



---

## FRENCH PRIVATE EQUITY AND THE INITIATIVE CARBONE 2020

---

The commitment of French private equity players to measure, manage and reduce the greenhouse gas emissions of their portfolio companies.

### FRENCH SME AND FRENCH MID-MARKET COMPANIES GROWTH PLAYERS COMMIT TO THE FIGHT AGAINST CLIMATE CHANGE

Sustainable development has been considered vital to the investment policies of French private equity players for several years. The concrete application of ESG (Environment-Social-Governance) processes to their activity as shareholders is now widespread.

Voluntary pledges in France, such as the Charter of Commitments for Investors in Growth or, at the international level, the Principles for Responsible Investment, are being signed each year by a growing number of management companies (more than 80 to date in France). The 2015 publication of the AFIC's second annual ESG report demonstrates the willingness of these players to make their commitments public.

Wishing to proceed further with one of the major sustainable development challenges, and using the PwC methodology, five private equity companies belonging to the AFIC (Apax Partners, Ardian, Eurazeo, LBO France, and PAI Partners) have decided to launch the **Initiative Carbone 2020**, also known as the **IC20**.

Conscious of their responsibility as shareholders, the **IC20** signatories have decided to unite on these issues, in order to make their contribution to the COP21 objective of limiting global warming to two degrees Celsius.

They thus recognize that climate change will have material 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 have thus launched a long-term approach to reducing the greenhouse gas emissions of their portfolio companies and securing sustainable performance.

## PUBLIC, CONCRETE AND MEASURABLE COMMITMENTS

The five signatories of the **Initiative Carbone 2020** have decided to:

- ◆ Measure the direct and indirect carbon footprint (scopes 1, 2 and 3) based on a sample of 30 portfolio investments using an accessible and effective estimation methodology.
- ◆ Include the climate issue in their investment process as of 2016, so as to gradually extend a climate strategy to all the companies they control.
- ◆ Publish the carbon footprint of these same companies as of 2020.

Specifically, the methodological approach for the **Initiative Carbone 2020** will be three-pronged:

- ◆ During the investment phase: assessment of the carbon issue in 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 the most significant improvements made 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 Carbone 2020** "is an integral part of the pledges that were undertaken by the Paris financial market and co-signed by the AFIC." The signatories wish to make this pragmatic and operational contribution so that the private equity asset class, a major growth player in France, can be a driving force in building an eco-conscious world.

### APAX PARTNERS

Eddie Misrahi  
CHIEF EXECUTIVE OFFICER

### ARDIAN

Dominique Gaillard  
MANAGING DIRECTOR

### EURAZEO

Patrick Sayer  
CHIEF EXECUTIVE OFFICER

### LBO FRANCE

Robert Daussun  
CHIEF EXECUTIVE OFFICER

### PAI PARTNERS

Michel Paris  
CHIEF EXECUTIVE OFFICER