

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 zero-carbon, 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 2 °C, and in pursuit of limiting it at 1.5 °C.

- 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.

As an LP, Flexstone Partners commits to take action on climate change through the iC International by:

- ✓ 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.