

Climate change memorandum for investment committee

This template has two example memorandum templates for considering climate change at the investment committee stage. The first is intended for use by fund managers at an initial stage of addressing climate change, and the second is intended for transformative organisations.

For initial stage fund managers

1. Purpose and use

This climate change memorandum serves as a template for climate-related information for all new and follow-on transactions to be submitted to the investment committee.

2. Climate change risks

Physical climate change risk:

Question

Has a physical climate change risk assessment been performed?

Yes / No

Have any material climate change-related risks been identified?

Yes / No

If yes, please describe these risks, and estimate the impacts:

Description:	Financial impacts:

Have any climate adaptation and resilience measures been implemented to address the material risks identified? If yes, please provide details:

Transition climate change risk:

Question

Has a transition climate change risk assessment been performed?

Yes / No

Have any material climate change-related risks been identified?

Yes / No

If yes, please describe these risks, and estimate the impacts:

Description:	Financial impacts:

Have any mitigation measures been implemented to address key drivers of transition risks? If yes, please provide details:

3. Opportunities

Question

Have any climate-related opportunities been identified (e.g., energy or resource efficiency, renewable energy, new products or services, etc.):

If yes, please provide details:

4. GHG metrics

Question

Please complete the GHG emissions (tCO_{2e}):

Scope 1:

Scope 2:

Total GHG emissions:

Scope 3 (where available):

Has the investee's emissions intensity (Scope 1 and 2) been determined and benchmarked? If so, please provide details below.

Investee emissions intensity (specify unit):

Benchmark emissions intensity:

Question

What is the existing fund's total carbon emissions? (financed emissions) (tCO_{2e}):

By how much will the investment change the overall total carbon emissions of the fund (financed emissions)?:

Climate change memorandum for investment committee

For advanced/transformational fund managers

1. **Purpose and use**

This memorandum serves as a template for climate-related information for all new and follow-on transactions to be submitted to the investment committee.

2. **Climate change risk assessment results**

Physical climate change risk

Question

Has a physical climate change risk assessment been performed?

Yes / No

Have any material climate change-related risks been identified?

Yes / No

If yes, please describe these risks, and estimate the impacts:

Description:	Financial impacts:

Does the investee already have an adaptation plan in place to reduce the impact of physical climate change risks? If yes, please provide details:

Have any climate adaptation and resilience measures been identified? If yes, please provide details and include the amount of capital allocated towards climate adaptation measures (for example, for water saving technologies, climate analytics to support decision making, drought tolerant crops, etc.)

Transition climate change risk

Question

Has a transition climate change risk assessment been performed?

Yes / No

Have any material climate change-related risks been identified?

Yes / No

If yes, please describe these risks, and estimate the impacts:

Description:	Financial impacts:

Does the investee have a credible transition plan?

Have any mitigation measures been identified? If yes, please provide details and include the amount of capital allocated towards mitigation measures (for example, renewable energy; energy efficiency technology, etc.)

3. Opportunities

Question

Have any climate-related opportunities been identified (for example, energy or resource efficiency, renewable energy, new products or services, etc.):

If yes, please provide details, including a financial quantification:

4. GHG Metrics

Question

Please complete the GHG emissions (tCO₂e):

Scope 1:

Scope 2:
Total GHG emissions:
Scope 3 (where available):
Has the investee's emissions intensity (Scope 1 and 2) been determined and benchmarked? If so, please provide details below.
Investee emissions intensity (specify unit):
Benchmark emissions intensity:
Question
What is the existing fund's total carbon emissions? (financed emissions) (tCO _{2e}):
By how much will the investment change the total carbon emissions of the fund (financed emissions)?
Does the investee have a net zero or other GHG reduction target and how does this align with the fund manager's GHG reduction target?

5. Climate impact area

Climate impact	Details
Is the investment aligned with the objectives of the Paris Agreement in terms of mitigation? For example, <u>Join Multilateral Development Bank Assessment Framework</u> , <u>Science Based Targets</u> , etc.	
Yes / No	
Is the investment linked to climate finance through supporting climate adaptation / resilience measures?	
Yes / No	
If yes, has qualification as climate finance been confirmed by a third party?	
Yes / No	