

PRI Reporting Framework

PRIVATE EQUITY

2021

Last revision: 7 January 2021

ACKNOWLEDGEMENTS

PRI would like to thank our partners who supported PRI in developing the new PRI reporting framework and the accompanying systems:

Contrast Capital (Amara Goeree, Cecile Biccari, Joseph Naayem),

Davies Hickman (Marcus Hickman and Jo Davies) and

Oakland Group (Andy Crossley, George Cowen and Jake Watson).

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WHO DOES THIS MODULE APPLY TO?

The **private equity** module is designed for **general partners (GPs)** or **limited partners (LPs)** who act as direct investors or co-investors in portfolio companies.

Private equity investments made by selecting a GP or through a **fund of funds** should be reported in the external manager selection, appointment and monitoring (SAM) module.

This module seeks information at the organisational level and for private equity investments in aggregate; reporting should be done for all private equity AUM and not focus on one fund or product.

It is mandatory to complete this module for signatories who have **either 10% of their AUM, or US\$10bn or more**, directly invested in private equity in the reporting year.

UNDERSTANDING THIS DOCUMENT

INDICATOR HEADER

Key information about each indicator is highlighted in its header.

Indicator ID OO12	Dependent on:	OO 09	Sub-section Governance	PRI Principle 3, 6	Type of indicator CORE
	Gateway to:	OO 14			

- **Indicator ID:** each indicator's unique identifier.
- **Simplified logic:** summarised information on the dependencies between indicators. Complete logic is available under 'Logic' in the explanatory notes.
 - Dependent on: highlights other indicator(s) on which the indicator depends.
 - Gateway to: highlights other indicator(s) unlocked by the indicator.
- **Sub-section** of the module to which the indicator belongs.
- **PRI Principle** to which the indicator relates.
- **Type of indicator:** core or plus.

CORE AND PLUS CHARACTERISTICS

CORE	PLUS
Mandatory	Voluntary
Public	Public or private (signatories' choice)
Closed-ended questions	Mostly open-ended questions
Assessed	Not assessed

EXPLANATORY NOTES, DETAILED LOGIC AND ASSESSMENT

Each indicator is accompanied by additional clarifications on how to interpret the indicator, its dependencies on other indicators, and how responses are assessed. This additional information is structured as follows.

Explanatory notes	
Purpose of indicator	Clarifies the indicator's relevance and what it aims to assess. Indicates how it is linked to what the PRI considers better practice.
Additional reporting guidance	Provides guidance on how to interpret and respond to the indicator. Clarifies the scope of the indicator and possible ambiguities, provides examples of what could be reported and clarifies the terms used in the question and answer options. Key terms are defined in the glossary , available online.
Other resources	Provides links to useful resources for additional information, guidance or further reading, including PRI publications.
Reference to other standards	Indicates any external sources, standards or frameworks referenced by the indicator.
Logic	
Dependent on	Clarifies how signatories' earlier answers in the reporting framework determine whether, and how, the indicator will apply to them.
Gateway to	Explains how signatories' responses will unlock subsequent indicators in the reporting framework.
Assessment	
Assessment criteria	Indicates the basis for assessment.
"Other" scored as	Indicates whether, and how, selecting "Other" as an answer option is scored.
Multiplier	<p>All indicators have 100 points available to be scored within the initial phase of assessment. A multiplier is then applied, weighted according to the indicator's importance relative to other indicators.</p> <ul style="list-style-type: none"> ▪ High importance indicators are weighted x2. ▪ Moderate importance indicators are weighted x1.5. ▪ Low importance indicators are weighted x1.

FREE TEXT ANSWERS: CHARACTER LIMIT

Indicators requesting free text answers indicate the relevant character limit, which signatories should consider when inputting responses into the reporting tool.

	Character limit	Equivalent word limit	Practical meaning	Time to read
Extra Small	50	~ 7	One line	-
Small	500	~ 70	A couple of sentences	-
Medium	2,000	~ 300	~ 0.5 page	~ 45 seconds
Large	5,000	~ 700	~ 1 page	~ 2 minutes
Extra Large	10,000	~ 1400	~ 2 pages	~ 4 minutes

POLICY

INVESTMENT GUIDELINES [PE 1]

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 1	Gateway to:	N/A	Investment guidelines	1 to 6	CORE

What private equity–specific ESG guidelines are currently covered in your organisation's [responsible investment policies](#)?

