



LEA 02	Disclosures: Mandatory	Reason for interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input checked="" type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	
Collaborative engagements		<input type="checkbox"/> To support investment decision-making in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input type="checkbox"/> Other: specify	
Service provider engagements		<input type="checkbox"/> To support investment decision-making in a company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input type="checkbox"/> Other: specify	

RI TRANSPARENCY REPORT

2013/14

Arle Capital Partners Limited

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	✓	Public							✓
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	🔒	n/a							✓
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	✓	Private							✓
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	✓	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	-	n/a							✓
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	✓	Public							✓
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	✓	Public				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Public	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 11	Encouraging improvements in investees	✓	Public	✓	✓					
PE 12	ESG issues impact in selection process	✓	Public	✓						
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	✓	Public		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
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	✓	Public							✓

Arle Capital Partners Limited

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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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.

United Kingdom

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

31

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
-------	-----------	-----------------	---------

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	548	980	000
Currency	GBP				
Assets in USD		2	412	533	477

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
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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)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

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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As a manager and adviser of third party funds and as an employer, Arle strives for the highest standards in all environmental, social and governance matters. Although Arle's immediate impact on the environment is relatively low, we seek to minimise any negative environmental effects we may cause as well as to behave responsibly as an employer and manager at all times.

Arle's main social impacts (and the consequent risks and opportunities) arise in the funds that we manage which operate in a wide range of sectors and countries. Arle fully recognises the responsibilities that flow from ownership and the team has made it a strategic imperative to be well briefed in all environmental, social and governance issues across the portfolio.

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 11.3

Additional information. [Optional]

Arle will consider ESG issues throughout the life cycle of each future investment that it manages. Arle is committed to maintaining an investment approach that is consistent with high standards of ESG in order to safeguard the interests of our investors. This typically means that the Arle investment teams will be required to evaluate and consider ESG issues at the following junctures: pre-investment phase; during the active ownership phase and during the exit phase.

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.

Arle Capital Partners Limited

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

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]

Arle has adopted a series of aspirational objectives which are respected and where possible, implemented by each portfolio management team:

- minimise adverse impacts and enhance positive effects on the environment
- make efficient use of natural resources and protect the environment wherever possible
- support the reduction of greenhouse gas emissions
- treat all employees and contractors fairly and respect their dignity, well-being and diversity
- attain safe and healthy working conditions for employees and contractors
- safeguard the health and safety of all those affected by Arle and the portfolio companies
- be objective, consistent and fair with all stakeholders
- ensure that Arle and the portfolio companies exhibit honesty, integrity, fairness, diligence and respect in all business dealings
- comply with all applicable laws and promote international best practice

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

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.arle.com>

- No

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

- Yes
 - Yes, all
 - Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Walker Report	http://www.arle.com
ESG Report	http://www.arle.com

- No

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 type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input 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**

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]

Arle has detailed guidance on managing conflicts of interest, which:

- identifies the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients;
- specifies procedures to be followed and measures to be adopted in order to manage such conflicts;
- takes into account any circumstances which Arle is or should be aware of which may give rise to a conflict of interest arising as a result of the structure, and business activities of other members, of the group.

Arle endeavours to mitigate any potential conflicts of interest that might arise by having highly negotiated contractual arrangements in place with its investors, all of whom are professional investors being independently legally advised. Arle's culture is also a key mitigating tool in the proper management of conflict of interests. All employees understand that conflicts of interest or even the perception of a conflict must be managed promptly and properly to preserve Arle's reputation, which is all important in the medium to long term success of the group.

Conflicts of interests which relate to specific funds are referred to the relevant fund's advisory board.

No

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

No

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

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
 - 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
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 - Company Secretary**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Other role, specify

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

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
- No

OA 10.3 Additional information. [Optional]

A number of the portfolio companies which Arle manages have signed up to the United Nations Global Compact.

OA 11

Mandatory

Core Assessed

PRI 4

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

No

Arle Capital Partners Limited

Reported Information

Public version

Direct – Private Equity

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Overview

PE 02

Mandatory to Report Voluntary to Disclose

Peering

General

PE 02.1

Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

PE 03

Voluntary

Descriptive

PRI 1-6

PE 03.1

Provide a brief overview of your organisation's approach to responsible investment in private equity.

Arle considers ESG and responsible investment issues in every phase of the investment process and conducts extensive due diligence to determine a target's performance in detail relative to the target's ESG issues.

PE 04

Mandatory

Core Assessed

PRI 2

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].

Arle has developed an Active Ownership Framework which governs every stage of investment from pre-investment through to exit. The Framework was developed with the investment team and the principles contained within it were communicated to the portfolio companies. Arle's investment team comprises a broad range of nationalities and as a result the principles developed reflect global standards.

The portfolio companies report on ESG KPIs at quarterly board meetings at which Arle investment executives are present. The KPIs are then reported to the Arle boards.

- 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
- No

PE 06	Voluntary	Additional Assessed	PRI 4
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PE 06.1 Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment when requested by clients.

- We always make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- Our clients do not request us to make formal commitments to responsible investment in private equity

Pre-investment (selection)

PE 07	Mandatory	Gateway	PRI 1
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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]

ESG risks and opportunities are reviewed and monitored at all stages of the investment process, including investment selection. All investments are screened and due diligence is carried out prior to investment to understand their alignment with Arle's ESG vision.

