PRI Principles for Responsible Investment

# RI TRANSPARENCY REPORT

## 2013/14

## Cordiant

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

# 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

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.



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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 | - | n/a | | | | | | | ✓ |
| 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 | - | n/a | | | | | | | ✓ |
| 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 | - | n/a | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | - | n/a | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | - | n/a | ✓ | | | | | | |
| 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 | - | n/a | | | | | | | ✓ |



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| Direct – Private Equity | | | | Principle | | | | | | General |
|---|---|---|---|---|---|---|---|---|---|---|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| PE 01 | Breakdown of investments by strategy | ✓ | Public | | | | | | | ✓ |
| PE 02 | Typical level of ownership | ✓ | Public | | | | | | | ✓ |
| PE 03 | Description of approach to RI | - | n/a | ✓ | | | | | ✓ | |
| PE 04 | Investment guidelines and RI | ✓ | Public | | ✓ | | | | | |
| PE 05 | Fund placement documents and RI | ✓ | Public | ✓ | | | ✓ | | ✓ | |
| PE 06 | Formal commitments to RI | - | n/a | | | | ✓ | | | |
| PE 07 | Incorporating ESG issues when selecting investments | ✓ | Public | ✓ | | | | | | |
| PE 08 | ESG advice and research when selecting investments | - | n/a | ✓ | | | | | | |
| PE 09 | ESG issues in investment selection process | ✓ | Public | ✓ | | ✓ | | | | |
| PE 10 | Types of ESG information considered in investment selection | - | n/a | ✓ | | ✓ | | | | |
| PE 11 | Encouraging improvements in investees | - | n/a | ✓ | ✓ | | | | | |
| PE 12 | ESG issues impact in selection process | - | n/a | ✓ | | | | | | |
| 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 | - | n/a | | ✓ | | | | | |
| PE 16 | Type and frequency of reports received from portfolio companies | - | n/a | | ✓ | ✓ | | | | |
| PE 17 | Disclosure of ESG issues in pre-exit | - | n/a | | ✓ | | | | | |
| PE 18 | ESG issues affected financial/ESG performance | - | n/a | ✓ | ✓ | | | | | |
| 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 | - | n/a | | | | | | ✓ | |



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# Reported Information

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## Organisational Overview

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PRI Principles for Responsible Investment

## 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.

Canada

**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

21

**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.

31/12/2013

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

| | trillions | billions | millions | thousands | hundreds |
|---|---|---|---|---|---|
| Total AUM | | 1 | 098 | 810 | 000 |
| Currency | USD | | | | |
| Assets in USD | | 1 | 098 | 810 | 000 |

## 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 | 88 | 0 |
| Private equity | 12 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |
| Forestry | 0 | 0 |



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| | | |
|---|---|---|
| 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**

**OO 08.1** Indicate the breakdown of your organisation's AUM by market.

| Market breakdown | % of AUM |
|---|---|
| Developed Markets | ◉ 0%<br>○ <10%<br>○ 10-50%<br>○ >50 % |
| Emerging, Frontier and Other Markets | ○ 0%<br>○ <10%<br>○ 10-50%<br>◉ >50 % |

## 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 debt

☑ 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.



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## Overarching Approach

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## Responsible investment policy

| OA 01 | Mandatory | Gateway/Core Assessed | General |
|---|---|---|---|

### 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



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PRI Principles for Responsible Investment

| 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] |
|---|---|

As an early proponent of joining private sector investors to the field of microfinance, Cordiant has consistently demonstrated its respect for, and commitment to, the people and communities that form the backbone of the markets in which we operate. We are committed to investments that uphold high standards of business integrity and honesty. We believe that our portfolios have been strengthened by integrating environmental, social and governance analysis into our rigorous due diligence process. Given the long-term nature of our investments, the stability of our returns over the last decade is a testament to the effectiveness of this approach.

Cordiant sources ESG related information from the investment partners that originate its investments, including International Financial Institutions (IFIs) and commercial banks, as well as from independent market analysis. All IFIs follow a stated (and mostly common) ESG policy. The commercial banks that Cordiant invests with must adhere to the Equator Principles for project finance that are modeled on the IFC Performance Standards on Social and Environmental Sustainability and the World Bank Environmental, Health and Safety Guidelines.

While policies will vary, investment partners generally adopt a common approach to ESG analysis:

- Identify and classify social and environmental risks such as labor and working conditions, resource efficiency and pollution prevention, community health, safety and security, land acquisition and involuntary resettlement, biodiversity conservation and sustainable management of living natural resources, indigenous peoples and cultural heritage.

-Identify and classify governance risks such as commitment to good governance, shareholder rights, control environment and processes, transparency and disclosure, and the board of directors (depending on the type of company)

-Where applicable, establish a contractual action plan that requires the investee or project to meet both local and IFI-established social, environmental and governance guidelines.

-Ongoing supervision and review of the investee or project with the implementation plan established in the contracting phase in addition to identifying opportunities for further improvement and/or imposing remedial measures where compliance is deficient.

By identifying problems that could arise during the lifetime of an investment and engaging with investee companies to resolve them, investment risk is mitigated. Moreover, local communities profit from sustainable industries in their midst and all of the ensuing economic benefits like job creation and improved infrastructure.

