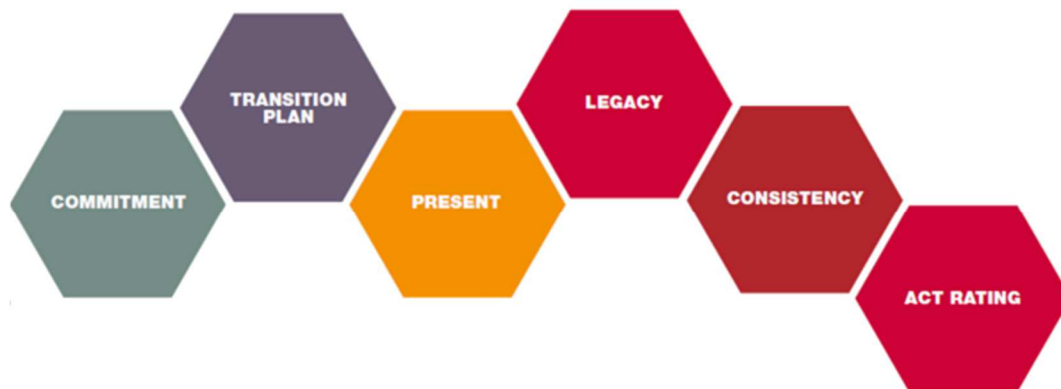


ACT INITIATIVE Engagement Charter

“Navigate towards a low carbon world”



“Companies are central to the transformation of society and have a key role to play in the transition to the low carbon economy. It is essential we are able to assess the credibility of corporate climate strategies and the consistency of their commitments. This is what ACT’s holistic and sector-based assessment methodologies offer. This remarkable and highly promising tool, deserves that as many companies as possible adopt it, implement it and refine it, for it to eventually become a real driver of change”.

Laurence Tubiana, Climate Champion – 2016

**ADD LOGO
INVESTOR**

ACT engagement charter for Financial Institutions

The implementation of the Paris Agreement is already changing the ways we produce and consume in the economy. It is now critical for companies to accelerate their efforts to anticipate the decarbonized world that is on its way. This approach must be based on GHG emissions reduction targets based on climate science, aligned with societal and organizational decarbonization pathways leading toward a low carbon world, and with low-carbon technology roadmaps. In the meantime, companies also need to implement consistent methods to achieve these targets.

ACT – Assessing low-Carbon Transition - Initiative has been part of the Global Climate Action Agenda of the UNFCCC secretariat since 2015. It takes a holistic view of a company, looking at its operational impacts and dependencies, as well as those of its supply chain. The ultimate goal is to drive action by companies and put them on a relevant low-carbon pathway in terms of their climate strategy, business model, products and services, investments, operations, GHG emissions and GHG management.

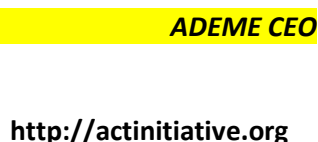
Considering that:

1. Climate change is one of the biggest threats to the prosperity and survival of our species on the planet;
2. The economic and social changes needed to address climate change will be a long-term driver of change in the private sector, and imply a thorough re-imagining of traditional business models, a process which must start immediately;
3. Visible accountability on climate change is needed to understand to what extent companies are really tackling the challenge of low carbon transitions in their strategies
4. Strengthening climate dialogue and engagement between financial institutions and their portfolio companies is an effective way to accelerate the adoption of relevant low carbon strategies by companies

The signatory of this charter commits to make his best efforts to:

1. Request companies within their portfolio to provide ACT assessments once the ACT methodology is available for the relevant sector
2. Encourage companies to participate in development and testing of new ACT sectoral methodologies
3. Request companies to reach a certain level of ACT rating once an ACT methodology is available for a targeted sector
4. Promote ACT methodologies to asset managers when relevant
5. Membership of the ACT Investor Pool

Signatories:



1. Terms of reference for Engagement Charter Signatories

1.1 Core Contribution

The signatory will contribute to the ACT initiative in at least one of the engagement areas outlined below.