- (A) Guidelines on how we adapt our ESG approach for the different sectors and geographies we invest in
- (B) Guidelines on how we adapt our ESG approach for the different strategies and company stages we invest in (e.g. venture capital, buy-out, distressed etc.)
- (C) Guidelines on [screening](#) investments
- (D) Guidelines on minimum ESG [due diligence](#) requirements
- (E) Guidelines on our approach to [ESG integration](#) into 100-day plans (or equivalent) and long-term value creation efforts
- (F) Guidelines on our approach to monitoring [ESG risks](#), opportunities and [incidents](#)
- (G) Guidelines on our approach to ESG reporting
- (H) Identification of individuals or a group with ultimate responsibility for ESG
- (I) Our policies do not cover private equity–specific ESG guidelines

Explanatory notes

Purpose of indicator	This indicator aims to capture whether a signatory's responsible investment policy includes environmental, social and governance guidelines for its private equity investments. Many investors will have an organisation-wide ESG/RI policy that covers all asset classes. A policy covering all asset classes is likely to leave space for interpretation regarding its application to private equity. Adapting this into specific ESG guidelines for an organisation's private equity investments is considered better practice and will help align expectations and practices related to responsible investment in private equity.
Additional reporting guidance	ESG guidelines specific to an organisation's private equity investments may appear in a standalone document or feature in the overall policy document. A responsible investment policy is a document that captures an organisation's strategy to incorporate environmental, social and governance (ESG) factors in investment decisions and stewardship. An organisation's responsible investment policy can take many shapes. It may involve embedding responsible investment considerations into the organisation's

	<p>main investment policy. It could also consist of a standalone responsible investment policy. Alternatively, it could be captured in high-level public statements or codes of business practice that the organisation has adhered to.</p> <p>A "100-day plan (or equivalent)" is a document that contains a list of activities the investor needs to undertake within the first 100 days of investment.</p>
Other resources	<p>For further guidance see An introduction to responsible investment: private equity.</p> <p>For guidance on how to write an RI policy, refer to An introduction to responsible investment: policy, structure and process.</p>
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no answer selection or I. 32 score for C. 64 score for 4–6 selections from A–H; must include C or 32 score. 100 score for 7 or more selections from A–H.</p>
Multiplier	High x2 weighting.

FUNDRAISING

COMMITMENTS TO INVESTORS [PE 2]

Indicator ID PE 2	Dependent on:	N/A	Sub-section Commitments to investors	PRI Principle 1, 4	Type of indicator CORE
	Gateway to:	N/A			

For all of your funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in [Limited Partnership Agreements \(LPAs\)](#) or [side letters](#)?

(If you did not close any funds during this reporting year, refer to the last reporting year in which you did close funds.)

- (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- (B) We added responsible investment commitments in LPAs upon client request
- (C) We added responsible investment commitments in side letters upon client request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable as we have never raised funds
- (F) Not applicable as we have not raised funds in the last 5 years

Explanatory notes

Purpose of indicator	The purpose of this indicator is to better understand whether and when a general partner incorporates ESG and responsible investment commitments in fund-level legal documentation. It is considered better practice to make a formal commitment to responsible investment in LPAs or side letters.
Additional reporting guidance	<p>This indicator is only applicable for GPs who invest from fund structures.</p> <p>Signatories should report on any formal commitments related to responsible investment implementation and consideration of ESG issues that were either requested by LPs and included in LPAs and/or side letters or initiated by the GP.</p> <p>If no funds were closed during the reporting year, the last reporting year in which funds were closed should be referred to.</p>

Other resources	Refer to Incorporating responsible investment requirements into private equity fund terms for further guidance.
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator.</p> <p>0 score for no answer selection or D. 32 score for C. 64 score for B. 100 score for A.</p> <p>Selection of E, F will mean that indicator is scored as N/A.</p>
Multiplier	Moderate x1.5 weighting.

PRE-INVESTMENT PHASE

MATERIALITY ANALYSIS [PE 3, PE 3.1]

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 3	Gateway to:	PE 3.1	Materiality analysis	1	CORE

During the reporting year, how did you conduct **ESG materiality analysis** for your potential private equity investments?

(A) We assessed materiality at the portfolio company level, as each case is unique	[Dropdown list] (1) for all of our potential private equity investments (2) for the majority of our potential private equity investments (3) for a minority of our potential private equity investments (4) for none of our potential private equity investments
(B) We performed a mix of industry-level and portfolio company-level materiality analysis	[As above]
(C) We assessed materiality at the industry level only	[As above]

Explanatory notes

Purpose of indicator	This indicator aims to identify how a signatory conducts materiality analysis of ESG factors as a standard part of its due diligence process during the pre-investment phase by indicating the depth and quality of their materiality assessment. It is considered better practice to conduct materiality analysis at the portfolio company level.
Additional reporting guidance	Signatories should indicate the proportion of potential private equity investments their materiality analysis applied to.

