



STRONG FOUNDATIONS TO BUILD LASTING VALUE

ESG REPORT 2020



Welcome to our environmental, social and governance (ESG) report. Over the following pages, we share how we are building lasting value and helping ambitious businesses grow sustainably.

The Permira funds are significant investors in a range of businesses around the world. We recognise the responsibility that this brings and are committed to active engagement with portfolio company management teams on ESG. ESG risks are assessed and monitored during the investment process, from the initial due diligence through to the funds’ sale of portfolio companies.

This has benefits for the communities in which both we and the portfolio companies operate, and is the right thing to do commercially – helping to build lasting value in the funds’ portfolio companies.

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Covering the 2020 calendar year, this report spans our private equity and private credit businesses globally. We report in depth on the private equity fund and on each portfolio company’s ESG performance in a detailed disclosure to the Permira funds’ investors.

This report contains data from the year-end 2020 ESG portfolio monitoring and reporting process for portfolio companies in the P4, P5, P6, P7 and PG01 funds, excluding 3 portfolio companies which did not provide reporting.

Connect with us

A word from our Managing Partner

Dear Stakeholder,

The last year has been exceptional in so many respects. Since March 2020, Permira and many of the funds' portfolio companies have felt the impacts of COVID-19, with lockdowns effectively closing certain sectors of the global economy and many of us adapting to a new work / life balance.

Alongside the pandemic, Black Lives Matter protests in the US have accelerated ESG considerations among portfolio company management teams and other stakeholders as the material importance of diversity and inclusion added to concerns around climate change, cyber security and global health.

Within Permira, we too saw the need to ramp up our sustainability efforts, making a number of step changes. Overall, we have improved and scaled ESG data collection processes and dashboards to allow for improved analysis and tracking of data across the private equity portfolio. Two key areas of focus on this have been climate and diversity. A detailed climate risk assessment was undertaken across the private equity, direct lending and CLO management portfolios, led by outside experts. At the same time, we became a founding signatory of the UK Initiative Climat International and we joined the editorial board for the Invest Europe 2021 Climate Change Guide. Likewise, on diversity and inclusion, we added metrics around racial / ethnic diversity.

In a world that has become ever-more virtual since COVID-19, cyber security threats are higher than ever. Again, we continue to take actions to mitigate cyber risks, implementing third-party cyber security monitoring of the private equity funds' portfolio companies to complement the pre-signing requirement for cyber due diligence.

A new ESG Group was formed for Permira Credit to reflect the growing investor interest in ESG across strategies. The cross-functional group has met bi-weekly and is steering a number of initiatives, including direct engagement with selected portfolio companies on ESG &

sustainability matters where the Permira Credit funds have equity or where there is no sponsor; an ESG monitoring and reporting pilot assessment for one direct lending fund ('PCS4'); gathering data on a range of ESG KPIs and policy-related questions; and a survey of 27 structured credit ESG managers to better understand ESG integration in the CLO market.

Despite the shift to remote working, ESG engagement with portfolio companies continued uninterrupted through well-attended webinars, including sessions targeting specific roles such as Legal Counsel or Chief Operating Officers and support to management teams as they develop their ESG strategies.

While maintaining our commitment to ESG through the last challenging year, we've also contributed directly to those hardest-hit by the pandemic. The Permira Relief Fund was set up to a) provide financial support to charities through the Permira Foundation and b) provide support to portfolio company employees who were suffering hardship as a result of the COVID-19 pandemic.

As a firm always looking to the future, we have embarked on a project to understand the implications of the EU Taxonomy and the Sustainable Finance Disclosure Regulations (SFDR). We will deepen our climate, diversity and cyber security portfolio monitoring, refresh ESG policies and further elevate formal ESG engagement in the firm and with portfolio company management teams. To support this work, we are recruiting a new ESG investment professional as a member of the Portfolio Group, working with the Head of ESG.

The issues facing our sector on ESG are increasingly complex and wide-reaching, which is why our values of creativity, integrity and partnership are more important than ever. It only remains for me to thank Permira colleagues for their continued commitment to this vital journey. I invite you, as our valued stakeholder, to share your thoughts on our approach and impact.

Kurt Björklund
Managing Partner



We have improved and scaled ESG data collection to allow for improved analysis and tracking across the private equity portfolio. Two key areas of focus on this have been climate and diversity."



About us

We are Permira

Founded in 1985, we are an international investment firm with deep expertise in the technology, consumer, services and healthcare sectors. As one globally-integrated team spanning Europe, North America and Asia, we unlock the global potential of ambitious businesses by investing responsibly and leading by example.

Our purpose

To identify and support successful businesses with ambition.

