



Environmental,  
Social and Corporate  
Governance  
Review 2018

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## About this ESG Review

Our 2018 Review outlines Cinven's approach to managing environmental, social and governance (ESG) risks and opportunities not only in relation to our portfolio companies but also our own business operations. In particular, we hope this year's Review provides a useful overview for companies on how we diligence ESG risk and the processes we have for ensuring that ESG is fully embedded within the businesses we acquire. By companies, we mean those in which we have invested; those in which we hope to invest; as well as vendors and acquirers of businesses in order to demonstrate how seriously we take the ESG stewardship of the companies we own. As a result, we believe this Review also provides investors and other stakeholders with a clear indication of our ESG approach, as well as recent case study examples of our approach in practice, focusing on key ESG themes that are widely relevant across Cinven's portfolio. The Review relates to the 2018 calendar year.



This ESG Review has been prepared by Cinven Partners LLP, acting in its capacity as adviser to the managers of the Cinven Funds and sets out the ESG approach of the entire Cinven Group, including all of the Cinven management and advisory entities. As used in this ESG Review, 'Cinven', 'we', 'our' or 'us' refers to, depending on the context, any of or collectively, Cinven Group Limited, Cinven Partners LLP, Cinven (LuxCo1) S.A., and their respective Associates (as defined in the Companies Act 2006) and/or funds managed or advised by the group.

## Message from Cinven's Managing Partner and ESG Steering Group Chairman

At Cinven we believe that responsible investment goes hand in hand with business success. We aim to invest in companies that take a responsible approach towards environmental, social and corporate governance (ESG) factors. We continue to refine and develop our approach towards ESG through all stages of the investment life cycle.



Stuart McAlpine  
Managing Partner

We are committed to building long-term, sustainable businesses which will grow, provide employment and generate economic benefit in an environmentally and socially responsible manner, both during and after Cinven's ownership.

Cinven has been a signatory to the internationally recognised Principles of Responsible Investment (PRI) since 2009. Over the last ten years, we have institutionalised and significantly enhanced our management of ESG risk, and worked more closely with our portfolio companies to explore and realise ESG opportunities. A number of case studies are included in this ESG Review which illustrate how we work with our portfolio companies on relevant ESG topics.

Our approach to managing Cinven's own ESG performance also continues to develop and, consistent with the approach applied to our portfolio companies, we monitor our own



Matthew Sabben-Clare  
Chairman of ESG Steering Group

ESG performance closely. We believe that strong corporate governance is fundamental for the effective management of ESG. ESG should be fully embedded within a company's operations to support strong and sustainable growth. Cinven representatives are appointed to each portfolio company Board and play a key role in reinforcing corporate governance from the outset.

In terms of our approach to ESG, 2018 was a year of significant progress for the firm.

In September we enhanced our ESG Policy. The policy sets out Cinven's Core ESG Principles that are integral to our approach. Our ESG processes and practices, from pre-investment due diligence through to post-acquisition monitoring and exit planning are also set out in detail. Our enhanced policy reflects the progress we have made across all of these areas to date.

As part of Cinven's broader Inclusion & Diversity initiative, during 2018, additional mandatory ESG KPIs were introduced across all of Cinven's portfolio companies. The newly introduced KPIs track gender diversity (company-wide, C-level management and Board level) and workplace grievances, including harassment and anti-social behaviour incidents. In recognition of their paramount importance, which transcends Cinven's diverse portfolio of investments, these additional KPIs complement the three mandatory ESG KPIs that Cinven already monitors across all portfolio companies; namely anti-bribery and corruption incidents, health and safety incidents,

and climate change metrics. Cinven's ESG Steering Group continues to track and monitor the ESG KPIs and reporting.

In November 2018, we hosted our annual ESG conference for our portfolio companies. Topics covered included the implications of Brexit from a governance and legal perspective, Cinven's approach to value creation and how we approach cyber security, inclusion and diversity, climate-related risks and opportunities, and human rights and labour conditions in the supply chain. We believe that our ESG conferences, which have been held annually for the past five years, are a valuable opportunity for our portfolio companies to share experiences and best practices, and to learn from experts.

Cinven has also hosted and participated in a number of industry-wide ESG and responsible investment events to promote and share best practices with our peers. In 2018, this included being a member of the working group for the PRI's report on 'ESG monitoring, reporting and dialogue in private equity' which was published in June 2018.

For 2019, we look forward to progressing the ESG initiatives we are working on at our portfolio companies, while continuing to play an important role in industry-wide ESG development.

## Key ESG developments at Cinven since 2009

### 2009

- Cinven became a signatory to the PRI

### 2012

- ESG Steering Group established to the PRI
- Core ESG Principles first published

### 2013

- First ESG Review published
- Portfolio company ESG questionnaire created

### 2014

- First annual portfolio conference held, focused on ESG reporting and best practice implementation
- ESG guidelines issued for portfolio companies

### 2015

- Contributed to the development of ESG best practice in the investment community, through participation in PRI ESG Due Diligence Questionnaire Working Group
- Second annual portfolio ESG conference held, focused on ESG best practice and integration
- Bespoke ESG KPI reporting introduced in Q4 2015

### 2016

- Third annual portfolio conference held, focused on governance, with a focus on anti-trust, anti-bribery and corruption and cyber security
- Assessment of one year's portfolio ESG KPI data undertaken

### 2017

- Portfolio company ESG questionnaire revised and improved methodology to reflect latest PRI and Invest Europe guidelines
- Helped to establish European informal networking forum to share and promote ESG best practice
- Revised anti-bribery and corruption guidelines for portfolio companies
- Fourth annual portfolio conference held, focused on governance and cyber security
- Improved post-ESG questionnaire assessment methodology

### 2018

- Enhanced post-acquisition ESG assessment process to incorporate cyber security, climate change and diversity
- Diversity and workplace grievances added to core mandatory ESG KPI quarterly reporting
- Fifth annual portfolio conference held, focused on Brexit, cyber, diversity and values
- Specialist external cyber adviser appointed as part of portfolio ESG assessment

## About Cinven

### Focused private equity investment

We are an international private equity firm with a 40 year track record, focused on supporting companies that want to step-change their growth. We manage capital on behalf of more than 200 investors globally.

Our world-class team of sector and regional specialists have the experience and relationships to navigate complex international markets, investment languages, cultures, currencies and regulatory regimes, generating outperforming returns for Cinven's investors. In close partnership with the management teams of our portfolio companies, we apply a focused, growth-oriented investment approach to step-change the performance of our businesses throughout economic cycles.

# >130

The number of companies Cinven funds have invested in since 1988.

# €39bn\*

Realised proceeds.

# €23bn

Realised since the start of 2011.

\* Realised proceeds and contractually agreed proceeds as at 31 December 2018

### Sector focus

Six teams made up of more than 80 investment professionals focus on acquiring target companies in the following sectors:

Business Services  
Consumer  
Industrials  
Financial Services  
Healthcare  
TMT

### Our investments

Cinven's portfolio companies typically have the benefits of scale, product and leadership, and given their size and profile, can attract highly capable management teams from around the world.

Our portfolio, as at 31 December 2018, is made up of the following companies:

allegro

BIOCLINICA  
THE PHARMACEUTICAL COMPANY

CHRYSO  
INVESTMENTS AND SERVICES

Envirotainer®  
The Active Gold Chain

EUROVITA

hotelbeds

JLA

KURT  
GEIGER

New Day

PPF  
Partner in Pet Food

Planasa  
INNOVATION IN PLANT VARIETIES

PREMIUM  
CREDIT

PRONET

STADA

SYNLAB

tinsa

Tractel

ufinet

VIRIDIUM  
GRUPPE

VISMA

Cinven's investment period for its portfolio companies is typically four to five years.

## Our Values

Cinven's values underpin everything we do. This is what you should expect if you work for, work with, or invest with Cinven:

### Commitment to excellence

Set the highest of standards. We are driven, rigorous and continuously strive to improve.

### Partnership

Collaboration is at our core. We believe in teams not individuals, and invest in relationships for the long term.

### Respect

Achieve distinction without ego. We are considerate and socially responsible. We value diversity and transparency.

### Ambition

Test the art of the possible. We are bold, decisive and entrepreneurial. We stay agile and keep ahead of the market.

### Empowerment

Develop talent. We give people the opportunity to succeed and help them fulfil their potential.

## ESG Core Principles

Responsible investment is a key priority for Cinven. We are in business to create stronger, more profitable companies, thereby generating competitive returns for our investors. We believe that a responsible approach towards our portfolio companies, their employees, suppliers and local communities, the environment and society is an essential part of our success.

Cinven became a signatory to the Principles for Responsible Investment (PRI) in 2009. In so doing, we made a public demonstration of our commitment to responsible investment, and to the following principles, as set out by the PRI:

- to incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
- to be an active owner and to incorporate ESG issues into our ownership policies and practices;
- to seek appropriate disclosure on ESG issues by the entities in which we invest;
- to promote acceptance and implementation of the Principles within the investment industry;
- to work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles; and
- to report on our activities and progress towards implementing the Principles.

Cinven has developed our own set of core ESG principles, as set out in our ESG Policy available on our website, which build on those by the PRI. These reflect the importance and value we place on addressing ESG matters, and are incorporated into our business processes and practices. Cinven seeks to:

- always comply with both the letter and the spirit of the law, wherever it applies;
- ensure that we take a responsible approach to investing throughout our investment cycle and recognise the potential impact of businesses on the environment, workers, communities and society, as well as the potential impact of climate change on the businesses in which Cinven invests;
- ensure that we and our portfolio companies always respect human rights and ensure no exploitation of child labour;
- ensure there is no bribery or corruption in any of our dealings;
- act with integrity at all times in all our dealings;
- always be non-discriminatory (whether on grounds of gender, race or disability), and adopt equality and diversity in our employment practices;
- act responsibly with respect to the environment, aiming for a sustainable approach to the use of resources, avoiding the irresponsible disposal of hazardous products and unnecessary waste;
- ensure that our management structures and policies reflect the need for transparency, accountability, equality and probity in the management of our businesses; and
- comply with and inform industry standard ESG guidelines and best practices, and actively manage ESG considerations and risks effectively.

## Our Approach to ESG

Cinven's approach to ESG, and how we work with our portfolio companies encompasses our values, our core ESG principles, and our commitments as a signatory to the PRI. Our approach can be characterised in terms of:



## Governance

We believe that strong corporate governance is central to the effective management of ESG and should be fully embedded within a company's operations to support the business's strong and sustainable growth.

Cinven seeks to ensure that our portfolio companies' Boards take responsibility and accountability for all ESG-related topics. We believe we can play a key role in reinforcing the right behaviours and, at the outset, Cinven representatives are appointed to each portfolio company Board. We take responsibility for ensuring that:

- each Executive Board member is mindful of Cinven's approach towards ESG;
- the Board has adopted suitable ESG policies;
- the portfolio company regularly reports to the Board on how ESG policies are being implemented and progress towards any initiatives and targets; and
- there are clear responsibilities allocated to Executive Board members for compliance with Cinven's ESG guidelines. A non-Cinven Board representative from the portfolio company is assigned overall responsibility for ESG, and an agreement is made that ESG will be regularly tabled and reviewed at Board meetings.

Cinven's ESG Steering Group ensures senior oversight of ESG matters by representatives across Cinven. The ESG Steering Group meets quarterly to review the ESG performance of our portfolio companies, including key performance indicators (KPIs) and progress in relation to the Value Creation Plan where a specific ESG workstream has been identified. It also reviews Cinven's own ESG performance, trends and considerations. The ESG Steering Group helps to identify ESG matters which may arise across the portfolio, including considerations arising from new legislation, standards and best

practice. During 2018, cyber security, diversity, modern slavery and anti-bribery and corruption have been some of the key matters assessed by the ESG Steering Group.

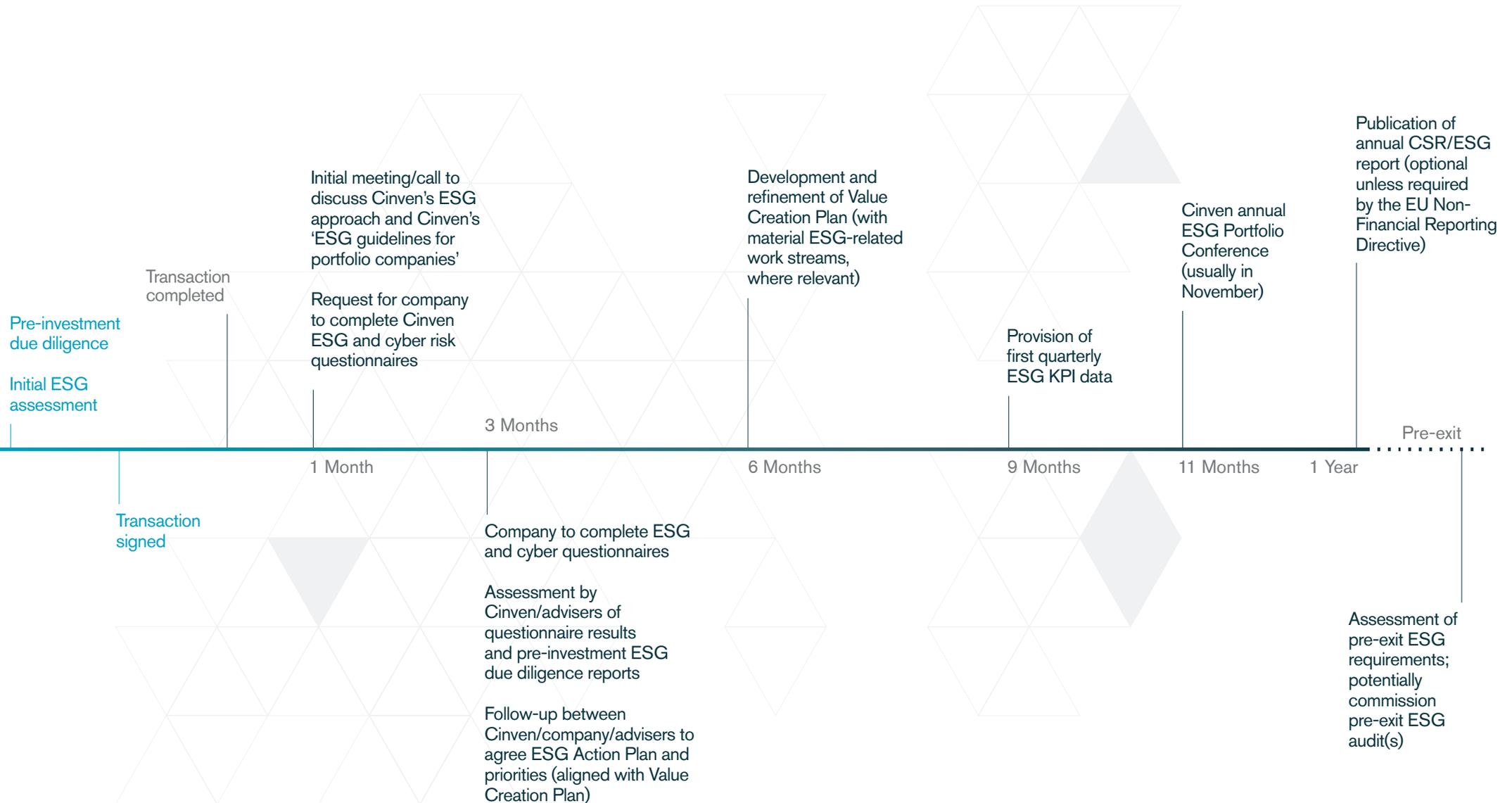
ESG matters and progress are also reviewed quarterly by the Cinven Portfolio Review Committee. Cinven's Advisory Committee is updated on ESG progress and material developments on a bi-annual basis. Where material and not commercially sensitive, ESG matters arising at a portfolio company are included in our fund reporting and updates to investors.

### ESG Steering Group

Responsibility	Representative	Name
Chairman	Partner, Chief Administrative Officer, Executive Committee, Portfolio Review Executive and Operating Committee member	Matthew Sabben-Clare
Investment team integration	Partner, Executive and Investment Committee member	David Barker
Governance, regulatory systems, controls and compliance	Head of Legal and Compliance	Babett Carrier
	Compliance Manager	Peter Moore
KPI reporting and performance monitoring	Partner, Head of Portfolio team, Portfolio Review Committee member	Thilo Sautter
	Executive, Portfolio team	Pete Blakeney
LP coordination and reporting	Partner, Executive Committee	Alexandra Hess
	Managing Director Investor Relations	Sarah Verity-Thomas
ESG monitoring and reporting	Corporate Affairs Director	Vanessa Maydon
	Marketing and ESG Manager	Laura Chattington

## A typical timeline for us to engage with our portfolio companies

Cinven's ESG Procedures comprise three distinct phases: pre-investment, post-investment and exit. We seek to determine the relevant ESG considerations at the outset and/or enhance to develop and implement actions to address them. Our ESG Procedures are underpinned by Cinven's governance procedures and our portfolio company ESG Guidelines.



The time taken for the various phases of this timeline can sometimes vary

## Pre-Investment

Before acquiring a business, Cinven's Investment team identifies whether there are any ESG-related risks or opportunities. This initial ESG assessment is an integral part of Cinven's due diligence and overall risk and value creation assessment of the business.

If ESG issues or risks are identified, we will initially prioritise those which are most material. Cinven determines on a case-by-case basis whether further assessment is required, and we may seek independent analysis and expert advice from specialist external consultants.

ESG considerations are always included in Investment papers, presented to, and considered by, Cinven's Investment Committee. This committee must give its approval before any investment is recommended to the Managing General Partner for consideration.

Cinven subsequently considers whether we deem the risk(s) unacceptable, and thus will reject the investment opportunity on those grounds, or determines that any risk(s) identified need to be addressed, managed or rectified during our ownership. In cases where material ESG risks are identified and deemed acceptable, a plan is developed by Cinven and agreed with management to prioritise, address, manage and/or remedy the issues. This plan can be incorporated into the broader Value Creation Plan that is developed with the management team post-investment.

## Post-Investment

Following the completion of the acquisition, Cinven has a standardised approach to engage proactively with portfolio companies on ESG matters. We put considerable emphasis on the early integration of ESG management in the post-investment phase to ensure that material ESG matters are prioritised in the VCP, where appropriate, and/or incorporated into a specific ESG Action Plan. Early engagement with portfolio companies allows us to support them in implementing ESG performance reporting processes appropriate to the size and nature of the business.

### Cinven Portfolio ESG Guidelines

We provide our portfolio companies with ESG Guidelines which set out our ESG policy, process and reporting requirements. We offer support to implement these guidelines. We approach this in several ways, ranging from direct support from the Cinven team itself, to providing advice and support from our external ESG advisers, to providing examples of good practice from other portfolio companies and/or other firms in the same/relevant industry.

## A brief outline – how we work with portfolio companies during our ownership



**1 Introduction to Cinven's ESG approach and requirements**  
Introductory meeting/call to go through Cinven's 'ESG Guidelines for Portfolio Companies'; explain ESG and cyber questionnaires.

**2 Assessment of company's ESG approach and reporting**  
Cinven and its external advisers review the company's ESG and cyber questionnaires and pre-investment ESG diligence; materiality/reporting and disclosure assessment undertaken.

**3 Agree Action Plan with Cinven**  
Cinven and the company agree ESG priorities, ESG KPI reporting and timetable and discuss resourcing/external advisory support.

**4 Provide ESG performance and reporting updates to Cinven**  
Company to provide quarterly ESG KPI data; ongoing dialogue/updates; Value Creation Plan update (where relevant); ongoing peer comparison.

**5 Access to best practice and networking through Cinven portfolio and advisers**  
Cinven annual ESG portfolio conference; regular access to Cinven ESG advisers; portfolio company networking.

**6 Ongoing engagement to encourage continuous improvement**  
Cinven and the company undertake an ongoing review of ESG KPI data and progress; redefine priorities; and support requirements.

This section outlines in further detail how we work with our portfolio companies during our ownership

### 1 Introduction to Cinven's ESG approach and requirements

As a first step in Cinven's post-acquisition ESG review and monitoring process, portfolio companies are introduced to Cinven's 'ESG Guidelines for Portfolio Companies', which set out our ESG policy, process and reporting requirements. Portfolio companies are also asked to complete ESG and cyber questionnaires in order for Cinven to understand the most important ESG matters for the company, and to confirm or identify relevant risks and opportunities.

### 2 Assessment of company's ESG approach and reporting

Cinven reviews our new portfolio company's completed questionnaires, alongside the pre-investment ESG diligence, with support from our external advisers. We identify material ESG factors (where the associated financial risk to the portfolio company is also material), and potential opportunities for improvement.

### 3 Agree Action Plan with Cinven

Cinven, along with its external ESG adviser(s), works in close collaboration with the most appropriate senior individuals and ESG representatives within our portfolio companies through a series of calls and meetings to discuss and agree an Action Plan, including priority next steps, to reduce material ESG risks or maximise material ESG opportunities. ESG factors may be incorporated into a broader Value Creation Plan.

Where existing ESG policies and reporting frameworks are already in place, companies are asked to review them and adapt as necessary to follow Cinven's guidelines. We also seek to work with these wherever possible, to ensure that our own ESG reporting requirements do not seem a cumbersome reporting requirement of a private equity owner but are viewed as commercially relevant and material to the business.



As a firm, prior to joining the Cinven portfolio, NewDay had a maturing Corporate Social Responsibility (CSR) approach. Subsequently with the support and guidance from Cinven and their external advisers, we were able to enhance our approach to Environmental, Social and Governance (ESG).