	If signatories did not analyse any potential private equity investments in the reporting year, they should refer to the last reporting year in which they did analyse potential private equity investments.
Other resources	For information on materiality analysis, see a PRI blog post on Using SASB to implement PRI monitoring and disclosure resources for private equity .
Logic	
Dependent on	N/A
Gateway to	[PE 3.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–C) in [PE 3].
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for C. 32 score for B. 50 score for A.</p> <p>Coverage: 0 if no answer selection or none (4). 16 score for minority (3). 32 score for majority (2). 50 score for all (1).</p> <p>In case of multiple row answer selections, the highest-scoring lettered and coverage answer option pairing will be recorded for indicator score.</p>
Multiplier	High x2 weighting.

Indicator ID PE 3.1	Dependent on:	PE 3	Sub-section Materiality analysis	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

During the reporting year, what tools, standards and data did you use in your **ESG materiality analysis** of potential private equity investments?

- (A) We used GRI Standards to inform our private equity materiality analysis
- (B) We used SASB to inform our private equity materiality analysis
- (C) We used [environmental and social factors](#) detailed in the [IFC Performance Standards](#) (or other similar standards) in our private equity materiality analysis
- (D) We used [climate risk](#) disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our private equity materiality analysis
- (E) We used geopolitical and macro-economic considerations in our private equity materiality analysis
- (F) Other, please specify: ____ [Free text: small]

Explanatory notes

Purpose of indicator	This indicator aims to capture the tools, standards or data an organisation uses to inform their materiality analysis of ESG factors as a standard part of its due diligence process during the pre-investment phase. It is considered better practice to use a range of tools and resources to ensure that in-depth materiality assessments are conducted. The specific tools and resources used may vary depending on the context of the potential investment (e.g. industry sector, geography etc).
Additional reporting guidance	If signatories did not analyse any potential private equity investments in the reporting year, they should refer to the last reporting year in which they did analyse potential private equity investments. Links to various standards listed: Global Reporting Initiative (GRI) Standards Sustainability Accounting Standards Board (SASB) Task Force on Climate-related Financial Disclosures (TCFD) IFC Performance Standards
Other resources	For information on materiality analysis, see a PRI blog post on Using SASB to implement PRI monitoring and disclosure resources for private equity .

Logic

Dependent on	[PE 3.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–C) in [PE 3].
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Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no answer selection. 32 score for E. 64 score for 2 selections from A–F. 100 score for 3 or more selections from A–F.
"Other" scored as	Selecting Other (F) will be accepted by the scoring criteria and is equivalent to selecting options A–E.
Multiplier	Moderate x1.5 weighting

DUE DILIGENCE [PE 4, PE 5]

Indicator ID PE 4	Dependent on: N/A	N/A	Sub-section Due diligence	PRI Principle 1	Type of indicator CORE
During the reporting year, how did ESG factors affect the selection of your private equity investments?					
(A) ESG factors helped identify risks	[Dropdown list] (1) for all of our private equity investments selected (2) for the majority of our private equity investments selected (3) for a minority of our private equity investments selected (4) for none of our private equity investments selected				
(B) ESG factors were discussed by the investment committee (or equivalent)	[As above]				
(C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent)	[As above]				
(D) ESG factors helped identify opportunities for value creation	[As above]				
(E) ESG factors led to the abandonment of potential investments	[As above]				
(F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions	[As above]				
(G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions	[As above]				

(H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions	[As above]
(I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions	[As above]
(J) Other, please specify: _____ [Free text: small]	[As above]

Explanatory notes	
Purpose of indicator	This indicator aims to understand whether an organisation includes ESG-related information in the investment selection process and ascertain the depth of the analysis performed. It is considered better practice for ESG factors to have played an integral part in decision-making for all private equity investment selections during the reporting year.
Additional reporting guidance	<p>If signatories did not select any private equity investments in the reporting year, they should refer to the last reporting year in which they did select private equity investments.</p> <p>By private equity investment selection, we mean new private equity investments that were made during the reporting year.</p> <p>A "100-day plan (or equivalent)" is a document that contains a list of activities the investor needs to undertake within the first 100 days of investment.</p>
Other resources	For further guidance see An introduction to responsible investment: private equity .
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for both A, B. 32 score for 3 selections from A–E and 1 selection from F–I. 50 score for 4 or more selections from A–E and 2 or more selections from F–I.</p> <p>32 score for 2 selections from A–E and 2 or more selections from F–I.</p>

	<p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (6 highest scoring combinations assessed).</p> <p>Per answer selection A to I, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/6) score for minority (3). 50% of (50/6) score for majority (2). 100% of (50/6) score for all (1).</p>
"Other" scored as	Selecting Other (J) will not be counted as an answer selection by the scoring criteria, provided answer options have been identified as capturing best practice.
Multiplier	High x2 weighting.

