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Plan required	Decarbonisation plan	Transition plan	Transition plan with net zero target
Definition	<i>Plan to reduce emissions (intensity) with a non net zero aligned target</i>	<i>Short-term plan to reduce emissions (intensity) aligned to a net zero pathway</i>	<i>Plan that will reduce emissions (intensity) to a net zero aligned level by 2050</i>
Plan criteria	<p>Minimum requirements¹:</p> <ul style="list-style-type: none"> Includes a quantitative target for emissions (Intensity) reduction that represents a significant reduction in emissions Includes a short-term/ interim target (minimum period of 5 years) Lays out annual activities/ levers with clear KPIs and an annual reporting structure Reviewed by PortCo board Includes an analysis of material risks to the environment and relevant stakeholders 	<p>Requirements as in previous stage plus:</p> <ul style="list-style-type: none"> Includes a near-term, science-based target in line with a transition pathway² Targets should always be set on Scope 1&2 emissions, and on Scope 3 emissions if they are material, i.e., >40% of total emissions Science-based targets may be drawn from sources including the following: <ul style="list-style-type: none"> SBTi TPI Sectoral Decarbonisation Pathways CDP Transition Plan - Technical Note Industry-specific documents e.g. UNFCCC's Race to Zero Decarbonising Fashion report Bespoke plans developed by PortCo environmental consultant 	<p>Requirements as in previous stage plus:</p> <ul style="list-style-type: none"> Year-on-year emissions profile in line with net zero pathway (incl. Scope 1&2 emissions, as well as Scope 3 emissions if they are material, i.e., ≥40% of total emissions) Recommended (but not mandatory) to include a science-based target to achieve net zero emissions by 2050 or sooner Recommended (but not mandatory) that plan is externally verified³

Note: 1) Minimum requirements based on resources including the Transition Pathway Taskforce Implementation Guidance and GFANZ Real-economy Transition Plans; 2) Science-based targets represent targets explicitly aiming at scaling back emissions in accordance with the aim to reach net zero by 2050; 3) Third-party verification may be done by bodies including: SBTi, Environmental consultancies, Non-specialist auditors (incl. KPMG, PwC, Deloitte and EY)

ii A PortCo will be designated as having ‘No Current Pathway to Align’ if >50% of revenue is generated using high-emitting assets that cannot be removed

/ FURTHER INFORMATION IN SECTION 2.1.2. OF GUIDANCE

Steps to determine ‘No Pathway to Align’

Step 1



Assess whether greater than 50% of revenue is from a high-emitting sector

These **sectors**¹ include:

- Industry (including power generation)
- Buildings
- Air travel
- Auto and Transport

Step 2



Check if the economic activity² driving the PortCo’s revenue is high-emitting

There are **edge-cases**, in which a PortCo may lie in high-emitting sector (e.g., buildings) but have a pathway to Align

For example, a travel agency is within the high-emitting sector of Air Travel, but the product/service is not high-emitting

Step 3



Review if the PortCo has a feasible ambition to redevelop, retrofit or replace high-emitting assets

- **Re-development:** Renovating/ changing the asset to make either their operations or output lower carbon
- **Retrofitting:** Changing the mechanisms within an asset, commonly through electrification, to reduce emissions
- **Replacing:** Phasing out high-emitting assets in favour of low emitting alternatives

Note: 1) Defined by GFANZ; 2) Refers to the product or service provided

iii A PortCo can be classified as an (Emerging) Decarbonisation Enabler using a logic tree to assess its impact on emissions reduction

/ FURTHER INFORMATION IN SECTION 2.1.1. OF GUIDANCE

Map against taxonomy

Step 1 Are the PortCo's / investee's **economic activities enabling net zero transition** through decarbonisation covered by the fund's chosen **taxonomy**?

Yes – continue assessment **No – manual assessment**

Manual assessment

Step 2 Does the PortCo **substantially contribute** to climate change mitigation?
Does the PortCo ensure **no substantial adverse impact** of its activities?¹

Yes – continue assessment **No – not a Decarbonisation Enabler**

Assess Decarbonisation Enabler or Emerging Decarbonisation Enabler Status

Step 3 Does the PortCo have **>50% revenue** related to an economic activity **enabling net zero transition**?
Does the PortCo have **>10% revenue** related to an economic activity **enabling net zero transition**, and **<50% revenue** from high-emitting assets?

