



INITIATIVE CLIMATE 2020



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

GROWTH PLAYERS COMMIT TO THE FIGHT AGAINST CLIMATE CHANGE

Sustainable development has established itself as a vital component of the investment policies of French private equity players in the past several years. The concrete application of ESG (Environment-Social-Governance) processes to their activity as shareholders is today widespread.

Voluntary pledges in France, such as the Charter of Commitments for Investors in Growth or, at an international level, with the Principles for Responsible Investment, are being signed each year by a growing number of management companies (more than 80 to date in France).

Conscious of their responsibility as shareholders, the **IC20** signatories decide to unite and take action in order to make their own contribution to the COP21 objective of limiting global warming to two degrees Celsius.

They thus recognize that climate change will have significant impacts on the global economy, human societies and ecosystems. They believe that these consequences will generate both risks and opportunities for the companies in which they invest.

The **IC20** signatories are thus launching a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance by including the materiality of this issue. This approach is in line with the TCFD recommendations (Task Force on Climate-related Financial Disclosure) and the expectations of Article 173 of the Energy Transition for Green Growth French Act regarding climate risks and transparency.

PUBLIC, CONCRETE AND MEASURABLE COMMITMENTS

The iC20 signatories are committed to:

1. Recognizing that climate change will have effects on the economy which represent risks and opportunities for businesses

- Engaging publicly through the signature of the iC20
- Spreading the initiative among Private Equity actors

2. Joining forces to contribute, at their level, to the objective of COP21 of limiting global warming to two degrees

- Including climate issues in the investment process

3. Contribute to reduce the greenhouse gas emissions of their portfolio companies and ensuring sustainability of performance

- Carrying out gradual measurement of the carbon footprint of carbon-material companies
- Defining with management of the companies an emissions reduction and adaptation to climate change action plan for these companies

More specifically, the **Initiative Climate 2020's** methodological approach will comprise of three stages:

- During the investment phase: assessment of carbon impact on the company's future development.
- During the holding phase: Climate change awareness-raising for the management teams; Materiality analysis of the company's carbon impacts;
Based on the challenges, a thorough calculation followed by the definition of an action plan to reduce emissions and adapt to climate change.
- During the disposal phase: capitalize on significant improvements made and major progress achieved.

The signatories hope to share both the methodology and the commitments with all sector players that wish to participate in the fight against global warming.

The **Initiative Climate 2020** is an integral part of the pledges that were undertaken by the Paris financial market and co-signed by France Invest. The signatories wish to make this pragmatic and operational contribution in order for the private equity asset class, a major growth player in France, to be a driving force in building an climate-conscious world.

Five Arrows Managers is committed to the fight against climate change by contributing to the Initiative Climate 2020 by:

- The support and the promotion of the Initiative Climate 2020 with private equity companies to which funds are entrusted
- The deployment of the methodological approach of the Initiative Climate 2020 to the portfolio companies

Victor Decrion

Chief Operating Officer of Rothschild Merchant Banking

Signature :

