



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <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 decisionmaking in a company relevant ESG areas <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 decisionmaking in a company relevant ESG areas <input type="checkbox"/> To enhance corporate transparency or identify the need for additional information <input type="checkbox"/> Other: specify	

# RI TRANSPARENCY REPORT

## 2013/14

Terra Firma Capital Partners

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

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.

# 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	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
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	✓	Public							✓

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	✓	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	✓	Public	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Public							✓

# Terra Firma Capital Partners

## 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.

Guernsey

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

88

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		11	500	000	000
Currency	EUR				
Assets in USD		15	147	732	025

**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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<b>OO 08.1</b>	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 08.2**

Additional information. [Optional]

Terra Firma is one of Europe's leading private equity firms. We create value for our stakeholders by acquiring, transforming and selling asset-backed businesses in essential industries. Terra Firma focuses on developed markets, with our current portfolio operating throughout Western Europe, Australia and the United States.

In the UK, Terra Firma's current investments include Four Seasons Health Care, the largest independent provider of elderly and specialist care; Infinis, the UK's leading independent renewable energy provider; The Garden Centre Group; the largest chain of garden retail centres nationwide and Annington Homes, one of the largest private owners of residential property.

In Europe our portfolio includes AWAS, one of the world's leading aircraft leasing businesses; Odeon/UCI cinemas, Europe's leading cinema operator; RTR; the EU's largest solar PV generator; Tank& Rast, Germany's autobahn service station operator and Deutsche Annington, the leading private residential landlord in Germany.

In the United States Terra Firma owns EverPower, a wind farm developer and operator, and in Australia, Consolidated Pastoral Company, a large scale beef producer.

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.

Terra Firma is a private equity firm established by Guy Hands in 1994, originally as Nomura International's Principal Finance Group. Terra Firma means 'solid ground', reflecting the firm's consistent and distinctive approach to investment. Since 1994, Terra Firma has invested over €16 billion in 33 businesses with an aggregate enterprise value of over €45 billion.

Terra Firma's investment strategy focuses on businesses with certain characteristics:

- We focus on essential industries. These include energy and utilities, infrastructure, affordable housing, leisure, agriculture and asset leasing.
- Businesses rich in assets. This helps protect the value of our investments and provides a stable platform for growth. Assets also offer a wide variety of options to create value for our businesses.
- Businesses requiring fundamental change, perhaps because of past under-management or under-investment or because they can be repositioned to benefit from a trend we have identified.

We believe that Terra Firma, and the private equity industry in general, can be proud of the contribution we make to society by providing funding for companies, improving them and helping them to grow into successful and sustainable businesses. Terra Firma encourages open and active dialogue with stakeholders and portfolio businesses around the role of the private equity industry and the value it creates.

Terra Firma has recently created a formal Responsible Investment Policy to formalise our strategies in relation to responsible business and to formally govern this policy. This policy is managed by our Sustainability Committee which oversees several areas of on-going improvement and development in our ESG approach.

## Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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OO 11.1

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

- Private equity
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1

The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

### **Core modules**

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

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

Direct - Other asset classes with dedicated modules

- Private Equity

### **Closing module**

- Closing module

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

# Terra Firma Capital Partners

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

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

- Yes
- No

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

- Yes
- No

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

During 2013 Terra Firma formally developed and published our Responsible Investment Policy and established a Sustainability Committee to manage it. The policy captures the key elements of our existing approach and strategy regarding responsible business practice.

Great care is taken in how Terra Firma acts as a local corporate citizen, an employer and an investor. In relation to our investment activities, Terra Firma is the largest investor in the funds managed and uses incentive arrangements which ensure Terra Firma's interests are aligned with our investors.

During the investment process, environmental, social and governance factors are considered alongside the relevant commercial, operational, legal and financial factors. Terra Firma does not invest in opportunities where material risks cannot be effectively managed.

Terra Firma adopts a robust governance and reporting regime and takes an active engagement with our businesses regarding strategy and operations. Terra Firma works with its portfolio businesses to improve their ESG performance, implementing greater transparency and reporting. For example, this includes the introduction of ESG matters into regular reporting and encouraging our portfolio to build positive relationships with the local community and other stakeholders.

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

- Yes

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

URL

<http://www.terrafirma.com/responsible-investment-policy.html>

No

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

Yes

No

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

We set out significant details of our governance and achievements in our annual review (which can be found on our website) and we encourage our businesses to follow a responsible approach to their own operations.