>50% – Decarbonisation Enabler **>10% – Emerging Decarbonisation Enabler**

Note: 1) A PortCo only needs to answer positively to the first question to move from Step 2 to Step 3. See detailed guidance laid-out in section 2.1.1. of the PMDR for further information on Step 2

AGENDA

Executive summary

Deep-dives into core concepts

Asset-class specific considerations

In addition to Buyout investments, the Roadmap can be applied across a multitude of other asset classes

ASSET CLASS DETAILS

1



**Growth & Venture
Capital**

2



Infrastructure

3



Real Estate

4



Private Credit

5



Secondaries

Growth/ VC | Expected PMDR ambition levels vary by maturity stage

ASSET CLASS DETAILS

See further details – page 69 of [guidance](#)

VCA maturity stages

PortCo progresses to the next stage when it meets two or more of the annual revenue (US\$), capital raised (US\$), or full-time employee thresholds

Stage 1	Stage 2	Stage 3	Stage 4
All PortCos			
	>\$10m raised	>\$50m raised	>\$100m raised
	>\$25m raised	>\$250m raised	>\$500m raised
	>100 FTEs	>500 FTEs	>1000 FTEs



Alignment Scale expectations

Asset class	VCA maturity stage	Not Started	Capturing Data	Preparing to Decarb-onise	Aligning	Aligned to Net Zero
Venture Capital	Stage 1	Stage 1 assets are not expected to progress along the Alignment Scale				
	Stage 2	✓	✓	Stage 2 assets not expected to set ambition levels beyond 'Capturing Data'		
Growth	Stage 3	✓	✓	✓	✓	✓
	Stage 4	✓	✓	✓	✓	✓

1 Growth | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 71 of [guidance](#)

 Key differences vs. buyout guidance

Q1: What measures has the PortCo taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions²	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Minimal or no emissions data	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway³	Committed to near-term science-based target aligned to a long-term net zero pathway	Demonstrated YoY emissions profile in-line with net zero pathway
No decarbonisation plan in place				

Q2: Is there a recognised transition pathway for this PortCo?

No Current Pathway to Align

Definition: PortCos with **no pathway** to align to the transition using existing technology

Criteria: Greater than **50% of revenue** generated using high-emitting assets that is not feasible to decarbonise through **redevelopment, retrofitting or replacement**

Cannot progress past 'Preparing to Decarbonise'

Q3: Do the PortCo's operations enable the net zero transition?

Decarbonisation Enablers

Definition: PortCos working to support a **subset of Climate Solutions⁴** related to the transition to a **low-carbon economy**

Criteria for Decarbonisation Enabler: Greater than **50% of revenue** is related to an economic activity that is **enabling net zero transition**

Criteria for Emerging Decarbonisation Enabler: Greater than **10% of revenue** is related to an economic activity that is **enabling net zero transition** and less than **50% of revenue** from high-emitting assets

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero; 4) Climate Solutions as defined by GFANZ as one of their four core financing strategies

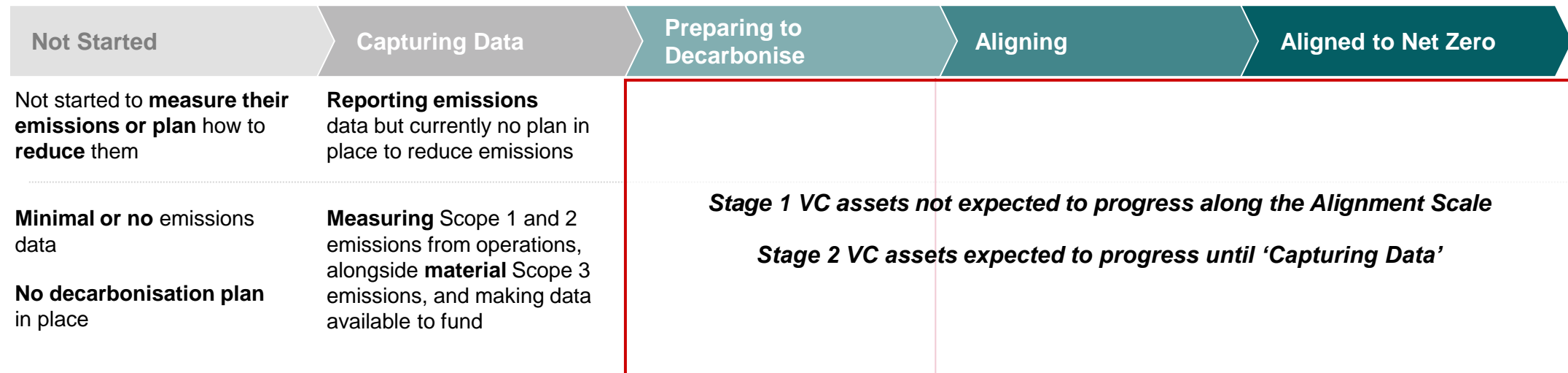
1 VC | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 72 of [guidance](#)

 Key differences vs. buyout guidance

Q1: What measures has the PortCo taken to reduce its GHG emissions?



Q2: Is there a recognised transition pathway for this PortCo?

