



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the ability to make informed decisions on investments for which they are responsible, investors can contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. This is done through the use of their capital and influence to drive positive change in the companies and sectors in which they invest.</p> <p>Investors should consider the impact of their investments on the environment, society and governance (ESG) factors, and should engage with the companies and sectors in which they invest to drive positive change.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company reports</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input checked="" type="checkbox"/> To engage investor ESG advisors</p> <p><input checked="" type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with internal staff</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company reports</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company reports</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with service providers</p>		

# PRIVATE RI REPORT

## 2016

Charterhouse Capital Partners LLP

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the 2016 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 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	✓	Private							✓
OO 10	Additional information about organisation	✓	Private							✓
OO 11	RI activities for listed equities	🔒	n/a							✓
OO 12	RI activities in other asset classes	✓	Public							✓
OO 13	Modules and sections required to complete	✓	n/a							✓

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	RI goals and objectives	✓	Public							✓
SG 05	Main goals/objectives this year	-	n/a							✓
SG 06	RI roles and responsibilities	✓	Public							✓
SG 07	RI in performance management, reward and/or personal development	✓	Private							✓
SG 08	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09	Promoting RI independently	✓	Public				✓			
SG 10	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
SG 11	ESG issues in strategic asset allocation	-	n/a	✓						
SG 12	Long term investment risks and opportunity	✓	Private	✓						
SG 13	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 14	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 15	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 16	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
SG 17	Innovative features of approach to RI	-	n/a							✓
SG 18	Internal and external review and assurance of responses	✓	Private							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	-	n/a	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	-	n/a				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Private	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PE 11	Encouraging improvements in investees	-	n/a	✓	✓					
PE 12	ESG issues impact in selection process	✓	Private	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Private		✓					
PE 16	Type and frequency of reports received from portfolio companies	-	n/a		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	-	n/a		✓					
PE 18	ESG issues affected financial/ESG performance	-	n/a	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	-	n/a	✓	✓					
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

Closing Module				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 01	To what extent has the Reporting Framework captured your implementation of the Principles.	✓	n/a							✓
CM 02	Suggestions or comments on the Reporting and Assessment process	-	n/a							✓
CM 03	Reporting & Assessment contact	✓	n/a							✓
CM 04	Final review before submission	✓	n/a							✓
CM 05	Submit your responses	✓	n/a							✓
CM Fin		-	n/a							

# Charterhouse Capital Partners LLP

## Reported Information

### Private version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

- Fund of funds, manager of managers, sub-advised products
- Other, specify
- Execution and advisory services

OO 01.2

Additional information. [Optional]

Charterhouse is an independent private equity house which has invested in European buyouts since the early days of the market in the 1980s. We are owned by our team and focus solely on private equity investing.

OO 02

Mandatory

Peering

General

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

46

OO 03

Mandatory

Descriptive

General

OO 03.1

Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2015

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		5	700	000	000
Currency	EUR				
Assets in USD		6	214	173	179

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	>50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0



Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish our asset class mix as per attached image [Optional].

<b>OO 09</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

<b>OO 10</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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**OO 10.1** Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Charterhouse is highly selective, targeting a small number of investments in companies with attractive fundamentals. It has completed more than 140 transactions worth an aggregate in excess of €50 bn in value, based on its long-held strategy of acquiring well-managed, high quality businesses. Growth is the core driver of its returns, whether achieved organically, by acquisition or through business model transformation.

Partnering with management is key to the Charterhouse investment philosophy. It backs incumbent management teams and provides active support to drive growth in its portfolio businesses. Its success has been built on recognising and rewarding management with equity ownership in each transaction.

Charterhouse believes that the long-term financial success of its portfolio companies can be positively influenced by robust management of environment, social and governance opportunities and risks. As part of the formalisation of its ESG management process, it has established an ESG Committee which meets regularly and is responsible for the oversight of our ESG approach and policy, and the implementation thereof. The ESG Committee members include the Managing Partner as well as representatives of the Investment Team and as such presents a senior management decision-making platform on ESG issues.

The formalisation of the ESG process also includes ongoing monitoring of the ESG opportunities and risks, both at Charterhouse corporate in-house level and at portfolio company / investment level.

## Gateway asset class implementation indicators

OO 12	Mandatory	Gateway	General
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**OO 12.1**

Select internally managed asset classes where you implemented responsible investment into your investment decisions and/or your active ownership practices (during the reporting year)

- Private equity
- None of the above

OO 13	Mandatory	Gateway	General
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**You will need to make a selection in OO 13.1 only if you have any voluntary modules that you can choose to report on.**

**OO 13.1**

You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list below.

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

# Charterhouse Capital Partners LLP

## Reported Information

### Private version

### Strategy and Governance

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## Responsible investment policy

SG 01

Mandatory

Core Assessed

General

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 type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific 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 what norms have you used to develop your RI policy.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

ILPA Due Diligence Questionnaire

- Other, specify (2)

other (2) description

PRI ESG Due Diligence Framework

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

No

SG 02	Mandatory	Core Assessed	PRI 6
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**SG 02.1** Indicate which of your investment policy documents (if any) are publicly available. Provide URL and an attachment of the document.

- Policy setting out your overall approach
- Asset class-specific guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

**SG 02.2** Additional information [Optional].

SG 03	Mandatory	Core Assessed	General
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**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.

Charterhouse is focussed solely on its private equity fund management business. We do not manage other types of funds and nor do we have a corporate advisory business. This enables conflicts of interest to be kept to a minimum. Should any potential conflicts of interest arise, Charterhouse has well established practices and procedures for dealing with such matters.

No

## Objectives and strategies

SG 04	Mandatory	Gateway/Core Assessed	General
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**SG 04.1**

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 reviewed

## Governance and human resources

**SG 06****Mandatory****Core Assessed****General****SG 06.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Charterhouse Partners**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
  - Investment Team Members**

Other description (1)

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

Other description (2)

ESG-person, part-time

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

**SG 06.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The RI oversight, accountability and implementation responsibility is executed at various levels within Charterhouse under the supervision of the Charterhouse ESG Committee. The members of the ESG Committee include the Managing Partner (CEO), representatives of the Investment Team, the Firm's Legal Counsel, the Investor Relations Director and the ESG-responsible person. The Committee formulates the Charterhouse ESG approach and policy and oversees its incorporation at all levels of activity within Charterhouse, both in-house as well as at an investment and external / portfolio company level.

Members of the Investment Team are responsible for addressing ESG concerns encountered in potential and current fund portfolio companies. Charterhouse has also shared its ESG approach and policy with various consultants with whom it works to ensure that ESG issues are addressed by those assisting the firm, e.g. in relation to investment due diligence and portfolio company initiatives.

Charterhouse has an investment monitoring committee which reviews each portfolio company on a regular basis and this committee's remit includes the monitoring of ESG matters.

As part of the ESG formalisation process, Charterhouse has assigned an ESG-responsible person who is responsible for the implementation of an ESG monitoring framework both internally and externally. This person is also responsible for the analysis of ESG data gathered from portfolio companies and for assisting with the implementation of the ESG committee recommendations.

**SG 06.3** Indicate the number of dedicated responsible investment staff your organisation has.

Number

0.50

SG 07	Voluntary	Additional Assessed	General
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**SG 07.1** 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), Investment Committee**

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

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

**Charterhouse Partners**

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

**Investor relations**

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

**Other role**

**Investment Team Members**

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

**Other role**

**ESG-person, part-time**

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



**SG 07.3**

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

Charterhouse has a relatively modest number of Investment Team and Support Team members. This, in practice, manifests in members being responsible for decisions at Charterhouse corporate level which define its ESG approach as well as the actual implementation and monitoring of ESG issues at portfolio level. Charterhouse considers responsible investment an integral part of effective and efficient portfolio management. ESG matters will be among those factors considered during performance assessments of partners and employees undertaken by relevant committees or boards.