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

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

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input 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 checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

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

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

Yes

OA 04.2

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

Terra Firma has a documented conflicts of interest policy which sets out the controls in place to prevent and manage potential personal and corporate conflicts of interest, including those which may arise during the investment process. This policy is provided to all staff upon joining and each year Terra Firma staff reaffirm their compliance with the requirements relating to the prior disclosure and approval of outside interests and personal investment dealings.

Additionally, the contractual agreements for each of Terra Firma's funds establish the processes for preventing and managing potential conflicts, whether between Terra Firma and the Terra Firma funds, or between separate Terra Firma investment funds. Such conflicts may arise during the investment, ownership or exit phases. For example:

- A potential conflict of interests could arise if Terra Firma was to choose to co-invest in some but not all investments made by a fund that it manages. Terra Firma avoids such potential conflicts by allocating any of its co-investments pro-rata over a fund's investments.
- Conflicts could potentially arise between funds managed by Terra Firma. Where more than one fund may be able to make an investment, the earlier fund is given priority. Where a fund has the opportunity to invest in a business which competes with a business owned by a prior fund, such investment would require consent of the prior fund's Advisory Board.

Each fund has an Advisory Board made up of a selection of its investors, and each Terra Firma fund is prohibited from entering into arrangements which give rise to conflicts without the approval of their 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

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

<b>OA 06</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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**OA 06.1**

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

- Add responsible investment objective 1

Objective 1	Develop a formal Responsible Investment Policy.
Key performance indicators	
Describe the progress achieved	The policy was developed and then published on the Terra Firma website during the year.

- Add responsible investment objective 2

Objective 2	Establish a framework for the governance and development of the Terra Firma responsible investment approach.
Key performance indicators	
Describe the progress achieved	During the year, Terra Firma established a Sustainability Committee with a clear remit and series of objectives.

- Add responsible investment objective 3

Objective 3	Develop a reporting cycle for ESG related metrics and performance.
Key performance indicators	Establish business specific lists of relevant ESG measures reported by each portfolio business, receive and analyse portfolio data.
Describe the progress achieved	Metrics have been finalised for each business, and data has been received for 2012 (2013 underway).

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

Objective 1 for the next reporting year	Roll out pre-acquisition tools and process for ESG.
Key performance indicators	Develop, pilot and implement ESG toolkit to aid in consideration of ESG factors.

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Complete first round of portfolio ESG reporting and identify improvements.
Key performance indicators	Completion of second year of ESG reporting from portfolio companies agreeing highlights and actions as a result.

Add responsible investment objective 3 for the next reporting year

**Governance and human resources**

<b>OA 07</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
<b>OA 07.1</b>	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.		

Terra Firma has a clear governance structure for responsible investment. The Responsible Investment Policy is overseen by Terra Firma's Sustainability Committee. This committee is comprised of staff members from several areas of the firm including the deal team, operational professionals, legal, finance and investor relations. The committee is also chaired by Terra Firma's CFO.

The committee reports to the audit committee of the General Partners of our funds. The audit committee is comprised of non-executive directors whose responsibility includes general risk management.

During the pre-investment process the deal team will have responsibility for implementing responsible investment and operational assessments.

Terra Firma also implements a detailed governance and reporting framework on all portfolio acquisitions. This includes weekly and monthly operational and financial reports from portfolio businesses together with regular formal reviews of strategy and performance.

In addition, Terra Firma has a nominated compliance manager who monitors adherence with various policies and reports to the board.

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



OA 08	Mandatory	Gateway/Core Assessed	General
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**OA 08.1** Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - 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
  - Operational Managing Directors and CFO**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investment analysts
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Dedicated responsible investment staff
  - External managers or service providers
  - Other role, specify
    - Finance Department**
      - Oversight/accountability for responsible investment
      - Implementation of responsible investment
      - No oversight/accountability or implementation responsibility for responsible investment
    - Other role, specify
      - Investor Relations**
        - Oversight/accountability for responsible investment
        - Implementation of responsible investment
        - No oversight/accountability or implementation responsibility for responsible investment

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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Number
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1

<b>OA 09</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>OA 09.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan
- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other C-level staff or head of department**

**Operational Managing Directors and CFO**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other role**

**Portfolio Financial Controller**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other role**

**Investor Relations**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Promoting responsible investment**

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**OA 10.1**

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

**OA 10.2**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

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

The BVCA (British Private Equity and Venture Capital Association) and the EVCA (European Private Equity and Venture Capital Association)

**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]**

Terra Firma staff sit on the Global Capital, Regulatory and Corporate Tax committees at the BVCA. Terra Firma has also completed surveys for BVCA reporting and been subject to case studies in BVCA public reports.

