



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	
	<p>Collaborative engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements
	<p>Service provider engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service provider

RI TRANSPARENCY REPORT

2020

PAI Partners

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Public	✓						✓
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓			✓
PE 04	Formal commitments to RI	✓	Public				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Public	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Private							✓
PE End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

PAI Partners

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

PAI Partners is a major European private equity house and is the leading private equity investor in the French market. It is one of the oldest firms in the sector with its origins dating back to Paribas Affaires Industrielles, the historical principal investment activity of Paribas, which started operations in 1872. The firm is characterised by its industrial approach to ownership combined with its sector based organisation. PAI provides portfolio companies with the financial and strategic support required to pursue their development and enhance strategic value creation.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

100

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		13	600	000	000
Currency	EUR				
Assets in USD		14	991	297	642

Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06.1	Select how you would like to disclose your asset class mix.
----------------	---

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	100	0
Property	0	0
Infrastructure	0	0
Commodities	0	0

Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 09 **Mandatory** **Public** **Peering** **General**

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

100

Emerging Markets

0

Frontier Markets

0



Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Private Equity

Closing module

- Closing module

Peering questions

OO PE 01	Mandatory	Public	Descriptive	General
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Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.
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- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

PAI Partners

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our commitment to responsible investment is central to our activities, and fully integrated into our policies, processes and outcomes. Please see more detail by using the following link:

<http://www.paipartners.com/responsibility/our-commitments/>

We commit to:

- Systematically integrate ESG at all stages of the investment process
- Avoid determined sectors from our investment strategy
- Ensure improvement of ESG performance within our portfolio companies
- Provide regular and transparent information on ESG to our investors
- Promote Responsible Investment Principles among our peers

As a responsible investor, PAI integrates ESG matters at each phase of the investment cycle. Recognizing it is a journey of continuous improvement, we have always sought to drive sustainable growth from our investments, and our ESG strategy underpins how we invest, manage and realise value.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<http://www.paipartners.com/responsibility/esg-reports/>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

Attachment

Reporting

URL/Attachment

URL

URL

<http://www.paipartners.com/responsibility/esg-reports/>

Attachment

Climate change

URL/Attachment

URL

URL

<http://30u8y23m26yv1aezj63xtbcp-wpengine.netdna-ssl.com/wp-content/uploads/2018/10/PAIs-approach-to-the-Article-173-of-the-French-Energy-Transition-Law.pdf>

Attachment

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

Please note that in 2019, PAI published its first Sustainability Report dedicated to its investors, which is therefore not publicly available.

For more information, please refer to:

PAI's 2019 ESG policy:

https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf

PAI's ESG Reviews :

(2018)

https://paipartners.wpengine.com/wp-content/uploads/2018/05/7443_PAI_Impact_Low_Res.pdf

(2016)

<https://cld.bz/c2m2LCt/1>

(2015)

<http://www.paipartners.com/presentations/ESG2015/index.html#1>

(2014)

<http://www.paipartners.com/presentations/ESG2014/index.html#1>

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

PAI Partners is a member of France Invest (ex AFIC). France Invest complies with the framework of the professional ethics regulations (règlement de déontologie) enacted by France Invest and the Association Française de la Gestion Financière (AFG), which provide specific rules with regards to conflicts of interest.

PAI Partners will take all reasonable steps to identify conflicts of interest between:

- the Firm, including its employees, or any person directly or indirectly linked to the Firm by control and a Fund or the shareholders of the Fund; - one Fund or its shareholders and another Fund or its shareholders;
- a Fund or its shareholders and another client of the Firm; or
- two clients of the Firm that arise in the course of the Firm providing services to Funds.

PAI Partners will keep records of circumstances in which a conflict of interest may arise or has arisen and will update these records regularly.

PAI Partners will maintain and operate effective organisational and administrative arrangements with a view of taking reasonable steps designed to prevent conflicts of interests from adversely affecting the interests of its clients.

No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2 Additional information. [Optional]

The organization's Head of ESG & Sustainability, as part of the PAI's Performance Group (PPG), reports on PAI's responsible investment activities on a monthly basis to PAI's Management Committee, specifically to the Head of Investment Committee and Head of General Industrials.

Once a year, she provides an update to the Executive Committee on the organisation's roadmap. This roadmap is built on a 3-years' basis. The 2020-2023 roadmap is currently being drafted by the ESG team, with the help of an external resource, to be presented to the board during Q2 2020. The 2020-2023 roadmap will outline PAI's enhanced ESG efforts, including developed climate strategy, communication and engagement plan, and PAI's overall ESG vision for the next 3 years. Since ESG is part of PAI's fabric, and as ESG is continuously evolving, so must PAI's ESG strategies.

Once a year, she also presents the ESG portfolio performance overview to all the Partners.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Compliance

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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All investment professionals at PAI are expected to monitor ESG issues throughout the investment cycle. In doing so, they are supported by a dedicated, in-house team.

The team is responsible for implementing PAI's responsible investment strategy, both at the firm and portfolio company level. It performs due diligence alongside the investment teams, provides ESG inputs into the investment decision and subsequently investment management, and oversees monitoring and reporting. It also advocates for Responsible Investment Principles within the private equity industry.

PAI's Executive Committee is responsible for the approval and the review of PAI's ESG strategy and action plans.

PAI's Investment Committee is responsible for the assessment of ESG factors in investment opportunities: analyses are presented in an ESG memorandum that is discussed at the Investment Committee meeting.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
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Number

3

SG 07.4	Additional information. [Optional]
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1 ESG director

1 ESG associate

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of the PRI plastic WG and assisting with the organisation of a panel at the PRI In erson in September 2019.

Participation in the PRI In Person events since 2012 (excluding 2018). In 2019, PAI was a speaker at two sessions of the event:

- Private equity workshop: Get Up To Speed on Climate Change
- The Innovation Hub

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2019:

- Member of the Steering Committee of the France Invest (ex AFIC) ESG commission (100+ members)
- Leading the workgroup in charge of collecting ESG data from all France Invest members, redacting and publishing the annual ESG report of France invest
- Member of the LP-GP communication workgroup in charge of building a common ground for LP-GP communication and reporting

BVCA – Responsible Investment Advisory Board

CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

PAI is an Investor Signatory of the Carbon Disclosure Project (CDP) to drive greater corporate transparency and to provide the market with comparable environmental data.

CDP Forests

CDP Water

CFA Institute Centre for Financial Market Integrity

Climate Action 100+

Code for Responsible Investment in SA (CRISA)

Council of Institutional Investors (CII)

Eumedion

Extractive Industries Transparency Initiative (EITI)

ESG Research Australia

Invest Europe Responsible Investment Roundtable

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have adopted the Invest Europe code of conduct (European Private Equity and Venture Capital Association).

Cornelia Gomez was a member of the affiliate network for RI over 2018/19 and now a member of the RI Core Roundtable (as Q4 2019).

- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
iCI (former Initiative Climat 2020)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

We are a founding member of the Initiative Climat 2020 (ex iC20) - first private equity initiative to manage and reduce greenhouse gas emissions for their portfolio companies - and a signatory of the iC20 manifest.

More recently, our head of ESG, Cornelia Gomez, has played a key role in the recent evolution of the organisation:

- as a member of its Operational Committee in 2019
- and as part of a taskforce with Eurazeo and PwC to collaborate in 2018/19 with the PRI on the official endorsement of the initiative by the PRI but also the revamping of the initiative to bring it to the international stage.
- Starting from January 2020, the ESG representative from Eurazeo who was coordinating the initiative will be replaced by a coordinator for iC France (from Antin) and a coordinator for iC International, Cornelia Gomez.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

	Description
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Since 2011, we have organised a bi-annual meeting: the PAI Sustainability Club, to encourage dialogue between ESG managers of portfolio companies. As described previously, we changed the format of those meetings in 2019 (annual, during 1,5 days with an offsite learning experience).

These meetings are a key feature of our ESG programme:

- Firstly, they provide CSR managers with expertise, either from external consultants or from their peers.
- Secondly, they allow portfolio companies to discuss common issues and learn from the experiences of their peers whose CSR strategies are more advanced.

The Sustainability Club is also a privileged channel of communication between PAI and portfolio companies. Our ESG strategy is presented during these meetings, and policies are introduced within the group in order to ensure continuous improvement.

	Frequency of contribution
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided financial support for academic or industry research on responsible investment

	Description
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UN PRI

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Working group within the ESG commission of France Invest related to ESG reporting and disclosure (GT5).
Member of the CDP (Carbon Disclosure Project).

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

As mentioned in more details above, PAI's annual ESG Labs, organised during PAI's Investor Days, is a new collaborative initiative for our investors to discuss and share views on responsible investment.

During the London ESG Lab in 2019, we invited a member of the UN PRI as a main speaker.

Our Head of ESG spoke at various conferences in 2019: VC/PE conference in Vienna, AVCJ ESG Summit in Hong Kong, SuperReturn ESG Summit in Berlin, ESG Fund Forum in Amsterdam, LPEA annual conference in Luxembourg, PEI Responsible Investment conference on cyber security in London.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment

Description

We published in 2019 a position paper on the Plastic Issue, following our ESG lab in London on the topic. It is publicly available following this link: <https://www.paipartners.com/media/>

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

Description

In 2019, our Head of ESG shared her thoughts on the "S" of ESG in an interview with Superreturn365, published in the online media

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- A member of PRI advisory committees/ working groups, specify

Description

We are an active member of the PRI plastic working group

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

	Description
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PAI is a founding member of the ESG commission of France Invest (ex AFIC) and part of the ESG commission's steering committee

	Frequency of contribution
--	---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Other, specify
- No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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In September 2018 and September 2019, we organized a challenge with all our portfolio companies, for the World Clean-up Day. The goal was to raise awareness among the portfolio companies on topics like biodiversity and plastic pollution. In 2018 we gathered 416 participants, from 5 different companies, in 6 countries, to battle the issue of plastic waste.

In 2019, we almost tripled the number of participants (1 200), from 7 companies, in 7 countries. Tendam, who won the Awareness prize thanks to a great internal campaign and the personal involvement of its CEO, was awarded 1 hectare of forest planted in Zambia by PAI. This is an initiative proposed by WeForest, a partner specialized in reforestation and carbon offsetting.

Outsourcing to fiduciary managers and investment consultants				
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SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants

SG 12.4	Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.
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- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Other, specify (1)

Describe how responsible investment is incorporated

During our pre-acquisition ESG Due Diligence, the ESG team regularly contracts external investment consultants to provide a comprehensive analysis on specific topics (environment, health & safety, cyber security, food safety & quality etc)
 Those external consultants will be introduced in the process if the ESG risk level of the potential investment is rated medium or high (both by the investment team and the ESG team). If the risk is rated low, an ESG due diligence is still operated, but internally by our ESG and investment team.

Other, specify (2)

Describe how responsible investment is incorporated

Post-acquisition, we conduct a systematic ESG review on the company, with an external consultant (PwC, Deloitte, Indefi).
 The external consultant typically reviews existing documents, meets with the Management and visits the different production sites of the company. This lays the groundwork for an ESG Action Plan based upon a deeper analysis of the company's main CSR drivers.

Other, specify (3)

Describe how responsible investment is incorporated

In 2019, PAI worked closely with management consulting firm PwC to perform an audit of our reporting framework. The audit was all-encompassing and assessed our reporting structure and procedure, as well as our reporting indicators, highlighting definition, consistency and estimation methods. Not only did this exercise serve as a tool to identify areas of improvements and draw attention to our strengths, but it also holds us accountable as a responsible investor.

In addition, PAI works with consultants on a regular basis to address specific needs, such as, setting up a CSR governance structure, developing an energy efficiency program, and carrying out a life cycle analysis.

None of the above

No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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Yes, in order to assess future ESG factors

Describe

Prior to every acquisition, an assessment of the future ESG factors that could materially impact the company during the ownership period is undertaken (shift of demand for certain types of products, impact of incoming regulations etc.).