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

| OA 02.1 | Indicate if your responsible investment policy is publicly available. |
|---|---|

○ Yes

◉ No



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| 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] |
|---|---|

As an asset manager of closed-ended private investment funds, institutional investors in those funds are the primary audience for our responsible investment policies and reports.

| 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 |
|---|---|
| ☑ Policy setting out your overall approach | ◉ Applicable policies cover all AUM |
| ☐ Engagement/active ownership policy | ○ Applicable policies cover a majority of AUM |
| ☑ Specific guidelines on corporate governance | ○ Applicable policies cover a minority of AUM |
| ☑ Specific guidelines on environmental issues | |
| ☑ Specific guidelines on social issues | |
| ☐ Asset class-specific guidelines | |
| ☑ Screening/exclusion policy | |
| ☐ Other, specify | |
| ☐ Other, specify | |

| OA 03.2 | Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional] |
|---|---|

Cordiant sources ESG related information from the investment partners that originate its investments, including International Financial Institutions (IFIs) and commercial banks, as well as from independent market analysis. All IFIs follow a stated (and mostly common) ESG policy. The commercial banks that Cordiant invests with must adhere to the Equator Principles for project finance that are modeled on the IFC Performance Standards on Social and Environmental Sustainability and the World Bank Environmental, Health and Safety Guidelines.



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| OA 03.3 | Additional information. [Optional] |
|---|---|

Cordiant's Investment guidelines integrate the following recognised codes or standards: OECD Guidelines; IFC Health& Safety; UN Declaration Human Rights & norms on responsibilities of transnational corporations; Equator Principles;ILO Fundamental Conventions; World Bank sector-specific guidelines

| 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] |
|---|---|

Initial responsibility for managing potential conflicts of interest is with the Chief investment Officer. Depending on the nature of the conflict of interest investment decisions are reviewed either the investment committee of Cordiant - composed of two non-managerial members of the Cordiant Board and the CEO of Cordiant - or an independent board, depending on which Cordiant managed fund is making the investment in question. Where the conflict involves the manager, an investor panel is consulted.

○ 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

| 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



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**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

## 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
- ☑ 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
- ☐ Dedicated responsible investment staff
- ☐ External managers or service providers
- ☐ Other role, specify
- ☐ 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



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| 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)

| | 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] |
|---|---|

Promoted membership amongst a variety of stakeholders including governments

☐ 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)

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

☐ Basic
☑ Moderate
☐ Advanced



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

Initiated collaboration

Cordiant's chairman contributed to the organisation of events

☐ 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

☑ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

RIA Canada

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]

Contributed to the organisation of content of events organised by the group
Provided general support for the initiative in various non-public forums
Joined association/initiative and its meetings but not actively involved in its work

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

Responsible Investor

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

☑ Basic

☐ Moderate

☐ Advanced



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

Contributed to the organisation or content of events organised by the group

☑ Other collaborative organisation/initiative, specify

TBLI Group

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]

Contributed to the organisation or content of events organised by the group

Provided general support for the initiative in various non-public forums

Promoted initiative amongst a variety of stakeholders

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

○ No

| OA 11 | Mandatory | Core Assessed | PRI 4 |
|---|---|---|---|

**OA 11.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes



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| 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

| OA 11.3 | Additional information. [Optional] |
|---|---|

Cordiant sponsors a number of SRI conferences and events. In addition, senior management at Cordiant routinely participate in speaking engagements and panel discussions involving SRI issues. For example, Cordiant's CEO was a speaker at the FT/EMPEA sponsors Capital Impact event in 2011. Members of the investment team also routinely attend workshops and seminars on SRI issues.

Through its involvement with the Finance and Sustainability Initiative Montreal, Cordiant has been instrumental in the creation of the Sustainable Investment Professional Certification Program (SIPC). This program offers basic sustainability training to business professionals with 70 to 80 hours of self-study curriculum material, online study guidance, certification testing, culminating in the Sustainable Investment Professional Certificate. It is a self-study program modeled on other professional certifications.



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## Direct – Private Equity

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PRI Principles for Responsible Investment

## Overview

| PE 01 | Mandatory to Report Voluntary to Disclose | Peering | General |
|---|---|---|---|

**PE 01.1** Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

| Investment strategy | Percentage of your internally managed private equity holdings (in terms of AUM) |
|---|---|
| Venture capital | ○ >50%<br>◉ 10-50%<br>○ <10%<br>○ 0% |
| Growth capital | ◉ >50%<br>○ 10-50%<br>○ <10%<br>○ 0% |
| (Leveraged) buy-out | ○ >50%<br>○ 10-50%<br>○ <10%<br>◉ 0% |
| | ○ >50%<br>○ 10-50%<br>○ <10%<br>◉ 0% |
| | ○ >50%<br>○ 10-50%<br>○ <10%<br>◉ 0% |
| **Total** | **100%** |

| 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



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| 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].

Cordiant's Investment guidelines integrate the following recognised codes or standards: OECD Guidelines; IFC Health& Safety; UN Declaration Human Rights & norms on responsibilities of transnational corporations; Equator Principles;ILO Fundamental Conventions; World Bank sector-specific guidelines

○ 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 |
|---|---|---|---|

**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

○ No

## Pre-investment (selection)



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| 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]

ESG related issues identified during the due diligence phase are dealt with as conditions to investment or through corporate governance structures (e.g. board representation, reporting requirements, site visits, etc).

○ 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

Resource efficiency

Pollution prevention

Biodiversity conservation and sustainable management of living natural resources

☑ Social

List up to three typical examples of social issues

Labor and working conditions

Community health

Land acquisition and involuntary resettlement

☑ Governance

List up to three typical examples of governance issues

Transparency and disclosure

Composition of board of directors

Shareholder rights

## 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.

◉ 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]

Often ESG issues indentified during pre-investment due diligence have measurable investment criteria which must be reported on by the investee periodically as part of the deal terms. Such reports are reviewed internally to ensure that relevant milestones are achieved, if applicable, and an annual report on ESG issues is prepared for fund investors. Regular contact is maintained with the investee companies and supplemented with periodic onsite monitoring visits.

**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



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**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 20.3** 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

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

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

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



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