- Other collaborative organisation/initiative, specify
- No

OA 11	Mandatory	Core Assessed	PRI 4
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**OA 11.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2** Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

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

No

**OA 11.3** Additional information. [Optional]

We are proud of our reputation for transparency and strong governance. In 2007 following recommendations from Sir David Walker in his report on Disclosure and Transparency in Private Equity, Terra Firma became one of the first private equity groups to publish an annual review of our business. In addition, the majority of Terra Firma's portfolio companies produce annual reports in line with the Walker guidelines, even when this is not mandatory. In 2014, the Guidelines Monitoring Group on Transparency and Disclosure produced the report 'Improving Transparency and Disclosure: Good Practice Reporting by Portfolio Companies', including five of Terra Firma's businesses amongst its examples of good disclosure.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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**OA 12.1** Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others

<b>OA 12.2</b>	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

Refer to OA 12.4 for information on this question.

<b>OA 12.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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- Yes, publicly available
- No
- No

<b>OA 12.4</b>	Additional information.
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Terra Firma participates in the Global Capital, Regulatory and Corporate Tax committees at the BVCA, providing expertise and support.

In addition to this, various members of Terra Firma staff have attended PRI events and workshops. This has helped inform members of Terra Firma's team about responsible investment trends and enabled the organisation to work with other firms.

## ESG issues in asset allocation

<b>OA 13</b>	Voluntary	Descriptive	PRI 1
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<b>OA 13.1</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- Yes

<b>OA 13.2</b>	Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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Terra Firma invests in developed markets with a focus on Europe but extending to the US and Australia. One reason for this focus is that the governance frameworks in these regions are more robust and stable, enabling Terra Firma to be more confident in our ability to direct strategic and operational activities.

- No

<b>OA 14</b>	Voluntary	Descriptive	PRI 1
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<b>OA 14.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

## Assurance of responses

<b>OA 19</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>OA 19.1</b>	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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- Yes

<b>OA 19.2</b>	Indicate who has reviewed, validated and/or assured your reported information.
----------------	--

- Reviewed by Board, CEO, CIO or Investment Committee
  - Validated by internal audit or compliance function
  - Assured by an external independent provider, specify name
- No

# Terra Firma Capital Partners

## Reported Information

### Public version

#### Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## 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	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
<b>Total</b>	<b>100%</b>

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

<b>PE 02.2</b>	Additional information. [Optional]
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Terra Firma typically makes control investments which allow us to make strategic and operational change. Subsequent exit routes may lead to reduced ownership levels.

<b>PE 03</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1-6</b>
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<b>PE 03.1</b>	Provide a brief overview of your organisation's approach to responsible investment in private equity.
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Terra Firma has always sought to generate value for investors through acquiring and transforming businesses, and believes the best way to achieve this is by being aligned and transparent with investors and through creating sustainably improved businesses. Terra Firma are direct investors who take an active management approach and invest significant time in working with each business to improve strategy and operational performance.

Terra Firma views responsible investing as one leg of an overall approach to responsible business, together with being a responsible corporate citizen that makes a positive impact on local communities, and being a responsible employer, developing and supporting a diverse team.

In 2013 Terra Firma formalised and published its Responsible Investment Policy, which covers four sections: responsible business, responsible investing, responsible investment decisions and responsible portfolio management.

Terra Firma has also developed a speciality in making large scale investments in renewable energy generation businesses across technologies such as onshore wind, solar PV, hydro and landfill gas.

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

<b>PE 04.2</b>	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].
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Staff at Terra Firma are clearly informed of our approach towards ESG through the Responsible Investment Policy. Terra Firma's Responsible Investment Policy sets out our strategic approach, and the firm is developing policies to improve the investment process including tools to assist ESG consideration in making new acquisitions.

Steps have also been taken to ensure Terra Firma's portfolio businesses approach ESG issues with consideration and due care. All portfolio businesses sign an affirmation of their commitment to core principles and affirming that they do not engage in certain high ESG risk activities. Terra Firma also collects ESG data annually from portfolio businesses.

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

## Fundraising of private equity funds

<b>PE 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
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<b>PE 05.1</b>	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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- Yes

<b>PE 05.2</b>	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

<b>PE 05.3</b>	Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]
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Terra Firma refers to responsible investment in both its fund marketing material and recent PPMs. Within these documents there is a clear explanation of Terra Firma's ESG strategy and what the firm does to address ESG issues such as corporate governance, transparency and corporate citizenship.

No

<b>PE 06</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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<b>PE 06.1</b>	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.
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- 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

<b>PE 06.2</b>	Additional information.
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In fundraising materials, reference is typically made to Terra Firma's active strategic engagement and robust governance regimes. There may also be coverage of elements such as responsible investment themes, risk management, reporting, alignment of interests and our corporate citizenship programme.

## Pre-investment (selection)

<b>PE 07</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>PE 07.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
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Yes

<b>PE 07.2</b>	Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]
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During the investment selection process, Terra Firma aims to consider all relevant risks and opportunities including ESG factors. ESG risks and opportunities are reviewed and assessed alongside other factors relevant to the specific deal. In the future these will be enhanced using the newly created Terra Firma ESG toolkit, currently being piloted.

No

<b>PE 08</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>PE 08.1</b>	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.
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Internal staff

	Specify role
--	--------------

Legal team

	Specify role
--	--------------

Operational Managing Directors and Professionals

External resources

- Environmental advisors
- Social advisors
- Corporate governance advisors
- Regulatory and/or legal advisors
- Other, specify type of advisors/roles

Financial and commercial advisors

No use of internal or external advice on ESG issues

<b>PE 08.2</b>	Additional information.
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During the investment selection process Terra Firma draws upon the expertise of its legal and operational teams concerning ESG issues. The legal team provides guidance in areas of corporate governance and regulatory matters. Operational staff bring experience in industry, such as practical experience of key ESG issues in a potential investment, and in assessing operational risk and opportunities.

Terra Firma also brings in external expertise during the investment process. Typical areas of diligence performed by external advisors include governance and environmental issues and assessments of regulatory performance.

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

**ESG issues**

Environmental

List up to three typical examples of environmental issues

- Impact on local fauna, flora and general environment
- Emissions released into the atmosphere
- Environmental contamination, such as asbestos

Social

List up to three typical examples of social issues

- Employee health and safety records
- Employment issues such as historic staff turnover or grievances
- Diversity

Governance

List up to three typical examples of governance issues

- Risk of corruption
- Likelihood and prior experience of regulatory infringements
- Quality and background of key management

<b>PE 10</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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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

<b>PE 11</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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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.

Yes

<b>PE 11.2</b>	Describe the nature of these improvements and their ESG coverage.
----------------	---

Within the portfolio Terra Firma encourages improvements in strategy-setting and in operational areas, by way of both our approach to active management, and the standard Terra Firma governance and monitoring regime.

The nature of improvements varies from investment to investment. A range of strategic improvements are likely to be developed during the investment process, and these continue throughout the ownership period. Areas where the standard Terra Firma governance approach typically results in changes include corporate governance, reporting/transparency, monitoring and the delegation of authorities to and from boards of directors.

Terra Firma introduces strong corporate governance frameworks to all new investments, creating boards with executive, non-executive and Terra Firma members, with documented delegations of authority. Boards receive regular and in-depth performance reports, which include key non-financial metrics, often relating to ESG factors.

Terra Firma's portfolio businesses report to Terra Firma directly and via board representatives. Where ESG factors are particularly relevant for a specific business, these are reported on a weekly or monthly basis. Terra Firma has a dedicated portfolio monitoring group which drives high quality reporting from investees in a number of areas. Monitoring is also undertaken throughout the portfolio, primarily through annual ESG key performance indicators (KPIs) monitoring in the four areas of workplace, community, environment and governance issues.

No

<b>PE 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>PE 12.1</b>	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

<b>PE 12.2</b>	Additional information.
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As an example, during 2013 Terra Firma have completed a number of add-on acquisitions to existing investments, including acquisitions of groups of care homes in the UK. There is a strong regulatory reporting regime in place in this sector, and the regulatory performance and operational quality of these businesses are very important considerations in the acquisition process, since they directly impact the welfare of potentially vulnerable clients, as well as economic returns.

## Post-investment (monitoring and active ownership)

PE 13

Mandatory

Gateway/Core Assessed

PRI 2

PE 13.1

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

Yes

PE 13.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

PE 13.3

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

### ESG issues

Environmental

List up to three example targets of environmental issues

Energy usage  
Waste disposal and recycling  
Water usage

Social

List up to three example targets of social issues

Employee turnover  
Absenteeism  
Health and safety of employees and customers

Governance

List up to three example targets of governance issues

Anti-bribery  
Senior management gender breakdown  
Regulatory infringements and warnings

We do not set and/or monitor against targets

No

PE 14

Mandatory

Core Assessed

PRI 2



<b>PE 14.1</b>	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
----------------	---

Yes

<b>PE 14.2</b>	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

<b>PE 15</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PE 15.1</b>	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.
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**Types of actions taken by portfolio companies**

Allocate responsibility for ESG issues to board/senior management

**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)

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

**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 when engagements with stakeholders should be carried out to discuss ESG issues
- Other actions, specify

<b>PE 15.2</b>	Describe how your organisation contributes to the portfolio's management of ESG issues.
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Terra Firma contributes to the portfolio's management of ESG in a number of ways. Firstly, Terra Firma actively engages with executive management in matters of governance, strategy and operations.

