

PRIVATE EQUITY
STAKEHOLDER
PROJECT

February 10, 2022

Michael Arougheti
Chief Executive Officer and President
Ares Management
2000 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067

Dear Mr. Arougheti,

We are writing to follow up on our previous correspondence regarding Ares Management's investments in fossil fuels and fossil fuel infrastructure.

Bloomberg recently reported that Ares' peer Apollo Global Management is pledging not to invest in fossil fuels in its next flagship buyout fund (See "Apollo to Shun Fossil-Fuel Investments in Next Buyout Fund").ⁱ

Ares is currently investing its Ares Corporate Opportunities Fund VI flagship buyout fund.ⁱⁱ

Will Ares, like Apollo, make a similar commitment to shun fossil fuels and fossil fuel infrastructure as it invests its flagship fund?

Last October the Private Equity Stakeholder Project released a report, *Private Equity Propels the Climate Crisis*, which noted that Ares owned at least 16 fossil fuel companies.ⁱⁱⁱ

In August 2021, the Intergovernmental Panel on Climate Change (IPCC) released a report that highlights the costs of inaction, details the devastating impacts of climate change around the world, and underscores that we are running out of time to tackle this crisis.^{iv}

The International Energy Agency's Net Zero by 2050 pathway calls for no new fossil fuel projects to be developed, and for intense focus on emissions reduction for all existing operations.^v

A year ago, the Private Equity Stakeholder Project and a number of environmental and environmental justice groups sent Ares a letter asking the firm to transition its energy portfolio away from fossil fuels by 2030, support a just and equitable transition for workers and communities impacted by Ares' investments, and disclose how its, its executives', and its portfolio companies political spending aligned with the Paris Climate Accords.

Will Ares commit not to invest its flagship funds in fossil fuels?

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Sincerely,



Jim Baker
Executive Director
Private Equity Stakeholder Project



Alyssa Giachino
Research/Campaigns Director on Climate
Private Equity Stakeholder Project

ⁱ “Apollo to Shun Fossil-Fuel Investments in Next Buyout Fund,” Bloomberg, Jan 21, 2022, <https://www.bloomberg.com/news/articles/2022-01-21/apollo-plans-to-shun-fossil-fuel-investments-in-next-buyout-fund>.

ⁱⁱ Ares form 10-Q, Nov 5, 2021, <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001176948/000162828021021878/ares-20210930.htm>.

ⁱⁱⁱ https://pestakeholder.org/wp-content/uploads/2021/10/PESP_SpecialReport_ClimateCrisis_Oct2021_Final.pdf

^{iv} <https://www.ipcc.ch/report/ar6/wg1/>

^v <https://www.iea.org/reports/net-zero-by-2050>