



Press release

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Argos Wityu is launching an “Article 9” buyout climate fund dedicated to European SMEs, with a clear CO₂ intensity reduction target of 7.5% per year, and a direct alignment of team incentive on the environmental performance.

Argos Wityu is excited to announce the launch of its new climate action strategy, which aims at leveraging its 30-year track record of transforming European SMEs by facilitating the “Grey to Green” transformation of the core economy and shaping sustainable leaders. This impact fund will be registered as “Article 9” under EU Sustainable Finance Disclosure Regulation (SFDR), the most demanding level of environmental ambition. It will set a clear target of reducing by at least 7.5% per year the intensity of portfolio companies’ greenhouse gas emissions (GHG), and align team incentives by tying 1/4 of its equity incentive to the achievement of this objective.

“Our team wants to take a pioneering role in the swift construction of a carbon-free economy. We are transparent in our objectives, and fully committed to achieve concrete, measurable results.” said Louis Godron, Managing Partner at Argos Wityu.

The fund is devoted to European SMEs for which decarbonisation is key to their long-term development. The objective is to transform these companies into environmental champions within their respective industries. Argos’ climate action strategy is an extension to the existing platform and leverages its strong network, sourcing capabilities and investment team. It will sit alongside the long-standing flagship funds, which are primarily focused on supporting the accelerated transformation of mid-sized businesses whilst integrating various ESG considerations.

The fund has a quantitative, measurable and audited decarbonisation objective of reducing the intensity of greenhouse gas (GHG) emissions by 7.5% per year, a target which is fully aligned with the Paris Agreement and beyond the 7% threshold required by the Paris-Aligned and Climate Transition Benchmarks. The decarbonisation of portfolio companies will be measured by pre-approved GHG emissions auditors and accounted for by ton of CO₂eq per €m of sales. The “Article 9” classification will also mean the fund is one of the – very few to date – subject to the highest level of disclosure requirements across risk and impact indicators according to the SFDR.

Argos is one of the first 20 GPs worldwide to have committed to the Science-Based Targets initiative (SBTi), which was established to help companies set rigorous emission reduction targets in line with the Paris Agreement goals.

The fund investment team is strongly committed to the achievement of the annual GHG emission intensity reduction target. If this objective were not to be achieved, ¼ of the team’s equity incentive (“carried interest”) would be mobilised to compensate every missing ton of CO₂eq reduction, on a ton per ton basis, by funding high quality carbon compensation programmes.

The fund will be managed by a strong and complementary European investment team composed of 6 full-time Argos partners, with over 75 years of combined experience in Private Equity, and further supported by Argos’ Head of ESG. This team includes Louis Godron (Managing Partner), Lucio Ranaudo (Senior Partner, Italy), Simon Guichard (Partner, France), Fabian Söffge (Partner, Germany), as well as two recent high-profile hires with top-executive experience in the environmental transition: Sandra Lagumina (formerly Deputy CEO of Meridiam and CEO of GRDF) and Jack Azoulay (formerly Chief of Staff at the Ministry in charge of Energy, Transport, Housing and Environment in France and Industrial Shareholdings Director at the French Government Shareholding Agency).

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Argos Wityu (argos.wityu.fund) is an independent European investment fund that supports companies undertaking ownership and strategic transitions. It has assisted more than 90 businesses, focusing on accelerating the transformation and growth of mid-sized businesses in close collaboration with management teams. Argos Wityu seeks to acquire majority interests and invest between €10m and €100m with each transaction. With more than €1.4bn under management and over 30 years of experience, Argos Wityu operates from offices in Brussels, Frankfurt, Geneva, Luxembourg, Milan and Paris.