All of Terra Firma's businesses fall under a standard governance and reporting framework. This requires high levels of corporate governance and transparency, which is a fundamental aspect of our highly active investment management approach.

Secondly, Terra Firma requires its portfolio businesses to report on ESG matters. For some businesses this is included within weekly reporting, whilst for others reporting occurs on a more ad-hoc basis.

Terra Firma further contributes to the portfolio's management of ESG issues in two ways:

- Through collecting annual ESG KPI data from our businesses.
- Requiring portfolio companies to sign ESG affirmation statements, covering the adoption of certain operational policies and acknowledgement of specified high risk activities.

<b>PE 16</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
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<b>PE 16.1</b>	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
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**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

**Typical reporting frequency**

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

Other, specify

**Weekly reporting**

**Typical reporting frequency**

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

No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 16.2</b>	Additional information.
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The information Terra Firma requests from portfolio businesses varies from business to business. However, in general Terra Firma asks to be informed about key operational metrics, successful initiatives and any ESG incidents which have taken place. The reporting is based on internal standards within each business, due to the variety of businesses managed and the Terra Firma strategy of tailoring the ESG approach at each business.

This year has seen two of the portfolio's renewable businesses, EverPower and RTR, publish their first CSR reports and we plan to continue to focus on transparency in all our investments.

<b>PE 17</b>	Voluntary	Additional Assessed	PRI 2
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<b>PE 17.1</b>	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

<b>PE 17.2</b>	Apart from disclosure, describe how your organisation considers ESG issues at exit.
----------------	---

During exit Terra Firma will provide all relevant information requested by potential investors. For example this includes governance structures, health and safety and any specific relevant ESG performance information.

Terra Firma would also complete appropriate diligence on potential buyers.

## Outputs and outcomes

<b>PE 18</b>	Voluntary	Additional Assessed	PRI 1,2
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<b>PE 18.1</b>	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

<b>PE 18.3</b>	Describe the measures your organisation uses to assess the impact of your activities on your private equity investments' ESG performance.
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Annual ESG KPI data collected from the portfolio allows us to assess the impacts of activities undertaken across the portfolio. The four areas in which data is typically collected are workplace, community, environment and governance. Terra Firma works with businesses to improve performance and reporting or fully realise any opportunities for improvement.

- We do not measure changes in ESG performance

<b>PE 18.4</b>	Additional information.
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Terra Firma does not isolate the financial impact of its own ESG policies although there is an active measurement of benefits from specific projects, most commonly cost savings.

<b>PE 19</b>	Voluntary	Descriptive	PRI 1,3
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**PE 19.1** Provide examples of ESG issues that affected your private equity investments during the reporting year.

Add Example 1

ESG issues	Health and Safety
Sector(s) of the investment affected	Employees
Impact (or potential impact) on the investment	The issue had the potential to affect the businesses reputation, as poor health and safety can attract negative publicity and repercussions. The issue was identified early on during the monitoring of the business, shortly after acquisition.
Activities undertaken to influence the investment and its response	One of Terra Firma's smaller businesses was at an early stage in developing its sustainability programme. Following a review by Terra Firma and an external ESG advisor, the business recognised this and wanted to improve. As part of this improvement process the business enhanced its reporting and made significant investment in improving staff conditions. The results of this included an impressive health and safety KPI performance and achievement of external accreditations for the first time.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5

**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.terrafirma.com/responsibility.html>

provide URL

<http://www.terrafirma.com/responsible-investment-policy.html>

**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

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

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- 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]

Terra Firma discloses a variety of ESG information. This includes new ESG initiatives, notable projects in the portfolio and any significant improvements made by the business. This information is disclosed in a number of publications including the Terra Firma annual report, portfolio CSR reports and portfolio company annual reports.

ESG information is disclosed to LPs in order to clearly demonstrate the different initiatives taking place across the portfolio. During 2013, quarterly fund reports to LPs have included updates on topics such as energy savings, employee health and safety and the awarding of external certifications, in addition to updates on Terra Firma's broader ESG programme.

No

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

<b>PE 21</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 6</b>
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**PE 21.1**

Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

Terra Firma's approach to disclosing ESG incidents to LPs is set out in the Crisis Communication Policy. This sets out the chain of communication for news of significant events, relating to ESG or other factors, and sets out where responsibility lies for deciding how to communicate, both internally and with LPs. The policy gives examples of matters which may be significant, although the treatment is fact-specific.