No Current Pathway to Align

Definition: PortCos with **no pathway** to align to the transition using existing technology

Criteria: **Majority of future revenue** is expected to be generated from high-emitting economic activities

Cannot progress past 'Preparing to Decarbonise'

Q3: Do the PortCo's operations enable the net zero transition?

Decarbonisation Enablers

Definition: PortCos working to support a **subset of Climate Solutions¹** related to the transition to a **low-carbon economy**

Criteria for Decarbonisation Enabler: **Majority of future revenue** is expected to be related to an economic activity that is **enabling net zero transition**

Criteria for Emerging Decarbonisation Enabler: **Minority share of future revenue** is expected to be related to an economic activity that is **enabling net zero transition** and **Majority** does not stem from high-emitting assets

Notes: 1) Climate Solutions as defined by GFANZ as one of their four core financing strategies

2 Infrastructure - Construction Assets | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 80 of [guidance](#)

 Key differences vs. buyout guidance

Q1: What measures has the asset taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning
Not started to measure their emissions or plan how to limit them for operations or construction	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in line with an approach agreed with the GP ²	Committed to a decarbonisation plan aligned to a transition pathway
No current plan to limit emissions during construction or operation	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Plan in place to limit emissions during construction	Plan in place to construct asset in a way in which makes possible reaching zero emissions when operational
Minimal or no emissions data		Low-emission design incorporated into plan for final operational infrastructure, but level of ambition not in line with reaching zero emissions	<ul style="list-style-type: none"> Plan contains short- and medium-term targets for emissions (intensity) reductions once asset is operational, in line with science-based pathway
No decarbonisation plan in place			

Q2: Is there a recognised transition pathway for this asset?

No Current Pathway to Align

Definition: Assets with **no pathway** to align to the transition using existing technology

Criteria: Greater than **50% of revenue** generated using high-emitting assets that is not feasible to decarbonise through **redevelopment, retrofitting or replacement**

Cannot progress past 'Preparing to Decarbonise'

Q3: Do the asset's operations enable the net zero transition?

Decarbonisation Enablers

Definition: Assets working to support a **subset of Climate Solutions³** related to the transition to a **low-carbon economy**

Criteria for Decarbonisation Enabler: Greater than **50% of assets/assets' projected revenue** are (from) Infrastructure that will **enable net zero transition in the economy**

Criteria for Emerging Decarbonisation Enabler: Greater than **10% of assets/assets' projected revenue** are (from) Infrastructure that will **enable net zero transition in the economy** and less than **50% of revenue** is from high-emitting assets

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil/tar sands production sites cannot progress to this stage; 3) Climate Solutions as defined by GFANZ as one of their four core financing strategies

2 Infrastructure - Operational Assets | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 79 of [guidance](#)

□ Key differences vs. buyout guidance

Q1: What measures has the asset taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP ²	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
Minimal or no emissions data	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway ³	Committed to near-term science-based target aligned to a long-term net zero pathway	Demonstrated YoY emissions profile in-line with net zero pathway
No decarbonisation plan in place				

Q2: Is there a recognised transition pathway for this asset?

No Current Pathway to Align	Cannot progress past 'Preparing to Decarbonise'
Definition: Assets with no pathway to align to the transition using existing technology	
Criteria: Greater than 50% of revenue generated using high-emitting assets that is not feasible to decarbonise through redevelopment, retrofitting or replacement	

Q3: Do the asset's operations enable the net zero transition?

Decarbonisation Enablers	Changes impact only Infrastructure Credit
Definition: Assets working to support a subset of Climate Solutions ⁴ related to the transition to a low-carbon economy	
Criteria for Decarbonisation Enabler: Greater than 50% of revenue is related to an economic activity that is enabling net zero transition	
For Project Financing: Greater than 50% of capital provided on activities which enable net zero transition, or help to materially reduce emissions of asset owner	
Criteria for Emerging Decarbonisation Enabler: Greater than 10% of revenue is related to an economic activity that is enabling net zero transition and less than 50% of revenue from high-emitting assets	
For Project Financing: At least 10% of capital provided will enable net zero transition and less than 50% of capital provided will be used towards high-emitting activities	

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero; 4) Climate Solutions as defined by GFANZ as one of their four core financing strategies

3 Real Estate (Construction & Operational) | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 82 of [guidance](#)

Key differences vs. buyout guidance

Q1: What measures has the asset taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions²	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based net zero target
Minimal or no emissions data	Measuring Scope 1 and 2 emissions, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway³	Committed to near-term science-based target aligned to a long-term net zero pathway	Demonstrated YoY emissions profile in-line with net zero pathway
No decarbonisation plan in place			Investors can use portfolio-level decarbonization-/ net zero plans	

Construction assets

Cannot progress past 'Aligning'

Q2: Is there a recognised transition pathway for this asset?