We were pleased with the collaborative approach and with a timeframe that allowed management to assimilate the requirements and shape them to our business.

Mark Eyre  
Chief Risk Officer  
New Day



Planasa was working in a preliminary phase to develop and implement ESG policies in order to meet all the compliance requirements. The guidelines and technical support that Cinven offers us are being instrumental in moving forward in the proper direction.

Aroa Abad  
Global Head of Tax and Compliance  
Planasa

Cinven seeks to identify where we (or an external ESG adviser) are able to add value efficiently and effectively, for example to help develop tools and approaches to manage ESG, as appropriate.

### 4 Provide ESG performance and reporting updates to Cinven

Monitoring of portfolio company ESG performance is integrated within Cinven's broader portfolio monitoring process. All portfolio companies report quarterly against core ESG KPIs and Cinven works with the portfolio company management (and in some cases, external ESG advisers) to create bespoke, company-specific ESG KPIs to be tracked and monitored under our ownership.

ESG KPI data is captured through Cinven's central ipreo reporting tool, and reviewed by the relevant Investment team members, the Portfolio Review Committee, ESG Steering Group and by external advisers. If the KPIs contain anomalies or discrepancies, they are interrogated further and action taken, if required.

Core ESG KPIs





Cinven has a very collaborative approach, providing the portfolio companies with quality information and access to subject matter expertise as needed, while placing full responsibility with management/the ESG functions of the portfolio companies.

Tracking ESG indicators on a quarterly basis helps Hotelbeds in measuring our performance and continuously improving. Detailed risk assessments for specific topics support Hotelbeds in identifying and mitigating key ESG risks.

Tobias Thibaut  
Director Risk, Compliance,  
Audit & Sustainability  
Hotelbeds

Sample of additional ESG KPIs (relevant to specific portfolio companies):

<b>Environmental</b>
<b>Waste (reported by industrial/retail/office based companies)</b>
— Tonnes of waste disposed of/million € revenue
<b>Emissions (reported by industrial companies)</b>
— Tonnes of CO <sub>2</sub> /full-time employee
— Tonnes of CO <sub>2</sub> /vehicle
<b>Water (reported by industrial companies)</b>
— Total water consumption (m <sup>3</sup> )
<b>Paper (reported by industrial/retail/office based companies)</b>
— Average paper usage/employees (sheets)
<b>Social</b>
<b>Employee Training/Education (reported by industrial/retail/office based companies)</b>
— Number of hours of training provided
<b>Employee Disability (reported by industrial companies)</b>
— Percentage of employees with a disability
<b>Customer Complaints (reported by industrial/office based companies)</b>
— Number of customer complaints received
<b>Community Investment (reported by financial/industrial based companies)</b>
— Total community investment and charitable donations made (€)
— Number of employees involved
<b>Health and safety of customers (reported by retail companies)</b>
— Total number of accidents and incidents
<b>Governance</b>
<b>Staff turnover rate (reported by office-based companies)</b>
— Percentage of staff leaving
<b>Audits (reported by industrial and office-based companies)</b>
— Completion rate of internal audits
— Number of audit committee meetings
<b>Cyber (reported by office-based companies)</b>
— Total number of data protection policy breaches



The annual ESG Conference that Cinven organises is a highlight, as it not only offers access to a wide range of subject matter experts in their field, but also provides for excellent networking opportunities with other portfolio companies and options for learning from peer companies.

Tobias Thibaut  
Director Risk, Compliance,  
Audit & Sustainability  
Hotelbeds

## 5 Access to best practice and networking through Cinven portfolio and advisers

We promote responsible business practices among our portfolio companies by continuously sharing best practices and providing practical guidance through a number of initiatives, including our annual portfolio ESG conference which we first hosted in 2014.

Representatives from every Cinven portfolio company are invited to attend. The conference serves to provide guidance to portfolio companies on Cinven's recommended approach and expectations towards ESG monitoring and reporting, as well as updates on ESG-related developments. There is a particular emphasis on sharing best practice, and offering advice on how to structure ESG reporting frameworks and KPIs, lessons learned and Q&As, with the purpose of improving overall ESG standards across our portfolio.



Post-Investment  
continued



Cinven's annual ESG Conference gives us a great opportunity to acquire new ESG skills and to learn from the experiences of other companies.

Aroa Abad  
Global Head of Tax and Compliance  
Planasa

6 Ongoing engagement to encourage continuous improvement

As part of Cinven's active ownership approach, following the initial implementation phase of our ESG procedures and protocols, Cinven maintains a regular dialogue with our portfolio companies. This dialogue occurs through formal Board meetings, ad hoc meetings and calls between Cinven and the relevant ESG representatives, as well as events organised by Cinven.

In addition, all portfolio companies are regularly reviewed by Cinven's external advisers, ESG Steering Group, Investment team, and Portfolio Review Committee (PRC) to monitor the ESG considerations identified during the due diligence and post-investment process.

If new or additional ESG matters arise during Cinven's ownership of a portfolio company, Cinven's approach mirrors that of its pre-acquisition approach. We seek to assess and rectify the situation through discussion with management and the development of an Action Plan. If a serious ESG risk is identified, the issue is escalated immediately to Cinven's Portfolio Review Committee, ESG Steering Group and, depending on the gravity of the issue, to the Executive Committee.

Our internal process for overseeing and monitoring our portfolio company ESG performance and progress



External advisers

Each portfolio company's quarterly ESG KPI data and progress are reviewed by Cinven's external advisers before every Cinven quarterly ESG Steering Group meeting (and sometimes more frequently on an ad hoc basis).

ESG Steering Group

The group undertakes a quarterly review of portfolio performance and Cinven ESG KPIs and wider ESG initiatives and approach.

Investment team

Quarterly portfolio company financial, operational and ESG KPIs and progress are reviewed by Board/Investment team members.

Portfolio Review Committee (PRC)

Cinven's PRC reviews every portfolio company's ESG KPIs and progress on a quarterly basis via updates provided by the Investment team in PRC papers.

Guernsey Manager Board

The Boards of directors of the managers of the Cinven funds review ESG matters on a quarterly basis via updates provided by the Cinven investment advisers.

## Exit

We always seek to ensure that our portfolio companies continue to succeed following our ownership. We also aim to ensure that ESG considerations continue to be managed effectively after our exit, and we are able to leave a positive ESG legacy. In some cases, we have commissioned independent environmental audits to provide additional reassurance to prospective buyers that relevant considerations have been addressed. If these audits identify any considerations that we were previously unaware of, we seek to agree with management the appropriate remedial steps prior to our exit.

## Cinven's approach to monitoring key ESG issues

We monitor our own ESG performance in the same way that we monitor our portfolio companies' ESG performance. The following KPIs are reported quarterly, and our performance is reviewed by the ESG Steering Group, following the same process that applies to our portfolio companies.

### Cinven ESG KPIs

#### Environmental

##### Climate change

— Tonnes of carbon dioxide emissions/million € revenue

#### Social

##### Health and safety

— Accident/incident rates, including lost time accident (LTA)/injury frequency rates

##### Gender diversity

— Number of persons of each sex who are directors/senior managers/employees of the company

#### Governance

##### ABC risk management

— Number of ABC-related incidents, breaches and complaints

##### Employee grievance

— Number of employee grievances reported through appropriate company processes (e.g. whistleblowing hotline) to management

## Material ESG Issues

Cinven invests across a diverse range of sectors, therefore ESG risks and value creation opportunities often vary greatly.