Indicator ID PE 5	Dependent on:	N/A	Sub-section Due diligence	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

Once **material ESG factors** have been identified, what processes do you use to conduct **due diligence** on these factors for potential investments?

(A) We do a high-level/desktop review against an ESG checklist for initial red flags	[Dropdown list] (1) for all of our potential private equity investments (2) for the majority of our potential private equity investments (3) for a minority of our potential private equity investments (4) for none of our potential private equity investments
(B) We send detailed ESG questionnaires to target companies	[As above]
(C) We hire third-party consultants to do technical due diligence on specific issues	[As above]
(D) We conduct site visits and in-depth interviews with management and personnel	[As above]
(E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent)	[As above]
(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal)	[As above]
(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the	[As above]

same manner as for other key due diligence (e.g. commercial, accounting and legal)	
(H) Other, please specify: ____ [Free text: small]	[As above]

Explanatory notes	
Purpose of indicator	This indicator aims to capture the processes an organisation uses and the internal or external resources it allocates to conduct due diligence, identify and manage material ESG-related risks and use ESG factors to create value. It is considered better practice to carry out due diligence to a sufficient depth, such that material ESG-related risks can be identified and managed and ESG value creation opportunities can also be identified and acted upon. A minimum standard of ESG due diligence could be a combination of desk-based research on publicly available information and working knowledge of ESG impacts on the target industry and sector.
Additional reporting guidance	<p>If signatories did not conduct due diligence on any potential private equity investments in the reporting year, they should refer to the last reporting year in which they did conduct due diligence on potential private equity investments.</p> <p>"We conduct site visits" refers to physical visits made to operational sites of prospective assets or portfolio companies.</p> <p>"Third-party consultants" refers to organisations or persons to which participants outsource some or all of their ESG strategy formulation and/or implementation.</p> <p>A "100-day plan (or equivalent)" is a document that contains a list of activities the investor needs to undertake within the first 100 days of investment.</p>
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for A. 32 score for 3 or more selections from A–D. 50 score for 3 or more selections from A–D and 2 or more selections from E–G.</p> <p>32 score for just 3 selections from E–G.</p>

	<p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (5 highest scoring combinations assessed).</p> <p>Per answer selection A to G, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/5) score for minority (3). 50% of (50/5) score for majority (2). 100% of (50/5) score for all (1).</p>
"Other" scored as	Selecting Other (H) will not be counted as an answer selection by the scoring criteria, provided answer options have been identified as capturing best practice.
Multiplier	High x2 weighting.

POST-INVESTMENT PHASE

MONITORING [PE 6, PE 6.1, PE 7, PE 8, PE 8.1, PE 9, PE 10, PE 11, PE 12, PE 12.1]

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 6	Gateway to:	PE 6.1	Monitoring	1	CORE

During the reporting year, did you track one or more core ESG KPIs across all your private equity investments?

- (A) Yes, we tracked environmental KPIs
- (B) Yes, we tracked social KPIs
- (C) Yes, we tracked governance KPIs
- (D) We did not track ESG KPIs across our private equity investments

Explanatory notes

Purpose of indicator	This indicator aims to capture an organisation's approach to ESG performance in the active monitoring of core ESG KPIs for each portfolio company based on the material risks and opportunities identified in due diligence. It is considered better practice for signatories to include relevant factors from across the ESG spectrum in their performance monitoring. Collecting the performance of ESG metrics on an ongoing basis helps signatories better understand their assets' ESG performance, manage risks and report to clients.
Additional reporting guidance	While the PRI recognises that factors vary across sectors, industries, portfolio companies, markets etc., there are some relevant environmental, social and governance KPIs that apply to all portfolio companies (e.g. diversity-related KPIs, climate-related KPIs etc.). This indicator seeks information on these KPIs for which signatories set and monitor targets. In this indicator "core ESG KPIs" refers to a sub-set of ESG KPIs that are tracked for every investment across a portfolio.
Other resources	For further guidance see An introduction to responsible investment: private equity . For more information on ESG monitoring, see ESG monitoring, reporting and dialogue in private equity .

Logic

Dependent on	N/A
Gateway to	[PE 6.1] will be applicable for reporting if any options (A–C) are selected in [PE 6].
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no answer selection or D. 32 score for 1 selection from A–C. 64 score for 2 selections from A–C. 100 score for all 3 selections from A–C.
Multiplier	Low x1 weighting.

Indicator ID PE 6.1	Dependent on:	PE 6	Sub-section Governance	PRI Principle 1	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Provide examples of the core ESG KPIs you tracked across all of your private equity investments.

- (A) ESG KPI #1 _____ [Free text: small]
- (B) ESG KPI #2 _____ [Free text: small]
- (C) ESG KPI #3 _____ [Free text: small]
- (D) ESG KPI #4 _____ [Free text: small]
- (E) ESG KPI #5 _____ [Free text: small]
- (F) ESG KPI #6 _____ [Free text: small]
- (G) ESG KPI #7 _____ [Free text: small]
- (H) ESG KPI #8 _____ [Free text: small]
- (I) ESG KPI #9 _____ [Free text: small]
- (J) ESG KPI #10 _____ [Free text: small]

Explanatory notes

Purpose of indicator	This indicator aims to capture further detail regarding the core ESG KPIs tracked for each portfolio company. It is considered better practice for signatories to include relevant factors from across the ESG spectrum in their performance monitoring. Collecting the performance of ESG metrics on an ongoing basis helps signatories better understand their assets' ESG performance, manage risks and report to clients.
Additional reporting guidance	While the PRI recognises that factors vary across sectors, industries, portfolio companies, markets etc., there are some relevant environmental, social and governance KPIs that apply to all portfolio companies (e.g. diversity-related KPIs, climate-related KPIs etc.). This indicator seeks information on these KPIs for which signatories set and monitor targets. In this indicator "core ESG KPIs" refers to a sub-set of ESG KPIs that are tracked for every investment across a portfolio.
Other resources	For further guidance see An introduction to responsible investment: private equity .

	For more information on ESG monitoring, see ESG monitoring, reporting and dialogue in private equity .
Logic	
Dependent on	[PE 6.1] will be applicable for reporting if any options (A–C) are selected in [PE 6].
Gateway to	N/A
Assessment	
Not assessed	

Indicator ID PE 7	Dependent on:	N/A	Sub-section Monitoring	PRI Principle 1	Type of indicator CORE
	Gateway to:	N/A			

For the majority of the core KPIs that you tracked, how did you set targets across your private equity investments?

- (A) We set targets to achieve incremental improvements based on past performance
- (B) We set targets using industry benchmarks/standards
- (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
- (D) We did not set targets for the core ESG KPIs that we tracked
- (E) We did not set targets as we don't track core ESG KPIs

Explanatory notes

Purpose of indicator	This indicator aims to understand an organisation's approach to setting targets in the active monitoring of core ESG KPIs for each portfolio company based on the material risks and opportunities identified in due diligence. It is considered better practice to set targets based on globally recognised standards or thresholds (where applicable) or against clearly defined industry best practice or benchmarks.
Additional reporting guidance	By "global benchmarks or thresholds", we mean internationally agreed on standards or frameworks such as the Sustainable Development Goals (SDGs) or the Paris climate agreement, which define specific targets related to certain environmental or social issues. In this indicator "core ESG KPIs" refers to a sub-set of ESG KPIs that are tracked for every investment across a portfolio.
Other resources	For further guidance see An introduction to responsible investment: private equity . For more information on the Sustainable Development Goals, see Investing with SDG outcomes: a five-part framework .

Logic

Dependent on	N/A
Gateway to	N/A

Assessment

Assessment criteria	100 points for this indicator. 0 score for no answer selection or D, E. 32 score for A. No 64 score available. 100 score for 1 or more selections from B, C.
Multiplier	High x2 weighting.

Indicator ID PE 8	Dependent on:	N/A	Sub-section Monitoring	PRI Principle 1, 2	Type of indicator CORE
	Gateway to:	PE 8.1			

What processes do you have in place to support meeting your ESG targets for your private equity investments?

	[Dropdown list]
(A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance	(1) for all of our private equity investments (2) for the majority of our private equity investments (3) for a minority of our private equity investments (4) for none of our private equity investments
(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis	[As above]
(C) We implement certified environmental management systems across our portfolio	[As above]
(D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	[As above]
(E) We hire external verification services to audit performance, systems and procedures	[As above]
(F) We develop minimum health and safety standards	[As above]
(G) We conduct ongoing engagement with all key stakeholders at the portfolio company level (e.g. local communities, NGOs, governments and end-users)	[As above]

(H) Other, please specify: _____ [Free text: small]	[As above]
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Explanatory notes

Purpose of indicator	This indicator aims to capture the depth of processes and resources an organisation implements in order to meet key ESG targets. Actively managing ESG performance and meeting ESG targets requires organisations to adopt a range of potential processes and ensure that adequate resources are provided. The specific processes and level of resources will depend on the context of the portfolio company. In all cases, however, these processes and resources should be regularly assessed and adjusted according to their effectiveness in order to support meeting ESG targets for all private equity investments.
Additional reporting guidance	For investors taking minority stakes in private equity investments, options should be selected based on how they use their influence with the majority stakeholder(s) to ensure that ESG factors are actively managed.
Other resources	For further guidance see An introduction to responsible investment: private equity . IFC Performance Standards CDC ESG toolkit

Logic

Dependent on	N/A
Gateway to	[PE 8.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–H) in [PE 8].

Assessment

Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for 2 selections from A–H. 32 score for 3 selections from A–H. 50 score for 4 or more selections from A–H.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (4 highest scoring combinations assessed).</p> <p>Per answer selection A to H, each option will be worth the following proportion:</p> <ul style="list-style-type: none"> 0 if no answer selection or none (4). 25% of (50/4) score for minority (3). 50% of (50/4) score for majority (2). 100% of (50/4) score for all (1).
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"Other" scored as	Selecting Other (H) will be accepted by the scoring criteria and is equivalent to selecting options A–G.
Multiplier	Moderate x1.5 weighting.

Indicator ID PE 8.1	Dependent on:	PE 8	Sub-section Monitoring	PRI Principle 1, 2	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe up to two processes that you put in place during the reporting year to support meeting your ESG targets.

Processes to support meeting ESG targets

(A) Process 1 ____ [Free text: large]

(B) Process 2 ____ [Free text: large]

Explanatory notes

Purpose of indicator	This indicator provides the signatory with the opportunity to expand upon interesting, innovative or leading examples of processes used to support meeting ESG targets, allowing signatories to share different practices and experiences in managing ESG risks and opportunities.
Additional reporting guidance	Signatories should use this opportunity to illustrate the options they selected in the previous indicator. Details could include how and why certain processes were chosen, who had responsibility for implementing them and their success and/or lessons learned from their application.
Other resources	For further guidance see An introduction to responsible investment: private equity .

Logic

Dependent on	[PE 8.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–H) in [PE 8].
Gateway to	N/A

Assessment

Not assessed

Indicator ID PE 9	Dependent on:	N/A	Sub-section Monitoring	PRI Principle 1, 2	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe **ESG risks** and opportunities that you integrate into your 100-day plans, including who is accountable for their successful completion and how the process is monitored.

[Free text: large]

Explanatory notes

Purpose of indicator	It is important that ESG is sufficiently integrated into the investment process and that the standard toolkit of the private equity investment and value creation process is utilised. The 100-day plan is part of this toolkit. If material ESG risks and opportunities are not included in a 100-day plan, there is a risk that significant issues discovered during due diligence will not get enough immediate attention.
Additional reporting guidance	Signatories should use this opportunity to illustrate how their ESG due diligence findings are linked to actions taken at portfolio companies by investment teams and other professionals. A "100-day plan (or equivalent)" is a document that contains a list of activities the investor needs to undertake within the first 100 days of investment.
Other resources	For more information on ESG monitoring, see ESG monitoring, reporting and dialogue in private equity .

Logic

Dependent on	N/A
Gateway to	N/A

Assessment

Not assessed

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 10	Gateway to:	N/A	Monitoring	1, 2	CORE

Post-investment, how do you manage **material ESG-related risks** and opportunities to create value during the holding period of your investments?

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings	[Dropdown list] (1) for all of our private equity investments (2) for the majority of our private equity investments (3) for a minority of our private equity investments (4) for none of our private equity investments
(B) We adjust our ESG action plans regularly based on performance monitoring findings	[As above]
(C) We hire external advisors to provide support with specific ESG value creation opportunities	[As above]
(D) Other, please specify: ____ [Free text: small]	[As above]

Explanatory notes

Purpose of indicator	<p>This indicator aims to capture how an organisation uses the management of ESG factors to create value during the holding period of an investment. It is considered better practice for investors to develop ESG action plans that can be updated according to ongoing performance in order to create value during the holding period of an investment.</p> <p>ESG risks and opportunities should be re-assessed continuously to better understand the performance of the investment portfolio and to identify areas for continuous improvement in their management. Doing this in a structural way allows the signatory to assess performance within and between portfolios, as well as to potentially assess the performance of other investment managers.</p>
Other resources	For further guidance see An introduction to responsible investment: private equity .