## Promoting responsible investment

**SG 08**

**Mandatory**

**Core Assessed**

**PRI 4,5**

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

**SG 08.1**

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 become a signatory of the PRI in October 2013.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action for the 21st Century
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
PEI Responsible Investment Forum 2015

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

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

<b>SG 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SG 09.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes
- No

**Implementation not in other modules**

<b>SG 12</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 12.1** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you consider.

- Changing demographics
- Climate change

**SG 12.2** 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
- 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

other description

Risks and opportunities, where material, are considered as part of the wider ESG considerations both in pre-acquisition diligence and on-going portfolio company review.

- None of the above

<b>SG 12.3</b>	Indicate which of the following tools you use to manage emissions risks and opportunities
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- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify

<b>other description</b>
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Risks and opportunities, where material, are considered as part of the wider ESG considerations both in pre-acquisition diligence and on-going portfolio company review.

- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

<b>SG 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

<b>Assurance of responses</b>			
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<b>SG 18</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>SG 18.1</b>	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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- Yes

<b>SG 18.2</b>	Indicate who has reviewed, validated and/or assured your reported information.
----------------	--------------------------------------------------------------------------------

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name
- Other, specify

other description

The Charterhouse draft PRI report was reviewed by ERM.

No

# Charterhouse Capital Partners LLP

## Reported Information

Private version

Direct – Private Equity

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## Overview

PE 01	Mandatory to Report Voluntary to Disclose	Descriptive	General
PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.		

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)	
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	
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		<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify		<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
<b>Total</b>	<b>100%</b>	

PE 02	Mandatory to Report Voluntary to Disclose	Descriptive	General
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**PE 02.1** Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**PE 04**

**Mandatory**

**Core Assessed**

**PRI 2**

**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

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

## Fundraising of private equity funds

**PE 05**

**Mandatory**

**Core Assessed**

**PRI 1,4,6**

**PE 05.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PE 05.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

**PE 07**

**Mandatory**

**Gateway**

**PRI 1**

**PE 07.1** During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

**PE 07.2**

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

Charterhouse adopted a formal ESG policy in 2013 following a project undertaken jointly with ERM, a former Charterhouse portfolio company.

Every effort is made during the due diligence phase relating to a target portfolio company to identify all of the potential risks and opportunities, including ESG matters. The Charterhouse investment process requires the Investment Team to confirm the absence of ESG concerns relating to a potential investment or explain what these are and what is being done to address them. Investment Committee papers must address ESG issues, as must any early stage notes about a transaction. Charterhouse has previously rejected transactions due to ESG and reputational concerns.

If ESG concerns are identified at any stage of a transaction, further due diligence is undertaken and, where necessary, specialist consultants may be instructed.

Charterhouse expects portfolio companies to operate in accordance with Charterhouse's ESG principles, ensuring the absence of any ESG conflicting factors. In the event of an ESG conflict arising, Charterhouse expects open communication with portfolio company management such that the conflict can be dealt with quickly and efficiently. Furthermore, in the event that Charterhouse seeks to make improvements to a portfolio company's ESG performance, Charterhouse would expect full cooperation and support from portfolio company management.

No

PE 08	Voluntary	Descriptive	PRI 1
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**PE 08.1**

Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.

- Internal staff
- External resources
- No use of internal or external advice on ESG issues

PE 09	Mandatory	Core Assessed	PRI 1,3
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**PE 09.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

**ESG issues**

- Environmental

List up to three typical examples of environmental issues

- Permitting and compliance
- Water and waste management
- Legacy issues such as soil and groundwater contamination issues

- Social

List up to three typical examples of social issues

- Health and safety
- Labour and working conditions
- Supply chain management

Governance

List up to three typical examples of governance issues

Poor governance and transparency

Policies protecting employees - Health & Safety, Anti-discrimination

Anti-Bribery & Corruption

<b>PE 10</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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**PE 10.1** Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

**PE 10.2** Additional information.

Charterhouse considers any ESG issues that may be specific to a potential investment company.