Presented over the following pages are some of the most material ESG considerations for Cinven and our portfolio companies during 2018. Case studies highlight how each ESG topic relates to different portfolio companies.

Climate change is one of the highest priority ESG issues facing investors, according to the PRI. The physical impacts of climate change can present risks to companies and their supply chains; whilst the shift to a low-carbon global economy may introduce business opportunities. There is growing momentum for companies to understand climate-related financial risk and opportunity, and to disclose this to investors, lenders, insurers and other stakeholders.

# Climate Change

The cement sector is the third-largest industrial energy consumer in the world, responsible for 7% of industrial energy use, and the second industrial CO<sub>2</sub> emitter, accounting for approximately 7% of global CO<sub>2</sub> emissions. Cement is the key ingredient of concrete – which is used to build homes, schools, hospitals and infrastructure.



## Developing new technologies to reduce CO<sub>2</sub> emissions in the construction industry



Chryso is a specialty chemicals business, manufacturing chemical admixtures and additives to improve the performance of construction materials such as concrete and cement. It also provides construction systems for the repair and maintenance of buildings. One of several attractive market drivers for Chryso is the growing focus on sustainable development globally.

Chryso develops innovative and effective solutions which significantly reduce CO<sub>2</sub> emissions that can be widely used in sustainable construction projects. For example, CHRYSO®EnviroMix is a range of high performance chemical admixture that allows 20-60% less cement to be used in concrete, whilst sustainably utilising by-products from other industries. Concrete using CHRYSO®Quad range allows more difficult aggregate to be used than can typically be locally sourced with a lower environmental impact. Chryso assesses all new solutions against Sustainable Development and Sustainable Construction criteria.

In addition to Chryso's research and development of solutions to reduce the impact of cement and aggregate, Chryso has strategically acquired and built new manufacturing plants closer to its customers in order to reduce its transport impacts (including CO<sub>2</sub> emissions) and costs, whilst providing enhanced local services.

An aggregate is a material which, mixed with water and cement, forms concrete

Hotelbeds is the world's leading bedbank. The company's proprietary technology helps providers of travel services distribute their offering to travel sellers globally via an easy-to-use, advanced technology platform that increases reach, revenue and yield for both the provider and the seller.



## A Carbon Neutral Company



Operating under the Hotelbeds brand in the wholesale channel and the Bedsonline brand in the travel agents channel, the company connects over 60,000 travel intermediaries across more than 140 source markets globally with travel providers in over 185 countries representing more than 170,000 hotels, 24,000 transfer routes and 18,000 activities.

Tourism represents around 5% of global emissions, with 4% of these generated by transport and 1% by the accommodation sector. Travellers are becoming increasingly aware of this. From a hotel reservations and booking perspective, 'travel with a conscience' is anticipated to play an increasingly important role in the coming years, with customers spending more on smart destinations, sustainable activities and 'green hotels'. Hotelbeds supports customers by providing 'green hotels' credentials online so that informed decisions can be made when choosing where to stay.

As well as considering how customers can make sustainable decisions when choosing their hotel and travel options, Hotelbeds manages its own direct environmental impact. As a key part of this, Hotelbeds has set two objectives relating to climate change:

- to reduce carbon emissions associated with its operations; and
- to increase employee awareness of climate change.

These objectives link to Hotelbeds' broader commercial objectives, which include an increase in employee motivation and an improvement to engagement; to improve its corporate image; as well as an increase in operating efficiencies and reduce operating costs.

As a first step to meeting these climate change objectives, Hotelbeds calculated its carbon footprint to help understand the greatest sources of carbon emissions. An environmental policy has been developed, which includes a commitment to tackle these emissions, including setting annual emissions reduction targets. Hotelbeds has developed guidelines to help employees implement the new environmental policy, including practical tips on how to reduce energy consumed at work and other environmental impacts such as turning off lights and computers when not in use, printing efficiently, and car sharing. A communications campaign is planned in May 2019 to launch the environmental policy and guidelines, and to raise awareness for all employees of climate change and how it relates to Hotelbeds.

While focusing on reducing carbon emissions, Hotelbeds offset its residual carbon dioxide emissions generated in 2017, to achieve the status of a "Carbon Neutral Company", certified by Carbon Footprint Ltd. Over 9,000 tonnes of carbon dioxide were offset by supporting the Portel-Pará REDD project in Brazil. This project, selected by Hotelbeds' Corporate Sustainability Team, is working to prevent unplanned deforestation in native forests. In so doing, it is expected to avoid over 22 million tonnes of carbon dioxide equivalent greenhouse gas emissions over a 40-year period.

Hotelbeds is planning to offset its carbon emissions generated in 2018 and has begun the verification process with Carbon Footprint Ltd.

Since business travel is Hotelbeds' largest source of emissions, Hotelbeds self-funded, becoming carbon neutral by adding a surcharge to every flight booked for employee travel. This has had an added benefit of helping to raise awareness of the initiative right across the business.



# Cyber

According to the World Economic Forum in 2018, cyber security is ranked as one of the top five global risks to businesses. Companies' cyber security has come under increased scrutiny, including by investors, given the potential financial and regulatory impact of cyber breaches. There are many forms of cyber security threats and related incidents which can cripple business operations, develop into legal and regulatory risks, and have adverse impacts on portfolio company earnings and ultimately valuation.

Cinven works with external specialist cyber advisers to help assess cyber security risks across our own business, our portfolio and ensure that they are adequately governed. Our specialist adviser supports the Cinven team's pre-investment diligence of cyber resilience and works with our portfolio companies to prioritise specific action plans post-investment.

As a leading online retailer in Poland with millions of customers, data protection is a top priority for Allegro. Allegro works tirelessly to protect its customers and suppliers when transacting on the Allegro platform. Allegro has also played an instrumental role in Poland in helping to inform law enforcement organisations, corporates and smaller businesses on how to combat cybercrime, as well as participating in nationwide youth online security education programmes.



# Cybercrime training for law enforcement agencies



Training courses conducted by Allegro specialists allow our officers to learn more about cybercrime. It is a dose of expert knowledge based on real examples. These courses serve as a knowledge sharing platform, but also help to prevent crimes.

Commissioner Dominik Rozdziałowski  
Head of the Cybercrime office at Swietokrzyskie provincial police headquarters, Former Head Of the National Police Headquarters



From a Group wide perspective, Allegro has technical and organisational measures in place as well as security policies and rules that ensure the confidentiality, integrity, availability and resilience of their systems. It constantly monitors its safeguards and implements new technologies when available. This allows Allegro to quickly detect attempts at unauthorised access or use of data, and take immediate action to reduce the impact of such an event.

Allegro keeps its customers informed via its website about emerging threats, and provides information to customers on cyber security and best practices to protect against cyber attacks.

The Group also recognises that well-trained law enforcement officers play a vital role in helping to resolve cybercrime. With this in mind, Allegro provides specialised training for law enforcement officers on how to effectively tackle criminals on the Internet, with a particular focus on ecommerce.



It is crucial to provide transaction security if we want to develop modern on-line financial services. This particular aspect used to be only important to banks, but nowadays trade companies are also becoming important partners when it comes to protecting money of their customers.

Piotr Balcerzak  
President of the Bank Cybersecurity Center

Allegro provides ongoing official training to the Police Academy in Szczytno and the police schools in Słupsk and Katowice, as well as the Police Training Centre in Legionowo, Poland. 40 in-person training sessions were conducted in 2018, attended by 2,000 law enforcement officers in total.

Allegro is also the coorganiser of a series of international conferences on the "Technical Aspects of ICT Crime". The purpose of these events is to share knowledge and information on the latest ways to increase the detectability of cybercrime and increase awareness about staying safe on the Internet. Two of these conferences were held in Poland in 2018: the first involved over 300 participants from law enforcement agencies, corporate security teams, and other businesses; the second, which was more specifically focused on banking, attracted approximately 100 people.

Additionally, in 2018 Allegro launched Bezpieczne z@kupy w sieci (Safe shopping online), a program of workshops and training run in schools in Poland for 13-18 year olds. It focuses on cyber security and safe online payment methods, aiming to educate the younger generation on how to safely navigate the digital environment and protect themselves against the most common cyber threats. The workshops and training are held in collaboration with Allegro's Trust & Safety professionals and police representatives.

Allegro plans to continue providing training and coorganising related conferences in 2019.

In 2018, one of Cinven's portfolio companies was the victim of a ransomware attack. Cyber security is recognised to be a material ESG consideration for a number of Cinven's portfolio companies and we work closely with an external specialist cyber adviser to support companies with risk mitigation strategies where appropriate.

Despite cyber security being an important focus for the company in this case, and having undertaken penetration testing and numerous audits, there was an unseen system vulnerability. The system was breached by a hacker who sought financial gain through business disruption. There was no evidence of customer data loss or manipulation.

and fallback protocols were initiated. This resulted in a positive outcome, although the incident and subsequent re-building of systems resulted in business disruption over a number of days.

Despite this cyber incident being disruptive for the company, valuable lessons were learnt. These lessons were shared with other portfolio companies at Cinven's 2018 ESG portfolio conference, including the importance of:

- having a robust post-breach response strategy;
- understanding the limitations of cyber audits and penetration testing;
- understanding ransomware hacker objectives; and
- identifying weaknesses in system monitoring and response planning.

At Cinven's ESG conference in 2017, the company participated in a crisis data breach simulation exercise, followed by a post-breach workshop. They were able to put their learnings into practice when the breach was detected in 2018, and thoroughly assessed their options prior to determining the best course of action. Company systems were disconnected from external sources, and business continuity

## Portfolio Company Cyber Security Incident





Managing the risks and opportunities across a company's often global and complex value chain is challenging. Tracking their sustainability performance is even more so. However, measuring data and increasing transparency are powerful tools for both risk management and assessing where improvements can be made to sustainable development and the bottom line.

A lack of supply chain transparency is an obvious risk for companies. An inability to track the origin of products and services may create grounds for economic, environmental and human rights violations within an organisation's supply chain.



# Supply Chain





STADA is a pharmaceutical and healthcare company that manufactures and distributes both generics (generics are copy-cat pharmaceutical products that have the same chemical substance as drugs that were originally developed and patented by originator pharma companies, which are sold at cheaper prices once the patent on the original product has expired) and branded products such as Grippostad (cold medicine), Ladival (sunscreen), Covonia (cold medicine) and Aqualor (rhinitis medication). Pharmaceuticals have a direct impact on peoples health and, for this reason, STADA is responsible for ensuring the Group-wide safety of its products and thus also the safety of patients.

Two of the many ways in which STADA is able to do this are through its robust approach to pharmacovigilance – in other words, drug safety – and the labelling and information it provides to patients about its products.

STADA has a Global Pharmacovigilance System, which is part of its Group-wide global pharmaceutical safety system and monitors and manages the safety of all STADA pharmaceuticals worldwide. STADA's subsidiaries are required to adhere to legal requirements and STADA standard operating procedures (SOPs). In order to constantly check compliance to these standards, global pharmacovigilance audits are conducted by STADA's Medical Affairs/Corporate Pharmacovigilance department, in accordance with Good Pharmacovigilance Practices (GVP). Additionally, STADA's conformance with GVP is regularly inspected by authorities such as the German Federal Institute for Drugs and Medical Devices (BfArM). When these inspections take place, the key people at STADA responsible for pharmacovigilance are present on-site for pharmacovigilance inspections worldwide.

In addition to the assurance of product safety, quality and effectiveness, STADA has a responsibility to provide information for the safe use of its products by patients. The readability and comprehensibility of a drug's packaging insert is therefore vital. During a pharmaceutical approval procedure, readability tests for packaging inserts – so-called 'readability user tests' – are conducted early on with representative test subjects. By optimising the layout, explanations for technical terms and the use of simple sentence structures, it is possible to ensure that patients can easily read and understand the packaging insert. As a result, compliance is not only increased, but misuse is also avoided.

## Strong Pharmacovigilance Practices



Integrating diversity, including gender and race at the company and Board level, reflects good corporate governance and, in many cases, has been shown to give companies a competitive advantage. Companies with strong gender and ethnic diversity have also been found to outperform peers when measured by return on equity and other traditional financial metrics. Evidence suggests that diversity also helps to reduce company-specific risk in the long term, leading to a lower cost of capital.

# Inclusion and Diversity



Cinven's culture and values centre on fostering an inclusive culture where people are valued, respected, supported and positioned to succeed. There is a strong belief that an inclusive and diverse team is critical to achieving a successful and sustainable firm. By recruiting, developing and retaining the best talent, Cinven seeks to drive best-in-class performance for its investors.

## Cinven's approach to Inclusion and Diversity

### A targeted focus on Inclusion & Diversity

Under the leadership of Managing Partner, Stuart McAlpine, and Cinven's Executive Committee, Cinven developed an Inclusion and Diversity (I&D) work plan composed of a series of initiatives which are currently being implemented. This work plan is intended to increase our diversity and create a workplace that is inclusive for every team member from our Associates (pictured below) to our Partners.



A Cinven I&D Working Group was set up, consisting of senior team members. This group was mandated to develop a programme of I&D initiatives which were then reviewed and refined by small groups drawn from both the Investment and Corporate teams. Initiatives are grouped under the following topics:

- inclusive behaviours;
- recruitment;
- development; and
- retention.

Action plans relating to each prioritised initiative are being developed as part of the overall I&D work plan, and throughout 2018 were presented to Cinven's Executive Committee for final sign-off which will continue throughout 2019.

The I&D Working Group meets every two weeks to monitor progress and to provide oversight of the programme. A number of actions are already being implemented. When all initiatives reach implementation stage, a formal I&D Committee will be set up to replace the I&D Working Group. The intention is for the I&D Committee to represent a cross-section of the firm, to monitor the implementation phase and to help fully embed I&D into Cinven's culture so it becomes completely integral to the way in which we do business on an ongoing basis. Once established, the I&D Committee will report to Stuart McAlpine and the Executive Committee.

### Working together with our industry

Cinven team members regularly participate in industry roundtables and conferences to promote inclusive behaviours and diversity within the private equity industry. Cinven was a Founder Member of Level 20, a private equity industry organisation with a mission to improve gender diversity in the sector. In particular, Cinven Partners have led and been involved in the UK mentoring scheme run by Level 20 to support the development of female executives within

investment teams across the industry and Cinven has been actively involved in the more recent launch of Level 20 in Germany, and its German mentoring scheme. Cinven continues to have an active dialogue with a number of external specialists in order to keep abreast of developments and best practices in I&D, and to ensure the effectiveness of the I&D initiatives underway across Cinven.