No financial contribution is requested from the signatory.

The signatory may also promote the ACT Initiative within its own network.

1.2 Basic benefits

Signatory will enjoy the following core benefits:

- Free training (at level 1) for on ACT methodologies
- Access to companies' ACT Assessment Summary Reports and ratings
- Being recognized as part of ACT initiative, an initiative of the Global Climate Action Agenda of the UNFCCC secretariat
- Opportunity to have name, logo and a website link on the ACT website
- Opportunity to speak at ACT communication events
- Opportunity to be quoted and contribute to ACT communication materials
- Access to the ACT Core Work Program outputs
- Networking opportunities with peer organisations and other stakeholders working in the low carbon transition space

2. Terms of reference for engagement area: promoting ACT assessments from portfolio companies or from assets managers

2.1 Contribution

In addition to the core contribution outlined above, the signatory makes his best effort to :

invite the companies within its portfolios to participate in new sectoral methodological developments when relevant.

request the companies within its portfolios provide an ACT assessment once a sectoral methodology is available for that company's sector.

In order to create synergies between financial institutions and to enable the ACT Initiative to better engage companies, the signatory will track, alone or with other signatories, which companies it asks to provide an ACT assessment or to participate in new sectoral methodological developments. It can communicate this information to the ACT initiative annually, either confidentially or publicly, according to its preference or internal policy.

The signatory will promote the initiative to his asset managers and support their becoming signatories. If so, he implements a tracking process with its assets managers.

2.2 Additional benefits

Signatory contributing to this engagement area will enjoy the following additional benefits:

- Access to the full ACT assessment report of any company to which he will have promoted the use of ACT methodologies
- Use, for his climate engagement, of the full ACT assessment report of any companies to which he will have promoted the use of ACT methodologies
- Use of company ACT ratings to benchmark the average performance of a portion of the signatory's portfolio

3. Terms of reference for engagement area: request for attainment of a specific ACT rating level from portfolio companies

3.1 Contribution

When appropriate, the signatory will request its portfolio companies to attain a specific minimum level of ACT performance when a sectoral methodology is available for the company's sector. In doing so, the signatory encourages companies to implement ambitious carbon emission reduction strategies.

In order to create potential synergies between financial institutions and to enable the ACT Initiative to better engage companies, the signatory will track, alone or with other signatories, the companies of which it requests to attain a specific level of ACT performance. It can communicate this information to the ACT initiative annually either confidentially or publicly, according to its preference or internal policy.

3.2 Additional benefits

Signatory contributing to this engagement area will enjoy the following additional benefits:

- Access to the full ACT assessment report of any company to which he will have promoted the use of ACT methodologies
- Use, for his climate engagement, of the full ACT assessment report of any companies to which he will have promoted the use of ACT methodologies
- Use of company ACT ratings to benchmark the average performance of a portion of the signatory's portfolio
- demonstrate its climate engagement with its portfolio companies

4. Terms of reference for engagement area: Membership of ACT Investor Pool

4.1 Contribution

The ACT Investor Pool contributes to the development of ACT methodologies to ensure they better meet the needs of investors.

ACT | ASSESSING LOW CARBON TRANSITION[®]

The signatory should consider dedicating 1 to 2 days per ACT methodology to provide comments to the ACT Initiative when new methodologies are developed or revised.

The signatory should consider dedicating 0.5 days per year to attend the ACT Investor Pool annual virtual meeting. The signatory may also consider attending in person.

4.2 Additional benefits

Signatory contributing to this engagement area will enjoy the following additional benefits:

- Opportunity to contribute to and shape the development of an advanced climate accountability assessment methodology

5. Administrative information

5.1 Contact point for ADEME :

Name : Romain POIVET

Title : Senior climate program officer

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Telephone: +332 41 20 74 04

Adresse :20 AVENUE DU GRESSILLE 49000 ANGERS FRANCE

5.2 Contact point for the financial institution

Name :

Title :

Email :

Telephone :

Address :