

iC International: FAQs

1. *What are the origins of iCI? Why was the initiative originally called iC20? What was the significance of 2020?*

Following COP21 in November 2015, a group of 5 French private equity firms (Apax Partners, Ardian, Eurazeo, LBO France, and PAI Partners) decided to come together to contribute to achieving the objective of the Paris Agreement, ‘to limit global warming to well-below two degrees and to pursue efforts to limit it to 1.5 degrees.’

Originally called ‘Initiative Carbone 2020’ (iC20), the group first changed its name to ‘Initiative Climat 2020’, recognizing that climate change could not solely be addressed through carbon footprinting and then in 2019, broadened its scope to ‘initiative Climat International’ (iCI) to reflect its increasingly International outlook and relevance beyond 2020. Please note, the phrase “private equity” henceforth in this paper refers broadly to private market investing including private equity, private debt, venture capital and Infrastructure.

2. *What is the role of PRI? Do I need to be a PRI signatory to sign up?*

PRI endorsed iC International at Climate Finance Day in November 2018 and encourages its private equity signatories to join the initiative. iC International is hosted on the PRI online Collaboration Platform and is open to all private equity firms to sign.

iC International is organized on an individual network basis to account for local regulations and specificities but also to maintain its initial pragmatic, best practice sharing culture.

You do not need to be a PRI signatory to join an iC network. Non signatories can access the PRI Collaboration Platform. The platform will be live from September 2019.

The initiative is designed to be investor led, with PRI providing secretariat support.

3. *Why is iCI being organised into individual networks?*

- *How will each network be organised?*
- *How will networks work together to collaborate and share best practice?*

iCI is an investor led initiative, therefore the most effective way to engage meaningfully on climate is through dedicated networks. This approach enables the signatories within each network to address and account for the specificities within individual jurisdictions i.e. regulation such as Article 173 in France.

The model of individual networks also enables signatories to better deliver on the commitments of the initiative, by promoting closer collaboration and providing more opportunities to network.

We encourage individual networks to seek the pro-bono assistance of service providers who can provide methodological support.

4. Which network is the most appropriate to join initially if we have a global/pan European presence? Can representatives from our firm join multiple networks?

We recommend that you initially join the iC network where you are either 1. headquartered, or 2. have the majority of your company holdings.

Yes, representatives from one firm can join multiple regional networks.

5. Is there a joining or membership fee?

There is no joining fee or membership fee.

6. What will I be obliged to do as a signatory? Will I be required to publicly disclose emissions?

iC International commitments:

1. We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.

- ➔ Publicly demonstrate a commitment to act on climate change by becoming a signatory to the iC International.
- ➔ Promote the initiative among private equity firms and encourage them to become a signatory to the iC International.

2. We will join forces to contribute to the objective of The Paris Agreement to limit global warming to well-below two degrees Celsius.

- ➔ Integrate climate change into investment processes.

3. We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.

- ➔ Identify companies where climate change poses a material risk and carry out a measurement of its carbon footprint.
- ➔ Meaningfully engage with management teams of portfolio companies to develop an emissions reduction and climate change action plan.

You are not obliged to publicly disclose emissions.

7. *What are the benefits of joining?*

In joining iC International you will benefit from:

- Being part of a formally endorsed, global and collaborative initiative to assess and limit private equity's exposure to climate change risk.
- Accessing "tried and tested" materials, leveraging practitioner experience.
- Peer-to-peer learning and collaboration through iC International networks; sharing knowledge, tools, experience and best practice on a by sector and market basis.

8. *What tools and guidance will I have access to?*

Signatories to iC International will have access to a bespoke tool and guidance for private equity, typically developed in partnership with service providers.

As part of iCi signatories are expected to contribute to the development and improvement of tools and methodologies over time.

9. *We have developed our own methodology for calculating emissions across our portfolio. Can we still join?*

If you have developed your own methodology for calculating emissions across your portfolio you can still join the initiative and benefit from other aspects of the initiative.

Signatories are encouraged to share best practice and experiences. Hence, you are encouraged to share the key learning of your own-methodology or approach, for example comparing your sector ranking in terms of carbon footprint.

10. Will joining iCI help private equity firms to implement the recommendation of the TCFD?

- Does iCI support the recommendations of the TCFD?

iC International supports the recommendations of the TCFD and other disclosure frameworks including Article 173.

In line with the recommendations published by the FSB's Taskforce for Climate-related Financial Disclosure (TCFD) in June 2017, the objective of the iC International is to develop on this understanding and move towards forward-looking analysis of climate-related financial risk.

The first step is to engage the wider private equity industry to understand and manage carbon emissions, namely through measuring the carbon footprint within your portfolio.