Yes, in order to assess future climate-related risks and opportunities

Describe

A forward-looking assessment of the exposure of PAI's portfolio to climate change risks (physical and transition risks) was undertaken in 2019.

No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 14

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Since September 2018, we have been incorporating the SASB Climate Risk Technical Bulletin in our ESG Due Diligence memo. We apply the sectorial analysis of this tool to every potential investment in order to assess their physical, transition and regulation risk, and the risks' impact on revenues, operating costs, asset value and financing cost.

In 2019, we developed a Climate Strategy following the TCFD recommendations. This strategy was disclosed in detail to all our investors in our 2018-2019 Sustainability Report.

Upon request, we also share the Climate Risk exposure assessment of our portfolio, which we carried out in 2019, to our LPs

SG 14.5

Additional information [Optional]

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SG 15.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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PAI's ESG Lab

PAI launched its ESG Labs in 2017: a series of interactive workshops aimed at debating a range of fast-evolving economic, social and environmental challenges facing society and the world of business.

The ESG Labs bring together investors, industry experts, peers and portfolio companies in short, informal seminars to explore a chosen theme. These events can be thought of as 'pop-up think-tanks', which allow attendees to share their views and examine the issue at hand from a number of different perspectives. It also serves as a sounding board to establish ambitious goals and best practices internally and within our portfolio.

To give an example, PAI dedicated an ESG Lab session to the subject of the Plastic Issue in January 2019. It brought together 33 participants, including investors managing a total of around \$3.4 trillion in assets, portfolio companies and issue specialists to better understand the nature of the environmental problem caused by plastics overuse and pollution, as well as the associated investment risks and opportunities.

One of the key takeaways of the ESG Lab was that business as usual is clearly not an option for GPs and their portfolio companies. The adoption of circular economy principles - where waste streams are transformed into inputs - will be essential both to reduce the volume of plastics that end up polluting the natural environment, and to meet spiralling demand for the raw materials from which plastics are made.

To translate these findings into practice:

- PAI joined PRI Plastic work group. Its initial work is focused on understanding the plastics landscape and drawing up resources to help investors engage with investee companies on the topic.
- Since March 2019, our Head of ESG participated on two boards of one of our portfolio companies (a global leader of plastic packaging for the cosmetic and personal care industries) to discuss and launch a strategy and product roadmap integrating the growing issue of plastic. In September 2019, the company presented their approach to plastic during the "PRI's in person", with the support of PAI.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Private equity

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other <p>Specify</p> <p>We disclose our portfolio companies' public annual CSR reports, some KPIs and best practices.</p>	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other <p>Specify</p> <p>ESG risk exposure, progress in the implementation of the ESG roadmap, highly material ESG incidents, ESG performance through our scorecard mentioned above etc.</p>
<p>Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested 	<p>Frequency</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quarterly or more frequently <input checked="" type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
<p>URL</p> <p>https://paipartners.wpengine.com/wp-content/uploads/2019/02/PAI-Partners_ESG-Policy.pdf</p> <p>URL</p> <p>https://www.paipartners.com/responsibility/esg-reports/</p>	

PAI Partners

Reported Information

Public version

Direct – Private Equity

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PE 01	Voluntary	Public	Descriptive	PRI 1-6
PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.			

The ESG integration process is divided into four stages:

1 - Screening

Identify perspectives on ESG from the screening phase. It is the first review and identification of ESG risks & opportunities and where controversial investments may be excluded despite their financial attractiveness.

PAI adopts an exclusion strategy for specific sectors which we consider to be in opposition with our values:

Tobacco
Pornography
Weapons

We also perform a background check of the potential acquisitions' top management, and an e-reputation analysis through a web crawler solution.

These considerations have resulted in PAI declining a deal and refusing to take advantage of profitable investment opportunities when they do not correspond with PAI's values.

2 - Due diligence

Our due diligence process involves systematically assessing companies in Phase II on key ESG risks and opportunities. Analysis is carried out using internal resources and, when necessary, external consultants.

Depending on an overall risk assessment in collaboration with the deal team, the ESG Team may:

Conduct a full internal due diligence,
Use external databases or experts,
Fully delegate the due diligence work to external consultants

Key issues and opportunities are identified in collaboration with the investment team prior to an investment. The ESG indicators selected for each target in Phase II and which PAI will perform a comprehensive analysis, depends on their level of materiality.

Using this list of ESG key indicators, the investment and ESG teams identify a set of priority items to be addressed in the due diligence analysis.

The related questions are embedded in the general DD process and the interactions with management. The objective, by integrating ESG, is to provide all teams with a holistic view of the company and to obtain a comprehensive understanding of all the underlying issues.

3 - Investment Committee decision

At the end of the due diligence process, an ESG memo is systematically presented to the Investment Committee prior the final investment decision. This memo includes a comprehensive list of all relevant risks and opportunities linked to the potential acquisition. The outcome of the ESG analysis can influence the final investment decision positively or negatively: for example, ESG-related conditions can be applied from the signing to the closing period of a deal.

4 - Ownership

To kick-start the ownership phase, ESG criteria are integrated in the build-up of the Value Creation Plan.

This includes a systematic post-acquisition ESG review carried out by an external third-party. The resulting audit is used as a basis to develop the Value Creation Plan's main output: the ESG-CSR1 action plan. It is a 3-year CSR 1 roadmap including quantifiable goals that have to be validated by the company's supervisory board. This process is based on a collaborative effort between PAI and the newly acquired company.

Monitored by PAI teams, this action plan is adapted to the specificities of each portfolio company.

During the ownership period, the information used for the ESG analysis includes the following:

- The annual ESG reporting campaign, during which all portfolio companies answer questions classified by indicators, both qualitative and quantitative (environmental policy, carbon footprint, electricity and water consumption, etc.)
- A "CSR Materiality Questionnaire", sent to all portfolio companies, completing the general reporting campaign and enabling PAI to ask portfolio companies specific questions about each key indicator linked to their activity,
- Meetings with CSR managers of all portfolio companies to discuss the evolution of their environmental practices, monitor their ESG development plan and steer the implementation of their upcoming CSR policies. This privileged relationship with CSR managers ensures a continuous improvement of all portfolio companies' ESG performance.

The ESG team maintains close relationships with the investment teams, which allows them to be aware and conscious of the ESG issues at each stage of the investment process.

If an ESG issue arises (detected, among other things, through the information collected during a reporting campaign), the ESG team and PAI's investment teams interact directly with the management of the concerned portfolio company to understand the risks and to set up an action plan.

In addition, PAI is systematically represented by at least one of its employees in governance and decision-making bodies of the portfolio companies. Further support is provided by a regular attendance to strategic and/or audit meetings.

PE 02	Mandatory	Public	Core Assessed	PRI 2
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PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.			
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- Our investment activities are guided by a responsible investment policy

PE 02.2	Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.			
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PAI outlines its expectations of staff and portfolio companies through its ESG policy, which describes PAI 's investment approach with regards to ESG, and which we share on our website (you will find it in the "Oversight of PAI's responsible investment approach" chapter[EA1])

We also outline our expectations through the ESG induction presentation carried out by the ESG team for the management team of new companies. The presentation outlines the areas of improvement and the transformational goals we wish to achieve in a collaborative effort during the hold period.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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PE 03.1

Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

Yes

PE 03.2

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

PE 03.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

Dedicated section in the PPM

- No
- Not applicable as our organisation does not fundraise

PE 04	Voluntary	Public	Additional Assessed	PRI 4
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PE 04.1

Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.

Yes

If yes

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by investors
- In side letter(s)
- Other

No

PE 04.2

Additional information. [OPTIONAL]

Whenever requested by investors, PAI enters into an ESG-related side letters. The side letters typically cover the investment policy, ESG integration in the investment process, monitoring, and reporting requirements.

Pre-investment (selection)

PE 05	Mandatory	Public	Gateway	PRI 1
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PE 05.1

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

PE 05.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

Our due diligence process involves systematically assessing companies on ESG risks and opportunities which may have an impact on potential investments. Analyses are carried out using internal resources and, where necessary, external consultants.

To that purpose, the PAI investment teams collaborate with our ESG team to define the indicators which have the highest potential impact on business. The indicators selected for each company depend on their materiality. Materiality level is determined thanks to the investment and ESG teams' understanding of the business, with the help of the materiality map developed by the Sustainability Accounting Standard Board (SASB).

Using the list of ESG key indicators, investment teams identify a set of priority items to be addressed in the due diligence analysis. The related questions are embedded in the general due diligence process and the interactions with management.

At the end of the due diligence process, an ESG memo is systematically presented to the Investment Committee prior to the final investment decision. This memo includes a comprehensive list of all relevant risks and opportunities linked to the potential acquisition. The outcome of the ESG analysis can influence the final investment decision positively or negatively.

Climate risks are integrated into this overall analysis by integrating physical, transition and financial risks.

No

PE 06

Mandatory

Public

Core Assessed

PRI 1,3

PE 06.1

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
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At the end of the due diligence process, an ESG memo (including all considered ESG information) is systematically presented to the Investment Committee prior to the final investment decision. This memo includes a comprehensive list of all relevant risks and opportunities linked to the potential acquisition. The outcome of the ESG analysis can influence the final investment decision positively or negatively: for example, ESG-related conditions can be applied from the signing to the closing period of a deal.

PE 07	Voluntary	Public	Additional Assessed	PRI 1,2
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PE 07.1	During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.
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Yes

PE 07.1	If yes
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- Formally/through a post-investment action plan or value enhancement plan
- Verbally/through dialogue
- Other, specify

PE 07.2	Describe the nature of these improvements and provide examples (if any) from the reporting year
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The nature of the improvement depends on the material ESG issues impacting the company.

Post-acquisition, as part of our value creation plan, an ESG action plan is agreed on by the PAI investment and ESG teams, as well as the Management of the portfolio company. It can be based on post-acquisition ESG audits performed on the company by external consultants.

The ESG action plan incorporates clear objectives, precise KPIs, a timeline, and is discussed annually at the portfolio company's board.

An action plan for a portfolio company would typically include environmental (reduce water consumption by x% for a certain plan/country/BU etc ...), social (reduce injury frequency rate by x% etc...), governance (trainings on the new code of conduct for all employees etc...) and external stakeholders (include ESG aspects in supplier selection and monitoring criteria/ set up new contract clauses) objectives

We do not set expectations for portfolio companies on ESG-related considerations

Post-investment (monitoring)

PE 09	Mandatory	Public	Gateway/Core Assessed	PRI 2
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PE 09.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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Yes

PE 09.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 09.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

- Environmental

List up to three example targets of environmental issues

Example 1

Energy efficiency

Example 2 (optional)

Carbon emissions

Example 3 (optional)

Water consumption

- Social

List up to three example targets of social issues

Example 1

Health and Safety

Example 2 (optional)

Turnover

Example 3 (optional)

Absenteism

- Governance

List up to three example targets of governance issues

Example 1

Business ethics (code of conducts or ethics, bribery and corruption cases etc.)

Example 2 (optional)

CSR resources (dedicated CSR manager, CSR report, CSR charter etc.)

Example 3 (optional)

Diversity (% of women at the board)

We do not set and/or monitor against targets

No

PE 10	Mandatory	Public	Core Assessed	PRI 2
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PE 10.1 Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 10.2 Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 11	Voluntary	Public	Additional Assessed	PRI 2
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PE 11.1 Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.

Types of actions taken by portfolio companies

Allocate responsibility for ESG issues to board/senior management

Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise

Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes

Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues

Implemented by percentage of portfolio companies

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

Developing/implementing an environmental/social management system (ESMS) or similar

Implemented by percentage of portfolio companies

- >90% of portfolio companies
 - 51-90% of portfolio companies
 - 10-50% of portfolio companies
 - <10% of portfolio companies
 - We do not track this information
- Other actions, specify
- None of the above

PE 11.2	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
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We help good companies become great companies. Better ESG management has improved the performance of portfolio companies, and has allowed them to have positive effects on societies in which they operate. Once the companies integrate into our portfolio, they also benefit from a favourable stimulating ecosystem for the development and improvement of their ESG strategies.

We carry out an ESG review with an external consultant after each acquisition
 Upon investing in a company, we review existing processes and systematically introduce new guidelines. For this purpose, we carry out an ESG audit with an external consultant after each acquisition we make. The audit is the groundwork for an ESG Post Investment Action Plan based on a deeper analysis of the findings during the due diligence process.

We ensure that ESG will be tracked at board level
 During ownership, we encourage portfolio companies to work toward continuous improvement and ensure ESG issues are consistently tracked by their respective board of directors. It increases the coverage of ESG decisions from the top to the entire group.

We constantly monitor indicators through our reporting system
 The reporting system is the pillar of our ESG monitoring procedure. Thanks to the system, PAI can provide information on an aggregated basis across the entire portfolio. Our objective is to be able to measure the positive impacts of our Responsible Investment strategy in tangible terms.

We carry out on-site visits to maintain direct communication with managers
 PAI's team conducts regular visits to the portfolio companies in order to directly ensure their ESG progress. These meetings are the best way to build trust with portfolio companies and to guarantee direct communication with their top management.

We set up once a year the Sustainability Club with all portfolio companies
 The Sustainability Club is a privileged channel of communication between PAI and portfolio companies. Our ESG strategy is presented during these meetings, and policies are introduced in order to ensure continuous improvement.

We share views and co-create ESG with our investors at the annual ESG Lab
 The ESG LAB, organised during PAI's Investors' Days, is a new collaborative initiative for our investors to discuss and share views on responsible investment. At PAI, we believe that sharing best practice and co-creation is instrumental in building an efficient ESG strategy.

PE 12	Voluntary	Public	Descriptive	PRI 2,3
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PE 12.1	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
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Type of reporting

Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

Other, specify

No reporting on ESG issues requested and/or provided by portfolio companies

PE 12.2	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
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In 2015, the launch of our own reporting system, and its improvement over the years, was an important step forward in developing ESG management. This online platform allows us to collect qualitative and quantitative ESG data.

Every year, through the system, we collect data on more than 100 indicators from each company in the portfolio. Once the data is collected, it can be both analysed at the company or portfolio level, and be exported in a number of formats to match the full range of LP reporting requirements. It is the foundation of a highly efficient monitoring process, helping us to collect precise information, compare results between portfolio companies, and observe evolution over time.

The system offers full traceability of data, as well as automated comparison with previous entries to reduce errors. It is fully flexible and scalable, allowing for additional indicators, reporting formats and companies to be added, as well as taking portfolio disposals into account.

It is also through the reporting system that we collect the data we need to assess the carbon footprint of our portfolio.

100% of the companies that are in our portfolio for more than one year are covered within our online platform.

Outputs and outcomes

PE 14	Voluntary	Public	Additional Assessed	PRI 1,2
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PE 14.1 Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.

We measure whether our approach to ESG issues impacts the financial performance of investments

Describe the impact on:	Impact
Financial performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PE 14.2 Describe how you are able to determine these outcomes.

Financial:

Value creation:

- Development of sustainable products. For instance, we track the % of turnover generated by the sell of pro-environment polyols for one of our portfolio company specialised in chemicals
- Eco-conception

Cost reduction:

- Cost reduction linked to improvement of Accident Severity & Frequency rates and hence reduction of Lost days
- Compliance with environmental / social law (reduced fines and penalties)
- Increase in employee shareholding and initiatives of distribution of the value added produced
- Cost reductions via environmental initiatives

Impact:

- Establishment of CSR strategies assorted with objectives
- Recruitment of CSR specialists at the portfolio company level
- Increased transparency and disclosure
- Increased dialogue with internal and external stakeholders
- Reduction of environmental impact
- Responsible management of supply chains

PAI Partners

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings

CM1 03.4 Describe the process of external/third party ESG audit of holdings, including which data has been assured.

An independant third party assessment is carried out following acquisition with each new portfolio company. Our Investors are welcome to perform their own ESG Due Diligence on PAI through multiple questionnaires, interviews and meetings

- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1 Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)