



Topic	Priority	Materiality	Reporting
Climate Change	High	Material	Material
Human Rights	Medium	Material	Material
Environment	Medium	Material	Material
Social	Medium	Material	Material
Governance	Medium	Material	Material

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CLIMATE TRANSPARENCY REPORT 2020

Ardian

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/-2196FB65-5516-4D0D-AC5C-B537605C241A/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	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	-					
SG 14.7 CC	-					
SG 14.8 CC	-					
SG 14.9 CC	-					
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

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	Ardian
Signatory Category	Fund of funds, manager of managers, sub-advised products - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	>50% Private Equity Externally Managed
Signed PRI Initiative	2009
Region	Europe
Country	France
Disclosure of Voluntary Indicators	49% from 38 Voluntary indicators

Ardian

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.

Ardian pays particular attention to climate change throughout the investment process as it is considered key to creating long-term, inclusive and sustainable growth for portfolio companies. Ardian has adopted climate change as a key priority for its sustainability program.

Ardian considers that climate change is a material risk for its portfolio for which it has a majority stake: Buyout, Expansion & Infrastructure. For these assets, Ardian assesses its exposure to climate risks and measures the carbon footprint of these assets regularly. This information is consolidated, analyzed and communicated to Investors on an annual basis through fund management reports.

In 2015, Ardian demonstrated its leadership commitment through the launch of the Initiative Climat International (iC International, formerly Initiative Climat 2020) endorsed by UNPRI, along with four other French private equity firms. As a member of the iC International, Ardian commits to:

- Recognizing that climate change affects the economy and represents risks and opportunities
- Integrating climate issues during the investment process
- Reducing the greenhouse gas emissions of majority-owned portfolio companies when the subject is material

In 2019, Ardian initiated in-depth analysis of physical and transitional risks based on TCFD recommendations within its Expansion portfolio. The results of this analysis enabled Ardian to identify action plans to improve its portfolio companies' impact regarding climate change and contribution to the energy and ecological transition. Action plans include implementing recommendations made by specialized consultants (e.g. installing LED lamps and WRG ventilation systems, changing air circulation systems and water pumps), monitoring greenhouse gas emissions on a regular basis at both local and Group level, setting energy consumption reduction targets, etc.).

In 2020, Ardian will use the TCFD framework to assess the climate-related risks and opportunities of all its infrastructure assets.

No

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

Yes

Describe the associated timescales linked to these risks and opportunities.

For physical risks, Ardian has mapped the geographic location of its Expansion portfolio companies using the World Risk Index (WRI) map. WRI assesses the disaster risk for 172 countries and is updated regularly. The Index considers exposure to extreme natural events and calculates a society's capacity to respond to such events.

For transition risks and opportunities (policy and legal, technology, market, and reputation), timescales vary in function of the company considered, its sector, the maturity of the countries of operation, etc.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

In 2009, Ardian became an early signatory of the UN PRI. In line with this commitment, Ardian integrates ESG into all phases of the investment process for all activities that include climate change.

As a member of the iC International, Ardian commits to:

- Recognizing that climate change affects the economy and represents risks and opportunities
- Integrating climate issues during the investment process
- Reducing the greenhouse gas emissions of majority-owned portfolio companies when the subject is material

Ardian has already used the TCFD framework in its Expansion portfolio to identify long-term risks and opportunities and test the portfolio companies' resilience against plausible climate change-related scenarios (e.g. floods, change in energy mix, use of EVs, water scarcity). In 2020, Ardian will use the TCFD framework to assess the climate-related risks and opportunities of all its infrastructure assets. As of today, Ardian is not a public supporter of the TCFD

**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

The identification and management of material climate-related risks and opportunities is part of Ardian's Sustainability Program that mobilizes resources from top management coupled with a dedicated team composed of five full-time experts.

The Sustainability team is responsible for developing and implementing the program across all of Ardian's activities throughout the offices at corporate and investment level. The Sustainability team aims to provide guidance to all Ardian teams, develop and implement Ardian's Sustainability strategy in the investment process and answer all potential questions clients may have on this subject.

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

specify

TCFD disclosures are shared with portfolio assets concerned

- 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

Other Chief-level staff or heads of departments

- 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.

The Sustainability Committee is composed of thirteen top management representatives from the investment activities and support functions, including five members of Ardian's Executive Committee. The Sustainability Committee meets on a quarterly basis to review progresses achieved. It provides the team with strategic guidance ensuring the Sustainability Program is aligned with Ardian's global strategy.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

Ardian requests incorporation of TCFD recommendations into annual Sustainability Engagement Program Reviews performed with asset managers

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

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

	Describe
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Ardian has used the TCFD framework in its Expansion portfolio to identify long-term risks and opportunities and test the portfolio companies' resilience against plausible climate change-related scenarios. In 2020, Ardian will use the TCFD framework to assess the climate-related risks and opportunities of all its infrastructure assets

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]
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When developing any new business opportunity, Ardian integrates long term trends considerations, such as demographic change and climate change.

ESG considerations, such as the robustness of countries' regulatory frameworks, are integrated in funds' geographic allocation strategies.

Ardian refuses to invest in tobacco and pornography industries and excludes any investment in companies manufacturing and/or distributing controversial weapons. Ardian defines controversial weapons as weapons having a disproportionate impact on civilian population such as chemical weapons, biological weapons, nuclear weapons, anti-personnel landmines and cluster bombs

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
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- Initial assessment

Describe

Ardian considers that climate change is a material risk for its portfolio for which it has a majority or significant minority stake: Buyout, Expansion & Infrastructure. For most of the assets within these portfolios, Ardian assesses its exposure to climate risks and measures the carbon footprint of these assets regularly. This information is consolidated, analyzed and communicated to Investors on an annual basis through fund management reports.

As such, Ardian performs a maturity and performance assessments and monitoring of portfolio companies' climate approach. These include modelling of carbon emissions of the portfolio and for each individual asset and assessment of scopes 1, 2 and 3.

- Incorporation into investment analysis

Describe

In addition to modelling carbon scenarios and trajectories within the Buyout, Expansion and Infrastructure portfolios, Ardian monitors emission reduction levers and determine specific targets (including SDG 13) for each portfolio asset during the life cycle of the fund.

- Inform active ownership

Describe

The results of the analyses mentioned in previous questions enable Ardian to build individualized action plans to reduce the carbon footprint of all assets considered within the Buyout, Expansion and Infrastructure portfolios.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

Ardian pays particular attention to climate change throughout the investment process as is it considered key to creating long-term, inclusive and sustainable growth for assets within the managed Funds. By performing potential impacts of climate-related risks using long-term scenarios, the timeframe generally exceeds the investment time horizons.

- No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Bilan Carbone Methodology
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> GHG Protocol
Other	<input checked="" type="checkbox"/> Other (3)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (3) please specify:</div> SBT

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.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Change in societal expectations

- 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

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			505	100	000
Currency	USD				
Assets in USD			505	100	000

Specify the framework or taxonomy used.

AUM from our two clean energy funds

- 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
- None of the above

SG 14.5

Additional information [Optional]