No Current Pathway to Align

Definition: Assets with **no pathway** to align to the transition using existing technology

Criteria: Greater than **50% of revenue** generated using high-emitting assets that is not feasible to decarbonise through **redevelopment, retrofitting or replacement**

Cannot progress past 'Preparing to Decarbonise'

Q3: Do the asset's operations enable the net zero transition?

Decarbonisation Enablers

Real estate assets are not expected to be classified as '(Emerging) Decarbonisation Enablers'

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero

4 Private Credit | The Roadmap enables GPs to categorise assets across industries and stages in their decarbonisation journey

ASSET CLASS DETAILS

See further details – page 87 of [guidance](#)

□ Key differences vs. buyout guidance

Q1: What measures has the investee taken to reduce its GHG emissions?

Not Started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
Not started to measure their emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions²	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based net zero target
Minimal or no emissions data	Measuring Scope 1 and 2 emissions from operations, alongside material Scope 3 emissions, and making data available to fund ¹	Decarbonisation plan in place but level of ambition not Aligned to Net Zero pathway³	Committed to near-term science-based target aligned to a long-term net zero pathway	Demonstrated YoY emissions profile in-line with net zero pathway
No decarbonisation plan in place				

Q2: Is there a recognised transition pathway for this investee?

No Current Pathway to Align	Cannot progress past 'Preparing to Decarbonise'
Definition: Investees with no pathway to align to the transition using existing technology	
Criteria: Greater than 50% of revenue generated using high-emitting assets that is not feasible to decarbonise through redevelopment, retrofitting or replacement	

Q3: Do the investee's operations enable the net zero transition?

Decarbonisation Enablers
Definition: Investees working to support a subset of Climate Solutions⁴ related to the transition to a low-carbon economy
Criteria for Decarbonisation Enabler: Greater than 50% of revenue is related to an economic activity that is enabling net zero transition
For Project Financing: Greater than 50% of capital provided on activities which enable net zero transition, or help to materially reduce emissions of asset owner
Criteria for Emerging Decarbonisation Enabler: Greater than 10% of revenue is related to an economic activity that is enabling net zero transition and less than 50% of revenue from high-emitting assets
For Project Financing: At least 10% of capital provided will enable net zero transition and less than 50% of capital provided will be used towards high-emitting activities

Notes: 1) Emissions criteria applies across all subsequent stages; 2) To progress to this stage companies must have reasonable scope to reduce emissions from their operations; companies operating in thermal coal and exploration of new oil / tar sands production sites cannot progress to this stage; 3) Pathway can be sector pathway or company-specific reduction trajectory aligned net zero; 4) Climate Solutions as defined by GFANZ as one of their four core financing strategies

5 Secondaries | In contrast to other asset classes, the Secondaries fund must engage via the portfolio GP

Roadmap assessment for Secondaries



Collaboration with portfolio GP

- Secondaries funds may **leverage the Roadmap to raise decarbonisation** with every new GP they invest in
- These funds could **ask new GPs to classify their assets along the Alignment Scale** and estimate where they think their assets will be by **exit**
- Engagement is most likely to **result in data sharing in GP-led investments**, where there is a prior relationship between firms rather than in LP-investments



Outside-in

- When data requests are unanswered, a Secondaries fund can consider an **outside-in assessment** of a GP fund's Alignment Scale stages
- This is **most feasible** where there are few **assets bundled in the deal** and the Secondaries fund knows what PortCos the GP has invested in
- The Secondaries fund can classify a company provisionally based on its **public statements**
- Assessment **results should be shared with the GP** to check its agreement with the classification and to highlight some potential next steps

Where to find further information on specific assets in the PMDR guidance

ASSET CLASS DETAILS

Asset class	Information type	Section	Page
Private Equity (Growth & VC)	PMDR-application for Growth & Venture Capital assets	3.1.1.	35
	Additional considerations for Growth & Venture Capital (incl. asset-specific ambition levels & asset decarbonisation levers)	5.1.	69
Infrastructure	PMDR-application for Infrastructure assets	3.1.2.	36
	Additional considerations for Infrastructure (incl. asset-specific ambition levels & asset decarbonisation levers)	5.2.	77
Real Estate	PMDR-application for Real Estate assets	3.1.3.	38
	Additional considerations for Real Estate (incl. asset-specific ambition levels & asset decarbonisation levers)	5.3.	82
Private Credit	PMDR-application for Private Credit assets	3.1.4.	41
	Additional considerations for Private Credit (incl. asset-specific ambition levels & asset decarbonisation levers)	5.4.	87
Secondaries	PMDR-application for Secondaries assets	3.1.5.	43
	Additional considerations for Secondaries (incl. asset-specific ambition levels & asset decarbonisation levers)	5.5.	94

Note: Guidance found [here](#)

