



CLIMATE TRANSPARENCY REPORT 2020

Astorg

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-38DE2982-2AEB-4AD4-A3AC-325D89A9DFF6/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Astorg
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2011
Region	Europe
Country	Luxembourg
Disclosure of Voluntary Indicators	95% from 38 Voluntary indicators

Astorg

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Astorg has identified the following climate risks and opportunities in its portfolio:

Risks

- **Transition risks:** These risks are highly material for Astorg's companies which are mainly in manufacturing segments. With the increasing regulation on raw materials, recycling and more globally on the whole product lifecycle, the policy and legal risk is high and companies are exposed to litigation if they do not anticipate new laws.
- **Technology risks:** As existing products and services are quickly being substituted with lower emissions options, Astorg's portfolio companies have to adapt to new standards required by the industry. To meet this challenge, they have to support R&D expenditures in new alternative technologies and have to bear the costs necessary to deploy new practices and processes. Moreover, the companies are exposed to market risks, with increased costs of raw material, due to their increasing scarcity.
- **Physical risks:** The activities of Astorg's portfolio companies are often carried out in plants in different parts of the world and this exposes them to increased severity of extreme weather events such as cyclones and floods. These climate events can directly damage the companies' facilities and indirectly affect their activity when such events concern supply chain partners. This can thus lead to reduced revenues from lower output and to increased capital costs when it comes to damage to facilities. We can also mention that more chronic risks, such as rising sea levels or changes in precipitation patterns and extreme variability in weather patterns, concern our companies, which can suffer from decreased production capacity (supply chain interruptions, etc.).

Opportunities

- **Products and Services:** Astorg's companies can benefit from opportunities such as those related to products and services. For example, companies can encourage their R&D teams to be mindful of utilising the best materials possible, to minimise power consumption, to have as small a carbon footprint as possible and to ensure they are durable and problem free in the field. Companies can also strive to ensure their product packaging is kept to a minimum and is recyclable wherever possible. This can provide companies with increased revenue through demand for lower emissions products and with better competitive position to reflect shifting consumer preferences.

- **Resource Efficiency:** Moreover, Astorg's companies can benefit from resource efficiency opportunities. For instance, if they move to more efficient buildings, to the use of more efficient production and distribution processes and to the significant reduction of water usage and consumption, they will reduce operating costs (through efficiency gains and cost reductions) and increase production capacity resulting in increased revenues.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

	Describe the associated timescales linked to these risks and opportunities.
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For each type of climate-related risk, Astorg analyses the probability for the risk to occur and the impact it could have on the business. The climate-risk assessment methodology used by Astorg is based on TCFD recommendations.

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

	Explain the rationale
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Astorg, as a signatory of the Initiative Climat International since 2018, is committed to climate-related disclosures. For this initiative, Astorg has committed by 2020 to:

- Recognize that climate change will have effects on the economy which represent risks and opportunities for businesses. Astorg is pursuing these efforts by: Engaging publicly through the signature of the iC20
- Spreading the initiative among Private Equity actors
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- Join forces to contribute to COP21's objective of limiting global warming to two degrees. Astorg is pursuing these efforts by: Including climate issues in the investment process
- Implementing a new climate strategy for Astorg in 2020
- Conducting in-depth climate risk analysis on portfolio companies
- Conducting carbon analysis on portfolio companies
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- Contribute to reduce the greenhouse gas emissions of their portfolio companies and ensuring sustainability of performance. Astorg is pursuing these efforts by: Carrying out gradual measurement of the carbon footprint of carbon-material companies
- Defining with companies' management an emissions reduction and adaptation to a climate change action plan for those companies. For instance, some portfolio companies have switched towards renewable energy providers.
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**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Climate Change is covered by Astorg's overall ESG approach and strategy and it is one of the ESG aspects clearly mentioned in Astorg's ESG policy which applies to all private equity investments made by Astorg funds.

The policy, based on the UN PRI and on the UN Global Compact, defines clearly the primary responsibility of the Astorg deal team in ensuring that ESG matters such as climate change are integrated into investment decisions and that in doing this they are supported by the expertise of the ESG Director.

To ensure the implementation of the ESG policy and of the integration of climate change aspects, the ESG Director is responsible for providing ESG-related expertise, for facilitating the implementation of the ESG policy into each portfolio company and for ensuring it is up-to-date and relevant.

Astorg promotes the inclusion of climate change-related programmes and initiatives in the CSR strategies and roadmaps of its companies.

Moreover, Astorg integrates climate change risks and opportunities throughout its investment process by including these aspects in the screening of targeted investments and in the ESG Due Diligence where it covers the climate change questions recommended for signatories of Initiative Climat IC20.

In its 2019 ESG report, Astorg disclosed information on portfolio companies' risks and opportunities towards climate change.

In addition, Astorg plans to draft and implement a new climate strategy, based on TCFD recommendations, as of 2nd semester of 2020.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Astorg CEO has the overall accountability of the integration of climate-related issues into the investment process and is responsible for the ESG team.

All Astorg investment professionals are responsible for implementing and monitoring climate-related issues throughout the investment cycle. In doing so, they are supported by a dedicated in-house team that has developed deep expertise in ESG management and climate topics.

The ESG team is responsible for supporting the implementation of Astorg's responsible investment strategy, both at firm and portfolio company level. Astorg's ESG Director coordinates due diligence alongside the investment teams, provides ESG inputs into the investment decision and subsequent investment management, and oversees monitoring and reporting. The ESG Director also advocates for Responsible Investment Principles within the private equity industry by speaking and participating in industry initiatives and international conferences.

Astorg's Board of Managers is responsible for the approval and the review of Astorg's ESG policy, strategy and action plans.

Astorg's Investment Committee is responsible for the assessment of ESG factors related to climate change during the investment decision-making process: an ESG note is presented together with the investment memo to the investment committee which also includes risks related to climate change.

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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Climate Change is covered like the other ESG aspects in the investment process and is included in our ESG policy.

In addition, Astorg will draft and implement a new climate strategy, based on TCFD recommendations, as of 2nd semester of 2020.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Climate risks and opportunities are integrated into ESG due diligences and the training material of investment managers.

- None of the above

SG 14.5

Additional information [Optional]

In 2019, Astorg conducted an in-depth analysis of carbon footprint for both Astorg organization and portfolio companies.

In its 2019 ESG report, Astorg disclosed information on portfolio companies' risks and opportunities towards climate change.

In addition, Astorg plans to draft and implement a new climate strategy, based on TCFD recommendations, as of 2nd semester of 2020.

Astorg is also a signatory of the Initiative Climat International, which aims to manage and reduce the greenhouse gas emissions of French private equity firms' portfolio companies.

SG 14 CC

Voluntary

Public

General

**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Astorg conducted an in-depth analysis of carbon footprint (scope 1 and 2) for both Astorg organization and portfolio companies in order to identify reduction opportunities.	tCO2e	The environmental consultancy commissioned to perform Astorg's carbon footprint assessment used the GHG protocol to assess scope 1 and 2 emissions. The Organizational scope included companies included of the Astorg VI fund, IQ-EQ (Astorg V) and Astorg itself (London, Luxembourg and Paris offices).
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	The carbon footprint of the portfolio, normalised by its market value, is one of KPIs that can allow Astorg to follow its progress in time, as well as compare it to various benchmarks (e.g. industry peers).	tCO2e/M€	GHG emissions associated to each company's activities were normalised to the amount invested by Astorg.
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	The absolute greenhouse gas emissions associated with Astorg's portfolio have been assessed in order to identify companies that are most likely to face climate transition risks, need to implement reduction initiatives as a priority and require the closest follow-up in this area.	tCO2e	The environmental consultancy commissioned to perform Astorg's carbon footprint assessment used the GHG protocol to assess scope 1 and 2 emissions. The Organizational scope included companies included of the Astorg VI fund and IQ-EQ.

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Ⓞ Processes for climate-related risks are integrated into overall risk management

Please describe

Astorg integrates the analysis of climate change risks and opportunities throughout its investment process from the screening of investments to the management of portfolio action plans. Climate Change-related risks are a standard item of the company's overall ESG strategy. And this is the reason why, Astorg has become in 2018 signatory of the French PE initiative IC20. As part of this initiative, Astorg commits to include climate change aspects into its due diligence process by systematically integrating seven IC20-specific questions in the ESG Due Diligences addressed to portfolio companies' management to identify, assess and manage climate-related risks. The questions are listed below:

1. Is the company subject to carbon regulation?
2. Have any of the company's principals (administration, large groups) already expressed expectations in terms of carbon strategy?
3. Is part of the value chain located in a geographical area with high climatic risk?
4. Has the company or its industrial sector recently been the subject of any controversy related to carbon issues?
5. Are the company's market conditions sensitive to climate and energy issues (dependence, competition, technological issues, etc.)?
6. Has the company made a voluntary carbon footprint (scopes 1, 2, 3) required by an important / strategic stakeholder?

7. Does the company plan an IPO or does its growth lead it to exceed the thresholds of 500 employees and 100 million in consolidated turnover?

The collected answers are then taken into account in building annual ESG action plans and KPIs.

- Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
 No