The iC International proposes that the global private equity industry do its part to advance the recommendations of the TCFD by leveraging tried-and-tested methodologies to analyse and mitigate carbon emissions and exposure to climate-related financial risk.

11. How will iCI work with other climate-specific initiatives, e.g. The Investor Agenda and CA100+?

iC International is formally recognised as a supporting partner of The Investor Agenda. We encourage signatories to take action through The Investor Agenda and be part of the broader movement to take action on climate change.

12. How will iCi work with private equity industry bodies?

iC International encourages individual networks to work with private equity industry bodies, for example: Invest Europe and the British Private Equity and Venture Capital Association (BVCA).



Supported by:



INITIATIVE CLIMAT INTERNATIONAL

The commitment of private equity players, supplying equity or debt financing solutions in support of growth to startups, SMEs, midcaps as well as infrastructure projects.

PRIVATE EQUITY COMMITS TO ACTION ON CLIMATE CHANGE

Climate change poses a significant and real threat to the global economy, society and ecosystems. The Initiative Climat International (iC International) believes that the effects of climate change will generate both risks and opportunities for the companies in which they invest, and recognizes that private equity, with its levers for transformation and growth, has a vital and unique role to play in driving the transition to a net zero emissions, climate resilient global economy, and ultimately achieving the Paris Agreement's objective of limiting global warming to well-below two degrees Celsius.

The iC International is a collective commitment to reduce carbon emissions of private equity-backed companies and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk.

For iC International's signatories, this implies a commitment to effectively analyse and manage climate-related financial risk and emissions in their PE portfolios, in line with the recommendations of the FSB's Taskforce for Climate-related Financial Disclosure in June 2017.

Signatories to the iC International will join a global community of investors who seek to better understand and manage the risks associated with climate change. One of the key tenets of the iC International is mutual collaboration, with signatories committed to sharing knowledge, tools, experience and best practice methods amongst peers on a sector and market basis.

The iC International is a supporting partner of The Investor Agenda. It is officially endorsed by the Principles for Responsible Investment and is hosted on the PRI online Collaboration Platform.

The iC International is open to all private equity firms and investors to join.

INITIATIVE CLIMAT INTERNATIONAL COMMITMENTS

1. We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.

- Publicly demonstrate a commitment to act on climate change by becoming a signatory to the iC International.
- Promote the initiative among private equity firms and encourage them to become a signatory to the iC International.

2. We will join forces to contribute to the objective of The Paris Agreement to limit global warming to well-below two degrees Celsius, and in pursuit of 1.5.

- Integrate climate change analysis into investment processes.

3. We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.

- Identify companies where climate change poses a material risk and carry out a measurement of its carbon footprint.
- Meaningfully engage with management teams of portfolio companies to develop an emissions reduction and climate change action plan.
- If an LP, meaningfully engage with private equity firms under which funds are entrusted to develop an emissions reduction and climate change action plan.

On behalf of my organization, I hereby commit to take action on climate change through the iC International by:

For GPs

- Integrating climate change analysis into investment processes.
- Engaging with portfolio companies on climate change to further the commitments and goals of iC International.
- Supporting and promoting the iC International among private equity firm peers.

For LPs

- Engaging with GPs on climate change to further the commitments and goals of iC International.
- Supporting and promoting the iC International to private equity firms under which funds are entrusted.

Name of company

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Signature

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Name (printed)

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Date:

JOIN THE INITIATIVE CLIMAT INTERNATIONAL

Application form to join the iC International

Please copy the relevant application text onto your company's letterhead (with company logo), and return a scanned signed version along with the signed manifesto document to jie.gong@pantheon.com.

GP application

I hereby confirm that [COMPANY NAME] is eligible to join and participate in the iC International as a private equity fund manager.

- I confirm that my organisation is a private equity fund manager investing in private equity assets*
- Company website:
- Main contact information: (name, title, email address)
- I confirm that iCI may share my contact details with other members of the iCI
- Investment strategy: (choose: buyout, growth, venture capital, distressed/turnaround, infrastructure, real estate)
- AUM (\$):
- HQ country:
- Other office locations:

*First-time funds that are fundraising will only be eligible to join the ic International once they have made a first close and have made at least one investment.

Signature

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Name (printed)

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~~Date:~~ _____

LP application

I hereby confirm that [COMPANY NAME] is eligible to join and participate in the iC International as a private equity fund investor.

- I confirm that my organisation is a current investor in private equity funds
- Company website:
- Main contact information: (name, title, email address)
- I confirm that iCI may share my contact details with other members of the iCI
- Investment strategy: (choose: buyout, growth, venture capital, distressed/turnaround, infrastructure, real estate)
- AUM (\$):
- HQ country:
- Other office locations:

Signature

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Name (printed)

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Date: