



LEA 02	Discretionary Mandatory	Gateway
<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 & company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input checked="" type="checkbox"/> To engage investor ESG expertise</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input checked="" type="checkbox"/> To engage investor ESG expertise</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p> <p><input type="checkbox"/> To support investment decision-making in & company related ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency or identify the need for additional information</p> <p><input type="checkbox"/> Other: specify</p>

RI TRANSPARENCY REPORT

2013/14

21 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

PRI disclaimer

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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	✓	n/a							✓
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	✓	Private							✓
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	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	-	n/a							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
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	✓	Private	✓						✓
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	✓	Private	✓	✓					
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	✓	Private	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

21 Partners

Reported Information

Public version

Organisational Overview

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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 only services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Italy

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

50

OO 02.4 Additional information. [Optional]

Offices in Italy, France, Switzerland and Poland

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

21 Partners, established in 1992, is a global private equity group managing country Funds through its local management companies: 21 Investimenti SGR. in Italy, 21 Centrale Partners S.A. in France & Switzerland and 21 Concordia Partners Ltd for activity in Poland. This report therefore also refers to the activities performed in our local management companies.

OO 04 **Mandatory** Gateway/Peering General

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

31/12/2013

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

	trillions	billions	millions	thousands	hundreds
Total AUM		1	300	000	000
Currency	EUR				
Assets in USD		1	712	352	316

OO 04.3 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 percentage breakdown

	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	100	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 broad ranges

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

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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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
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OO 12.1 The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always 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

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

21 Partners

Reported Information

Public version

Overarching Approach

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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

At 21 Partners, we are dedicated to maintaining our fundamental ethical values in all aspects of our day to day work, ensuring solid governance and high standards of social and environmental responsibility, promoting these values also across our portfolio companies. We do this in the knowledge that sustainable, long term growth requires a responsible approach towards clients and suppliers, the environment, employees and society in general.

At 21 Partners, we are also dedicated to promoting responsible investment to stakeholders, the PE community and the general public and, as such, have incorporated a 'Sustainability' section into our website (<http://www.21partners.com/responsibility.php>), which gives an overview of our approach, our process to drive responsibility across our portfolios, examples of achievements across our portfolios and our group code of ethics.

Please find below an overview of our responsible investment strategy:

ESG issues are taken into consideration in every phase of the investment life cycle

BEFORE INVESTING

The initial screening process is the occasion to identify and assess key ESG issues facing a potential investee company. For each potential investment, the investment team completes an internal 'ESG checklist' in order to flag up any potential issues for further investigation.

During the assessment of an investment opportunity, relevant ESG issues are also investigated, where necessary, through the due diligence process, which includes:

- Social & corporate governance due diligences - used to evaluate the corporate governance structure, the quality of the human capital management and to identify potential risks. This due diligence covers compliance issues as well as indicators of management/worker relationships such as employee related litigations and health and safety policies. This document forms the basis for further actions during the investment phase as required.
- Environmental due diligences - undertaken when the potential target company has industrial activities or operations with potential impacts on the environment. The results of these due diligences are used to prepare improvement plans during the investment phase and related investments are integrated in the business plan.
- Strategic due diligences - carried out to survey the entire business of the target company. Results are used to evaluate how the target company performs in relation to its customers' key purchasing criteria and to assess the sustainability of its business practices.

For selected deals, 21 Partners has covered ethical issues with specific due diligences, depending on the target company's business and environment.

DURING THE INVESTMENT PERIOD

During the entire holding period, 21 Partners works alongside portfolio companies' management to improve performance in high priority areas, including ESG:

Environmental issues

During the holding period, 21 Partners monitors whether those companies which face significant environmental issues have continuous improvement plans in place. These plans

usually stem from the results of environmental due diligences as well as from the evolution of environment related regulations. 21 Partners promotes best in class approaches.

Social issues

21 Partners monitors the correct management of social issues in investee companies, with an initial plan based on the social due diligence. Moreover, 21 Partners monitors social performance in terms of staff turnover, employee litigations and quality of management/worker relationship as well as health and safety standards for customers and employees.

Governance issues

Governance is at the heart of the 21 Partners investment policy and, in order to implement sound value creation strategies, we ensure that the following conditions are in place:

Adequate representation of 21 Partners in the portfolio company's Board of Directors and in other key governance bodies;

Incentives for the top management of the portfolio company aligned with those of the shareholders;

Implementation of monthly and/or quarterly reporting, allowing for continuous monitoring of each company's operational and financial performance. This reporting improves the quality of each company's governance and serves as a risk monitoring tool allowing for preventive action in due time.

Frequent meetings with the portfolio company's management allow 21 Partners to ensure that corrective actions are implemented if necessary.

UPON EXIT

During the exit process, if an external due diligence is performed which also covers ESG issues, these documents allow efforts made during the investment period on ESG and Responsible Investment to be highlighted and show the positive contribution made to the value of the investment.

21 Partners has a team of four resources who research, coordinate and roll out ESG best practices across the group. Each year, each management company produces an ESG report which is sent to selected investors in order to provide a detailed update on 21 Partners' responsible investment approach and application in fund management activities during the year

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
	<input type="radio"/> Yes		
	<input checked="" type="radio"/> No		
OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.		
	<input checked="" type="radio"/> Yes		
	<input type="radio"/> Yes, all		
	<input checked="" type="radio"/> Yes, some		

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
CODE OF ETHICS	http://www.21partners.com/responsability.php?menu=3
RESPONSIBLE INVESTMENT APPROACH	http://www.21partners.com/responsability.php
ESG APPROACH IN PORTFOLIO COMPANIES	http://www.21partners.com/responsability.php?menu=2

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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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 type="radio"/> Applicable policies cover all AUM <input checked="" 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
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2

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

21 Partners recognizes that conflicts of interest need to be identified and disclosed to all parties concerned and managed fairly and transparently. As such, the management companies have mapped all potential conflicts of interest, the potential parties involved, how these conflicts should be identified and how they should be resolved. All identified potential conflicts of interest are addressed either in fund by-laws or in a dedicated written company procedure. Clear rules are identified to solve any conflicts of interest which may arise. Adherence to these rules is monitored by a compliance officer. Moreover, external supervisory bodies verify that the aforementioned processes have been correctly implemented and are correctly followed.

No

OA 04.3

Additional information. [Optional]

Please note that separate policies are adopted by the individual management companies in order to respect local market legislation. The description above therefore includes the main common aspects.

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

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 05.4 Additional information. [Optional]

21 Partners produces an Annual ESG Report for each of its Funds, providing information on:

- The 21 Partners ESG approach;
- Portfolio company major achievements of the year;
- Key objectives for next year.

This includes a thorough analysis of the ESG performance for each investment. Our reports are shared with our Limited Partners.

In addition, examples of portfolio companies' ESG achievements are published on the 21 partners website (<http://www.21partners.com/responsibility.php?menu=2>).

Governance and human resources

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.
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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
 - 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
- 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
- External managers or service providers
- Other role, specify
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

1

OA 08.3 Additional information. [Optional]

The ESG team is made up of four resources not wholly dedicated to responsible investment (one FTE)

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1 Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2 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

- 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
- 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]

Actively participated in the reporting pilot, including regular feedback to PRI and participation in a workgroup. Participated in the consultation workgroup 'Overcoming strategic barriers to a sustainable financial system'. Attended PRI events in collaboration with AFIC in France.

- 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

Members of the AFIC ESG commission

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 contributed to an ESG questionnaire deployed across AFIC members and participated in several meetings regarding ESG report templates

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

No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1

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

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

ESG reporting, external promotion of RI, attended industry events on RI, awareness raising amongst investors and counterparts. Strong promotion of ESG initiatives in portfolio companies

No

21 Partners

Reported Information

Public version

Direct – Private Equity

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Overview

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.

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].

The 21 Partners ESG charter formalizes our approach and how we intend to reach ESG objectives at portfolio company level. The charter is an important tool to facilitate the integration of the United Nations Principles for Responsible Investment into all best practices.

ESG policies outline the need for portfolio companies to define ESG strategies and medium term ESG objectives in areas with the greatest value creation potential as well as to plan activities to meet said objectives. Portfolio companies are asked to improve their ESG performance and to complete our annual ESG tracking model in order to evaluate their ongoing ESG performance in key areas. ESG policies also outline expectations on staff on the management of ESG issues.

The 21 Partners code of ethics adopted by each local management company outlines our ethical values, our principles of conduct, and provide a guide to the implementation of internal controls, in line with the highest level of business ethics standards.

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

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
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in pre-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases
- 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]

At 21 Partners, our PPMs include a section on responsible investment providing an overview of our approach and methodology at the group and management company levels, with examples of achievements.

No

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]

The initial screening process is the occasion to identify and assess key ESG issues facing a potential investee company. For each potential investment, the investment team completes an 'ESG checklist' in order to flag up any potential issues for further investigation.

During the assessment of an investment opportunity, relevant ESG issues are also investigated, where necessary, through the due diligence process, which includes:

- **Social & corporate governance due diligences** - used to evaluate the corporate governance structure, the quality of the human capital management and to identify potential risks. This due diligence covers compliance issues as well as indicators of management/worker relationships such as employee related litigations and health and safety policies. This document forms the basis for further actions during the investment phase as required.
- **Environmental due diligences** - undertaken when the potential target company has industrial activities or operations with potential impacts on the environment. The results of these due diligences are used to prepare improvement plans during the investment phase and related investments are integrated in the business plan.
- **Strategic due diligences** - carried out to survey the entire business of the target company. Results are used to evaluate how the target company performs in relation to its customers' key purchasing criteria and to assess the sustainability of its business practices.

Fund management rules also include sector exclusion policies in order to ensure high levels of ethical standards when selecting our investments.

No

PE 09	Mandatory	Core Assessed	PRI 1,3
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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.
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ESG issues

Environmental

List up to three typical examples of environmental issues

- Compliance with applicable environmental legislation
- Energy consumption, if relevant
- Waste management, if relevant

Social

List up to three typical examples of social issues

- Compliance with applicable legislation (personnel, supply chain, product stewardship, customer support)
- MBO plans
- Health and safety in the workplace

Governance

List up to three typical examples of governance issues

Accuracy of financial reporting

Board of Directors functioning, roles and responsibilities

Management systems, transparency and reliability of company reporting

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

List up to three example targets of environmental issues

Compliance with applicable environmental legislation

Energy consumption, if relevant

Waste management, if relevant

Social

List up to three example targets of social issues

Compliance with applicable legislation (personnel, supply chain, product stewardship, customer support)

Workforce structure and equal opportunities

Health and safety in the workplace

Governance

List up to three example targets of governance issues

Accuracy of financial reporting

Board of Directors functioning and roles

Management systems, transparency and reliability of company reporting

We do not set and/or monitor against targets

No

PE 13.4 Additional information. [Optional]

Portfolio companies of the Funds fill out an annual ESG tracking model, providing KPIs on quantitative and qualitative performance over a wide range of environmental, social and governance as well as performance in terms of the implementation of ESG initiatives and best practices. For each KPI, the portfolio company provides details on current performance, actions to be implemented to achieve targets and the objectives for the next year

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

PE 14.3 Additional information. [Optional]

Although not all portfolio companies have a formal ESG policy in place, all of our portfolio companies take ESG issues into consideration and fill out our annual ESG tracking model which provides a comprehensive framework to monitor performance in all areas and to set targets for the future.

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

provide URL

<http://www.21partners.com/responsability.php?lingua=en>

PE 20.2 Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.

Yes

No

PE 20.3 Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients (LPs)/beneficiaries.

Public	Clients (LPs)/beneficiaries
<input type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other, specify 21 Partners ESG approach 21 Partners Code of Ethics	<input checked="" type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other, specify Comprehensive annual ESG fund reports include performance of the management company, examples of our promotion of ESG issues, cooperation with third parties on ESG issues

PE 20.4 Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients (LPs)/beneficiaries.

Public	Clients (LPs)/Beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input checked="" type="radio"/> Ad-hoc, specify Periodic updates of the corporate website	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify

PE
20.5

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

All publically disclosed information can be found on our website:
<http://www.21partners.com/responsability.php?menu=1>

21 Partners proactively disclose its ESG methodology and actions through annual reports providing not only our mission statement, our ESG policy overview, our responsible investment strategy, our ESG engagement and our portfolio analysis methodology, but also:

- Annual ratings for Environmental, Social, Governance and ESG initiatives and best practice performance for portfolio companies, with a comparison of ratings from previous year.
- Overview of portfolio company performance in relevant KPIs and examples of ESG initiatives and best practices in place for the reporting period.

In 2013, we were able to demonstrate an overall improvement of our portfolio average performances in all the areas monitored and promising ESG initiatives and best practices adopted and maintained by portfolio companies.

- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries