



Helping GPs to tackle climate challenges

We train our investment teams to be aware of climate issues and to monitor their funds' exposure to climate issues. Throughout the lifetime of the investment, we look at risks and opportunities, as well as exposure to longer-term trends.

GPs are increasingly aware of the necessity to tackle climate change issues and a growing number have established initiatives to measure and reduce the carbon footprint of their portfolio companies, integrate climate topics into their due diligence and monitoring processes, with the aim of reducing the environmental impact of their portfolio.

At company management level, many GPs are implementing initiatives in their own offices to reduce resource and energy use, funding carbon offsetting projects and joining industry initiatives to work on climate issues at a larger scale. In addition, they are running training sessions for their own staff and portfolio companies' management teams.

However, there is significant room for improvement as only 13% have dedicated guidelines to integrate climate issues into their investment process. For most GPs, climate-related investment guidelines are integrated within the firm's wider responsible investment policy.

Some GPs specifically refer to climate-related guidelines from external bodies such as the Taskforce for Climate-related Financial Disclosures (TCFD). There is a growing recognition of the need to integrate climate change into the investment process, with 17% of GPs saying they plan to have such a policy by the end of the year.

Around **2/3**

of GPs monitor whether their portfolio companies have environmental policies during their ownership, and half that number measure environment-related value creation on exit, using measurements such as reduction in energy consumption.

82%

PROPORTION OF GPs WITH ENERGY
REDUCTION INITIATIVES

