

# 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.

## **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 a country by country 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 country networks?**

- *How will each network be organised?*
- *How will country 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 country 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 country 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 local networks to seek the pro-bono assistance of service providers who can provide methodological support.

Each country network will have an appointed network convener.

Please contact [jack.balsdon@unpri.org](mailto:jack.balsdon@unpri.org) should you wish to be a network convener and establish a country network.

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

**5. Is there a joining or membership fee?**

There is no joining 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 country 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, developed in partnership with PwC France. This includes:

1. A framework for assessing the materiality of climate risk to your portfolio.
  - The framework includes a set of seven questions to ask portfolio company managers when trying to assess the level of climate risk to an investment.
  - iC International will provide resources to help answer each of the seven questions and support a materiality analysis.
2. Tools to support the application of the simplified and advanced methodologies for measuring the carbon footprint of your portfolio, developed by France Invest and PwC France.
  - Simplified methodology: an Excel sheet tool that will calculate scope 1 and 2 emissions based on ten data points for the portfolio company.
  - Advanced methodology: a list of methodologies and sector guides to inform third party hire to conduct detailed emissions analysis [under development].

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?**

The iC France is a working group of the France Invest ESG Commission.

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