



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the most up-to-date and comprehensive information for use in their investment decisions, we are committed to transparency and accountability. We will disclose the following information:</p> <p>1. The nature and extent of our engagement activities, including the number of companies engaged, the number of issues identified, and the number of companies that have responded to our requests for change.</p> <p>2. The results of our engagement activities, including the number of companies that have responded to our requests for change, the number of companies that have implemented changes, and the number of companies that have been identified as being at risk of being divested.</p> <p>3. The impact of our engagement activities on our investment performance, including the number of companies that have been identified as being at risk of being divested, the number of companies that have been divested, and the number of companies that have been added to our portfolio.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles</p> <p>PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage in corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> Other: specify</p>		

# RI TRANSPARENCY REPORT

## 2014/15

Portobello Capital

## 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 2014-15 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 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	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Private				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Private	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	-	n/a	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	-	n/a	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

# Portobello Capital

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Spain

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

18

OO 03	Mandatory	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	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			706	000	000
Currency	EUR				
Assets in USD			925	912	770

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	>50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0



Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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**Portobello Capital** is a Private Equity Firm that does not belong to any industrial, financial or family group.

Portobello Capital's **funds** are generalist and invest in middle market companies across industries in Spain. There are currently two funds under management:

- Portobello Capital Fund II, with committed capital of 331 million euro and closed in July 2006, primary fund mainly focused on buyouts.
- Portobello Capital Fund III, with committed capital of 375 million euro and closed in August 2014, primary fund that will be invested mainly on buyouts.

Portobello Capital's **team** is one of the most experienced and recognised private equity teams in Spain, with a deep industry expertise and the ability to execute complex transactions.

Portobello Capital **investment criteria** is:

- Leading companies in underpenetrated market niches, defensive with non-cyclical characteristics, with cost advantages and clear growth potential, both domestic and internationally.
- Top level in-house or external management team.
- Leverage capacity.
- Based in Spain or Portugal.
- Any industry sector excluding financial services, real estate and IT.
- Enterprise value between €50 and €500 million.
- Equity investment between €10 and €100 million.
- Mostly controlling stakes.

Portobello Capital incorporates the criteria of **social, environmental responsibility and good governance**:

- Throughout the whole process of value creation, from due diligence through the investment decision, the management of the portfolio company and the divestment process.
- In day to day of our organization, our relationship with our employees, investors, partners, suppliers and, ultimately, to society.

## Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Private equity
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

### **Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

### **RI implementation directly or via service providers**

Direct - Other asset classes with dedicated modules

- Private Equity

### **Closing module**

- Closing module

# Portobello Capital

## Reported Information

### Public version

### Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

The **object** of Portobello Capital's Policy is to establish the basic principles and the general framework of action for managing the corporate social responsibility practices undertaken by the company.

Our CSR Policy will be **applicable** in Portobello and will be promoted in its investee companies, through its representative on their governing bodies, seeking to align their policies with those of Portobello Capital, so that they follow principles that are consistent with those established in this document.

Our **commitment** is not only to comply strictly with current legal obligations, but also to integrate social, employment and environmental concerns and respect for human rights voluntarily in our management, strategy, policy and procedures.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.portobellocapital.es/politica-de-responsabilidad-social-cooprativa-en/>

- No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes  
 No

**OA 02.5** Additional information. [Optional]

Portobello Capital also has an Internal Code of Conduct, a Money Laundry Prevention Manual and a Security Code regarding personal data protection.

All employees are aware of these codes and regulations and have signed agreements to obey by them.

All policies are available to our investors upon request.

Portobello Capital's approach towards Responsible Investment is available in our website: [www.portobellocapital.es](http://www.portobellocapital.es). Information on the RI management of our portfolio companies can also be found in our website.

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<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

**OA 04** **Mandatory** **Core Assessed** **General**

**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Portobello Capital's **Internal Code of Conduct** determines the standards of conduct and performance to be followed by the employees in relation to conflicts of interest, confidential information, handling of reserved information and cases of stock market manipulation.

This Code establishes that every employee must report any possible conflict of interest, due to their personal activities outside of the Company, their relatives or their personal equity. This situation will be reported to the Control Committee, which will assess whether such conflict exists or not. Should there be a conflict of interest, the affected employee will be excluded from taking part or influence the decision making process regarding a likely investment by the Fund, the managing company or the portfolio companies.

No

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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**OA 05.1** Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year  
 Less than once per year

**OA 05.3** Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly  
 Biannually  
 Annually  
 Every two years or less  
 It is not reviewed

No

OA 06	Voluntary	Descriptive	General
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**OA 06.1** List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	ESG improvement on portfolio companies
Key performance indicators	Engage with companies in order to persuade them to make an specific change to their management of ESG issues
Describe the progress achieved	More awareness regarding RI has been provided to Portobello Capital's investment directors/ Partners who are members in the companies' Boards

Add responsible investment objective 2

Objective 2	Participate in collaborative initiatives
Key performance indicators	Find new organisations that we could cooperate with and that could help promoting RI in our company and our portfolio companies.
Describe the progress achieved	Cooperation with Fundación Integra (for job creation for people at risk of social exclusion and disability) has been extended to several of our investees

Add responsible investment objective 3

Objective 3	Establish specific KIPs
Key performance indicators	Using KIPs would allow us to monitor in a more detailed way the improvements made by the portfolio companies
Describe the progress achieved	Work in progress. New member of the team devoted to compliance and currently looking at this item.

<b>OA 06.2</b>	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Establish specific KIPs.
Key performance indicators	Establish a define list of indicators to monitor easily the evolution in portfolio companies and the Managing Company.

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Improve and increase Portobello Capital's employees' RI awareness.
Key performance indicators	Produce an internal document aimed for the Company's employees, especially the Investment Team, to raise awereness and focus on daily management of portfolio companies.

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Continue engaging with the portfolio companies to improve ESG issues.
Key performance indicators	Including ESG in the review meetings between the companies and Portobello Capital Investment Team.

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Portobello's Partners are aware of these issues which are dealt with directly at the GP's Board. They are reviewed in the Board at least twice a year.

On the day-to-day basis, there are two members of the team responsible for all RI communications, surveys and control of the processes implemented.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
- Other Chief-level staff or head of department, specify
  - CFO**
    - 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
- External managers or service providers
- Other role, specify
  - Investor Relations**



- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

**Legal Counsel**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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2

**Promoting responsible investment**

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	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.
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**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**Fundación Integra:** Spanish foundation devoted to the insertion into the labour market of people at high risk of social exclusion and people with disabilities.

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

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

**OA 11.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

No

# Portobello Capital

## Reported Information

### Public version

### Direct – Private Equity

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## Overview

PE 03	Voluntary	Descriptive	PRI 1-6
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PE 03.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
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Portobello Capital's **approach** towards Responsible Investment is shaped by organizations such as UNPRI or ASCRI (Spanish Private Equity Association) of which it is a signatory. Also, as a Managing Company, Portobello Capital follows the EVCA recommendations and the rules established by the entities which regulate the company, that is, the CNMV in Spain. It is also registered in front of SEC in the USA,

The majority stakes typically held by Portobello in its portfolio companies help implementing necessary changes on RI matters. In many cases, our targets are family owned businesses where we devote significant efforts to further professionalizing the management teams, making the managers commit to implementing certain standards and obtaining certain certifications as part of their duties and responsibilities.

Portobello has a **process** in place to monitor and verify that responsible investment principles are followed by its portfolio companies. Recurrent meetings are scheduled to monitor progress and follow up on the measures agreed.

PE 04	Mandatory	Core Assessed	PRI 2
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PE 04.1	Indicate if your organisation's investment guidelines for private equity refer to responsible investment.
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- Our investment guidelines do refer to responsible investment

PE 04.2	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].
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Our investment guidelines establish that the Fund will NOT invest in companies which are engaged on armament, military weapons, trading or manufacturing of tobacco, gambling, distilled alcoholic beverages or human cloning. The Fund will NOT invest either in companies which deliberately and repeatedly violate laws, human rights and/or labour principles as defined by the **UN Global Compact**.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

PE 04.3	Additional information. [Optional]
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## Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
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PE 05.1

Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

PE 05.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases

PE 05.3

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

Portobello Capital's PPM refers to the monitoring processes post-acquisition put in place by the Managing Company which include compliance and good governance.

