

# Greenhouse Gas (GHG) Metrics - ABCA, Scope 3-15

## 1. Methodology

1

## 2. GHG metrics: emissions and carbon footprint

3

(The French version prevails)

ABC Arbitrage has deliberately chosen to calculate greenhouse gas (GHG) emissions at the portfolio level in the interest of accountability, transparency, and comparability.

ABC arbitrage Asset Management (ABAM) and ABC arbitrage Asset Management Asia (ABAA) are the Group's management companies (SGPG) and act as portfolio managers for the following investment vehicles:

- Quartys Limited, a subsidiary of the Group, under a specific management mandate;
- The ABCA Opportunities Fund, an alternative investment fund;
- The ABCA Reversion Fund, for which no information could be calculated due to the methodological constraints detailed in Section 1. (Methodology)

In the interest of transparency, exclusions, data gaps, and methodological choices are described in Section 1. The methodology, as well as the general principles guiding this analysis, apply to all investment vehicles managed by SGPG. The figures are published for collective investment schemes in ABAM's responsible investment policy and made available to investors for separately managed accounts.

The published GHG figures are calculated based on recognized regulatory standards and sector-specific frameworks, namely: the SFDR Regulation and its Regulatory Technical Standards, the GHG Protocol, the Partnership for Carbon Accounting Financials (PCAF) methodology (Part A), and the SBAI Principles for GHG-Emission Accounting in Alternative Strategies.

This initiative is in line with the responsible investment policy published last year, in which ABAM committed to "*calculating and updating the carbon footprint of [its] portfolio in order to monitor and incorporate into [its] investment decisions - where relevant - indicators such as carbon emissions, carbon intensity, etc.*"

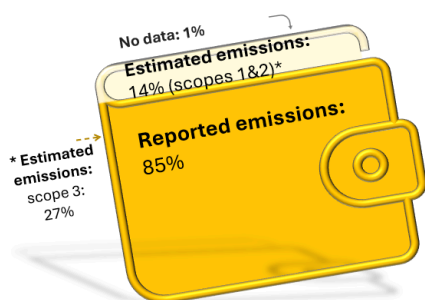
## 1. Methodology

The main methodological choices are as follows:

- Emissions from direct operations (Scopes 1 and 2) are accounted for using a financial control approach, in accordance with the GHG Protocol, and are included in the sustainability information voluntarily disclosed by the Group in its annual report. Financed emissions (Scope 3, Category 15) are calculated using an **exposure-based**

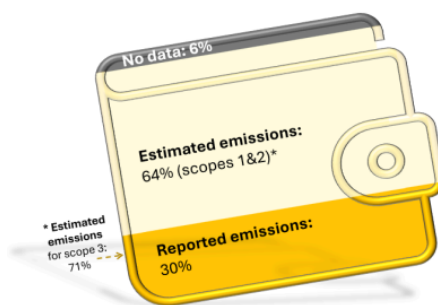
**allocation method**, in accordance with the PCAF standard, reflecting the lack of control over portfolio companies.

- **Perimeter limited to strategies trading cash equities:** The positions taken involve either equities or equity derivatives, such as warrants, guaranteed value certificates, or convertible bonds, as well as dematerialised digital assets ("Digital Assets"), derivatives such as futures, options, exchange-traded funds ("ETFs"), currency exposures, and investment fund units. Reliable underlying emissions data for the GHG metrics are only available for equities or equity derivatives, or the economic link between the instrument and real-world emissions is too indirect to warrant attribution at this stage. Other instruments are therefore excluded for now. This implies that **we could not calculate any GHG metric for ABCA Reversion Fund**, as it trades exclusively futures products that are currently out of perimeter. They will be introduced once a meaningful attribution approach is available.
- **Daily position snapshot:** given the high turnover of our strategies, a full snapshot of the portfolio at the end of every calendar day is captured. Emissions are allocated on this daily view, and annual figures are then derived from them, ensuring that the positions and / or exposures that vary very quickly are represented.
- **Data-quality hierarchy:** reported data are preferred whenever available. If no reported data is available, third-party estimates are used. Two key ratios describe data quality: (i) **Coverage ratio** reflects the proportion of the portfolio's exposure that includes at least one emission datapoint - whether reported or estimated and (ii) **Estimated ratio** reflects the proportion of exposure for which only estimated (i.e. non-reported) data is available. Both ratios are weighted by absolute exposure. For 2024, these ratios were as follows:



- For the management mandate with Quartys Limited: (i) Coverage ratio: 99% of the portfolio with at least one data point per emission, and (ii) Estimated ratios: 14% of Scope 1 and 2 data and 27% of Scope 3 data, indicating a relatively low reliance on estimates. **The figures relate exclusively to the portion invested in cash-equity and equity-derivative strategies, representing 54% of client assets under management for the 2024 fiscal year.**

- For the ABCA Opportunities Fund: (i) Coverage ratio: 94% of the portfolio has at least one data point on emissions, and (ii) Estimated ratios: nearly two-thirds of Scope 1 and 2 data and 71% of Scope 3 data, indicating that reliance on estimates remains significant. **The figures relate exclusively to the portion of the fund invested in cash-equity and equity-derivative strategies within the ABCA Opportunities Fund, representing 92% of the fund's total AUM for fiscal year 2024.**



- **Netting:** positions are netted at issuer level, consistent with guidelines and standards. However, ABC Asset Management often holds both long and short positions and assessing the impact of these different types of

positions on GHG is uncertain. In line with SBAI Principles, a short position is treated as a negative contribution. However, results are disaggregated by position type - long, short and net - to disclose the fullest picture possible so stakeholders can have information on each side's contribution to the footprint.

For illustrative purposes, the following example presents a highly simplified calculation spanning only two trading days and for scope 1 only.

Date	Company	Emissions tCO <sub>2</sub> e/day Scope 1	Corporate value	Strategy	Long	Short	Net	tCO <sub>2</sub> e long scope 1	tCO <sub>2</sub> e short scope 1	tCO <sub>2</sub> e net scope 1
01/01/2024	A	100	200	x	50			25	0	0
				y		40		0	20	0
				<b>Fund level</b>	<b>50</b>	<b>40</b>	<b>10</b>	<b>25</b>	<b>20</b>	<b>5</b>
	B	200	800	x		20		0	5	0
				y	50			12.5	0	0
				<b>Fund level</b>	<b>50</b>	<b>20</b>	<b>30</b>	<b>12.5</b>	<b>5</b>	<b>7.5</b>
	C	500	1500	x	60			20	0	0
				y				0	0	0
				<b>Fund level</b>	<b>60</b>	<b>0</b>	<b>60</b>	<b>20</b>	<b>0</b>	<b>20</b>
02/01/2024	A	100	200	x	20			10	0	0
				y		5		0	2.5	0
				<b>Fund level</b>	<b>20</b>	<b>5</b>	<b>15</b>	<b>10</b>	<b>2.5</b>	<b>7.5</b>
	C	500	1500	x		90		0	30	0
				y	100			33.3	0	0
				<b>Fund level</b>	<b>100</b>	<b>90</b>	<b>10</b>	<b>33.3</b>	<b>30</b>	<b>3.3</b>
	D	250	1000	x				0	0	0
				y		100		0	25	0
				<b>Fund level</b>	<b>0</b>	<b>100</b>	<b>-100</b>	<b>0</b>	<b>25</b>	<b>-25</b>
from 01/01/2024 to 02/01/2024	A	100	200					35	22.5	12.5
	B	200	800					12.5	5	7.5
	C	500	1500					53.3	30	23.3
	D	250	1000					0	25	-25
	<b>Fund</b>							<b>100.8</b>	<b>82.5</b>	<b>18.3</b>

- **Emissions reference year:** Emissions at the company level correspond to the most recent full fiscal year available (year N-1), as more recent data had not yet been published at the time of calculation. 2024 is defined as the reference year. A **recalculation will be performed in the event of a change in methodology, scope, or a significant improvement in data resulting in a material change (≈ 10%) in emissions.** Changes related to normal trading activity and portfolio turnover do not trigger a recalculation.
- The calculations take into account investments made through the dedicated management mandate, as well as the Group's stake in collective investment funds using a monthly allocation formula. GHG metrics and data quality indicators are published on pages 12 and 13 of ABC arbitrage Asset Management [responsible investment policy](#) for the ABCA Opportunities fund.

## 2. GHG metrics: emissions and carbon footprint

GHG emissions “financed” (or “endorsed” in SBAI terminology) by our equity positions are calculated by allocating to our portfolio the corresponding share of emissions of the equities

held in 2024. An allocation factor is obtained by dividing the value of our equity position in a given company by an estimate of that company's total value (Enterprise Value Including Cash, EVIC). This factor is then applied to the company's reported or estimated Scope 1, Scope 2 and Scope 3 emissions.

	Long	Short	Net
Scope 1	121 217	- 119 016	2 201
Scope 2	51 833	- 51 075	758
Scope 3	701 512	- 698 885	2 628
Total scope 1+2	173 050	-170 091	2 959
Total scope 1+2+3	874 562	-868 976	5 587

The **carbon footprint** gives an indication of the efficiency of the companies in a portfolio, expressed in tons CO<sub>2</sub>e/M€ "invested". The sum of "financed"/"endorsed" emissions is divided by the exposure.

	Long	Short	Net
Scope 1	125	121	38
Scope 2	53	52	13
Scope 3	724	711	45
Total scope 1+2	178	173	51
Total scope 1+2+3	902	884	96

Scope 3 data are less reliable and more volatile than Scopes 1 & 2 emissions.

Comparisons and benchmarking exercises typically rely on Scope 1 and 2 figures only, where data quality, consistency, and reporting standards are significantly more robust.

