PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

CRP Companhia de Participações

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

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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	✓	Public							✓
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	✓	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	✓	Private							✓
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							✓

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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	✓	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	-	n/a	✓						
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	-	n/a						✓	

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PRI Principles for Responsible Investment

CRP Companhia de Participações

Reported Information

Public version

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 01.2 Additional information. [Optional]

CRP Companhia de Participações is one of the pioneers in the Brazilian Private Equity and Venture Capital industry, with over 30 years experience. Over these 30 years, CRP gained experience, the investment funds evolved and so did the capital under management.

OO 02	Mandatory	Peering	General

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

Brazil

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

25

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 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			550	000	000
Currency	BRL				
Assets in USD			232	626	851

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 broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	>50%	0
Property	0	0

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Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

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

Gateway asset class implementation indicators

OO 10 | **Mandatory** | **Gateway** | **General**

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

☑ We incorporate ESG issues into investment decisions on our internally managed assets

☑ We engage with companies on ESG issues via our staff, collaborations or service providers

☑ We cast our (proxy) votes directly or via service providers

☐ None of the above

OO 10.2

Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

○ Yes, our total listed equities are 10% or more of our total AUM

◉ No, our total listed equities are less than 10% of our total AUM

OO 11 | **Mandatory** | **Gateway** | **General**

OO 11.1

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

☑ Private equity

☐ None of the above

OO 12 | **Mandatory** | **Gateway** | **General**

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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 - Listed Equity incorporation

☐ Listed Equity incorporation

Direct - Listed Equity active ownership

☐ Engagements

☐ (Proxy) voting

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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PRI Principles for Responsible Investment

CRP Companhia de Participações

Reported Information

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Overarching Approach

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PRI Principles for Responsible Investment

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

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]

CRP's Sustainability Policy is based on three pillars:

- Fund Raising - CRP aims at incorporating the word SUSTAINABILITY in its operations as well as in its analysis of long-term investors
- Transparency, Disclosure and Conflict of Interests - CRP aims at minimizing conflicts of interest by employing maximum transparency and disclosure in its activities
- Integration ESG - CRP aims at incorporating and promoting ESG aspects in its processes and in the invested companies, disseminating best practices

Also, in every investment opportunity, CRP has incorporated in its process a chapter destinated to ESG issues, and also in Due Dilligence Process, this aspects are analyzed. In Funds Reports, sent to investor, CRP started to incorporated some indicators and data over ESG issues of portfolio company. Also, since 2010, CRP started to made a Company's Report, updating investor and other companies of its network about company projects/data/numbers.

All this compromisses of CRP to these ESG issues are reffered in its Funds Regulations and also Shareholders Agreements with invested companies.

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.

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	URL

http://www.crp.com.br/responsability

○ No

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

○ Yes

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

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

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

CRP and its Investors, this last through Funds Investment Committee members, must inform CRP and CRP must inform the shareholders of any situation which places it potentially or effectively a Conflict of Interest situation with the Fund.

"Conflict of Interest" mean the existence of any personal and private interest of the CRP and their respective shareholders or partners, administrators or employees, shareholders of the Funds, investors and Investment Committee members, or their respective spouses, companions or relatives up to the second generation of any of the referred to people who directly or indirectly could in any way be opposed to the interests of the Funds and invested companies.

In cases that is configured a Conflict of Interest, votes are not considered, information raised must be take into consideration of all that are involved to be decided the actions to be taken.

○ 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

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**

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PRI Principles for Responsible Investment

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

Controller

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

☑ Portfolio managers

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

☑ Investment analysts

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

☐ Dedicated responsible investment staff

☑ External managers or service providers

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

☐ Other role, specify

☐ Other role, specify

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

	Number

0

Promoting responsible investment

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PRI Principles for 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 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

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PRI Principles for Responsible Investment

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Direct – Private Equity

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PRI Principles for Responsible Investment

Overview

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].

CRP investment Guidelines cover all issues that need to be cover in a investment analyze process, there is listed all questions and documents that need to be checked within the Company and cover in CRP materials.

○ 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

☑ 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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PRI Principles for Responsible Investment

PE 07	Mandatory	Gateway	PRI 1

PE 07.1 Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

◉ Yes

○ 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

Waste treatment

Licences

Environmental actions and indicators

☑ Social

List up to three typical examples of social issues

Social indicators

Labor trials

HR polices and practices

☑ Governance

List up to three typical examples of governance issues

Professional or Family run business

Board of Directions and members

Decion making process and people envolved, and transparency and reports to company's team

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

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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

Water Utilization

Material Destination and Reuse

Energy Utulization

☑ Social

List up to three example targets of social issues

Employment education, turn over, training programs, etc.

Programs and Benefits for employees

☑ Governance

List up to three example targets of governance issues

Number of independent member

Number of profissional directors

☐ 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).

◉ 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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