

PRI Reporting Framework

PRIVATE EQUITY

2023

Last revision: 18 January 2023

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POLICY

INVESTMENT GUIDELINES [PE 1]

| Indicator ID | Dependent on: | OO 21 | 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 policy\(ies\)](#)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment [screening](#)
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to [ESG integration](#) into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring [ESG risks](#), [ESG opportunities](#) and [ESG incidents](#)
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does 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 or 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 and including the full scope of an organisation’s ESG approach for its investments in private equity is considered good 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 the overall policy document. 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. |

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| 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 | [OO 21] | |
| Gateway to | N/A | |
| Assessment | | |
| Assessment criteria | <p>100 points for this indicator.</p> <p>100 points for 7 or more selections from A–H; MUST include C.</p> <p>75 points for 5–6 selections from A–H; MUST include C.</p> <p>50 points for 3–4 selections from A–H; MUST include C.</p> <p>25 points for 1–2 selections from A–H; MUST include C (OR 4–7 selections from A–H, excluding C)</p> <p>0 points for 1–3 selection from A–H, excluding C.</p> <p>0 points for I.</p> | <p>Further details:</p> <p>Selecting 'I' will result in 0/100 points for this indicator.</p> |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | |

FUNDRAISING

COMMITMENTS TO INVESTORS [PE 2]

| | | | | | |
|-----------------------------|---------------|--------------|--|------------------------------|----------------------------------|
| Indicator ID PE 2 | Dependent on: | OO 21 | Sub-section Commitments to investors | PRI Principle 1, 4 | Type of indicator CORE |
| | Gateway to: | N/A | | | |

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

If you did not close any funds during this reporting year, refer to the last reporting year in which you closed funds, up to five years ago.

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

Explanatory notes

| | |
|--------------------------------------|--|
| Purpose of indicator | The purpose of this indicator is to understand whether and when a general partner (GP) has incorporated ESG and responsible investment (RI) commitments into fund-level legal documentation. It is considered good practice to formally commit to responsible investment in LPAs, side letters or other constitutive fund documents. |
| Additional reporting guidance | <p>This indicator is only applicable to 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, side letters and/or other constitutive fund documents 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 (up to five years ago) should be referenced.</p> |
| Other resources | Refer to Incorporating responsible investment requirements into private equity fund terms for further guidance. |

| Logic | | |
|----------------------------|--|---|
| Dependent on | [OO 21] | |
| Gateway to | N/A | |
| Assessment | | |
| Assessment criteria | <p>100 points for this indicator.</p> <p>100 points for A. 66 points for B. 33 points for C. 0 points for D.</p> | <p>Further details:</p> <p>Selecting 'D' will result in 0/100 points for this indicator.</p> <p>Selecting 'E' means the indicator is scored as N/A. Signatories will not be penalised for this indicator.</p> |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | |

PRE-INVESTMENT

MATERIALITY ANALYSIS [PE 3, PE 3.1]

| Indicator ID PE 3 | Dependent on: OO 21 | | Sub-section Materiality analysis | PRI Principle 1 | Type of indicator CORE |
|--|---|--|--|---------------------------|----------------------------------|
| <p>During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?</p> <p><i>If signatories did not analyse any potential private equity investments in the reporting year, they should refer to the most recent reporting year in which they analysed potential private equity investments.</i></p> | | | | | |
| <input type="radio"/> (A) We assessed ESG materiality at the portfolio company level, as each case is unique | <p>[Dropdown list]</p> <p>(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</p> | | | | |
| <input type="radio"/> (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses | <p>[As above]</p> | | | | |
| <input type="radio"/> (C) We assessed ESG materiality at the industry level only | <p>[As above]</p> | | | | |
| <input type="radio"/> (D) We did not conduct ESG materiality analyses for our potential private equity investments | | | | | |

| Explanatory notes | |
|-----------------------------|--|
| Purpose of indicator | This indicator aims to identify how a signatory conducts materiality analyses of ESG factors as a standard part of its due diligence process during the pre-investment phase by indicating the depth and quality of its materiality assessment. It is considered good practice to conduct materiality analyses at the portfolio company level, whether using internal or external resources. |