	For more information see the CDC guidance on ESG action plans .
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for 1 selection from A–D. 32 score for 2 selections from A–D. 50 score for 3 or more selections from A–D.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (3 highest scoring combinations assessed).</p> <p>Per answer selection A to D, each option will be worth the following proportion:</p> <ul style="list-style-type: none"> 0 if no answer selection or none (4). 25% of (50/3) score for minority (3). 50% of (50/3) score for majority (2). 100% of (50/3) score for all (1).
"Other" scored as	Selecting Other (D) will be accepted by the scoring criteria and is equivalent to selecting options A–C.
Multiplier	High x2 weighting.

Indicator ID PE 11	Dependent on:	N/A	Sub-section Monitoring	PRI Principle 2	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe how your long-term **ESG action plans** are currently defined, implemented and monitored.

[Free text: large]

Explanatory notes

Purpose of indicator	This indicator provides the signatory with the opportunity to describe what they believe is interesting, innovative or leading practice in the use of ESG action plans throughout the investment period, as well as how they are used to create value and manage risks. It is important to have appropriate systems in place to manage issues on an ongoing basis. One of the key processes includes writing a long-term action plan for each portfolio company to identify ways to improve ESG performance.
Other resources	For further guidance see An introduction to responsible investment: private equity . For more information see the CDC guidance on ESG action plans .

Logic

Dependent on	N/A
Gateway to	N/A

Assessment

Not assessed

Indicator ID PE 12	Dependent on: N/A		Sub-section Monitoring	PRI Principle 1, 2	Type of indicator CORE
How do you ensure that adequate ESG-related competence exists at the portfolio company level?					
(A) We assign the board responsibility for ESG matters	[Dropdown list] (1) for all of our private equity investments (2) for the majority of our private equity investments (3) for a minority of our private equity investments (4) for none of our private equity investments				
(B) We mandate that material ESG matters are discussed by the board at least once a year	[As above]				
(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only	[As above]				
(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)	[As above]				
(E) We support the portfolio company in developing and implementing its ESG strategy	[As above]				
(F) We support portfolio companies by finding external ESG expertise (e.g. consultants or auditors)	[As above]				
(G) We share best practices across portfolio companies (e.g. educational sessions or implementation of environmental and social management systems)	[As above]				

(H) We include incentives to improve ESG performance in management remuneration schemes	[As above]
(I) Other, please specify: ____ [Free text: small]	[As above]

Explanatory notes	
Purpose of indicator	This indicator aims to assess how the signatory ensures that adequate ESG-related competence exists at the portfolio company level through strategy, policy and training efforts. It is considered better practice to ensure that adequate ESG-related competence exists at the portfolio company level, including ensuring that ESG factors receive board-level attention, for all private equity investments. These practices should be regularly reviewed and adapted depending on performance and overall needs.
Additional reporting guidance	In this indicator "external ESG expertise" refers to consultants or other expert ESG advice emanating from outside of your organisation. "C-suite executives" refers to a team of individuals who have the day-to-day responsibility of managing the entity. These staff members are sometimes referred to within corporations as senior management, executive management, executive leadership team, top management, upper management, higher management or seniors.
Logic	
Dependent on	N/A
Gateway to	[PE 12.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–I) in [PE 12].
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score for no answer selection. 16 score for 2 selections from A–I. 32 score for 3 selections from A–I. 50 score for 4 or more selections from A–I, must include 1 or more selections from A, B or 32 score.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (4 highest scoring combinations assessed).</p> <p>Per answer selection A to I, each option will be worth the following proportion: 0 if no answer selection or none (4). 25% of (50/4) score for minority (3). 50% of (50/4) score for majority (2).</p>

	100% of (50/4) score for all (1).
"Other" scored as	Selecting Other (I) will be accepted by the scoring criteria and is equivalent to selecting options C–H.
Multiplier	High x2 weighting.

Indicator ID PE 12.1	Dependent on:	PE 12	Sub-section Monitoring	PRI Principle 1, 2	Type of indicator PLUS VOLUNTARY TO DISCLOSE
	Gateway to:	N/A			

Describe up to two initiatives taken as part of your ESG competence-building efforts during the reporting year.

ESG competence-building initiatives

(A) Initiative 1 ____ [Free text: large]

(B) Initiative 2 ____ [Free text: large]

Explanatory notes

Purpose of indicator	This indicator provides signatories with the opportunity to expand upon examples of what they believe are interesting, innovative or leading practice in ESG competence-building efforts.
Additional reporting guidance	Signatories should use this opportunity to illustrate the options they selected in the previous indicator. Details could include how and why certain processes were chosen, who had responsibility for implementing them and their success and/or lessons learned from their application. Signatories could also highlight how they use their influence to engage with portfolio companies to ensure that ESG factors receive due attention and that there is continuous improvement in ESG competence.

