

CDC International Capital Responsible Investor Charter



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CDC International Capital's Management Committee firmly believes that accounting for ESG (environmental, social and governance) issues actively participates in the creation of value, whether financial and immaterial value, or societal value.

The Committee has decided to implement an investment policy which permanently seeks to account for public interest, and which is in harmony with the responsible investment strategy of the Caisse des Dépôts Group. This decision is a direct result of in-depth reflection led hand-in-hand with the French Public Institution of the Caisse des Dépôts, encompassing all necessary requirements which come with this investment approach.

The Committee indeed believes that the criterion of the financial yield on investments must integrate their social, economic and environmental consequences; this implies enhancing the valuation of companies which are aligned with this set of beliefs and subsequent weighting to better account for this alignment.

CDC International Capital has implemented an investment policy strengthening the consideration of ESG criteria for all of its assets, in all the stages of the investment process and is committed to accompanying its portfolio companies to promote their adoption of sustainable practices in accordance with the values it stands by.

By embracing ESG integration as an effective management and value creation tool for all lines of its portfolio, CDC International Capital, which has been a Principles for Responsible Investment (PRI) signatory since 2015, is taking part in a new major commitment.



Editorial of the President



"CDC International Capital (CDC IC) is a multi-asset investment firm created in 2014 by the Caisse des Dépôts Group. Our mission is to provide support to medium-sized French companies in partnership with sovereign wealth funds. Our objective is to accelerate their growth, notably by facilitating their access to new international markets.

In simpler terms, we present ourselves as a long-term trusted partner. We share this trust first and foremost with sovereign funds as well as with the companies which we support. This is only possible by acting with integrity and respect towards our stakeholders. The trust also comes from our long-term vision, which we distil in our daily operations. By thus, taking into account environmental, social and societal issues, which will have a medium and long-term impact, is not only a crucial concern for us, it is essential to our role in supporting companies to develop in a balanced and sustainable way.

Our ambition is to create shared value, and not only financial value, but also intangible and societal value, respectful of mankind and the environment. This ambition led us to sign in 2015 the PRI, supported by the United Nations.

This present charter is an opportunity to reassert our values, share our convictions, and convey our ambitions. We also wished to share our engagement with our stakeholders in order to structure our approach and to strive to improve it continuously".

Laurent VIGIER,
Chairman and Chief Executive Officer

The driving force behind our actions: **shared convictions**

CDC IC shares the mission of its shareholder, the Caisse des Dépôts et Consignations (CDC), namely that of a French public group acting in the public interest to support the country's economic growth, and a resolute, long-term investor.

In addition to this mission, CDC IC shares the CDC Group's strong conviction that **integrating sustainable development and, more specifically, environmental, social and governance (ESG) issues into its investment policy contributes to the balanced and sustainable development of its investments, of the economy and of society.**

Therefore, CDC IC is convinced that **taking account of ESG issues contributes to the creation of value**, value which is not only financial but also immaterial and societal, due to:

- enhanced management of environmental, social and governance risks, which could have an impact on the value of its assets and on its reputation as an investor,
- optimal management of costs,
- development of products or services which address societal needs.

The foundation of our commitment: **our values**

Our values form our identity and structure our actions. In particular, our teams share the following four core values:

Expertise

CDC IC's employees are experienced professionals with entrepreneurial values, guided by principles of integrity, responsibility and transparency.

Trust in our relationships

We are committed to forging relationships based on trust within our sphere of influence.

In particular, our teams are dedicated to building lasting relationships with the company leaders they accompany, based on dialogue and a shared vision of development plans.

We are also committed to establishing trusting relationships with our sovereign fund partners, drawing up clear objectives and acting transparently.

Long-term vision

We are driven by the objective of helping the companies in which we invest to exploit their full potential and to develop in the long term. Thus, we strive to promote the growth of enterprises on healthy foundations and in the respect of stakeholders.

Ambition to create shared value

Through our role as an investor, our ambition is to promote positive externalities as soon as possible, whether on the environment, employees, local communities or other stakeholders.

Applying our convictions and values: our commitments

In addition to the commitments we share with other investors, we have also decided to build our own commitments, on three levels: in the way we function internally, in our investment policy and through dialogue with the companies we support.