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| Additional reporting guidance | Signatories should indicate the proportion of potential private equity investments their ESG materiality analyses considered. | | |
| Other resources | For information on materiality analyses, see the PRI blog post on Using SASB to implement PRI monitoring and disclosure resources for private equity . | | |
| Logic | | | |
| Dependent on | [OO 21] | | |
| Gateway to | [PE 3.1] | | |
| Assessment | | | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | |
| | 50 points for the lettered answer options: 50 points for A. 33 points for B. 16 points for C. 0 points for D. | AND | 50 points for the coverage: 50 points for all (1). 25 points for a majority (2). 12 points for a minority (3). |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | |

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|-------------------------------|---------------|-------------|--|---------------------------|----------------------------------|
| 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?

If signatories did not analyse any potential private equity investments in the reporting year, they should refer to the most recent reporting year in which they analysed potential private equity investments.

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used **environmental and social factors** detailed in the **IFC Performance Standards** (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- (H) We **engaged** with the prospective portfolio company to inform our private equity ESG materiality analysis
- (I) Other
Specify: _____ [Mandatory free text: small]

Explanatory notes

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|--------------------------------------|--|
| 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, whether as part of an internal checklist or ESG tool or scorecard, during the pre-investment phase. This analysis may be completed internally using in-house tools or methodologies or externally via a service provider. It is considered good practice to use a range of tools and resources to ensure that in-depth ESG materiality assessments are conducted. The specific tools and resources used may vary depending on the context of the potential investment, e.g. industry sector and geography. |
| Additional reporting guidance | One way to conduct the private equity materiality analysis is by extracting information from the prospective company through direct engagement, which might take the form of a survey, either bespoke or using Invest Europe ESG DDQ , or other similar due diligence questionnaires. Links to various standards listed: |

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|----------------------------|--|
| | Global Reporting Initiative (GRI) Standards Value Reporting Foundation (Sustainability Accounting Standards Board - SASB standards) Task Force on Climate-related Financial Disclosures (TCFD) IFC Performance Standards UN Guiding Principles on Business and Human Rights (UNGPs) UN Sustainable Development Goals (SDGs) |
| Other resources | For information on materiality analysis, see the PRI blog post on Using SASB to implement PRI monitoring and disclosure resources for private equity . |
| Logic | |
| Dependent on | [PE 3] |
| Gateway to | N/A |
| Assessment | |
| Assessment criteria | <p>100 points for this indicator.</p> <p>100 points for 3 or more selections from A–H. 66 points for 2 selections from A–H. 33 points for 1 selection from A–H. 0 points for I.</p> |
| 'Other' scored as | Selecting Other (I) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. |

DUE DILIGENCE [PE 4, PE 5]

| Indicator ID PE 4 | Dependent on: OO 21 | | Sub-section Due diligence | PRI Principle 1 | Type of indicator CORE |
|---|---|--|-------------------------------------|---------------------------|----------------------------------|
| <p>During the reporting year, how did material ESG factors influence the selection of your private equity investments?</p> <p><i>If signatories did not select any private equity investments in the reporting year, they should refer to the most recent reporting year in which they selected private equity investments.</i></p> | | | | | |
| <input type="checkbox"/> (A) Material ESG factors were used to identify risks | <p>[Dropdown list]</p> <p>(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</p> | | | | |
| <input type="checkbox"/> (B) Material ESG factors were discussed by the investment committee (or equivalent) | <p>[As above]</p> | | | | |
| <input type="checkbox"/> (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent) | <p>[As above]</p> | | | | |
| <input type="checkbox"/> (D) Material ESG factors were used to identify opportunities for value creation | <p>[As above]</p> | | | | |
| <input type="checkbox"/> (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate | <p>[As above]</p> | | | | |
| <input type="checkbox"/> (F) Material ESG factors impacted investments in terms of the price offered and/or paid | <p>[As above]</p> | | | | |

