

FOR IMMEDIATE RELEASE

**IIGCC PROMOTES GREATER UNDERSTANDING OF CLIMATE CHANGE
WITHIN THE PRIVATE EQUITY COMMUNITY**

IIGCC Launches Guide for LPs and GPs ahead of new regulation

3 March, 2010, The Institutional Investors Group on Climate Change (IIGCC), the European investors' forum for collaboration on climate change, today launched a guide on climate change for private equity investors in a move to create greater sector wide understanding of the risks and opportunities posed both by climate change and related policy developments.

The guide, which has been welcomed by both the British and European Private Equity and Venture Capital Associations (BVCA and EVCA respectively), is aimed at pension fund trustees who are limited partners (LPs) in private equity funds, as well as private equity fund managers, general partners (GPs), who are managing these funds. In addition to increasing awareness of the potential impact of climate change among these investors, the document provides guidance on how such factors might be considered by LPs when selecting their managers and by GPs when selecting investments.

Peter Dunscombe, Chairman of IIGCC said:

“Climate change has an impact on all types of asset classes. But while publicly listed companies have long been required to disclose information relating to the potential impact of climate change on their business, the private equity community has not been obliged to research or communicate comparable information. With legislation such as the CRC Energy Efficiency Scheme coming into effect as soon as April, this guide is a signal to the sector that now is the time to step up its attitude to climate change.”

To assist this process, the guide is set out as a series of questions broken down into two sections. The first includes questions that LPs and their advisers should ask

their existing or potential GPs and the second section contains questions that GPs should ask of the management of their portfolio companies and target investments.

Broadly, the questions cover four key aspects of climate change and private equity investment:

- Awareness – Are GPs and their portfolio companies aware of climate change issues, regulations and trends?
- Measurement – what are GPs and their portfolio companies doing to assess their climate change exposure and what this might mean for long-term profitability?
- Adaptation and Mitigation – What are GPs and their portfolio companies doing to change their business practices or to adapt to climate change?
- Opportunities – What are GPs and their portfolio companies doing to access new markets and other opportunities presented by climate change?

Simon Walker, Chief Executive of the British Venture Capital Association, said:

“The BVCA welcomes the publication of ‘A Guide on Climate Change for Private Equity Investors’. The growing problem of climate change is one which private equity must address. As governments across the world step up their efforts to combat growing environmental challenges, it is essential that private equity investors are equipped with the right tools to adequately assess the impact new policy initiatives, and the wider economic effects of climate change, could have on their investments.”

David Russell, co-head of Responsible Investment at the Universities Superannuation Scheme (USS) commented:

“Climate change will create environmental, economic, and political upheaval. This in turn could impact the value of companies and the other assets in which we invest. It will also create significant opportunities for investors to embrace. As such, considering the impact of climate change is clearly consistent with fiduciary duty and the responsibility of both private equity firms and their investors, including pension funds, to consider in their investment processes.”

Aled Jones Investment Manager – ESG, London Pensions Fund Authority, said:
“The private equity industry is really only just beginning to understand the potential scope, implications, risks and opportunities of climate change. There are a number of “early mover” investors who have identified and are already enjoying the benefits from investments utilising new clean technologies. However, many traditional investors remain heavily focused on energy intensive industries which could well be negatively impacted by climate change and the policy responses taken to mitigate and/or adapt to it. The longer term performance of this latter group of investors may well be determined by their judgements on how to factor climate change considerations into today’s investment decisions.”

Richard Wilson, Chairman, European Private Equity and Venture Capital Association (EVCA) said: "While much of the investor attention to date has focused on public equity markets, the private equity industry has long been at the forefront of ESG best practice. In addition, regulations to address climate change are also likely to impinge on private companies. This report is a thoughtful and timely addition to thought leadership around environmental considerations for investors."

For further information please contact:

Stephanie Pfeifer, IIGCC
+ 44 (0) 7790 580 177

Clare Allison / Claire Maloney, Capital MS&L
+44 (0) 20 7307 5432 / 5341

NOTES TO EDITORS

About the Institutional Investors Group on Climate Change (IIGCC)

The Institutional Investors Group on Climate Change (IIGCC) is a forum for collaboration on climate change for European investors. The group's objective is to catalyse greater investment in a low carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors. The group has over 50 members, representing assets of around €4trillion.

In detail, the IIGCC's objectives are to: 1. encourage a pro-active approach amongst asset owners and asset managers on climate change; 2. improve company disclosure/performance on climate change; 3. encourage public policy solutions that ensure a move to a low carbon economy and which are consistent with long-term investment objectives.

The IIGCC Guide on Climate Change for Private Equity Investors can be found at www.iigcc.org from 09.00 GMT on 3rd March, 2010.