



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage investor ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input checked="" type="checkbox"/> To engage investor ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> To engage investor ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for a transition</p> <p><input type="checkbox"/> To engage investor ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service providers</p>		

PRIVATE RI REPORT

2020

NorthEdge Capital LLP

About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the 2020 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders. The PRI will **not publish** this report on its website. Instead, you will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

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 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.

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.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
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	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Private							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF	Largest infrastructure sectors	🔒	n/a							✓

03												
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a									✓
OO End	Module confirmation page	✓	-									

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Private	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 04	Formal commitments to RI	✓	Private				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Private	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Private		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Private						✓	
PE End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public						✓	
CM1 02	Assurance of last year's PRI data	✓	Public						✓	
CM1 03	Other confidence building measures	✓	Public						✓	
CM1 04	Assurance of this year's PRI data	✓	Public						✓	
CM1 05	External assurance	🔒	n/a						✓	
CM1 06	Assurance or internal audit	✓	Public						✓	
CM1 07	Internal verification	✓	Public						✓	
CM1 01 End	Module confirmation page	✓	-							

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Reported Information

Private version

Organisational Overview

PRI disclaimer

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Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
-------	-----------	--------	-----------------	---------

OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

32

OO 03 Mandatory Public 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 Public Gateway/Peering General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2019

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

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM			660	000	000
Currency	GBP				
Assets in USD			852	583	096

- Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

- Not applicable as we do not have any assets under execution and/or advisory approach

Based on your reporting above, your total AUM is between 0.1 and 0.99 US\$ billion, and therefore your 2019/20 fee will be £ 1,683. Note that your total AUM is calculated by summing all figures provided in OO 04.2, 04.3, and 04.4.

OO 06 Mandatory Public Descriptive General

OO 06.1

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	100	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges**OO 06.2**

Publish asset class mix as per attached image [Optional].

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

 Yes No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

OO 09	Mandatory	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.



Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Private equity

We address ESG incorporation.

We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Private Equity

Closing module

- Closing module

Peering questions

OO PE 01	Mandatory	Public	Descriptive	General
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OO 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 checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO PE 01.2	Additional information. [Optional]
---------------	------------------------------------

We invest between £2m-£50m in each business we back, taking the form of growth/development capital (incl. buy & build), management buy-outs and equity release/cash out transactions.

Our focus is on established businesses, typically with turnover greater than £2m and profits greater than £1m.

OO PE 02	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.
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- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO PE 02.2	Additional information. [Optional]
---------------	------------------------------------

We consider and invest for both minority and majority positions.

Our track record and current portfolio holds a ratio of approximately 3:1 majority:minority deals, ranging from c. 20% equity to c. 85%.

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Reported Information

Private version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

As a market leader with a strong presence in the "NE&M" Region (Northern England & the Midlands), we place significant emphasis on the Firm's environmental, social & corporate governance credentials. The Firm commits both energy & resource to ensuring that we are the private equity partner of choice in the NE&M Region. We believe that the essential elements in creating a successful & sustainable business platform involve taking a long term approach to investee companies, maintaining & developing the strong relationships that have built over the Partners' significant operating history, & creating an atmosphere of openness & transparency with key stakeholders. Our RI Policy stretches across positive & negative ESG screening & due diligence, to portfolio monitoring & exit. The breadth, depth & quality of these standards is the subject of a continual improvement program, drawing on the benefit of ESG-related research & best practice that is available via the PRI & our position Chairing the BVCA's Responsible Investment Advisory Group ("RIAG"). We have a firm belief that our active management approach surrounding ESG contributes to the development of enduring businesses & relationships that we can be proud of, which in turn, will deliver sustainable returns to our LPs.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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SG 01.6 CC

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

As a firm, we have reviewed the PRI's Inevitable Policy Response research and we became a signatory to the Taskforce on Climate Related Financial Disclosures in 2019. The two dovetail into our portfolio management approach, where through our ESG governance framework we look to integrate climate change and climate risk through active ownership into our investee companies (11/50 of our ESG indicators now directly or indirectly relate to climate).

With regard our investment strategy in new business activities, we are thematically focussing our origination team (2 persons) on opportunities that are aligned to the opportunities created by climate change. For instance, we have historically commissioned an origination report on the electric vehicle market. More latterly, our team is focussing on the value chain within the flood defence and response industries (i.e. businesses which are likely to benefit from investment to offset physical climate-related risks).

With regard transition risks, we are taking a similarly thematic approach. For example, we are pursuing several renewable power related new investment opportunities, some of which are in the wind power sector. In this particular domain, we have identified a combination of physical and transition risk and opportunity, as follows: (1) a movement of capital from extractive industries into renewables (e.g. Statoil becoming Equinor; & BP buying solar assets), which is likely to inflate asset prices in the medium term; (2) a change in the regulatory regime and appetite for renewable power; & (3) a change in the long-term physical condition of the UK (it has statistically become windier - which will drive P50 performance of wind farms, and therefore their profitability, and hence drive value into the supply chain). This effort straddles a consequence of our research into both transition (1 & 2) and physical risks/opportunities (3), influencing our new investment strategy.

This effort is becoming increasingly systematic within our new business function. We also now track inhibition, positive development or discrete focus upon the 17 UN SDGs in our new business activities & track record.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Following on from the response above, we distinguish between the portfolio where climate risks and opportunities are immediate-term and a core focus of our active ownership approach within our portfolio, today.

With regard the thematic integration into our investment strategy and new business activities, again, this work-flow has occurred historically and continues to be a core origination strategy, today.

The time-horizons we consider when assessing the macro-economic support for a climate risk/opportunity we deem as within our 3-5 year investment hold period. Importantly, we typically consider whether the macro-support is priced into the asset class, and therefore whether the opportunity for multiple arbitrage exists alongside macro-aligned earnings growth.

Notwithstanding this, we would emphasise that the impacts of climate change are fast-moving, varied, complex and rarely predictable - even with reference to Bank of England and scientific scenario analysis. For example, take the extent of the Amazon Forest Fires and Australian Bushfires, or the advent of a teenage climate activist from Sweden who would corral millions of teenagers into action on climate, across the globe. The fact is that the complexity of the Earth's System is such that computational models cannot effectively, nor reliably, model their inter-dependencies and therefore accurately project physical consequences (nor societies responses!) to GHG emission-induced global warming. Should a house assume that one, two or three 'tipping points' will be passed with regard Siberian permafrost, for instance?

Therefore, our house approach is to remain fleet of foot, and do this through pro-active awareness of relevant research, effective horizon scanning and highly responsive active ownership and origination to build and manage both a climate resilient and climate aligned fund portfolio.

No

SG 01.8 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.9 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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From a new investment and investment strategy perspective, this is covered in SG 01.06 CC and SG 01.07 CC.

To provide more detail on our active ownership approach, this is governed through our 9-year established ESG portfolio monitoring approach. Over 11 of the 50+ metrics reviewed with each portfolio company by the NorthEdge Board members are related, directly or indirectly (qualitative and quantitative) to climate risk and opportunity. This is an established, robustly enforced annual process that baselines performance upon our investment, and then focuses management attention on the material ESG risks and opportunities that will be pursued each year. It collates, monitors, measures and drives improvements - which encompass the identification and management of climate-related risks and opportunities. Training for our team is accordingly provided.

No

SG 1.10 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

URL/Attachment

- URL
- Attachment (will be made public)

Attachment

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{[hyperlink:http://northedgecapital.com/investor-relations/esg/](http://northedgecapital.com/investor-relations/esg/)}

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{[hyperlink:http://northedgecapital.com/investor-relations/esg/](http://northedgecapital.com/investor-relations/esg/)}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:http://northedgecapital.com/investor-relations/esg/](http://northedgecapital.com/investor-relations/esg/)}

- Attachment (will be made public)

- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

{hyperlink:http://northedgecapital.com/investor-relations/esg/}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:http://northedgecapital.com/investor-relations/esg/}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://northedgecapital.com/wp-content/uploads/2013/07/NorthEdge-RI-Policy-16-17-1.pdf}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:http://northedgecapital.com/investor-relations/esg/}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{[hyperlink:http://northedgecapital.com/investor-relations/esg/](http://northedgecapital.com/investor-relations/esg/)}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{[hyperlink:http://northedgecapital.com/investor-relations/esg/](http://northedgecapital.com/investor-relations/esg/)}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{[hyperlink:https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf](https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf)}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{[hyperlink:https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf](https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf)}

Attachment

Reporting

URL/Attachment

URL

URL

{[hyperlink:https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf](https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf)}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://northedgecapital.com/wp-content/uploads/2012/12/NorthEdge-RI-Policy-18-19.pdf}

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

I have attached our RI Policy to the first question - which covers those following.

I have then copied in the link to our ESG page, and onward link to our RI policy in the latter questions (note: they all refer to the attached document).

Further to SG 02.3, this URL further provides our investment principles:

<http://northedgecapital.com/who-we-are/our-approach/>

SG 03 **Mandatory** **Public** **Core Assessed** **General**

SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

Each investment opportunity which progresses to the first stage of our investment process (the writing of an introductory paper that is distributed to the new business team for discussion at the weekly new business meeting) includes a mandatory and comprehensive conflict of interest check. Papers submitted without a conflict of interest check are rejected. Any conflicts arising will be taken to the CFO and dealt with in accordance to our compliance manual. The conflict check comprises early-stage KYC across: ownership; debt; controlling parties; suppliers; customers; introducer; & any other possible conflicts noted by the deal team.

No

SG 04 **Voluntary** **Private** **Descriptive** **General**

SG 04.1 Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

Yes

No

SG 04.2 Describe your process on managing incidents

Transparency of and reporting on material incidents within our portfolio companies is a component of our investment documentation with each investee company. It is also a part of the relationship that we expect our non-executive directors to establish with the Board of Directors of each portfolio company. Beyond this, as a measure of independence, we seek to establish relationships beyond the "c-suite" and install Google Alerts on each of our companies by name.

We then have an established Partner review forum that will prioritise companies where the NorthEdge representative highlights an issue as requiring an investment committee discussion. This can be assembled quickly, or as part of our monthly process (depending on the need). The management process arising will be bespoke to the situation and in the first instance, seek to be collaborative with the incumbent management team and bring to bear the positive support of the NorthEdge network, expertise and experience.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2 Additional information. [Optional]

Once per year, we will review our portfolio companies progress against set ESG objectives. Furthermore, we annually review our teams' progression of our RI/ESG capabilities against specific objectives and reflect on best practice in the industry in order to continually evolve and improve our approach to RI/ESG. For example, in 2020 we have transitioned from a single 'Head of ESG' as responsible for portfolio monitoring, to make each NorthEdge Investor Director on the Board of our portfolio companies responsible and accountable for ESG monitoring and improvement. This has involved a firm wide transition, education and training program, and follows best practice advice from the likes of Permira and Apax.

Our RI/ESG policy is also refreshed on an annual basis, to reflect this work, and then re-published in Q1 of the new year. For the individuals leading ESG and RI activities, their annual objectives include RI/ESG activities that are then reviewed as part of their half-yearly and annual objectives and remuneration review.

SG 06	Voluntary	Private	Descriptive	General
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SG 06.1 List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

100% of new joiners receive ESG induction training

Progress achieved

Achieved in 2015, 2016, 2017, 2018 & 2019. Our expectation is to sustain this performance in 2020. This induction process covers the "why" of ESG at NorthEdge, the "how" and then addresses the relevance to their role (including noting any additional roles, responsibilities or accountabilities). It also works through a case study for E, S, G and climate risk/opportunity.

- Provide training on ESG engagement

Key performance indicator

100% of new joiners receive ESG induction training & the investment/portfolio team receives annual refresher training.

Progress achieved

Achieved in 2019. Our expectation is to sustain this performance in 2020. This induction process covers the "why" of ESG at NorthEdge, the "how" and then addresses the relevance to their role (including noting any additional roles, responsibilities or accountabilities). It also works through a case study for E, S, G and climate risk/opportunity.

For the refresher training, this is lead by our in-house Head of ESG, and typically covers 'topical' ESG risks and opportunities; provides 'real-life' application of examples in new business and portfolio management and enables open discourse and Q&A, with ongoing, accessible support.

- Improved communication of ESG activities within the organisation

Key performance indicator

Present our approach to RI and ESG at our annual investor meeting; & distribution of updates via our intranet ("Nexus");

Progress achieved

We completed a presentation to our LPs on our approach to ESG and RI at our 2019 annual investor meeting, in a dedicated slot, comprising a case study of our ESG investment lifecycle approach. Furthermore, ESG incidents, updates and opportunities are posted to our entire firm through Managing Partner updates on our intranet.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Improved, up-to-date ESG monitoring tool developed and issued annually - incorporating latest material risks and opportunities.

Progress achieved

We refresh our monitoring tool annually to ensure it is up-to-date and relevant. In 2019, we introduced further CO2, climate risk and climate opportunity metrics.

We also sustained our 100% connection rate with new investee companies, who are sent a letter from our Managing Partner that highlights the importance of ESG/RI to NorthEdge, and their role in that.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Improved, up-to-date ESG screening document launched annually.

Progress achieved

New screening document launched with reference to latest PWC, PRI and BVCA releases - this is based on our horizon scanning work to identify material risks and opportunities that should now be captured for discussion at investment committee, ahead of completion. In 2019, this comprised a multitude of updates regarding supply chain sustainability, climate risk and opportunity.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

Achieve revenue and profit growth attributable to improved ESG performance.