Following this, CDC IC has formulated four internal commitments which shape daily operations.

Shared commitments

CDC IC has been committed to complying with the Principles for Responsible Investment (PRI) supported by the United Nations since its signing these Principles in 2015. Furthermore, CDC IC shares the voluntary commitments which the CDC Group has engaged in and thus abides by the principles included in the following documents:

- the Declaration of the United Nations Environment Programme Finance Initiative,
- the 10 principles of the United Nations Global Compact,
- the Long-Term Investors' Club Charter.

Our own four commitments



Sharing our ESG values and convictions and implementing them in the daily management of our organisation



Promoting the progress of our portfolio companies on ESG issues



Integrating ESG in all our investment activities and partnerships



Making an active contribution to the fight against climate change through our investment business



“We strive to maintain exemplary standards at the highest level; we also aim to encourage our business sector to implement high standards of ethics and ESG.”

*Yonel Genin,
Associate Director*



“In addition to being consistent with the spirit of the Group, accounting for ESG (environmental, social, and governance) issues in our activities allows us to limit our investment risks, to seize market opportunities and help companies optimise their operational management. Consequently, this approach is a vector for long-term value creation.”

*Antoine Emmanuelli,
Associate Director*



Sharing our ESG values and convictions and implementing them in the daily management of our organisation

A robust governance

CDC IC is relying on a transparent governance both within its organisation and in its decision-making. In particular, our Board of Directors is composed of expert and dedicated members, including independent members, and aims for both quality and balance. Furthermore, employees can refer to our Code of Ethics to ensure that our activities are conducted in an ethical manner.

Long-term management of our employees

Our teams make up the true wealth of CDC IC and represent its main asset. Proximity management, employee skills development through annual review processes and regular training courses, as well as profit-sharing arrangements allow our employees to project themselves and develop within CDC IC and consequently ensures a high level of continuity and commitment from our employees.

Our contribution to the environment

CDC is committed to fostering and implementing initiatives launched by the CDC Group, particularly regarding the management of its carbon footprint and its consumption of resources.



Integrating ESG in all our investment activities and partnerships

Consistent with the positioning of the CDC, CDC IC ensures, at minimum:

- the respect of environmental and social standards recognised in French and European legislation, including when investing outside of the European Union,
- the fight against money laundering, financing of terrorism, embargo violations, corruption and influence peddling,
- the prevention of risks linked to investments in tax havens, the investment limited only to countries complying with international treaties signed by France and the refusal to invest in countries sanctioned for serious breaches of human rights.

Beyond these uncompromising principles, CDC IC takes into account ESG issues at different levels of the investment process, whether in the analysis of potential target investments, at the time of the investment agreement or during the monitoring of the invested company.

In addition, CDC IC puts a great emphasis on choosing sovereign wealth funds partners. Indeed, it is essential that our partners share our long-term vision and convictions regarding the consideration of ESG issues.



Promoting the progress of our portfolio companies on ESG issues

CDC IC fosters dialogue with the companies that it supports, and encourages them to take initiatives and improve on ESG issues.

As far as possible, we make every effort to help portfolio companies implement continuous improvement, especially by raising the awareness of management, conducting assessments and encouraging implementation of objectives and action plans.



Making an active contribution to combating climate change through our investment business

CDC IC follows the CDC Group's climate strategy. The CDC Group has committed to include climate change in its asset management decisions, and to use its influence to promote the transition to a low carbon economy. For that purpose, the CDC Group takes action in four ways:

- reducing the carbon footprint of its investment portfolios to have a significant impact on the real economy,
- strengthening its commitments as a shareholder on climate and energy issues,
- utilising its financial resources to support low carbon projects,
- disengaging from coal.



“The CDC Group’s climate strategy has shown tangible outcomes. For instance, we have set a target of reducing the carbon footprint of our listed share portfolio by 20%

per thousand euros invested between 2014 and 2020. We are also currently exceeding our target of €15 million dedicated to finance the ecological and energy transition between 2014 and 2017, and issued an inaugural green bond in February 2017. In addition, since the end of 2015, we no longer own any listed shares or bonds in companies whose business exposure to thermal coal accounts for over 20% of their revenues”.

*Nicolas Blanc,
Deputy Director of Strategy,
CDC Group*