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

<b>PE 12.2</b>	Indicate how ESG issues impacted your private equity investment deal structuring processes during the reporting year.
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- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

**Post-investment (monitoring and active ownership)**

<b>PE 13</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>PE 13.1</b>	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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Yes

<b>PE 13.2</b>	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)

<b>PE 13.3</b>	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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**ESG issues**

Environmental

List up to three example targets of environmental issues
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- Environmental risk
- Waste minimisation
- Personnel responsible for environmental impact

Social

List up to three example targets of social issues
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- Employee engagement in internal and external ESG supportive projects
- Absence of slavery
- Engagement / recruiting from local community

Governance

List up to three example targets of governance issues

Bribery & Corruption policies

Health & Safety of employees

Anti-discrimination policies

We do not set and/or monitor against targets

No

PE 14	Mandatory	Core Assessed	PRI 2
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**PE 14.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 14.2** Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 15	Voluntary	Additional Assessed	PRI 2
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**PE 15.1** 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.

#### 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

**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)

- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies  
 51-90% of portfolio companies  
 10-50% of portfolio companies  
 <10% of portfolio companies  
 We do not track this information

(in terms of total number of portfolio companies)

- Define when engagements with stakeholders should be carried out to discuss ESG issues

**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)

- Other actions, specify  
 None of the above

## Communication

PE 20	Mandatory	Core Assessed	PRI 6
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**PE 20.1** Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

**PE 20.5** Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

Charterhouse is frequently requested to complete ESG questionnaires which cover its ESG policy, its ESG approach during the investment cycle, and its monitoring process.

**PE 20.6** Indicate your organisation's typical frequency of disclosing ESG information to your clients(LPs)/beneficiaries.

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

LPs frequently request Charterhouse to complete ESG questionnaires as described above.

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

PE 21	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 6
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**PE 21.1** Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

Charterhouse has not had to disclose any ESG incidents to LPs.

Portfolio companies are required to report material incidents, including those of an ESG nature to Charterhouse. If appropriate and warranted, Charterhouse would communicate any such incident to the respective LPs, along with, where appropriate, remedial steps to be taken to address such incident.

# Charterhouse Capital Partners LLP

## Reported Information

### Private version

### Closing Module

## 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.



## Feedback

CM 01	Voluntary	Descriptive	General
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**CM 01.1** Indicate to what extent the PRI reporting framework captures your implementation of the Principles.

Select the most appropriate

- To a large extent
- To a moderate extent
- To a small extent
- Not at all

## Contact details

CM 03	Mandatory	Descriptive	General
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**CM 03.1** Provide a primary and secondary contact person.

Primary contact

First Name	Tom
Last Name	Patrick
Email address	tom.patrick@charterhouse.co.uk

Secondary contact [optional]

First Name	Mirja
Last Name	Weidner
Email address	mirja.weidner@charterhouse.co.uk

## Final review and submission

CM 04	Mandatory	Descriptive	General
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**CM 04.1** Thank you for completing the PRI reporting framework. Click the links below to review how your reported information will be presented in two separate reports: the public RI Transparency Report (to be published on the PRI website) and the Private RI report (confidential, for internal review and use). If you have responded incorrectly to any indicators, please return to these indicators in the Online Reporting Tool and adjust accordingly

Download your reports:

Your private RI report (confidential)		
Your public RI Transparency report (to be published on the PRI website)		

**CM 04.2** Indicate if you give PRI permission to publish your RI Transparency Report. Once your report is submitted, you will not be able to modify your responses and information you have marked as public will automatically be published on the PRI website

- I give the PRI permission to publish any information I have marked as public.

**CM 04.3** In addition to the RI Transparency Report, PRI will also produce an individual assessment report providing feedback on your RI implementation activities and progress. This report and the new PRI assessment methodology is being piloted with signatories. PRI will treat your assessment report as confidential and will not publish it. You will receive a copy of your confidential assessment report in July 2016 once the 2016 reporting period ends and submissions from all signatories have been processed. Indicate if you would like to opt-out of receiving your assessment report

- I would like to receive a copy of my confidential pilot assessment report
- Do not send me a copy of my confidential pilot assessment report

<b>CM 05</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>General</b>
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You can submit your responses to the PRI reporting framework by clicking "I hereby submit my response" and the "Confirm" button.

- I hereby submit my response