



LEA 02	Discipline: Monetary	Principle: PRI 1, 2, 3
<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or other support</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	
	<p><b>Type of engagement</b></p> <p>Collaborative engagements</p>	
	<p><b>Type of engagement</b></p> <p>Service provider engagements</p>	

# RI TRANSPARENCY REPORT

## 2020

IK Investment Partners

## About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

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

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

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	✓	Public							✓
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 03	Largest infrastructure sectors	🔒	n/a							✓
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	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
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	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
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	✓	Public							✓
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	✓	Public	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 04	Formal commitments to RI	✓	Public				✓			
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	✓	Public	✓	✓					
PE 08	ESG issues impact in selection process	✓	Public	✓						
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	✓	Public		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Public	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Public							✓
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	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# IK Investment Partners

## Reported Information

### Public 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 01.2

Additional information. [Optional]

IK Investment Partners ("IK") is a Pan-European private equity firm focused on investments in the Nordics, DACH region, France, and Benelux. Since 1989, IK has raised €10 billion of capital and invested in over 125 European companies. IK funds support companies with strong underlying potential, partnering with management teams and investors to create robust, well-positioned businesses with excellent long-term prospects. For more information, visit [www.ikinvest.com](http://www.ikinvest.com)

OO 02

Mandatory

Public

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

126

**OO 02.4** Additional information. [Optional]

IK has advisory offices in Amsterdam, Copenhagen, Hamburg, London, Paris and Stockholm and fund administration office in Luxembourg.

**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		6	640	000	000
Currency	EUR				
Assets in USD		7	319	280	614

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

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**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets

100



**OO 09.2** Additional information. [Optional]

IK Funds focus on small and mid cap investments in the Nordics, DACH, France and Benelux.

**Asset class implementation gateway indicators**

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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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.

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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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**

<b>OO PE 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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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 (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 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO 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

OO PE  
02.2

Additional information. [Optional]

IK's Mid Cap funds take majority stakes in companies with enterprise values of between €100 million and €500 million, initially investing equity ranging between €60 million and €200 million.

IK's Small Cap funds make controlling investments in companies with enterprise values up to €125 million, investing initial equity of up to €60 million.

IK's Partnership Fund takes minority stakes in established companies with an enterprise value above €200 million.

# IK Investment Partners

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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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 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.

Responsible investment (RI) is integral to IK's business philosophy. We strive constantly to institute and maintain high standards of governance and business ethics within IK and our portfolio companies. Working with management teams, we help them recognise and manage the opportunities and risks associated with ESG factors. IK's RI commitments are based on the following principles:

- Respect for the internationally proclaimed human rights principles
- Equal opportunity independent of gender, race or religion
- Freedom of association and the right to bargain collectively
- Working conditions that surpass basic health and safety standards
- The conduct of good governance practices, in particular in relation to bribery and conflicts of interest
- Environmental responsibility

Identifying ESG-related risks and opportunities is an integral part of the due diligence (DD) process, to which every potential investment is subject. In addition to reviewing the financial data of a company, an analysis of ESG risks and opportunities is also included in the DD process, as IK believes these can have a significant impact on investment performance.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

As a responsible investor, IK commits to the following:

- Integrate IK principles into our decision-making process, by carefully considering ESG issues associated with any potential investment during the due diligence phase
- Encourage portfolio companies to follow IK principles by implementing governance structures that provide appropriate levels of oversight and by seeking disclosure on ESG issues
- Provide ESG training and support to IK employees involved in the investment process, so that they may perform their work in accordance with IK principles and the RI Policy
- Seek to be transparent in its efforts to integrate ESG considerations in investments and annually report on its progress towards implementing IK principles
- Comply with national and other applicable laws
- Help promote the implementation of IK principles throughout the private equity industry
- Consider our alignment with other related conventions and standards set by Invest Europe, the UN Global Compact (UNGC) Initiative and the UN Principles for Responsible Investment (PRI)
- Continuously strive to improve ESG performance within IK and our portfolio companies

No

**SG 01.6**

Additional information [Optional].

IK's RI Policy applies to all investments considered or made by IK Funds. The Policy, which was implemented in October 2012, is reviewed on an annual basis and publicly available at [http://www.ikinvest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinvest.com/globalassets/puff/ik_ri_policy_2020.pdf).

**SG 01 CC****Mandatory to Report Voluntary to Disclose****Public****Descriptive****General**

**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
- No

Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.

At IK, we believe that climate change is a significant challenge to the global economy, society and ecosystems. Therefore, in 2019, we started work on a climate change tool that will enhance our ability to assess different aspects of climate change-related risks of potential investments. Currently, transition and physical climate-related risks and opportunities are identified and addressed in the same manner as other ESG risks. Together with other environmental ESG considerations, climate-related factors are integrated throughout the investment lifecycle.

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

Explain the rationale

At IK, we believe that climate change is an important issue facing both our businesses and the community. However, we have not taken steps to publicly support the TCFD. ESG considerations are integrated throughout the investment lifecycle, which also includes the integration of climate-related factors. Our climate-related initiatives are included in our annual Communication on Progress (CoP) report as part of the UNGC signature.

**SG 01.9  
CC**

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

- Yes

Describe

Climate change is part of our RI Policy. As part of our responsible investment process, we identify ESG risks and opportunities, including climate-related risks and opportunities. In addition, IK measures our GHG (Greenhouse Gas) emissions at a company level on an annual basis as our commitment to address climate change.

- 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

specify

IK publishes an annual UN Global Compact report to state its overall support for climate change. IK reports publicly on the climate-related indicators through PRI.

- We currently do not publish TCFD disclosures

**SG 02**

**Mandatory**

**Public**

**Core Assessed**

**PRI 6**

**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.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

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

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment

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

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<http://www.ikinest.com/Responsibility/Integration-into-the-IK-Way/>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<http://www.ikinest.com/Responsibility/Policy-governance-arrangements/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<http://www.ikinest.com/Responsibility/Integration-into-the-IK-Way/>

Attachment

Reporting

URL/Attachment

URL

URL

<http://www.ikinest.com/globalassets/puff/communication-on-progress-2019-ik.pdf>

Attachment

Climate change

URL/Attachment

URL

URL

[http://www.ikinest.com/globalassets/puff/ik\\_ri\\_policy\\_2020.pdf](http://www.ikinest.com/globalassets/puff/ik_ri_policy_2020.pdf)

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

IK implemented its RI Policy in October 2012. The Policy is reviewed on an annual basis, and it is publicly available on the website.

The RI Policy applies to all investments considered or made by IK Funds. IK's CEO, with the support of the partner group, owns the policy, and is responsible for overseeing its implementation. It is then the IK investment professionals' responsibility to ensure that decisions are taken after careful examination of ESG factors and that IK's RI principles are kept during the entire investment cycle. The effectiveness of the implementation of those principles is monitored through an annual review.

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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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.

IK endeavours to avoid conflicts of interest in the investment process and has introduced a policy on managing potential conflicts of interest. We are aware that potential conflicts can arise between investors in different Funds, and between investors and the firm itself when investing and divesting.

IK's standard and robust investment and exit processes ensure that targets have been considered carefully before proceeding with a bid or declining, and that all exit strategies for portfolio companies are considered and reviewed before any decision is taken to start an exit process. IK can evidence reasoning and mitigation of the risk of conflicts in the investment process through the standard presentations and the decision-making process. Potential conflicts of interest will be dealt with by the IK Coordination Committees and can be elevated to the Advisory Committees as necessary. The Advisory Committees are comprised of investor representatives and other relevant persons. They meet periodically to review investment strategy and performance, review valuations and advise on any identified conflicts of interest. The advisory board makes decisions by a majority vote of those members present at a meeting.

No

SG 04	Voluntary	Public	Descriptive	General
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**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

IK exercises active ownership, and works closely with the management teams of portfolio companies in order to improve ESG performance. IK's investment professionals devote a significant amount of their time to managing the current portfolio, both through their involvement on the boards of directors as well as through regular interaction with management. If a significant ESG-related incident was to take place at a portfolio company or IK, which would materially impact the value of the portfolio company, GP and/or LP, IK would notify the ESG Steering Committee. The ESG Steering Committee will have an understanding of how the incident is being dealt with, which then would be reported to Limited Partners Advisory Committee (within the boundaries of IK's as well as the respective portfolio company's legal agreements with other parties and regulatory or legislative restrictions).

**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



<b>SG 05.2</b>	Additional information. [Optional]
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IK has formed the IK ESG Steering Committee to acknowledge the importance of responsible investment within IK and across its portfolio companies. It provides support, guidance and oversight of IK's ESG progress and decides on ESG initiatives. The Committee consists of IK Partners both from Small and Mid Cap funds, including the CEO and the ESG team. In 2018, IK extended the Committee to non-partners to include support staff from IK. In 2019, the Committee has been further extended to include more members of our operations and investment teams. This allows us to further enhance our engagement with our portfolio companies on ESG initiatives.

Meetings are held on a biannual basis.

<b>SG 06</b>	Voluntary	Public	Descriptive	General
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation

	Key performance indicator
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Annual delivery of ESG training

	Progress achieved
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Ultimately it is the IK investment professionals' responsibility to ensure that ESG factors are covered in the due diligence process as well as during the lifetime of the investment in the IK funds' portfolios. For that reason, IK provides ESG training, tools and support to the investment teams so that they may perform their work in accordance with IK's responsible investment commitment.

IK provides ESG training on an annual basis to all IK investment professionals. As of example, the IK ESG team provided training on the IK ESG Manual to all investment professionals and partners in January 2019.

- Provide training on ESG engagement

	Key performance indicator
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Structured introduction to ESG

	Progress achieved
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All new joiners complete a structured introduction programme, which includes a separate session on ESG. The ESG session includes the following elements:

- Introduction to IK's RI Policy and Code of Ethics
- An overview of ESG factors
- Presentation of IK's ESG manual which describes in detail IK's commitment to ESG and what the investment professionals are expected to do in each phase of the investment cycle

The session also provides the investment professionals with a deeper understanding of why IK thinks it is important to spend time, money and resources on ESG as well as a short presentation of IKARE, IK's venture philanthropy arm.

In 2019, 100% of new investment professionals participated in an ESG introduction session.

- Improved communication of ESG activities within the organisation

Key performance indicator

ESG team participation at IK's Business Development Meetings (BDM)

Progress achieved

Each of IK's fund strategies hold a bi-weekly Business Development Meeting (BDM) to discuss new investment opportunities. The purpose of the meeting is to ensure that investment teams can benefit from the collective experience of the entire platform, including IK's ESG professionals. The ESG team utilises these meetings to provide an update on IK's ESG activities, for example, updates on IK's commitment to UN PRI and UNGC, as well as to contribute with their ESG expertise when evaluating potential new investments.

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

Key performance indicator

ESG reviews commissioned for new investments

Progress achieved

IK commissioned an independent ESG review for all investments made in 2019.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

% of Investment Memorandums presented to the Investment Committee (IC) which included an ESG assessment

Progress achieved

Out of the investments made by IK Funds in 2019, 86% of the Investment Memorandums (IM) presented to the IC contained an ESG assessment (6 out of 7 PCs). For 2020, we aim for 100% of the IMs containing an ESG assessment.

- 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

% of annual portfolio company reviews which included an ESG update

Progress achieved

All portfolio companies are subject to an in-depth annual review in March. In addition to a thorough evaluation and assessment of management, performance plan, liquidity potential and strategy, the annual review also includes an update on ESG progress. The annual reviews are an important tool to monitor ESG performance. For the reviews relating to 2019, 100% of the annual reviews contained an ESG section.

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

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Tracking of ESG performance via Preqin (now Dynamo)

Progress achieved

IK enables each portfolio company to maintain, track and record its own sustainability performance (such as ESG-related KPIs) through Preqin (now Dynamo), a system for portfolio management combining financial and non-financial data. If the portfolio company has not historically tracked ESG-related KPIs, such will be suggested by external advisors in conjunction with the ESG review process. Through Dynamo, IK can also analyse ESG performance on a fund-level basis by mapping exposure to different ESG factors (risks and opportunities) and following up on inherent vs. residual ESG risks.

- Improve ESG ratings of portfolio

Key performance indicator

Tracking of ESG performance via Preqin (now Dynamo)

Progress achieved

Please see section on "Over or underweight companies based on ESG characteristics" for more information.

- Setting carbon reduction targets for portfolio
- 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

Membership of RI forums

Progress achieved

IK is a member of Invest Europe's RI roundtable (core and affiliate networks) as well as the Swedish RI forum and ESG Live (organised by Charterhouse).

- Encouraging others to join a RI initiative

Key performance indicator

Encouraging others to join a RI initiative

Progress achieved

IK encourages its portfolio companies to sign up to the UNGC initiative.

For example, during 2019 one of our portfolio companies in fund IK VIII Fund initiated preparations for the B Corp status. IK has also actively participated in the discussions of starting a UK network related to the French initiative IC20 (now ICI).

- Documentation of best practice case studies

Key performance indicator

ESG case studies produced

Progress achieved

Once an investment is divested, IK's ESG team strives to assess the ESG-related contribution to value creation throughout the active ownership phase. The original ESG review serves as a baseline against which the ESG performance is analysed, and a summary which identifies 'lessons learnt' in relation to ESG performance during the lifespan of the investment is reviewed by the IK investment professionals.

IK also conducts case studies during the active ownership period (which are shared in the Communication on Progress, valuation reports as well as the ESG manual) in order to share and promote best practice across the funds.

- Using case studies to demonstrate engagement and ESG incorporation to clients  
 Other, specify (1)

other description (1)

GHG emissions reporting

Key performance indicator

Measurement of IK's GHG emissions on an annual basis

Progress achieved

2019 was the third year IK calculated its GHG emissions (FY18, Scope 2 and 3).

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

**Governance and human resources**

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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<b>SG 07.1</b>	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**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- 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
- 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
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2**

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

***IK ESG Steering Committee***

The IK ESG Steering Committee consists of IK Partners from both Small and Mid Cap funds, including the CEO, as well as the ESG team, investment professionals, operations team and support staff representatives. The Committee was formed to acknowledge the importance of responsible investment within IK and across its portfolio companies. Meetings are held on a biannual basis.

***Audit & ESG Committee***

During the first 100 days of ownership, we ask each portfolio company when feasible to form an 'Audit & ESG Committee', which reports to the Board of Directors. The Committee is charged with ensuring that the company has a robust ESG plan and then monitoring the implementation of that plan on an annual basis. The Committee will review the company's key ESG activities and achievements, and report its findings to the Board in conjunction with the annual review process.

***IK Investment Professionals***

The IK investment professionals are responsible for ensuring that ESG factors are covered in the due diligence process as well as during the lifetime of the investment in the IK Fund's portfolios.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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Number
--------

2

<b>SG 07.4</b>	Additional information. [Optional]
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*IK's dedicated ESG team*

IK has a dedicated ESG team with senior-level involvement, responsible for promoting ESG and RI awareness internally, as well as engaging with external stakeholders on ESG and RI matters. The team, which is led by Mads Ryum Larsen, Partner and Head of IR and ESG, also includes Mikaela Murekian, IK's Director of Communications & ESG, and Jovana Stopic, IK's ESG Coordinator. Anne Holm Rannaleet, Senior Advisor to IK, is also an important resource in terms of ESG. IK's ESG team provides ESG training, tools, and support to the investment teams so that they may perform their work in accordance with IK's responsible investment commitment.

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers
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- 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

**Investor relations**

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

**External managers or service providers**

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

**SG 07.6 CC** For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Climate change is explicitly mentioned in IK's RI policy (which is fully integrated into IK's investment process) and part of IK's definition of ESG (which is frequently used to raise awareness internally). The RI Policy applies to all investments made by IK Funds. IK's CEO, with the support of the partner group, owns the policy, and is responsible for overseeing its implementation.

Prior to any investment decision, a detailed presentation, covering financial and non-financial information is submitted to the Investment Committee. ESG is a mandatory part of the Investment Committee memorandum, and consists of i) ESG risks screening, which screens for inherent sector-specific risks, and ii) ESG summary assessment confirming DD findings. As part of the ESG review, which identifies ESG risks and opportunities of material character as well as appropriate ESG-related KPIs, each portfolio company completes IK's Responsible Investment (RI) questionnaire, which is then presented to the external consultant and forms the basis of a discussion between IK, the portfolio company and external consultant. The RI questionnaire revolves around areas such as environmental, social, governance, including KPIs, policies and standards adopted. The questionnaire captures the information regarding the board level roles and allocated responsibilities for ESG matters.

The findings of the ESG review are shared with the Board of Directors of the portfolio company and the IK deal team. IK asks portfolio companies to form an 'Audit & ESG Committee' which reports to the Board of Directors. The Committee is charged with ensuring that the company has a robust ESG plan and then monitoring the implementation of that plan on an annual basis.

<b>SG 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>SG 08.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

**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

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

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

Investor relations

**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.

IK provides ESG training on an annual basis to all IK investment professionals.

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]

IK became a signatory to the UN PRI in 2017, and this is the third report. During the year, IK has participated in the work on TCFD (Task Force on Climate-related Financial Disclosures) guidance for private equity GPs, conducted with the UN PRI.

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

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]

IK is an active member of Invest Europe's RI roundtable (both core and affiliate networks).

- 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

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]

IK is a signatory to the UN Global Compact Initiative. IK publishes the Communication on Progress Report on an annual basis, and our fourth annual report is available on IK's website. IK applies the ten principles of the initiative to map ESG issues.

- Other collaborative organisation/initiative, specify  
Swedish RI/ESG Forum

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

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.

- 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.

- 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.)
- 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
- Spoke publicly at events and conferences to promote responsible investment

Description

IK's partners frequently participate in various conferences and seminars related to RI/ESG matters. For example, Mikaela Murekian, IK Communications and ESG Director was ESG panelist speaker at SuperReturn International 2019 in Berlin and at SuperReturn CFO/COO Forum 2019 in Amsterdam.

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
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Please see SD 09.1

Frequency of contribution

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

specify

Participated in the PwC private equity survey

- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

<b>SG 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>SG 11.1</b>	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

- Yes, individually
- Yes, in collaboration with others

<b>SG 11.2</b>	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

specify description

We provided input on legislation drafts through Invest Europe's Ri roundtable.

**SG 11.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

### Outsourcing to fiduciary managers and investment consultants

**SG 12****Mandatory****Public****Core Assessed****PRI 4**

**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****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
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 14****Mandatory to Report Voluntary to Disclose****Public****Additional Assessed****PRI 1****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
- 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

Please explain why not

IK is still working to incorporate climate change into its full investment process. Already today, when relevant, portfolio companies measure environmental KPIs such as GHG emissions, carbon footprint, total energy consumption (energy efficiency), water consumption and/or waste generated. However, IK would like to adopt a more systematic way of responding to climate change risks and opportunities (see SG 01.6 CC). Measures will be rolled out to support these efforts, starting with changes to our RI Policy. Since Q1 2020, RI policy is being expanded to include in referrals companies with an unacceptable high greenhouse gas footprint and that have failed to take reasonable steps to reduce these emissions (each as determined by IK).

**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 CC**

Voluntary

Public

General



<b>SG 14.8 CC</b>	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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We adopt a similar process to identify climate-related risks, as to any other ESG-related risks and opportunities. Our internal ESG-related tools and an independent ESG review by external advisers identify, assess and provide recommendations to IK on how to manage identified climate-related risks. Following acquisition, we engage with investee companies through an ESG review to identify ESG risks and opportunities of material character. The purpose of the ESG review is to understand current attitudes and consequent actions of portfolio company boards and management teams related to ESG factors, as well as to make high level recommendations to the companies from quick wins, through tactical activities to strategic actions, with the aim of creating or protecting shareholder value.

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

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 15.1</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

## Innovation

<b>SG 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 18.1</b>	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- Yes

<b>SG 18.2</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Having accumulated 30 years' experience in the private equity market, IK knows that strong environmental, social and governance practices correlate positively with enhanced financial performance within portfolio companies as well as enrich society more broadly. As such, responsible investment is integral to IK's business philosophy.

We believe that IK's approach to monitoring portfolio company ESG performance is particularly innovative. IK enables each portfolio company to maintain, track and record its own sustainability performance (such as ESG-related KPIs) through Preqin (now Dynamo), a system for portfolio management combining financial and non-financial data. IK helped Preqin (then Baxon) develop the ESG module during 2016/17. Through Dynamo, IK can analyse ESG performance both on a fund-level basis by mapping exposure to different ESG risks and opportunities as well as on an individual portfolio company level.

At IK, we have an engagement platform to facilitate knowledge-sharing between portfolio companies, IK's investment professionals and IK ESG team. IK seeks to actively engage with portfolio companies to manage ESG risks and opportunities and promote the importance of sustainability. Sustainability implies environmental and social change, and as a responsible investor, we make a contribution by sharing our insights with our

portfolio companies. IK's ESG team seeks to communicate with companies in a constructive manner, with the aim to improve ESG performance and create or protect sustainable value. When developing an ESG-related policy, or looking to engage collaboratively with ESG-related issues, for example, measuring a carbon footprint or reporting externally on sustainability performance, IK's ESG team can offer support.

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.

Private equity

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<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	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
<a href="http://www.ikinest.com/globalassets/puff/communication-on-progress-2019-ik.pdf">http://www.ikinest.com/globalassets/puff/communication-on-progress-2019-ik.pdf</a>	
URL	
<a href="http://www.ikinest.com/Responsibility/Integration-into-the-IK-Way/">http://www.ikinest.com/Responsibility/Integration-into-the-IK-Way/</a>	

**SG 19.2** Additional information [Optional]

As a signatory to the UNGC, IK publishes an annual CoP report. The latest CoP report is available on IK's website. The report includes both ESG information in relation to IK's pre-investment and active ownership activities as well as information on the portfolio companies' ESG performance (based on the annual ESG data request).

IK's 2018 Public UN PRI Transparency report is also available on IK's website, as well as the 2018 IK Carbon Footprint Report.

IK's website also contains a Responsibility section describing IK's ESG activities during the full investment cycle.

# IK Investment Partners

## Reported Information

### Public version

### Direct – Private Equity

## PRI disclaimer

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

## Overview

PE 01	Voluntary	Public	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.
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Having accumulated 30 years' experience in the private equity market, IK knows that strong environmental, social and governance practices correlate positively with enhanced financial performance within portfolio companies as well as enrich society more broadly.

We strive to create sustainable value for all IK stakeholders by instituting and maintaining high standards of governance and business ethics within the Firm, IK funds and portfolio companies, as described in IK Investment Partners' RI Policy and Code of Ethics. Working with management teams, we help portfolio companies recognise and manage the opportunities and risks associated with ESG factors. IK ensures a structured approach to investment from the moment we consider a potential investment to the point at which we invest. ESG is embedded into every stage of the investment process.

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.
---------	--

IK developed the ESG Manual for investment professionals, which provides guidelines on ESG integration and strengthens IK's internal processes further. IK extended the ESG Manual to portfolio companies, which provides an overview of the ESG process and available ESG support at IK.

In 2018, IK introduced the Ethical Guidelines for Portfolio Companies, which outline the standards of ethical conduct for all portfolio companies. The Guidelines describe IK's fundamental principles, which are based on internationally proclaimed UNGC principles within the areas of human rights, labour rights, environment and corruption. The Guidelines should be implemented by all portfolio companies and serve as a reference for business conduct.

- 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]

IK defines its approach to responsible investment through its Private Placement Memorandum (PPM). In addition, responsible investment and ESG matters are included in the ILPA Due Diligence Questionnaire (ILPA DDQ), which forms part of the data room available to investors during fundraising. Additional documents also form part of the data room:

- Responsible Investment Policy
- Code of Ethics
- Communication on Progress Report
- PRI Assessment Report
- PRI Transparency Report
- ESG Manual for IK Investment Professionals
- ESG Manual for Portfolio Companies
- Examples of ESG Review Reports

No

Not applicable as our organisation does not fundraise

**PE 04**

**Voluntary**

**Public**

**Additional Assessed**

**PRI 4**

**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]

IK has historically included formal ESG commitments in side letters. An example of such a commitment made for the IK VIII Fund was to confirm that the Fund operates in accordance with the UN Global Compact initiative and/or the PRI.

Pre-investment (selection)

PE 05

Mandatory

Public

Gateway

PRI 1

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.

During the pre-investment phase, IK identifies ESG-related risks and opportunities, by screening for inherent sector-specific risks. Each investment opportunity is discussed at a bi-weekly Business Development Meeting, enabling the deal teams to benefit from the collective experience and expertise of the entire investment team. Members of IK's ESG team participate in the Business Development Meetings and provide their views and expertise regarding ESG factors.

Prior to any investment decision, a detailed presentation, covering areas such as market, financial modelling, value-creation plan, risk analysis, ESG, management assessment and exit analysis, is submitted to the Investment Committee. Depending on the materiality of the ESG risks identified, IK may choose not to pursue an investment opportunity or may embed corrective actions in the post-acquisition Full Potential Plan.

If it transpires during the pre-investment phase that a potential investment does not conform to IK's RI policy, the investment opportunity will not be pursued.

No

PE 06

Mandatory

Public

Core Assessed

PRI 1,3

PE 06.1

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 06.2

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

ESG is a mandatory part of the Investment Committee Memorandum, and consists of two parts: i) ESG risk screening, and ii) ESG summary assessment confirming DD findings. A mandatory ESG risk screening and summary assessment of ESG factors relevant to the investment is part of the presentation and included in the template. IK's E&S Risk Assessment Tool helps the investment professionals to determine the potential need for specific ESG-related due diligence by screening for inherent sector-specific risks.

PE 07	Voluntary	Public	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

In the early days of IK's ownership, focus is on executing the Full Potential Plan (FPP), which includes a detailed and quantified analysis of the key value creation initiatives. Corrective actions related to any ESG risks of material character identified during the due diligence process may be included in the FPP. The details of the plan vary by portfolio company, but it always includes an independent ESG review which identifies ESG risks and opportunities of material character, as well as appropriate ESG-related KPIs. The purpose of the ESG review is:

- To understand current attitudes and consequent actions of portfolio company boards and management teams related to ESG factors
- To make high level recommendations for portfolio company actions, from quick wins, through tactical activities to strategic actions, with the aim of protecting or creating shareholder value
- To make recommendations to IK, including identifying those portfolio companies most likely to need IK's support in managing ESG factors
- To raise awareness of the importance of ESG factors in IK portfolio companies and their potential to affect shareholder value

ESG reviews provide a high-level analysis of individual portfolio companies' strengths and weaknesses from an ESG perspective.

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

PE 08	Voluntary	Public	Additional Assessed	PRI 1
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<b>PE 08.1</b>	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.
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- 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 08.2</b>	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

**Post-investment (monitoring)**

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

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

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

(in terms of total number of portfolio companies)

<b>PE 09.3</b>	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	---

**ESG issues**

- Environmental
  - Social
  - Governance
  - We do not set and/or monitor against targets
- No

<b>PE 09.4</b>	Additional information. [Optional]
----------------	------------------------------------

IK does not set ESG-related KPIs on a fund level. If the portfolio company has not historically tracked ESG-related KPIs, these will be suggested by external advisors in conjunction with the ESG review process. IK believes successful practices depend on continuous improvement in combination with monitoring of results and acting when performance is insufficient. IK enables each portfolio company to maintain, track and record its own sustainability performance (such as ESG-related KPIs set on a portfolio company level) through Preqin (now Dynamo), a system for portfolio management combining financial and non-financial data.

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

- Yes

<b>PE 10.2</b>	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
----------------	--

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

(in terms of total number of portfolio companies)

- No

<b>PE 10.3</b>	Additional information. [Optional]
----------------	------------------------------------

64% of our portfolio companies have a Code of Conduct in place (based on the annual data request 2019), with many features which overlap with an ESG/sustainability policy. In addition, IK introduced the Ethical Guidelines to Portfolio Companies in 2018. The Guidelines outline the standards of ethical conduct for all portfolio companies and are based on the UN Global Compact Principles around human rights, labour rights, environment and corruption. It is the responsibility of the Company's management and board to ensure the principles are integrated and appropriately communicated throughout the company. IK investment professionals are continuously working on the uptake of the Ethical Guidelines with our portfolio companies.

<b>PE 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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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  
 Developing/implementing an environmental/social management system (ESMS) or similar  
 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.

IK has a dedicated ESG team with senior-level involvement, responsible for promoting ESG and responsible investment awareness internally, as well as engaging with external stakeholders on ESG matters. IK ESG team seeks to communicate with companies in a constructive manner, with the aim to improve ESG performance and create or protect sustainable value. IK's ESG team offers support with the following:

- The development and implementation of a sustainability strategy. This includes identifying material ESG factors and determine what actions need to be prioritised from a sustainable and commercial perspective, including ESG performance indicators
- Measuring carbon footprints and supporting in carbon footprint reporting
- When planning to report and communicate social and environmental performance and commitments to various stakeholders at every level such as customers, suppliers, employees and investors, we can advise on global frameworks (eg. GRI, UNGC)
- The development and implementation of ESG-related policies
- A network of local ESG experts, training and education

PE 12

Voluntary

Public

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
- Other, specify

**Typical reporting frequency**

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

**Audit & ESG Committee**

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

<b>PE 12.2</b>	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
----------------	--

All portfolio companies are subject to an in-depth Annual Review, which includes evaluation and assessment of management, performance plan, liquidity potential and strategy and an ESG section. The ESG section is based on the material reported by the Audit & ESG Committee and/or Board of Directors.

In addition, IK sends out an annual request for ESG-related data to each portfolio company as part of the CoP report for the UNGC initiative.

<b>PE 13</b>	Voluntary	Public	Additional Assessed	PRI 2
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<b>PE 13.1</b>	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.
----------------	--

- 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

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

Portfolio companies disclose ESG information through Dynamo (ex Preqin), which brings to life an integrated reporting view across the full investment cycle. Once an investment is divested, IK's ESG team strives to assess the ESG-related contribution to value creation throughout the ownership period. The original ESG review serves as a baseline against which the ESG performance is analysed, and a summary which identifies 'lessons learnt' in relation to ESG performance during the lifespan of the investment is agreed upon with the IK investment professionals.

Depending on the structure of the exit process and nature of the investment, IK provides potential buyers with ESG VDD. An environmental VDD study has been commissioned for the sale of CID LINES by the IK VII Fund in 2019. CID LINES is a leading developer and producer of cleaning agents and disinfectants for the agricultural, food, vehicle care, and institutional sectors.

## Outputs and outcomes

<b>PE 14</b>	Voluntary	Public	Additional Assessed	PRI 1,2
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<b>PE 14.1</b>	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
----------------	--

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

<b>PE 14.2</b>	Describe how you are able to determine these outcomes.
----------------	--

Currently, IK does not measure whether our approach to ESG issues impacts the financial performance of investments. We are continuously developing the ESG module together with Preqin (now Dynamo), but we have not yet identified a satisfying way to measure ESG progress in terms of financial value. Preqin, an online system, enables each portfolio company to submit their monthly financial report and KPIs, as well as measure year-on-year progress in terms of ESG policies implemented, and allows analysis of ESG-related risks and opportunities on an aggregated fund level.

<b>PE 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,2</b>
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<b>PE 15.1</b>	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 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;"> <span style="font-weight: bold; margin-right: 10px;">ESG issues</span> </div> <input checked="" type="checkbox"/> Environmental Lifecycle impacts of products and services <input type="checkbox"/> Social <input type="checkbox"/> Governance
Sector(s)	Consumer
Impact (or potential impact) on the investment	The ESG review identified an opportunity for the company to differentiate itself by sustainable product offering to a growing number of customers who are increasingly focusing on reducing the environmental impacts of their products. Conversely, if the company was not to maintain its current focus on the lifecycle impacts of its products, it would be at risk of starting to slip behind some competitors and losing this competitive advantage.
Activities undertaken to influence the investment and its response	Since the acquisition, the company was supported in its efforts to continue the development of its sustainable product range. The company recently launched a new product enabling clients to offer their products in the market in recyclable, compostable, and food-safe packaging.

Add Example 2

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 type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Diversity and inclusion <input type="checkbox"/> Governance
Sector(s)	Business services
Impact (or potential impact) on investment	The company has developed a geographical footprint across Europe, US and Asia and employs more than 700 people globally. The ESG review identified room for improvement in the area of diversity and inclusion.
Activities undertaken to influence the investment and its response	Since the acquisition, the company made tremendous progress in the area of diversity and inclusion. The executive team is 40% female and two business lines are headed by female executives, while 55.5% workforce is female. The company has continued to request recruitment agents to prioritise the best female candidates.

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

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

IK portfolio companies are asked to focus on ESG factors with a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large.

**Communication**

PE 16	Mandatory to Report Voluntary to Disclose	Public	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).

If an ESG-related incident that would materially impact the value of the portfolio company, GP and/or LP were to take place, IK would notify the ESG Steering Committee. The ESG Steering Committee will have an understanding of how the incident is being dealt with, which then would be reported to Limited Partners Advisory Committee (within the boundaries of IK's as well as the respective portfolio company's legal agreements with other parties and regulatory or legislative restrictions). Depending on the issue, the format of communication would vary between written reports or verbal information.

In case of any uncertainty as to whether a portfolio-related ESG incident is of material character or not, the final decision rests with the IK partner responsible along with the ESG team.

# IK Investment Partners

## Reported Information

### Public version

### Confidence building measures

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## 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 02	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

**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

**CM1 03.2** Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines
- B-corporation
- UK Stewardship code
- GRESB
- Commodity type label (e.g. BCI)
- Social label
- Climate label
- RIAA
- Other

**Specify**

Invest Europe's Handbook of Professional Standards

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %

- 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  
ESG Disclosure Framework for Private Equity
- None of the above

**CM1 04**

**Mandatory**

**Public**

**Descriptive**

**General**

**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 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**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

Sign-off or review of responses

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