Progress achieved

Future Industrial Services (Existing Investee Company):

Our ESG screen identified "environmental matters, health and safety of employees to be subject to a full suite of due diligence". It also highlighted the key regulators involved and that ESG "has yet to be given priority" by the vendors. We assessed that the real economy impact of the business was positive and could be made more so through our active ownership.

We embarked upon a major 100-day plan exercise with 15 discrete QHSE areas and multiple sub-sections (treated as a "cost" by the vendors; re-positioned as an "investment" by NEC). Executive bonuses were adjusted to incorporate QHSE metrics. An employee engagement survey was completed (in consequence: salaries were raised, up-rated welfare facilities installed, & a monthly newsletter created). We challenged the exec to deliver behavioural change (e.g. new near miss KPIs: "30-day un-actioned near misses").

The results: Passed previously failed commercial acceptance testing with Unilever and Exxon Mobil for multi-£m, multi-year contracts. Regained safe contractors & green flag on client sites, further entrenching the defensibility of key revenue streams.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

	ESG characteristics of investments
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- Over or underweight companies based on ESG characteristics

	Key performance indicator
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Improving trend of positive contribution toward SDGs.

	Progress achieved
--	-------------------

As we look forward at 2020, we are looking to move toward (1) mapping existing activities against the SDGs; & (2) orientating our investment toward activities that are positively aligned with one or more of the 17 UN SDGs.

We will do this through aiming to become overweight in our Fund portfolio of assets which: (1) avoid harm that inhibits the achievement of the SDGs; &/or (2) benefit stakeholders in relation to one or more SDGs &/or (3) contribute to solutions that advance achievement of SDGs.

We have also looked back at our track record, utilising the SDGs and the IRIS+ taxonomy, to (1) identify what SDG strategic goal that investment may have furthered (in the context of 1, 2 & 3, above), & RAG rated accordingly.

- Improve ESG ratings of portfolio

	Key performance indicator
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All companies demonstrate quantitative YoY improvement in overall ESG metrics

	Progress achieved
--	-------------------

Per our reporting tool, we assess year on year performance of portfolio companies against a breadth of E,S and G factors. We are looking for, and setting annual objectives to achieve, improved performance in these rankings (0-10) during our ownership period - as well as improve the quantity of metrics reported upon.

- Setting carbon reduction targets for portfolio

	Key performance indicator
--	---------------------------

c. 50% of portfolio companies participate in C02e foot-printing.

Progress achieved

We are working with Initiative Carbone/International Climat Initiative on transitioning their French-focussed CO2e tools into the UK private equity market, alongside ICG and Triton. When we have this toolset, we will look to form part of a working group to build up a UK-based equivalent, and lead with our portfolio. We have done this at GP-level, this year (CO2e footprint, with Gold Standard certified offset).

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Promote a greater understanding and adoption of RI/ESG practices across the UK PE and VC industry.

Progress achieved

During the year, we were elected Chair of the BVCA's Responsible Investment Advisory Group. We have expanded the membership of this group to include Apax, Triton and others. We have also worked on several key projects, including new and refreshed RI/ESG training for BVCA members.

We spoke on a Climate Risk panel for BVCA members in January 2019 - talking about how a focus on active ownership and origination can positively position a private equity fund for the climate risks and opportunities on the horizon.

We signed up to the TCFD during 2019.

We mentored several firms through the year on their nascent approaches to ESG (incl. NVM and Oxford Capital).

We created a case study of FIS for use on the BVCA's ESG/RI training module.

- Encouraging others to join a RI initiative

Key performance indicator

Speak publicly on the topic of RI/ESG to a PE/VC audience.

Progress achieved

We presented to c.50 VC/GP/LPs in Jan-19 in London on the topic of climate risk (detailed above), as to how we believe PE funds can effectively position themselves through a focus on climate risk and opportunity at the origination and active ownership level.

We walked through the Future Industrial Services case study (detailed above) with our LPs at our annual investor meeting in October 2019.

Through our mentorship of other firms, we enthusiastically encourage those firms' to become signatories to the PRI.

- Documentation of best practice case studies

	Key performance indicator
--	---------------------------

Create a case study for our firm to train with, and for our LPs to see.

	Progress achieved
--	-------------------

The case study created was Future Industrial Services, and was presented to our LPs at our Annual investor meeting. The details of this case study are included above.

- Using case studies to demonstrate engagement and ESG incorporation to clients

	Key performance indicator
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Development of an existing portfolio case study.

	Progress achieved
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It is notable that the BVCA have also chosen our FIS case study to feature in the BVCA PE/VC RI/ESG training manual for practitioners, as a demonstration of effective active ownership when it comes to RI/ESG in private equity.

Our LPs recieved this same presentation at our annual investor meeting, to help cement our view with them that good ESG ultimately builds better businesses which are more valuable, and thereby extends our fiduciary duty to them.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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	Roles
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- Board members or trustees
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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
 - 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
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
 - Investor relations
 - Other role, specify (1)
 - Other role, specify (2)
- External managers or service providers

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Our two Managing Partners and CFO are responsible for driving RI/ESG from the "top down". They provide the budget, senior endorsement and support required to progress RI/ESG at NorthEdge. Our Managing Partner engages directly with the CEO of each portfolio company, to ensure RI and ESG has a place on their agenda.

Our Investment Committee (or IC) will review the ESG screen for every new investment opportunity that progresses to IC. They will influence the scope of DD and value creation plan, accordingly, and ultimately opine on whether we invest in the business. IC also act as the review point for any material ESG/RI issues arising from the portfolio.

At implementation level, we have a dedicated Investment Director who updates all RI/ESG related literature according to best practice & trains new joiners with regard the importance and implementation of RI/ESG at NorthEdge & engages with institutions (including competitors) to disseminate best RI/ESG practice.

The investment and portfolio team is then required and accountable to ensure all investments are "screened" according to our RI/ESG policy ahead of completion. They will then conduct visits to 'their' portfolio companies annually, in order to "baseline" their ESG score and set bespoke targets for the year ahead.

We are a relatively small firm (c.30 FTE's) and therefore classify ourselves as having one "dedicated" RI member of staff, given a specific Investment Director is charged with leading our RI approach and is supported by our Managing Partners and CFO.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

Number

1

SG 07.4 Additional information. [Optional]

We are a relatively small firm (c.30 FTE's) and therefore classify ourselves as having one "dedicated" RI member of staff, given a specific Investment Director is charged with leading our RI approach and is supported by our Managing Partners and CFO.

We additionally utilise consultant expertise where additional resource or expertise is required.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 08	Voluntary	Private	Additional Assessed	General
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SG 08.1 Indicate if your organisation’s performance management, reward and/or personal development processes have a responsible investment element.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Other C-level staff or head of department

CFO

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

SG 08.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

RI/ESG integration and the accountabilities set out previously are "BAU" for our investment and portfolio teams'. Therefore, they are not assigned specific / variable bonus awards based on performance, nor is it a KPI which we seek to measure them upon - as that would indicate there's an option to 'not' perform their role, where in reality it is a baseline 'must do' for all investment and portfolio team members.

We utilise KPIs and targets to drive delivery of qualitative and quantitative measures against aspirational objectives for the year ahead (which are over and above 'doing their job!').

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

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

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

We have engaged with several private equity houses to advise on their approach to ESG during the year after being noticed as a comparably-sized signatory on the PRI website.

We attended the PRI conference on climate risk/opportunity and the TCFD.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board

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

- Basic
- Moderate
- Advanced

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

We Chair the BVCA Responsible Investment Advisory Group ("RIAG") Board.

We set the agenda in consultation with the BVCA and take the lead on driving accountability for delivery upon the Group's purpose. This also involves close liaison with the BVCA Impact Committee.

We have led the recruitment of new members to ensure RIAG is representative of the BVCA membership.

As part of this role, we have engaged with the wider PE/VC community through panneling a presentation as the sole GP to 50+ PE/VC/LPs upon climate risk and opportunity, as well as the TCFD.

We have also designed a portfolio company case study for a new training module with the BVCA.

- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- 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)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
G7 and G20 Investor Letter on Climate Action in 2017

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]

We became a signatory to this letter, encouraging all major governments to adhere to and respect the implementation of the Paris Agreement.

- Other collaborative organisation/initiative, specify

PRI-Coordinated engagement on cyber security

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]

We are a participant in this PRI-sponsored effort to establish best practice on cyber security, which we will then cross-apply to our portfolio.

- Other collaborative organisation/initiative, specify

New Plastics Economy Global Commitment

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]

We have sustained our support to move the wider ESG agenda forward by becoming a signatory to the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation. The Commitment and its vision for a circular economy for plastic are supported by the World-Wide Fund for Nature (WWF) and have been endorsed by the World Economic Forum, The Consumer Goods Forum and 40 universities, institutions and academics. For our part, we have begun expanding and introducing our network to spark product innovation amongst our portfolio, including at Accrol Papers (paper-based toilet roll packaging) and Clearly Drinks (increased targets for recycled plastic).

- Other collaborative organisation/initiative, specify

Initiative Carbone/IC20/ICI

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]

We are working with several other PE houses to launch a UK-equivalent/sister organisation of this French institution into UK PE/VC - which looks for all members to capture the C02e footprint of their portfolios.

We believe, in line with COP26, this would be a good organisation to bring into UK private equity.

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
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Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Whenever a house enquires for ESG/RI advice, we are a willing participant. In 2019, this included support to Praetura, NVM and Oxford Capital.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

At the events described below in 2018, we made the case for ESG/RI adoption by PE/VC firms, regardless of their size. In 2019, we progressed this to climate risk/opportunity and the TCFD.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

Description

In 2018: We held an event with the BVCA entitled: ESG Journey - PE and VC Masterclass. Despite the rather optimistic title, it was well received and we parsed our experience on ESG to 30+ firms in the room. We also spoke on an LP panel at the Green Finance Forum, as well as on the BVCA FoPE course.

In 2019: As the sole GP alongside PwC and Anthesis, we panelled an event for GPs/VC/LPs re: climate risk, opportunity and the TCFD, in collaboration with the BVCA (with 50+ attendees).

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Description

We reviewed our 20 year track record in the context of the SDGs and issued this to the Partner Group, for consideration of a positive opportunity to become overweight in assets which support the SDGs. We utilised IRIS+ to measure this. We also created an 'impact fundraising' review for discussion at Partner-level, of the observed trends in the impact investment market, and their potential application to NorthEdge.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

Description

Through the course of our mentorship, we always encourage firms' to sign up to the PRI.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description

Member of the cyber security working group.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

Elected Chairman of the BVCAs Responsible Investment Advisory Group.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Other, specify
- No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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We are engaged with local universities to support our portfolio companies in delivering and expanding their ESG efforts.

SG 11	Voluntary	Private	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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Yes

	If yes
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- Yes, individually
- Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3	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

	provide URL
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{hyperlink:<https://www.ellenmacarthurfoundation.org/our-work/activities/new-plastics-economy>}

	provide URL
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{hyperlink:<https://www.unpri.org/fiduciary-duty/fiduciary-duty-in-the-21st-century/244.article>}

No

No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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Climate change and the adoption of the Paris Agreement.

Fiduciary duty in the 21st Century.

Individual laws, regulations and proposals which pass through the BVCA Committee receive our input (e.g. EU taxonomy).

New plastics economy - Ellen McArthur Foundation. We have several portfolio companies where we are working to drive down plastics usage, seek alternatives and increase recycled plastic content.

TCFD signatory.

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

We typically utilise resource from the local university to conduct thematic research and/or scenario planning. This will be sector focussed, new investment opportunity work. Alongside this, we review landmark documentation. For instance, a summary of our review of the IPR is below.

- Yes, in order to assess future climate-related risks and opportunities

Describe

IPR predicts policy action will be focused between 2023-2025 (earlier announcements of policy intentions will damage relevant investments). Our portfolio omits companies in the key risk sectors such as infrastructure/extraction. The portfolio lacks any notable risks within the holding periods (3-5 years).

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

We compile all the data from our portfolio annually, and construct a portfolio "heat map" - highlighting areas of ESG risk and opportunity and pertinent concentration risk (per above, sector weightings). These are designed to ensure a balanced fund build out.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Private	Descriptive	General
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SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

We have utilised our local university relationship to conduct a v1 review of the potential impact of the PRI's IPR (below). During 2020, we will extend this (most likely with reference to BoE scenarios), in-line with the TCFD recommendations.

The IPR predicts policy action will be focused between 2023-2025 (earlier announcements of policy intentions will damage relevant investments).

NorthEdge's portfolio omits companies in the key risk sectors such as infrastructure and extraction. The portfolio appears to lack any notable risks within the holding periods (3-5 years). Recent investee companies such as DW3 Products Group (producing composite doors and windows) exemplify this; which although Carbon-intensive, is unlikely to be subject to any forthcoming drags. This is partly as they are outside the immediate focus of regulators (who may establish damaging regulation), innovators (who may disrupt the market in an attempt to reduce emissions) and consumers (who may shift demand to greener companies) on polluters.

What this does demand is that we utilise active ownership to gear ourselves and our investee companies toward these trends.

- Incorporation into investment analysis
- Inform active ownership

Describe

Although not formulaic - we arrive in our annual ESG review with portfolio companies 'armed' with the latest trends that are most probable to afflict their business. For instance, at Belfield Group (the UK's largest supplier of soft-furnishings):

We have recognised an increased burden of operational and commercial climate risk: it consumes timber at a large-scale from FSC certified suppliers; there is a global prevalence of consumer-focus

on forest fires, deemed accentuated by logging; and the business sells into blue-chip customers who are highly responsive to consumer sentiment (e.g. Ikea, Sofology & M&S).

- Subsequently, we have probed deeper into FSC forestry certification and discovered the organisation was dropped by Greenpeace in 2018 on governance concerns. We are therefore working to expand the independent audit and assurance across Belfield's timber supply chain
- We introduced companies from our network who can assist with the development of a recyclable sofa ("the circular economy")
- We've engaged PwC's climate & sustainability team to support the creation of a best practice ESG roadmap (Phase I/II complete)
- We have introduced a team of MBA's from Manchester University to assess the footprint of key products & analyse the potential to reduce &/or offset emissions; thereby creating a Carbon & Waste neutral product-range that would be unique in the market

All of the above efforts will contribute in turning a business faced with climate risk, toward one embracing climate opportunity, come exit.

This type of approach is performed with each of our portfolio companies and is therefore bespoke to each.

Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.
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Yes

	Describe
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We have reviewed the risks informally - our exposure from a macro, UK-focussed, non oil & gas, infrastructure or extractive industry perspective being a low risk base to begin with.

In-line with the TCFD recommendations, this year, we will commence formal assessment of climate-related risks.

No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
-----------------------	--

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 5px;">Other (1) please specify:</div> PRI IPR
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Private	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			660	000	000
Currency	GBP				
Assets in USD			852	583	096

Specify the framework or taxonomy used.

By extension of our RI policy and the framework it places upon our investment strategy, our entire AUM is conscious of the risk-inherent in backing carbon intensive assets. Furthermore, our track record demonstrates a meaningful shift toward assets which positively support the 17 UN SDGs.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5

Additional information [Optional]

Our first cohesive effort re; Carbon footprint will occur this year, in-line with our discussion topics earlier in this report re; Initiative Carbone.

SG 14 CC

Voluntary

Private

General

**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reduce exposure to variable cost; reduce costs; reduce GHGs	Energy consumption (kWh)	£s of revenue generated divided by kWh of electricity consumed in a year, measured year-on-year
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Scope and assess GHGs in the portfolio and address their creation, and pay for their offset; understand CO2e intensity	Assessment of carbon footprint using an online tool	Input data into an online platform and pay for the offset per CO2 equivalent emission for the year
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7 CC	Describe in further detail the key targets.
-----------------------	---

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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- Processes for climate-related risks are integrated into overall risk management

	Please describe
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Climate risk and opportunity is directly or indirectly addressed by 11/50 of our annual E,S and G metrics assessed within each portfolio company. It therefore co-exists with other material ESG risks. It is material, and important, that these are extrapolated into commercial consequence to create business recognition, understanding and ultimately, positive action.

- Processes for climate-related risks are not integrated into overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

Innovation

SG 18	Voluntary	Private	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Our ESG monitoring tool is advanced in comparison to other monitoring tools we have come across amongst our lower-mid-market competitors. It contains 50+ metrics, with 11 geared toward climate risk and opportunity. It is thereby bespoke to materiality within each portfolio company and completed alongside management, thereby enabling us to deliver ESG objectives that drive value or offset risk, annually, and specifically to each portfolio company. We have shared it widely with peers, to enable them to establish their own RI/ESG approach - and further the overall RI goals of the UK PE industry. That is an unusual approach in private equity, which is typically 'closed door' to the competition.

RI/ESG is deemed "good practice" at our firm and therefore should naturally be a "business as usual" pursuit amongst portfolio companies that is monitored and congratulated. We seek to extend this out by adding 3-6 unique objectives every year, for each company, that would otherwise not have been pursued. This represents NorthEdge positively shifting the risk/reward balance of ESG across our portfolio companies, in a manner we have not seen adopted elsewhere. This can also trigger a bespoke project within the life of an investment, that is adaptive to change, and focussed upon delivering a positive ESG/RI outcome (e.g. Belfield Group, discussed earlier, where we have introduced the local university to Carbon map competitor products and also support the development of a recyclable sofa, as part of the circular economy).

We have offset our CO2e emissions at GP-level and expect to build upon IC20 to launch a CO2e tool for all PE/VC houses to utilise during 2020 for their portfolio companies to assess their Carbon footprints, as part of the working group looking to establish a UK equivalent of Initiative Carbone.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

	Private equity
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	Do you disclose?
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- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

	Disclosure to clients/beneficiaries				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #0072bc; color: white; width: 15%;"></td> <td style="background-color: #0072bc; color: white; padding: 5px;">Disclosure to clients/beneficiaries</td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other </td> </tr> </table>		Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other	
	Disclosure to clients/beneficiaries				
<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #0072bc; color: white; width: 15%;"></td> <td style="background-color: #0072bc; color: white; padding: 5px;">Frequency</td> </tr> <tr> <td colspan="2" style="padding: 5px;"> <input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested </td> </tr> </table>		Frequency	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
	Frequency				
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested					

We convey this information through an ESG specific section of our Managing Partners' quarterly report to LPs, as well as through a more substantive annual review issued to our LPs, via specific ESG presentations at our annual investor meetings and through our portfolio monitoring approach (as detailed in the prior question).

NorthEdge Capital LLP

Reported Information

Private 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	Voluntary	Private	Descriptive	PRI 1-6
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PE 01.1 Provide a brief overview of your organisation's approach to responsible investment in private equity.

Our investment mandate and principles are well-aligned with responsible investment practices. For instance, we generally take equity stakes in businesses headquartered in the North of England & the Midlands that have a low level of residual RI/ESG risk. In our 20-year track record, we have not invested in an oil & gas or extractive business.

We will screen each investment according to pre-set criteria (approximately 1/10 investments are screened out) and work to understand any RI/ESG risks pre-deal (whilst simultaneously identifying opportunities), including (if required) a plan of redress post-deal ("active ownership").

We work closely with management to assist in the delivery of their business plan. This enables us to pursue an active ownership approach, part of which involves embedding ESG in the companies we back. This is functionally implemented through a mandatory, annual review of ESG at each portfolio company (completed with management: CEO and/or CFO, along with the NorthEdge Board representative). The core purpose of this exercise is to create a base-line ESG performance analysis across each company (over 50 metrics are tracked across E, S and G matters - in a format where progression can be tracked year-on-year and compared across the portfolio). As part of this exercise, we leverage ESG training (and a horizon scanning brief to our investment and portfolio teams in every Q1), as well as our cross-portfolio knowledge, to drive relevant target setting with regard E, S or G value creation/protection opportunities over the upcoming calendar year. These objectives go through Board-level sign off at each portfolio company. We have seen this drive improved ESG performance amongst our portfolio companies - in-life, and at exit.

Furthermore, we aggregate our portfolio company ESG data to provide a holistic view of the portfolio - highlighting concentration risks, as well as overall ESG related opportunities and concerns.

Our approach to RI is also embedded in each "department" of our management company through education around RI (completed for every new joiner, regardless of department), and also reflected in the honest and transparent approach which we take to working with our stakeholders. It is also captured on our website: "Our focus is always on value creation and capital return to benefit our stakeholders. Financial return is at the core of our dealings but we are responsible in our approach and work hard to behave "in the right way". Our people and our networks are the lifeblood of our business and the basis of our financial performance."

PE 02	Mandatory	Public	Core Assessed	PRI 2
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PE 02.1 Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

- ☉ Our investment activities are guided by a responsible investment policy

PE 02.2 Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

Staff

Each member of staff, regardless of department, is trained in our house approach to RI as part of their induction process.

Every year, we hold a firm-wide training day, encompassing refresher training (and insight from our horizon scanning) on RI and ESG matters.

Our RI policy is reviewed and renewed annually; signed off by our Managing Partner.

This policy is available via our website, and through our intranet - 'Nexus'.

At strategy days, our Partners will emphasise the importance of ESG to our firm, to our LPs, and therefore the expectations from staff.

Portfolio Companies

Every new portfolio company is issued with a letter from our Managing Partner, dedicated to and specifically highlighting the importance of RI and ESG to NorthEdge, and requesting their support in its integration at portfolio company level.

The NorthEdge Board representative is then tasked with following up to integrate our ESG approach through active ownership, utilising our ESG tools developed in-house, which they are trained to utilise at their disposal.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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PE 03.1

Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

- Yes

PE 03.2

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

PE 03.3

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

In our most recent PPM, we provided in-depth "answers" to the following ESG/RI related questions (covering each of the above areas):

- 1) Does the Manager have Environmental, Social and Governance (ESG) standards? If yes, please describe (*this covers our approach to ESG by policy, pre and post deal*)
- 2) Please describe your policy regarding investment ethics (e.g. investments in certain industries, countries, avoidance of certain practices, etc.)
- 3) Please describe your procedures for environmental impact due diligence
- 4) Do you expect to use any internal or external specialists for guidance on ESG-related risks?
- 5) Have you signed the UN Principles for Responsible Investment (UNPRI)?
- 6) Have you at any time held an investment in a company that directly produced weapons or tobacco?

- No
- Not applicable as our organisation does not fundraise

PE 04	Voluntary	Private	Additional Assessed	PRI 4
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PE 04.1 Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.

Yes

If yes

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by investors
- In side letter(s)
- Other

No

PE 04.2 Additional information. [OPTIONAL]

We abide by a shortlist of specific investment exclusions, as requested by our LPs - these are aligned to ESG matters.

Our LPA comprises formal commitments to incorporate ESG into our investment lifecycle and processes.

Pre-investment (selection)

PE 05	Mandatory	Public	Gateway	PRI 1
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PE 05.1 During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

Yes

PE 05.2 Describe your organisation`s approach to incorporating ESG issues in private equity investment selection.

At first stage investment review

Our RI policy is the first 'port of call' for incorporating ESG concerns into our investment approach. The RI policy sees approximately 1/10 (otherwise would be introductory papers - the first stage of our investment process); rejected from further deliberation. In the past, this has been driven by business activities (e.g. in the defence supply chain) or lack of governance (e.g. an opaque corporate structure with limited, rational explanation).

At phase I investment committee review

We implement ESG screening ahead of commencing any 3rd party due diligence. Each new business executive, prior to presenting to IC, is required to liaise with the company to complete our ESG screening document. This ESG "screen" is the tool that incorporates ESG issues and opportunities in our investment selection. The screen requires clarification that the business does not clash with the UN Global Compact 10 Principles, our 'restricted' investments (per our RI policy) and a written testimonial on the methods used to establish initial compliance (+ further ESG developments possible post-investment), covering items from REI to climate-risk.

This is signed off by the deal team following completion with a C-Level exec from the target company and submitted to investment committee, alongside their request to approve non-contingent deal fees.

Any opportunities which breach certain elements of the screening exercise are mandated to a review by our CFO.

This screening document serves to inform Investment Committee of the ESG risks and opportunities inherent in the investment opportunity they are considering, to help guide their questions - and ultimately, guide those of 3rd party due diligence providers.

For example, the screening exercise has previously identified a business heavily engaged in agri-chem where we subsequently engaged a due diligence provider to assess the end-uses of these agri-chems as well as any known side-effects of their use. It has also identified weak and ineffective health, safety and environmental practices in a different business, which encouraged IC to double the proposed due diligence spend on the related work-stream.

Pre/Shortly post-completion

The 3rd party and NorthEdge due diligence will be incorporated into the 100-day plan under a dedicated ESG section.

This next juncture is again fully linked through to our RI policy, following through on the areas that were identified for improvement through active ownership during the investment screening process.

No

PE 06	Mandatory	Public	Core Assessed	PRI 1,3
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PE 06.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
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- 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

Management interaction and engagement with the process (i.e. a qualitative assessment of the importance they place upon ESG).

We do not track this information

PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
----------------	---

Our investment screen will include direct engagement with the company. We will perform a desktop search on accreditations, industry standards and ad-hoc analysis (e.g. trading countries or key supplier relationships). We will seek specific external due diligence projects where deemed necessary by the investment team or by Investment Committee.

PE 07	Voluntary	Private	Additional Assessed	PRI 1,2
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PE 07.1

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.

Yes

If yes

- Formally/through a post-investment action plan or value enhancement plan
- Verbally/through dialogue
- Other, specify

PE 07.2

Describe the nature of these improvements and provide examples (if any) from the reporting year

Verbal: Prior to investment, our deal team informs management of our commitment to ESG. Immediately prior to going through our monitoring tool for the first time, our Managing Partner sends a letter outlining the why and how of our approach to ESG - imparting the importance of their support and commitment to it. Our deal team representative will then perform an ESG presentation for management and guide them through the completion of our monitoring tool. The tool is completed by 100% of the portfolio, with exception only for those in an exit process. For each, improvement opportunities across environmental, social and governance metrics are identified for the next calendar year.

Legal Documentation: In all new investments, we are also instilling adherence to our ESG approach into the legally binding acquisition documents through the investment agreement. Furthermore, ESG matters identified during our due diligence or screening exercise, are captured in a specific tab in our legally binding 100-day plan. For example, at Future Industrial Services, we made quality, health, safety and environmental improvement efforts (as highlighted by our EDD) a condition precedent of the transaction. In 2018, FIS was then recognised as the BVCA's Responsible Portfolio Company of the Year.

We do not set expectations for portfolio companies on ESG-related considerations

PE 08

Voluntary

Private

Additional Assessed

PRI 1

PE 08.1

Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

PE 08.2	Indicate how ESG issues impacted your private equity investment deals during the reporting year.
----------------	--

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100-day plan
- 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 deal structuring process
- Other, specify
- We do not track this potential impact

PE 08.3	Additional information. [OPTIONAL]
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We highlight that ESG issues are ALWAYS considered - hence, we have ticked 'considered but not impacted' - as risks and opportunities are often not sufficiently material to impact terms or investment appetite.

However, a range of ESG risks and opportunities are discussed at our weekly new business meeting - this is where deals are sifted in and out of contention, or terms discussed. There were numerous examples during the reporting period under the headings above where an investment opportunity has been declined (for the most material); legal conditions/security enforced through negotiation; or commercial terms altered to reflect the ESG risk identified.

Post-investment (monitoring)

PE 09	Mandatory	Public	Gateway/Core Assessed	PRI 2
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PE 09.1	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
----------------	---

- Yes

PE 09.2	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
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- >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 09.3	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

Example 1

£ of revenue per m3 of water consumed

Example 2 (optional)

£ of revenue per Kwh of electricity consumed

Example 3 (optional)

Assessment of climate change risk: customers, suppliers and competitors (e.g. is dual-sourcing demonstrated in the supply chain; and is innovation eco/SDG aligned)

Social

List up to three example targets of social issues

Example 1

Average hours training per employee and qualitative examples of employer/employee support/further education

Example 2 (optional)

Lost days (absenteeism), linked through to illness and H and S incidents

Example 3 (optional)

Diversity and equal opportunities (ethnicity and gender): gender pay gap reporting (in companies with more than 250 employees); policy; and overarching approach

Governance

List up to three example targets of governance issues

Example 1

Supply chain sustainability policy in place and recognised by the Board: supply chain mapping (single points of failure; dual supply options; risk assessment post-Brexit)

Example 2 (optional)

Depth of cyber security approach (e.g. remotely back up servers hourly, shadowing, training of staff, and up-to-date software)

Example 3 (optional)

Whistle blowing, anti-bribery, anti-corruption, gender pay gap reporting and diversity/equal opportunity policies in place

We do not set and/or monitor against targets

No

PE 09.4	Additional information. [Optional]
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These represent "snippets" of the far wider targets and KPIs set for our portfolio companies, bespoke to each company, from the 50+ E,S & G metrics that we track across every company.

PE 10	Mandatory	Public	Core Assessed	PRI 2
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PE 10.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
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Yes

PE 10.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
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- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 10.3	Additional information. [Optional]
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Almost every company will have an environmental, AB, AML and equal opportunities policy - upon our encouragement - and furthermore, will consider a whistle blowing, MSA, gender pay gap and diversity policies through our active ownership approach.

PE 11	Voluntary	Private	Additional Assessed	PRI 2
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PE 11.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.
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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)

- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues

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

- Developing/implementing an environmental/social management system (ESMS) or similar

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

- Other actions, specify

- None of the above

PE 11.2

Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.

Our ESG monitoring tool is designed to elicit opportunities and risks that would have otherwise not been noticed, were it not for taking an ESG perspective, along with capturing the more standard ESG risks and opportunities that most companies should/would be adhering to under BAU. This "shining of a light" helps expand the understanding of the management team as to the risks and opportunities that their business is facing, or contributing to. Awareness is a key hurdle to Action - and this exercise unlocks it through our direct intervention.

Secondly, we have built (and continue to build) a store of documentation to support ESG in portfolio companies. To date, this includes a template environmental policy and guide, several tiers of template supplier surveys (i.e. supply chain sustainability) and referenced consultants in the space to provide 3rd party expertise on niche subject matter, amongst other materials. As our ESG track record continues to grow and develop year on year, so does our capability to support portfolio companies with such documentation and expertise. Furthermore, since we "connect" every portfolio company - we are seeing increased leverage of ESG best-practice from one company to another, through dissemination of best practice and horizon-scanning informed training completed with our deal and portfolio teams. Companies on a stand-alone basis would rarely achieve this virtuous circle effect.

Thirdly, we keep a record of firms who are specialists in ESG fields, facilitating introductions to portfolio companies, where necessary. Our reach is far deeper than portfolio companies in isolation, in this regard.

Finally, we maintain a regular flow of best practice: this year we introduced all companies to best practice emergency response packs. In train for 2020: a free, user-friendly, CO2e calculator and reporting tool.

PE 12

Voluntary

Private

Descriptive

PRI 2,3

PE 12.1

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

Type of reporting

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

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

Standalone reports highlighting targets and/or KPIs covering ESG issues

Typical reporting frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

These will typically be project-specific (e.g. KPI dash for plastics reduction at Clearly Drinks, a manufacturer of soft-drinks)

- Other, specify
- No reporting on ESG issues requested and/or provided by portfolio companies

PE 12.2	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
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Our ESG monitoring tool is completed for each portfolio company during the first Q1 of our ownership. The prior calendar year (if applicable) is reviewed, and the tool completed for the next calendar year. Our approach is therefore "rolling, annual", capturing a baseline and their development profile under our ownership.

PE 13	Voluntary	Private	Additional Assessed	PRI 2
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PE 13.1	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.
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- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

PE 13.2	Apart from disclosure, describe how your organisation considers ESG issues at exit.
----------------	---

We incorporated ESG issues into our legal and operations data room folders on the exit of Direct Healthcare Group to ArchiMed PE, this covered how the firm's technology is utilised to release nursing time back to care, innovative care solutions & supply chain sustainability. Our approach is to disclose all pertinent matters.

In practice, we are always managing our investments to a future exit and therefore throughout our ownership period, we are seeking to manage and mitigate risk, as well as capture opportunities, with the ultimate goal of an 'exit'.

Fundamentally, an 'exit' is a culmination of that active ownership effort and 'exit planning' (i.e. measuring what needs to be done from an ESG perspective to reach a certain EBITDA multiple).

Outputs and outcomes

PE 14	Voluntary	Private	Additional Assessed	PRI 1,2
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PE 14.1	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts the financial performance of investments

Describe the impact on:	Impact
Financial performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PE 14.2	Describe how you are able to determine these outcomes.
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We are tracking electricity and water usage per £ of revenue across the portfolio. This focus, and the associated effort to drive improvement in these measures, is analogous to improved financial performance through operating/gross margin of profit.

However, it is difficult to quantify "ESG" as a financial metric. By its very nature, our ESG-related efforts are geared toward improving the business - which is best reflected in the quality of the business and its prospects - and by extension, the EBITDA multiple applied to its earnings.

It is then challenging to split out multiple arbitrage by specific ESG or non-ESG relevant improvement made at the business.

Rather, we adhere to ESG and RI, for what we believe is a solid business principle that good ESG/RI builds a better, more valuable business, on the ultimate exit thesis that it will have improved the quality of the underlying business and by extension, the sustainability of its earnings - which are all accretive to an improved exit multiple.

This can be captured through our exit review of DW3 Group in 2018, for example, which we presented to our LPs with the following commentary:

DW3 had a people challenge at the outset - significant absenteeism, low morale, resulting in poor workmanship, therefore a high level of defects, subsequent returns and reduced customer satisfaction (thereby constraining sales growth and profit margins). We drove a change in culture through the CEO by encouraging and sanctioning new investment, outside of the agreed business plan, in new staff facilities and training. We introduced the concept of energy efficient technologies and operational excellence through improved IT and systems. The new staff toilets and canteen drastically improved morale. The CEO established a set of 'DW3 values', and openly published the 3-year plan. Beside this, group wide customer surveys were introduced; key suppliers visited for single supplier dependencies and SCS efforts enacted. The results...