It is also explained in the PPM how Portobello Capital assesses the portfolio companies' management and what needs adding to the incumbent management and sets international standard business and governance principles.

In addition to these references included in the PPM, Portobello Capital has provided several of its investors, upon request, with extensive questionnaires explaining the Company's approach to ESG issues before and after investment processes.

- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

PE 07

Mandatory

Gateway

PRI 1

PE 07.1

Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

PE 07.2

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

Portobello Capital works to incorporate ESG principles at **all levels/stages** during the investment and management process of the portfolio companies where we invest in:

### 1. Pre- Due Diligence Stage:

Before going into the Due Diligence process, the Investment Team makes sure that the company being analysed does not operate in sectors which are deemed to be unethical or are excluded according to our own investment criteria, in which case such investment would be therefore banned.

### 2. Due Diligence Stage:

Environmental and social (depending on the nature of the business) due diligence are required from external advisors.

The Investment Committee analyses the target company's compliance with ESG principles.

### 3. Investment Period:

Portobello Capital has representation in the Boards of Directors of the portfolio companies, seeking the alignment of interests and providing support to the management teams in implementing the measures.

There is an annual control over the evolution and implementation of measures in each portfolio company.

### 4. Divestment Stage:

We believe that a good management of ESG aspects will have an impact on the return obtained and at the same time we work trying to ensure that the standards already acquired during the investment period are maintained after being sold.

These are some **examples** on how Portobello Capital approaches some of the ESG issues:

#### *Environmental:*

An environmental Due Diligence becomes critical if the analysed company carries out any type of industrial activity that involves waste:

In several cases, the outcome of such studies recommended certain actions in order to comply with local regulations, environmental directives or conservation parameters. These recommendations are a priority issue during the first 100 days after the acquisition of the company.

As an example, Portobello analysed an add-on to our ice cream producer company. Findings in the environmental due diligence were relevant and led to a better understanding of the company and the way it was managed by the owners. The decision was to withdraw from the acquisition process.

#### *Social:*

We monitor and verify the supply chain of our portfolio companies (when relevant). These companies request from their suppliers warranties or certificates stating that their businesses support and respect the protection of internationally proclaimed human rights.

No

PE 09	Mandatory	Core Assessed	PRI 1,3
PE 09.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.		

#### ESG issues

Environmental

List up to three typical examples of environmental issues

Pollution and contamination of the local area

Waste of resources such as energy or water

Waste management

Social

List up to three typical examples of social issues

Violation of human rights/forced labour

Breach of health and safety regulations

Unequal treatment of employees

Governance

List up to three typical examples of governance issues

Lack of independence in Governing bodies.  
Lack of Money laundering prevention control.  
Corruption, violation of laws.

## Post-investment (monitoring and active ownership)

PE 13

Mandatory

Gateway/Core Assessed

PRI 2

PE 13.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 13.2

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 13.3

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

### ESG issues

- Environmental
- Social
- Governance
- We do not set and/or monitor against targets

No

PE 13.4

Additional information. [Optional]

Surveys have been filled in by most of the portfolio companies to allow us identifying weaknesses on these issues and put in place the necessary measures. These surveys are followed up annually to monitor any improvements, changes and/or lack of action.

These surveys also allow us to identify potential opportunities that can be taken across to other companies in the portfolio.

PE 14

Mandatory

Core Assessed

PRI 2



PE 14.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 14.2

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

## Communication

PE 20

Mandatory

Core Assessed

PRI 6

PE 20.1

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

PE 20.5

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

ESG information in relation to the Managing Company.

PE 20.6

Indicate your organisation's typical frequency of disclosing ESG information to your clients(LP)s/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

**PE 20.7**

Describe the ESG information and how your organisation proactively discloses it to your clients (LPs)/beneficiaries. [Optional]

The Report is structured in two parts:

1. The Management Company (Portobello Capital): actions/improvements made in matters of ESG.
2. Portfolio companies: Main changes or actions made during the reporting year.

No proactive disclosure to the public or to clients (LPs)/beneficiaries