- No

PE 08	Voluntary	Descriptive	PRI 1
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PE 08.1 Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.

- Internal staff

Specify role

Company Secretary

Specify role

Marketing Director

- External resources
 - Environmental advisors
 - Social advisors
 - Corporate governance advisors
 - Regulatory and/or legal advisors
 - Other, specify type of advisors/roles
- No use of internal or external advice on ESG issues

PE 08.2 Additional information.

For corporate issues, Arle prefers to carry out its own ESG research but will use external advisers on occasion. Arle will engage with external advisers when carrying out ESG due diligence on potential investments.

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

Levels of raw materials and hazardous wastes produced?

Possible reduction of greenhouse gasses emitted?

Use of scarce resources in particular geographies.

- Social

List up to three typical examples of social issues

What is the state of a portfolio company's workforce e.g. unregulated employees or non-unionised or migrant labour?

Are there any potential violations of labour laws, e.g. child labour?

Are there any potential health and safety violations?

- Governance

List up to three typical examples of governance issues

Are essential permits and licences in place?

Are there any dealings with public officials and if so how are they managed?
 What is the interaction between the board and the next level of management?

PE 10	Voluntary	Additional Assessed	PRI 1,3
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PE 10.1	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 11	Voluntary	Additional Assessed	PRI 1,2
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PE 11.1	During deal structuring, indicate if your organisation typically encourages continuous improvements from potential investees with regard to their management of ESG issues.
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Yes

PE 11.2	Describe the nature of these improvements and their ESG coverage.
----------------	---

The portfolio companies in which Arle invests typically have strong ESG policies in place. In addition, Arle encourages its portfolio companies to adopt the following principles:

- minimise adverse impacts and enhance positive effects on the environment
- make efficient use of natural resources and protect the environment wherever possible
- support the reduction of greenhouse gas emissions
- treat all employees and contractors fairly and respect their dignity, well-being and diversity
- attain safe and healthy working conditions for employees and contractors
- safeguard the health and safety of all those affected by Arle and the portfolio companies
- be objective, consistent and fair with all stakeholders
- ensure that Arle and the portfolio companies exhibit honesty, integrity, fairness, diligence and respect in all business dealings
- comply with all applicable laws and promote international best practice

No

PE 12	Voluntary	Additional Assessed	PRI 1
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PE 12.1	Indicate if ESG issues impacted your private equity investment selection processes during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
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PE 13.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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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.
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ESG issues

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

No

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).
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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 15	Voluntary	Additional Assessed	PRI 2
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PE 15.1

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
- Composition of board ensure ESG expertise
- 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
- Define when engagements with stakeholders should be carried out to discuss ESG issues
- Other actions, specify

PE 16	Voluntary	Descriptive	PRI 2,3
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PE 16.1

Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.

Type of reporting

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

Typical reporting frequency

- Quarterly or more frequent
- Semi annually
- Annually
- Every two years or less
- Ad-hoc, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues
- Other, specify
- No reporting on ESG issues requested and/or provided by portfolio companies

PE 17	Voluntary	Additional Assessed	PRI 2
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PE 17.1	Indicate whether your organisation discloses information on ESG issues to potential buyers prior to exit for private equity investments.
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- We always include ESG issues in pre-exit information
- We include ESG issues in pre-exit information in the majority of cases
- We include ESG issues in pre-exit information in the minority of cases
- We do not include ESG issues in pre-exit information

PE 17.2	Apart from disclosure, describe how your organisation considers ESG issues at exit.
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Once an exit strategy starts to form, the early review of likely ESG requirements and key performance elements is extremely useful, allowing Arle to address any potential material issues in an up-front manner. As part of the on-going monitoring of ESG, all issues prior to exit are well publicised and when coupled with the original due diligence report (against which progress should have been made) these factors will provide a basis for the evaluation of ESG issues in the exit process.

Outputs and outcomes

PE 18	Voluntary	Additional Assessed	PRI 1,2
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PE 18.1	Indicate whether your organisation measures how your approach to ESG issues in private equity investments has affected financial and/or ESG performance.
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	Financial performance
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- We measure how ESG issues affect financial performance
- We do not measure how ESG issues affect financial performance

	ESG performance
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- We measure changes in ESG performance

PE 18.3

Describe the measures your organisation uses to assess the impact of your activities on your private equity investments' ESG performance.

Arle reviews the portfolio companies' progress in relation to ESG issues at each quarterly Operating Review Board. This board monitors the outstanding actions and recommends operational and ESG improvements which can be implemented to improve performance.

We do not measure changes in ESG performance

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.arle.com>

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

- 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

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

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 checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify	<input checked="" 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 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]
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An ESG report is published on the Arle website. The report is updated on an annual basis.

A more in-depth analysis is provided to the LPs on a quarterly basis.

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

PE 21	Voluntary	Descriptive	PRI 6
PE 21.1	Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).		

An ESG analysis, which categorises the portfolio companies as gold, silver or bronze depending on their ESG performance, is provided to the LPs on an annual basis. Specific ESG issues which arise during the ownership phase are reported to the LPs on a quarterly basis.