Environmental

From 16 initiatives at entry, to 16 at exit (nil%)
 From an average score of 5.2, to 6.1 (+17%)

Social

From 12 initiatives at entry, to 15 at exit (+25%)
 From an average score of 5.9, to 7.7 (+31%)

Governance

From 14 initiatives at entry, to 16 at exit (+14%)
 From an average score of 5.0, to 7.4 (+48%)

Exited for 7.9x EV/EBITDA (>100% increase in EBITDA multiple)


PE 15	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 1,2
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PE 15.1 Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.

Add Example 1

Investment Stage	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0072bc; color: white; padding: 2px; margin-bottom: 5px;">ESG issues</div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Employer/employee safety; reputation; and social responsibility <input checked="" type="checkbox"/> Governance Reputational risk due to end-customers and product use, as well as AB/AML concerns
Sector(s)	Manufacturing (Drone Engines)
Impact (or potential impact) on the investment	We were introduced to an attractive investment opportunity. However, the deal team reviewed the business against our RI policy and referred it to our CFO and Head of ESG for review. The potential impact was three fold: (1) reputational impact from the business activities, which could be perceived as one-step removed from warfare; (2) social risk in the management of employee/societal relationships, given historic protest action outside the manufacturing plan; & (3) governance in the contracts sold into governments.
Activities undertaken to influence the investment and its response	Following a deep-dive desktop review, we declined to progress our interest in the opportunity, based upon the ESG matters outlined above since there were material amber flags from an ESG perspective, and an active ownership approach would not sufficiently redress the issues to our satisfaction.

Add Example 2

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	 <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance Material cyber security weaknesses identified
Sector(s)	Financial services
Impact (or potential impact) on investment	Should stakeholders of the target business become aware of the issue, there would be severe consequences for the business. Given the sector, this financial, commercial risk, was compounded by potential regulatory risk for the firm, and for NorthEdge.
Activities undertaken to influence the investment and its response	We extended the scope of the cyber security due diligence and invoked a commitment in the Investment Agreement to execute upon the 100-day plan actions with regard shoring up cyber security in the business. Ultimately, we deemed that our active ownership approach would provide sufficient redress to the identified weakness and vulnerability, such that at exit, it would not exist.

Add Example 3

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> ESG issues </div> <input checked="" type="checkbox"/> Environmental Overt supply chain risk identified in forestry <input checked="" type="checkbox"/> Social Significant consumer shift identified, away from core product set <input type="checkbox"/> Governance
Sector(s)	Manufacturing
Impact (or potential impact) on investment	Through our annual ESG monitoring approach and horizon-scanning exercise, it became apparent that FSC certification for timber was insufficient protection for a business in a market environment where the Amazon and Australia was burning. We also noted that Greenpeace had dropped FSC. Therefore, the risk was a consumer backlash against the product (and its B2B customers), for their contribution.
Activities undertaken to influence the investment and its response	<p>We jumped into active ownership mode and have created an independent audit procedure for the sourcing of sustainable timber.</p> <p>We have introduced a 3rd party expert consultant to guide in this program.</p> <p>We also introduced Manchester University to support in the development of a recyclable sofa, as part of the circular economy, and to identify the carbon footprint of core products viz a viz the competition - to ensure commercially, the business can become differentiated on it's eco-credentials.</p>

Add Example 4

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input checked="" type="checkbox"/> Environmental Climate change has created a physical risk in the supply chain <input checked="" type="checkbox"/> Social Climate change has provoked a material risk to the growth outlook of the business <input type="checkbox"/> Governance
Sector(s)	Travel (HNW)
Impact (or potential impact) on investment	Ignored, the business would face a lower EBITDA multiple at exit, lower revenues, and reduced profitability through supply chain disruption and dissatisfied customers.
Activities undertaken to influence the investment and its response	A Caribbean-focussed, high-net worth travel concierge <ul style="list-style-type: none"> ▪ We have recognised the long-term risk of 'Flygskam' (localisation trends) to ITC's core product portfolio as well as the increasing severity and less predictable nature (time of year and geography) of extreme/adverse weather events ▪ Such risks materialised post-investment and have required active management of customer, operational and exit multiple challenges. In response, we have worked with management to: <ul style="list-style-type: none"> ▪ Identify a bolt-on acquisition (in exclusivity) that will substantively expand the product portfolio into a new continent, thereby reducing product concentration and risk ▪ Guided management to review and refresh key supplier contracts to enable flexibility in their ability to pursue refunds in the advent of extreme/adverse weather events and thereby maintain customer satisfaction and profitability

Add Example 5

PE 15.2 Describe how you define and evaluate the materiality of ESG factors.

An ESG factor is deemed material if it has the potential to disrupt the sustainability of earnings of the company, or its or NorthEdge's reputation (a material ESG factor will threaten a businesses licence to operate - and clearly trip these tests).

We believe those three base metrics provide sufficient 'capture' across the spectrum of ESG risks and opportunities to identify those which merit IC attention as well as trigger our immediate active ownership response, due diligence and/or investment screening.

Communication

PE 16	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 6
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PE 16.1

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

We take a pro-active approach to any ESG-related issues in portfolio companies. Alongside our quarterly and annual ESG reporting to our investors, we have committed to inform investors as soon as practical following a major ESG incident and are working to bespoke this reporting to ESG factors which specific LPs hold most dear. We completed a project with Manchester Business School this year to match our LPs with those RI/ESG matters that appeared, publicly, most important to them.

ESG is reported quarterly and annually as part of our normal reporting procedures. Our incident reporting is therefore approached on a case-by-case basis. For a specific incident, it would be relayed by our Managing Partner, direct to the LP(s).

We have also reviewed our LPs 'profiles', to create a bespoke materiality threshold topic for each - depending on their public ESG priorities.

NorthEdge Capital LLP

Reported Information

Private version

Confidence building measures

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.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 01.2 Additional information [OPTIONAL]

Prepared by our RI professional; reviewed and signed off by our CFO.

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1 Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 04.3 Additional information [OPTIONAL]

We are a small fund, c30 people, and therefore internal, multi-layered assurance is our preference.

CM1 06	Mandatory	Public	Descriptive	General
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CM1 06.1 Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities
- RI policies

Specify

Review of ESG tool use

- RI related governance
- Investment selection process in non-listed assets
- ESG incorporation in selection process for private equity investments
- Other

When was the process assurance completed(dd/ mm/yy)

13/06/2019

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

Specify

Internal audit of our ESG monitoring tool by our Compliance Consultant, Rebecca Hume (Bilby Consulting).

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)