O (G) Material ESG factors did not influence the selection of our private equity investments

Explanatory notes

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|--------------------------------------|--|
| 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 good 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>By private equity investment selection, we mean new private equity investments 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> <p>By 'our decision to abandon potential investments in the due diligence phase', we mean any decision that led to the abandonment of potential investments following issues that emerged during the due diligence phase. This decision would be completed after any screening of potential investments, with an exclusion list.</p> |
| Other resources | For further guidance, see An introduction to responsible investment: private equity . |

Logic

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|---------------------|---------|
| Dependent on | [OO 21] |
| Gateway to | N/A |

Assessment

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|----------------------------|---|------------|---|---|
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | | |
| | 50 points for the lettered answer options: 50 points for 5 or more selections from A–F; MUST include F. 33 points for 4 or more selections from A–F. 16 points for 2–3 selections from A–F. 0 points for 1 selection from A–F OR G. | AND | 50 points for the coverage: Per answer selection A to F, each option will be worth the following proportion: 50/5 points for all (1). 25/5 points for a majority (2). 12/5 points for a minority (3). | Further details: Selecting 'G' will result in 0/100 points for this indicator. |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | | |

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|-----------------------------|---------------|--------------|-------------------------------------|---------------------------|----------------------------------|
| Indicator ID PE 5 | Dependent on: | OO 21 | 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 private equity investments?

For investors taking minority stakes in private equity investments, answer options should be selected based on how they use their influence with portfolio companies, majority shareholder(s) and/or lead investors in co-investment situations to ensure that material ESG factors are fully identified and assessed to the extent possible.

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|---|--|
| <input type="checkbox"/> (A) We do a high-level or desktop review using an ESG checklist for initial red flags | [Dropdown list] (1) for all of our potential private equity investments (2) for a majority of our potential private equity investments (3) for a minority of our potential private equity investments |
| <input type="checkbox"/> (B) We send detailed ESG questionnaires to target companies | [As above] |
| <input type="checkbox"/> (C) We hire third-party consultants to do technical due diligence on specific material ESG factors | [As above] |
| <input type="checkbox"/> (D) We conduct site visits | [As above] |
| <input type="checkbox"/> (E) We conduct in-depth interviews with management and/or personnel | [As above] |
| <input type="checkbox"/> (F) We conduct detailed external stakeholder analyses and/or engagement | [As above] |
| <input type="checkbox"/> (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal | [As above] |

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|---|------------|
| <input type="checkbox"/> (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal | [As above] |
| <input type="checkbox"/> (I) Other Specify: _____ [Mandatory free text: small] | [As above] |
| <input type="radio"/> (J) We do not conduct due diligence on material ESG factors for potential private equity investments | |

| Explanatory notes | |
|--------------------------------------|---|
| Purpose of indicator | This indicator aims to capture the processes an organisation uses to conduct due diligence on material ESG-related risks at the pre-investment stage. It also assesses what internal or external resources are allocated to such processes and how material ESG factors are used to identify opportunities to create value. It is considered good practice to carry out due diligence to a sufficient depth, such that material ESG-related risks can be identified and assessed, and ESG value creation opportunities can also be identified for action during the post-investment period. 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>‘We conduct site visits’ refers to physical visits made to the 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>For examples of ESG questionnaires that can be sent to target companies, refer to the ESG Due Diligence Questionnaire for Private Equity.</p> |
| Logic | |
| Dependent on | [OO 21] |
| Gateway to | N/A |
| Assessment | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. |

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|--------------------------|---|------------|--|--|
| | <p>50 points for the lettered answer options:</p> <p>50 points for 4 or more selections from A–F AND both G and H.</p> <p>33 points for 3 selections from A–F AND both G and H.</p> <p>16 points for 2 or more selections from A–H.</p> <p>0 points for 1 selection from A–I OR J.</p> | AND | <p>50 points for the coverage:</p> <p>Per answer selection A to H, each option will be worth the following proportion:</p> <p>50/6 points for all (1).</p> <p>25/6 points for a majority (2).</p> <p>12/6 points for a minority (3).</p> | <p>Further details:</p> <p>Selecting 'J' will result in 0/100 points for this indicator.</p> <p>The assessment will be based on the highest-scoring combination of answer options.</p> |
| 'Other' scored as | Selecting Other (I) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | | | |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | | |

POST-INVESTMENT

MONITORING [PE 6, PE 6.1, PE 7, PE 7.1, PE 8, PE 9, PE 10, PE 11, PE 12, PE 12.1]

| Indicator ID | Dependent on: | OO 21 | Sub-section | PRI Principle | Type of indicator |
|--|---------------|--------|--|---------------|-------------------|
| PE 6 | Gateway to: | PE 6.1 | Monitoring | 1 | CORE |
| <p>During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?</p> <p><i>Refer to the number of portfolio companies, not the percentage of assets under management. We recognise that there is a period after the acquisition of an asset or portfolio company when ESG data may not be available. Where the intention is to introduce and track KPIs on material ESG factors, please indicate yes.</i></p> | | | | | |
| | | | Percentage of portfolio companies this applies to | | |
| <input type="checkbox"/> (A) Yes, we tracked KPIs on environmental factors | | | [Dropdown list] (1) >0 to 10% (2) >10 to 50% (3) >50 to 75% (4) >75 to 95% (5) >95% | | |
| <input type="checkbox"/> (B) Yes, we tracked KPIs on social factors | | | [As above] | | |
| <input type="checkbox"/> (C) Yes, we tracked KPIs on governance factors | | | [As above] | | |
| <input type="radio"/> (D) We did not track KPIs on material ESG factors across our private equity investments | | | | | |

| Explanatory notes | | | |
|-----------------------------|---|------------|--|
| Purpose of indicator | This indicator aims to capture an organisation's approach to ESG performance in actively monitoring KPIs on material ESG factors for their portfolio companies based on the material risks and opportunities identified during the due diligence process. It is considered good 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. | | |
| Other resources | <p>For further guidance, see An introduction to responsible investment: private equity.</p> <p>For more information on ESG monitoring, see ESG monitoring, reporting and dialogue in private equity.</p> <p>For an example of an industry-led set of standardised ESG metrics, see ESG Data Convergence Project.</p> | | |
| Logic | | | |
| Dependent on | [OO 21] | | |
| Gateway to | [PE 6.1] | | |
| Assessment | | | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | |
| | 50 points for the lettered answer options: 50 points for all 3 selections from A–C. 33 points for 2 selections from A–C. 16 points for 1 selection from A–C. 0 points for D. | AND | 50 points for the coverage: Per answer selection A to C, each option will be worth the following proportion: 50/3 points for (5) >95% 40/3 points for (4) >75 to 95% 30/3 points for (3) >50 to 75% 20/3 points for (2) >10 to 50% 10/3 points for (1) >0 to 10% |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | |

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

Provide examples of KPIs on **material ESG factors** you tracked across your private equity investments during the reporting year.

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

Explanatory notes

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| Purpose of indicator | It is considered good 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. |
| Other resources | <p>For further guidance, see An introduction to responsible investment: private equity.</p> <p>For more information on ESG monitoring, see ESG monitoring, reporting and dialogue in private equity.</p> <p>For an example of an industry-led set of standardised ESG metrics, see ESG Data Convergence Project.</p> |

Logic

| | |
|---------------------|--------|
| Dependent on | [PE 6] |
| Gateway to | N/A |
| Assessment | |
| Not assessed | |

| Indicator ID PE 7 | Dependent on: OO 21 | | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator CORE |
|---|--|--|----------------------------------|------------------------------|----------------------------------|
| What processes do you have in place to help meet your targets on material ESG factors for your private equity investments? | | | | | |
| <i>For investors with minority stakes in private equity investments, answer options should be selected based on how they use their influence with the portfolio companies, majority shareholder(s), and/or lead investors they engage with in co-investment situations to ensure that material ESG factors are actively managed to the extent possible.</i> | | | | | |
| <input type="checkbox"/> (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance | [Dropdown list] (1) for all of our private equity investments (2) for a majority of our private equity investments (3) for a minority of our private equity investments | | | | |
| <input type="checkbox"/> (B) We implement international best practice standards, such as the IFC Performance Standards , to guide ongoing assessments and analyses | [As above] | | | | |
| <input type="checkbox"/> (C) We implement certified environmental and social management systems across our portfolio | [As above] | | | | |
| <input type="checkbox"/> (D) We make sufficient budget available to ensure that the systems and procedures needed are established | [As above] | | | | |
| <input type="checkbox"/> (E) We hire external verification services to audit performance, systems, and procedures | [As above] | | | | |
| <input type="checkbox"/> (F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users | [As above] | | | | |
| <input type="checkbox"/> (G) We implement 100-day plans, ESG roadmaps and similar processes | [As above] | | | | |

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|---|------------|
| <input type="checkbox"/> (H) Other Specify: _____ [Mandatory free text: small] | [As above] |
| <input type="radio"/> (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments | |

| Explanatory notes | | | |
|-----------------------------|---|------------|---|
| Purpose of indicator | This indicator aims to capture the depth of processes and resources an organisation implements to help meet their targets on material ESG factors. Actively managing ESG performance 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 to meet the given targets on material ESG factors for all private equity investments. | | |
| Other resources | For further guidance, see An introduction to responsible investment: private equity . For further guidance, see the BII (formerly CDC Group) ESG toolkit . | | |
| Logic | | | |
| Dependent on | [OO 21] | | |
| Gateway to | [PE 7.1] | | |
| Assessment | | | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | |
| | 50 points for the lettered answer options: 50 points for 5 or more selections from A–G. 33 points for 4 selections from A–G. 16 points for 2–3 selections from A–G. 0 points for 1 selection from A–H OR I. | AND | 50 points for the coverage: Per answer selection A to G, each option will be worth the following proportion: 50/5 points for all (1). 25/5 points for a majority (2). 12/5 points for a minority (3). |
| 'Other' scored as | Selecting Other (H) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | | |

| | | | | | |
|-------------------------------|---------------|-------------|----------------------------------|------------------------------|---|
| Indicator ID PE 7.1 | Dependent on: | PE 7 | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator PLUS VOLUNTARY TO DISCLOSE |
| | Gateway to: | N/A | | | |

Describe up to two processes you have put in place during the reporting year to help meet your targets on [material ESG factors](#).

For investors with minority stakes in private equity investments, responses should be based on how they use their influence with the portfolio companies, majority shareholder(s), and/or lead investors they engage with in co-investment situations to ensure that material ESG factors are actively managed to the extent possible.

(A) Process one _____ [Voluntary free text: large]

(B) Process two _____ [Voluntary 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 meet their targets on material ESG factors, allowing signatories to share different practices and experiences in managing material ESG risks and opportunities. |
| Additional reporting guidance | Signatories should use this opportunity to elaborate on the answer 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 7] |
| Gateway to | N/A |

Assessment

Not assessed

Multiplier Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May.

| | | | | | |
|-----------------------------|---------------|--------------|----------------------------------|------------------------------|---|
| Indicator ID PE 8 | Dependent on: | OO 21 | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator PLUS VOLUNTARY TO DISCLOSE |
| | Gateway to: | N/A | | | |

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

[Voluntary 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 receive 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 | [OO 21] |
| Gateway to | N/A |

Assessment

Not assessed

| | | | | | |
|-----------------------------|---------------|--------------|----------------------------------|------------------------------|----------------------------------|
| Indicator ID PE 9 | Dependent on: | OO 21 | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator CORE |
| | Gateway to: | N/A | | | |

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

For investors with minority stakes in private equity investments, answer options should be selected based on how they use their influence with the portfolio companies, majority shareholder(s), and/or lead investors they engage with in co-investment situations to ensure that material ESG factors are actively managed to the extent possible.

| | |
|---|--|
| <input type="checkbox"/> (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 a majority of our private equity investments (3) for a minority of our private equity investments |
| <input type="checkbox"/> (B) We adjust our ESG action plans based on performance monitoring findings at least yearly | [As above] |
| <input type="checkbox"/> (C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities | [As above] |
| <input type="checkbox"/> (D) We engage with the board to manage ESG risks and ESG opportunities post-investment | [As above] |
| <input type="checkbox"/> (E) Other Specify: _____ [Mandatory free text: small] | [As above] |
| <input type="radio"/> (F) We do not manage material ESG risks and opportunities post-investment | |

Explanatory notes

| | | | |
|-----------------------------|--|------------|--|
| Purpose of indicator | <p>This indicator aims to capture how an organisation uses the management of material ESG factors to create value during the holding period of an investment. It is considered good practice for investors to develop ESG action plans that can be updated according to ongoing performance to create value during the holding period of an investment.</p> <p>ESG risks and ESG 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. A structural approach allows the signatory to assess the ESG performance within and among portfolios and potentially assess the performance of other investment managers.</p> | | |
| Other resources | <p>For further guidance, see An introduction to responsible investment: private equity.</p> <p>For more information, see the BII (formerly CDC Group) guidance on ESG action plans.</p> | | |
| Logic | | | |
| Dependent on | [OO 21] | | |
| Gateway to | N/A | | |
| Assessment | | | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | |
| | <p>50 points for the lettered answer options:</p> <p>50 points for 3 or more selections from A–D. 33 points for 2 selections from A–D. 16 points for 1 selection from A–D. 0 points for E, F.</p> | AND | <p>50 points for the coverage:</p> <p>When selecting 'A' to 'D', each option will be worth the following proportion:</p> <p>50/3 points for all (1). 25/3 points for a majority (2). 12/3 points for a minority (3).</p> |
| 'Other' scored as | Selecting Other (E) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | | |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | |

| | | | | | |
|------------------------------|---------------|--------------|----------------------------------|------------------------------|---|
| Indicator ID PE 10 | Dependent on: | OO 21 | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator PLUS VOLUNTARY TO DISCLOSE |
| | Gateway to: | N/A | | | |

Describe how you ensure that material **ESG risks** are adequately addressed in the private equity investments in which you hold a minority stake.

[Voluntary free text: large]

Explanatory notes

| | |
|-----------------------------|---|
| Purpose of indicator | This indicator provides an opportunity for minority investors to describe their attempts to work with other investors or partners to ensure that material ESG risks are adequately addressed in their private equity investments. Even where minority investors are not in a position to directly control investee company consideration and the management of ESG risks, it is considered good practice to work with other investors and partners to develop a common agenda or approach to ESG and support measures – to the extent possible – to help implement that agenda. |
|-----------------------------|---|

Logic

| | |
|---------------------|---------|
| Dependent on | [OO 21] |
| Gateway to | N/A |

Assessment

Not assessed

| | | | | | |
|------------------------------|---------------|--------------|----------------------------------|---------------------------|---|
| Indicator ID PE 11 | Dependent on: | OO 21 | Sub-section Monitoring | PRI Principle 2 | Type of indicator PLUS VOLUNTARY TO DISCLOSE |
| | Gateway to: | N/A | | | |

Describe how your **ESG action plans** are currently defined, implemented and monitored throughout the investment period.

[Voluntary free text: large]

Explanatory notes

| | |
|-----------------------------|---|
| Purpose of indicator | This indicator provides the signatory with the opportunity to describe what practices they use in ESG action plans throughout the investment period and 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 an 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 BII (formerly CDC Group) guidance on ESG action plans . |

Logic

| | |
|---------------------|---------|
| Dependent on | [OO 21] |
| Gateway to | N/A |

Assessment

Not assessed

| | | | | | |
|------------------------------|---------------|----------------|----------------------------------|------------------------------|----------------------------------|
| Indicator ID PE 12 | Dependent on: | OO 21 | Sub-section Monitoring | PRI Principle 1, 2 | Type of indicator CORE |
| | Gateway to: | PE 12.1 | | | |

How do you ensure that adequate ESG-related competence exists at the portfolio company level?

For investors with minority stakes in private equity investments, answer options should be selected based on how they use their influence with the portfolio companies, majority shareholder(s), and/or lead investors they engage with in co-investment situations to ensure that adequate ESG-related competence exists at the portfolio company level.

| | |
|---|--|
| <input type="checkbox"/> (A) We assign the board responsibility for ESG matters | [Dropdown list] (1) for all of our private equity investments (2) for a majority of our private equity investments (3) for a minority of our private equity investments |
| <input type="checkbox"/> (B) We ensure that material ESG matters are discussed by the board at least yearly | [As above] |
| <input type="checkbox"/> (C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only | [As above] |
| <input type="checkbox"/> (D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives) | [As above] |
| <input type="checkbox"/> (E) We support the portfolio company in developing and implementing its ESG strategy | [As above] |
| <input type="checkbox"/> (F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors | [As above] |

| | |
|---|------------|
| <input type="checkbox"/> (G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems | [As above] |
| <input type="checkbox"/> (H) We include penalties or incentives to improve ESG performance in management remuneration schemes | [As above] |
| <input type="checkbox"/> (I) Other Specify: _____ [Mandatory free text: small] | [As above] |
| <input type="radio"/> (J) We do not ensure that adequate ESG-related competence exists at the portfolio company level | |

| 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 its strategy, policy and training efforts. It is considered good practice to ensure adequate ESG-related competence exists at the portfolio company level, including ensuring that material 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 drawn from outside of the signatory organisation. 'C-suite executives' refers to a team of individuals with 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. For more information on board oversight of ESG, see BII (formerly CDG Group) Board Oversight of ESG Guidance . |
| Logic | |
| Dependent on | [OO 21] |
| Gateway to | [PE 12.1] |
| Assessment | |
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. |

| | | | | |
|--------------------------|---|------------|--|--|
| | <p>50 points for the lettered answer options:</p> <p>50 points for 5 or more selections from A–H; MUST include 1 or more selections from A, B.</p> <p>33 points for 4 selections from A–H.</p> <p>16 points for 2–3 selections from A–H.</p> <p>0 points for 1 selection from A–I OR J.</p> | AND | <p>50 points for the coverage:</p> <p>Per answer selection A to H, each option will be worth the following proportion:</p> <p>50/5 points for all (1).</p> <p>25/5 points for a majority (2).</p> <p>12/5 points for a minority (3).</p> | <p>Further details:</p> <p>Selecting 'J' will result in 0/100 points for this indicator.</p> |
| 'Other' scored as | Selecting Other (I) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | | | |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | | | |

| | | | | | |
|--------------------------------|---------------|--------------|----------------------------------|------------------------------|---|
| 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 at the portfolio company level during the reporting year.

Signatories should use this opportunity to further describe the answer options they selected in the previous indicator.

(A) Initiative 1 _____ [Voluntary free text: large]

(B) Initiative 2 _____ [Voluntary 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 practices in their ESG competence-building efforts. |
| Additional reporting guidance | Signatories could include details on 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 material ESG factors receive due attention and that there is continuous improvement in ESG competence. |

Logic

| | |
|---------------------|---------|
| Dependent on | [PE 12] |
| Gateway to | N/A |

Assessment

Not assessed

EXIT [PE 13]

| Indicator ID PE 13 | Dependent on: OO 21 | | Sub-section Exit | PRI Principle 4, 6 | Type of indicator CORE |
|---|--|--|----------------------------|------------------------------|----------------------------------|
| During the reporting year, what responsible investment information was shared with potential buyers of private equity investments? | | | | | |
| <input type="checkbox"/> (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory | [Dropdown list] (1) for all of our private equity investments (2) for a majority of our private equity investments (3) for a minority of our private equity investments | | | | |
| <input type="checkbox"/> (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD | [As above] | | | | |
| <input type="checkbox"/> (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach) | [As above] | | | | |
| <input type="checkbox"/> (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support) | [As above] | | | | |
| <input type="checkbox"/> (E) The outcome of our latest ESG risk assessment on the asset or portfolio company | [As above] | | | | |
| <input type="checkbox"/> (F) Key ESG performance data on the asset or portfolio company being sold | [As above] | | | | |
| <input type="checkbox"/> (G) Other Specify: _____ [Mandatory free text: small] | [As above] | | | | |