Logic

Dependent on	[PE 12.1] will be applicable for reporting if answers (1), (2) and/or (3) are selected for any of options (A–I) in [PE 12].
Gateway to	N/A

Assessment

Not assessed

EXIT [PE 13]

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 13	Gateway to:	N/A	Exit	4, 6	CORE
<p>During the reporting year, what responsible investment information has your organisation shared with potential buyers of private equity investments?</p>					
(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)			<p>[Dropdown list]</p> <p>(1) for all of our private equity investments (2) for the majority of our private equity investments (3) for a minority of our private equity investments (4) for none of our private equity investments</p>		
(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)			[As above]		
(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)			[As above]		
(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)			[As above]		
(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company			[As above]		
(F) We shared key ESG performance data on the asset or portfolio company being sold			[As above]		
(G) Other, please specify: _____ [Free text: small]			[As above]		

Explanatory notes	
Purpose of indicator	<p>This indicator aims to capture whether the signatory includes ESG-related information in its sales process. It is considered better practice to disclose ESG-related information regarding private equity investments to potential buyers prior to exit to increase the completeness of information available to the buyer and show good stewardship on behalf of the seller.</p> <p>Providing evidence of good ESG practice to a potential buyer of a portfolio company can give the buyer greater visibility of potential ESG risks and opportunities, enabling them to make a more informed decision about the portfolio company and its value, as well as avoiding potential legal or reputational issues for non-disclosure of material ESG factors.</p>
Additional reporting guidance	<p>A responsible investment policy is a document that captures an organisation's strategy to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership. An organisation's responsible investment policy can take many shapes. It may involve embedding responsible investment considerations into the organisation's main investment policy. It could also consist of a standalone responsible investment policy. Alternatively, it could be captured in high-level public statements or codes of business practice that the organisation has adhered to.</p>
Other resources	<p>For further guidance see An introduction to responsible investment: private equity.</p>
Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	<p>100 points for this indicator divided between lettered and coverage answer options.</p> <p>0 score if no answer selection. 16 score for 1 selection from A–G. 32 score for 2 selections from A–G. 50 score for 3 or more selections from A–G; must include 1 or more selections from D–F or 32 score.</p> <p>The 50 points for the coverage (numbered answer options) divided between number of possible answer selections required to achieve full points from the lettered answer section (3 highest scoring combinations assessed).</p> <p>Per answer selection A to G, each option will be worth the following proportion:</p> <ul style="list-style-type: none"> 0 if no answer selection or none (4). 25% of (50/3) score for minority (3). 50% of (50/3) score for majority (2). 100% of (50/3) score for all (1).

"Other" scored as	Selecting Other (G) will be accepted by the scoring criteria and is equivalent to selecting options A–C.
Multiplier	Low x1 weighting.

REPORTING/DISCLOSURE

ESG PORTFOLIO INFORMATION [PE 14]

Indicator ID	Dependent on:	N/A	Sub-section	PRI Principle	Type of indicator
PE 14	Gateway to:	N/A	ESG portfolio information	6	CORE

During the reporting year, how did you report on core ESG data and targets to your investors or beneficiaries?

- (A) We reported in aggregate through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors or beneficiaries
- (C) We reported on the portfolio company level through formal reporting to investors or beneficiaries
- (D) We reported through a limited partners advisory committee
- (E) We reported back at digital or physical events or meetings with investors or beneficiaries
- (F) We did ad hoc or informal reporting on serious [ESG incidents](#)
- (G) Other, please specify: _____ [Free text: small]
- (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year

Explanatory notes

Purpose of indicator	<p>This indicator aims to understand a signatory's specific approach to the communication of core ESG data and targets related to its private equity investments and allows signatories to demonstrate how widely information on responsible investment practices is made available. It is considered better practice for signatories to disclose information about their investment activities to the public and investors/beneficiaries annually or more frequently.</p> <p>Private market investments are less transparent than public investment markets. As a result, private market investment managers have an additional responsibility to be transparent to investors and proactively report ESG-related portfolio information. In addition, some jurisdictions are currently developing regulations that will require investment managers to report some ESG-related portfolio information to their clients.</p>
Reference to other standards	<p>OECD Responsible Business Conduct for Institutional Investors recommendations</p> <p>ICGN Global Stewardship Principles</p>

Logic	
Dependent on	N/A
Gateway to	N/A
Assessment	
Assessment criteria	100 points for this indicator. 0 score for no answer selection or H. 32 score for A or 2-3 selections from B–G. 64 score for 4 selections from A–G, must include A. 100 score for 5 or more selections from A–G, must include A.
"Other" scored as	Selecting Other (G) will be accepted by the scoring criteria and is equivalent to selecting options B–F.
Multiplier	Moderate x1.5 weighting.