### Monitoring performance across the portfolio

During 2018, in order to better track gender diversity at the portfolio company level, Cinven introduced new mandatory ESG KPIs for all portfolio companies. The new KPIs have been designed to track, on a quarterly basis, company-wide gender diversity, together with C-level management and Board level diversity through a portfolio monitoring tool. Cinven has also recently introduced mandatory tracking of workplace grievances, including harassment and anti-social behaviour incidents.

In order to foster more inclusive workplaces within our portfolio, Cinven has developed portfolio company guidelines to assist portfolio companies in the ways in which they implement a formal whistleblowing policy, as well as a hotline in order to address any impropriety in relation to governance or inappropriate behaviours in the company.

Cinven hosts an annual Portfolio ESG Conference for senior management of its portfolio companies, where I&D has been, and will continue to be, a core topic.

## Inclusion and Diversity

Kurt Geiger is a retailer of footwear and accessories and one of the largest luxury footwear retailers in Europe. The company operates more than 80 stores globally and 240 concessions within some of the world's most prestigious department stores. Headquartered in London, Kurt Geiger employs approximately 2,300 people.

## KURT GEIGER

# Women in Tech



Teams work better with a diverse workforce and we know that the output of a well-functioning and balanced team outperforms the individuals. As we recruit more women into Tech, we're seeing improved collaboration, productivity and fulfilment.

Steven King  
Head of Technology  
Kurt Geiger



In an increasingly digital world it's important that women are represented in technology. For Kurt Geiger this is particularly pertinent given 80% of our customers are women. I am proud to say that we have made great strides in our ambition to have a well-balanced team of fantastic men and women leading the way in this field.

Briony Garbett  
Global Brand and Customer  
Experience Director  
Kurt Geiger

Kurt Geiger's technology teams include technology-related roles in web development, marketing, product purchasing and delivery. The company has been expanding its technology capabilities given its significant growth in ecommerce. In 2017, the proportion of women in these teams was minimal. The company set an objective to increase this as it was recognised that the business could benefit from having a wider range of ideas and approaches from a more diverse group of technicians and a potential commercial benefit given 80% of Kurt Geiger's customers are women. Kurt Geiger offers employees an inclusive, supportive and often flexible environment in which to pursue career opportunities in tech. With the help of a dedicated in-house recruiter and a focused LinkedIn campaign featuring interviews with women in tech teams, the percentage of women in Kurt Geiger's tech teams increased to 44% in 2018.

Kurt Geiger continues to actively promote women in tech, including offering advice to young women who are considering career options. Kurt Geiger works closely with Makers Academy who provide software development training, described by Forbes as 'London's leading software development boot camp', aimed at those considering careers in tech. In 2018, Kurt Geiger attended four Makers events, presenting and networking, and is looking at hosting more events on this topic in the near future.



## Social Purpose

As part of Cinven's overall ESG assessment when making an investment, Cinven considers a number of factors, including the impacts on the environment and society as a result of the company's business activities. A number of Cinven's investment theses and Value Creation Plans are or have been centred on or around sustainability themes. In some cases, Cinven's portfolio companies have a broad social purpose, meaning that their core businesses deliver benefits to society. Examples of such portfolio companies are as follows:

### **Envirotainer°** The Active Cold Chain

**Protecting and preserving pharmaceuticals: Envirotainer – Global provider of temperature-controlled air cargo containers**  
Envirotainer designs, manufactures and leases active temperature-controlled containers used primarily for air freighting high value, temperature-sensitive biopharma products such as monoclonal antibodies (e.g. to treat cancer), hormones (e.g. insulin) and vaccines. When transporting these products, it is essential to ensure that they reach the patient in peak condition, so that they are just as effective and safe as when they left the production line. Envirotainer containers comply with stringent pharma and airline regulations, and they ensure that transported products are maintained under strictly specified conditions.

Envirotainer containers are used to transport up to two million doses of medicine a day, serving around 600 pharmaceutical companies worldwide. All major trade routes for healthcare products are covered, and Envirotainer has 50+ service stations globally and regional operations centres in APAC, EMEA, and Americas, serving more than 300+ airports. The volume of biopharma products being transported globally is increasing, given a rise in chronic diseases and the development of new 'blockbuster' drugs to treat patients. Given its global network and approximately 5,800 leased containers, Envirotainer has a key role to play in delivering critical biopharma products to patients globally.

## NewDay

### Responsible lending: NewDay

NewDay is a leading consumer credit company serving around five million customers across the UK. The company is driven by its customer's Manifesto which purposes to help people be better with credit, and is guided by four key principles of being a Welcoming, Understanding, Knowing and Rewarding lender.

For customers who want to build or improve their credit history and may not have, NewDay offers customers a low initial credit limit until they demonstrate that they can actively manage and afford further credit in a responsible and sustainable manner. This is supported by their robust score cards built on 17 years of experience and data analytics. In addition, the company supported 154,000 customers with their on-line financial health check tools in 2018 to support them in developing a greater understanding of their financial situation. This enables customers to become better with credit and benefit from the rewards NewDay offers. In 2018, 1.1 million customers improved their credit scores.

NewDay's collections toolkit has a wide range of practices that allow them to work with customers where their situations have changed and to support them if they fall into arrears. In 2018, NewDay supported 67,000 customers (compared with 21,000 customers in 2017) with their collections toolkit strategies. NewDay's contact centre colleagues are also trained to identify potentially vulnerable customers and a specialist team is in place to provide those customers with support.

In 2018, NewDay invested over £6 million in the research, development, trial and deployment of interventions to help customers whose accounts are defined as being in or near to persistent debt. NewDay has also progressively rolled out a programme of support which encourages customers to make (in sustainable, affordable increments) higher repayments which, when made, can lift an account out of persistent debt or avoid an account meeting the definition for the first time.

NewDay's objective to be a responsible lender is monitored through a number of KPIs that are reported to the Board monthly. The company is also committed to being a responsible employer, to supporting local communities and society, and to minimising its impact on the environment.



### A blueprint for better business

The Group is committed to being a responsible business, both in customer lending and by supporting local communities. In this way, the Group works with an independent charity partner, BluePrint, that helps business to be inspired and guided by a purpose that respects people and contributes to a better society.

## The Cinven Foundation

Established in 2007, The Cinven Foundation is a vehicle for the firm's corporate giving. The Foundation mainly supports children and education-related programmes, making a substantial donation to a limited number of charities each year.

Charities that received financial support from The Cinven Foundation on an ongoing basis in 2018 include:



### IntoUniversity

IntoUniversity provides local learning centres where young people are inspired to achieve. At each local centre, IntoUniversity offers an innovative programme that supports young people from disadvantaged backgrounds to attain either a university place or another chosen aspiration.

[www.intouniversity.org](http://www.intouniversity.org)



### ThinkForward

ThinkForward is a breakthrough coaching programme that supports young people into employment. The Cinven Foundation funds ThinkForward's Youth Support Apprenticeship, as well as some of the costs of its Ambassador programme.

- ThinkForward works in four regions of the UK, supporting 1,000 young people between the ages of 13 and 18.
- Professional coaches work with young people for five years in their transition from education to employment.
- To date, 8 out of 10 people are in education or employment when they leave the programme – all were predicted to be unemployed when they joined.

[www.think-forward.org.uk](http://www.think-forward.org.uk)



### Impetus-PEF

Impetus-PEF raises significant sums from the private equity industry and its business partners to support charities that help young people to succeed. The Cinven Foundation makes an annual donation to Impetus-PEF.

[www.impetus-pef.org.uk](http://www.impetus-pef.org.uk)



### Place2Be

Place2Be is the UK's leading provider of school-based mental health support. The costs of not providing early mental health support are considerable: children suffer, financial burden on taxpayers rises and society loses the full potential of that individual.

[www.place2be.org.uk](http://www.place2be.org.uk)



### The Opportunity Network

The Opportunity Network (OppNet) works with students from historically and systematically underrepresented communities in developing their skills, knowledge, and passions to achieve their college and career goals, honoring the identities and embracing the power of each member of our community.

[www.opportunitynetwork.org](http://www.opportunitynetwork.org)



### School Home Support

Working with schools, local authorities and other children's settings, School Home Support provides personalised support to children and families, tackling the underlying barriers to a successful education to improve the life chances of children.

[www.schoolhomesupport.org.uk](http://www.schoolhomesupport.org.uk)



### The Children's Literacy Charity

The vision of The Children's Literacy Charity is to close the literacy gap for all disadvantaged children, enabling them to achieve their true potential. The charity provides specialist one-to-one literacy support for the most disadvantaged children in society who are at risk of being left behind.

[www.thechildrensliteracycharity.org.uk](http://www.thechildrensliteracycharity.org.uk)

## SEO /LONDON

### Sponsors for Educational Opportunities (SEO)

SEO prepares talented students from ethnic minorities or low socioeconomic backgrounds for career success.

- SEO Schools help high achieving students in years 11-13 broaden their horizons through access to academic, professional and enrichment opportunities.
- SEO Careers equips talented university students to launch successful professional careers. As candidates build their experience, they share their knowledge with the next generation.

SEO Connect is a hiring platform that supports SEO Careers alumni and like-minded professionals as they progress through their careers.

[www.seo-london.org](http://www.seo-london.org)



### Stonewall

Stonewall's mission is to let all lesbian, gay, bi and trans people know they're not alone. By partnering with organisations, Stonewall aims to create real change for the better, whilst fulfilling the following priorities:

- empowering LGBT people to be their authentic selves, enabling them to realise and achieve their full potential;
- transforming institutions, to create inclusive and accepting cultures;
- changing hearts and minds, to ensure that LGBT people, across all communities, are valued, welcomed by all and can participate fully in society; and
- changing and protecting laws, to ensure that laws and rights essential for LGBT equality are created, maintained, protected and defended, so that LGBT people have equal rights in the UK and abroad.

[www.stonewall.org.uk](http://www.stonewall.org.uk)

The Cinven Foundation's support of SEO and Stonewall contributes to the work that Cinven is doing at a GP level as part of its Inclusion and Diversity initiatives (see pages 44-45).

In addition, The Cinven Foundation supports charitable causes that are important to staff members on an ad hoc basis. Subject to the Trustees' approval, charitable donations made by Cinven employees are double match funded, up to a limit of £1,000 per person per year, and single match funded up to a limit of a further £1,000 annually. Ad-hoc donations are also made to charities chosen by other individuals who are close to the firm and request sponsorship for participation in charitable events.

The table below is structured in line with the PRI's ESG Monitoring and Reporting Framework, which provides a guide for the exchange of information between Limited Partners (LPs) and General Partners (GPs). Cinven supports the overall aim of this framework to achieve a degree of consistency in LP and GP communication but recognises LP information requirements vary. Cinven has included the table as a reference index, to signpost where related information is available within this Review, or elsewhere.

'Core disclosures' are designed to elicit the key information that an LP can use to monitor its investments and assess the responsible investment performance of its fund managers.

'Additional disclosures' are designed to support a more detailed understanding of the responsible investment performance of the fund manager and its portfolio companies.

Policy, people and process

1.1	What updates have you made to your responsible investment policy/guidelines and/or strategy?	Core	<ul style="list-style-type: none"> <li>— Message from Cinven's Managing Partner and ESG Steering Group Chairman (p. 2-3)</li> <li>— Key ESG Developments at Cinven since 2009 (p. 2-3)</li> <li>— Cinven's approach to Inclusion and Diversity: Monitoring performance across the portfolio (p. 44-45)</li> </ul>
1.2	What changes have you made to how responsible investment is resourced and structured at the firm?	Core	<ul style="list-style-type: none"> <li>— Governance (p.10-11)</li> </ul>
1.3	How has your responsible investment policy/guidelines and/or strategy been implemented?	Core & additional	<ul style="list-style-type: none"> <li>— Our Approach to ESG (p.9)</li> <li>— Pre and Post-Investment (p.14-23)</li> </ul>
1.4	How does your firm manage the ESG aspects of its own operations (corporate responsibility)?	Additional	<ul style="list-style-type: none"> <li>— Governance (p.10-11)</li> <li>— Cinven's approach to monitoring key ESG issues (p. 24)</li> <li>— Cinven's approach to Inclusion and Diversity (p. 42-43)</li> <li>— Social Purpose (p. 48-49)</li> <li>— The Cinven Foundation (p. 50-51)</li> </ul>

Portfolio

2.1	What is the ESG risk and opportunity profile of the portfolio companies in the fund? Have there been any changes to the ESG risk and opportunity profile of the fund in response to emerging ESG issues, and, if so, which ones?	Core	<ul style="list-style-type: none"> <li>— Governance (p.10-11)</li> <li>— Post-Investment: Assessment of company's ESG approach and reporting (p.18)</li> <li>— Post-Investment: Ongoing engagement to encourage continuous improvement (p. 22)</li> <li>— Material ESG issues (p. 25-47)</li> </ul>
2.2	How are ESG factors managed by the portfolio companies in the fund?	Core & additional	<ul style="list-style-type: none"> <li>— Governance (p.10-11)</li> <li>— Material ESG Issues (p. 25-47)</li> </ul>
2.3	Report specific ESG indicators for portfolio companies.	Additional	<ul style="list-style-type: none"> <li>— Post-Investment: Provide ESG performance and reporting updates to Cinven (p.19-20)</li> </ul>
2.4	Describe your approach to assessing the risks and opportunities that climate change poses to your portfolio companies.	Additional	<ul style="list-style-type: none"> <li>— Pre and Post-Investment (p. 14-23)</li> <li>— Governance (p.10-11)</li> <li>— Climate Change (p. 26-31)</li> </ul>
2.5	Describe your approach to assessing the environmental and social benefits created by your portfolio companies.	Additional	<ul style="list-style-type: none"> <li>— Post-Investment: Provide ESG performance and reporting updates to Cinven (p.19-20)</li> <li>— Material ESG Issues (p. 25-47)</li> </ul>

Material ESG Incidents

3.1	Immediate notification of material ESG incidents.	Core	Included in Cinven's fund reporting and updates to investors.
3.2	Periodic summary of material ESG incidents.	Core	Included in Cinven's fund reporting and updates to investors.

## Contact



If you would like any further information on any aspect of Cinven's approach to ESG management, please contact:

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