(H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year

(I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

Explanatory notes

| | |
|-----------------------------|--|
| Purpose of indicator | <p>This indicator aims to capture whether the signatory has included ESG-related information in its sales process. It is considered good practice to disclose ESG-related information regarding private equity investments to potential buyers prior to exit. This information sharing increases the completeness of data available to the buyer and shows 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 and avoid potential legal or reputational issues due to the non-disclosure of material ESG factors.</p> |
| Other resources | For further guidance, see An introduction to responsible investment: private equity . |

Logic

| | |
|---------------------|---------|
| Dependent on | [OO 21] |
| Gateway to | N/A |

Assessment

| | | | | |
|----------------------------|---|------------|---|---|
| Assessment criteria | 100 points for this indicator divided between lettered (50 points) and coverage (50 points) answer options. The final score will be based on the highest-scoring combination of lettered and coverage answer options. | | | |
| | 50 points for the lettered answer options: 50 points for 4 or more selections from A–F; MUST include 1 or more selections from D–F. 33 points for 3 selections from A–F. 16 points for 1–2 selections from A–F. 0 points for G, H. | AND | 50 points for the coverage: Per answer selection A to F, each option will be worth the following proportion: 50/4 points for all (1). 25/4 points for a majority (2). 12/4 points for a minority (3). | Further details: Selecting 'H' will result in 0/100 points for this indicator. Selecting 'I' means the indicator is scored as N/A. Signatories will not be penalised for this indicator. |
| 'Other' scored as | Selecting Other (G) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | | | |

| | |
|-------------------|---|
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. |
|-------------------|---|

DISCLOSURE OF ESG PORTFOLIO INFORMATION [PE 14]

| Indicator ID | Dependent on: | OO 21 | Sub-section | PRI Principle | Type of indicator |
|--------------|---------------|-------|---|---------------|-------------------|
| PE 14 | Gateway to: | N/A | Disclosure of ESG portfolio information | 6 | CORE |

During the reporting year, how did you report your targets on [material ESG factors](#) and related data to your investors?

- (A) We used a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the portfolio company level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported back at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious [ESG incidents](#) occurred
- (G) Other
Specify: _____ [Mandatory free text: small]
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

Explanatory notes

| | |
|-------------------------------------|--|
| Purpose of indicator | <p>This indicator aims to understand a signatory's specific approach to the communication of targets on material ESG factors and related data to its private equity investments and allows signatories to demonstrate the level of transparency concerning their responsible investment practices. It is considered good practice for signatories to disclose information about their investment activities to the public and investors 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 requiring investment managers to report some ESG-related portfolio information to their clients.</p> |
| Reference to other standards | For an example of an industry-led set of standardised ESG metrics, see ESG Data Convergence Project . |

Logic

| | | |
|----------------------------|---|--|
| Dependent on | [OO 21] | |
| Gateway to | N/A | |
| Assessment | | |
| Assessment criteria | <p>100 points for this indicator.</p> <p>100 points for 5 or more selections from A–F; MUST include A.</p> <p>66 points for 4 selections from A–F; MUST include A.</p> <p>33 points for 1–3 selections from A–F; MUST include A (OR 2–5 or more selections from B–F).</p> <p>0 points for 1 selection from B–G OR H.</p> | <p>Further details:</p> <p>Selecting ‘H’ will result in 0/100 points for this indicator.</p> |
| ‘Other’ scored as | Selecting Other (G) will not be counted by the scoring criteria, provided answer options have been identified as capturing good practice. | |
| Multiplier | Multiplier will be confirmed ahead of the 2023 reporting cycle starting in mid-May. | |