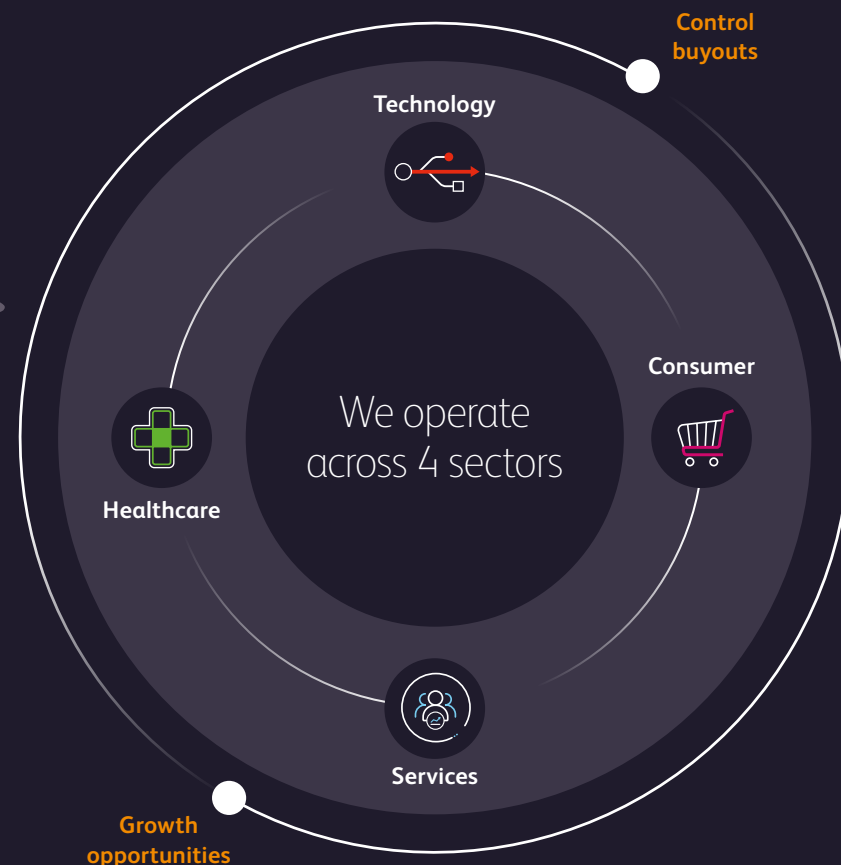
Our vision

To help ambitious businesses become acclaimed industry leaders.



All company data are at December 31 2020

* UK: London, Guernsey † Europe: Frankfurt, Luxembourg, Madrid, Milan, Paris, Stockholm



About us

Integrity. Creativity. Partnership.

These are the Permira values and we expect each portfolio company to share our sense of ‘doing the right thing’, which has been embedded in our ethos since 1985.

Structure and strategy

The Permira group includes a private equity business and a private credit business. The private equity business operates two core strategies: private equity buyout funds focused on control buyouts (the ‘Permira buyout funds’); and large-scale, non-control minority investments through the ‘Permira Growth Opportunities funds’. The private credit business, Permira Credit (formerly known as Permira Debt Managers), operates three core strategies in European credit: direct lending through the Permira Credit Solutions funds, which invest predominantly in European mid-market companies; collateralised loan obligation management through the Providus funds; and structured credit through the Sigma funds, which invest in European collateralised loan obligations.

Our thematic, growth-oriented strategy and patient approach to investing have enabled the funds to acquire high-quality businesses, partner with management teams to support growth at scale, and generate strong returns for the funds’ investors. Our investment strategy focuses on resilient growth, taking a sector-led and highly proactive origination approach. The private equity investment team has deep expertise across four key sectors: Technology, Consumer, Services and Healthcare. These sector teams take long-term perspectives on resilient growth themes that can be narrowed down into high-quality investment opportunities. We identify businesses with long-term growth drivers, typically with a market leadership position and exposure to transformational growth investing at scale.

Leading by example

Just as we invest responsibly, we also adopt ESG practices within Permira. This means reducing our carbon footprint and environmental impact; creating an inclusive and empowering workplace culture while investing in our communities; and governing with integrity and transparency.

Committed to the UN-supported Principles for Responsible Investment

As a signatory to the UN-supported PRI, we are publicly committed to incorporating ESG issues across the investment process into investment practice and each year we report back on how we are implementing the six principles. From initial screening, through to investment and active ownership, ESG is embedded across the investment lifecycle.

Signatory of:



Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

Principle 6

We will each report on our activities and progress towards implementing the Principles.

- + Find out more about responsible investing across the Permira funds’ portfolio
- + Find out about ESG within Permira
- + Read more about our people and culture



Our business model

How we build lasting value

In a changing world, we believe it will be the forward-thinking, responsible businesses that do well. ESG isn't simply a box to tick; for us it's fundamental to building businesses that will compete long into the future. This is how we do it.

We identify ambitious businesses...

Our investment team identifies forward-thinking businesses to partner with across four sectors.

From risk screening through to the investment, ESG is integrated throughout the investment lifecycle. Investment teams work together to apply an ESG lens when considering the risks and value creation opportunities.

Technology



Consumer



Services



Healthcare



By supporting these businesses over an average of five years, we use our expertise and network to help them sustainably improve operations and achieve their ambitions.



...And transform them into global leaders...

We help businesses grow sustainably.

We encourage knowledge-sharing between portfolio companies through portfolio-wide events, as well as across our investment team.

Sustainable growth & operational improvement

We aim to accelerate responsible growth through repeatable value creation, including ESG initiatives, in the period during which the funds invest.

Organic & inorganic expansion

We engage with portfolio companies to enable organic, responsible growth, and also consider M&A opportunities to fulfil their growth ambitions.

...To build lasting value.

Our investment creates long-term value far beyond Permira.

Portfolio companies

We take a long-term, responsible approach to enable businesses to build lasting value.

Employees

We support quality employment practices across the portfolio and at Permira.

Society

Successful companies support thriving local economies.

Permira

Investing responsibly delivers healthy returns for the Permira funds' investors.

+ Find out more about stakeholder engagement

Permira differentiators

Strong investment track record that has delivered good risk-adjusted returns across multiple cycles.

Distinctive and proven sector **thematic investment strategy** focused on resilient growth and market-leading businesses across four sectors.

A leading **global technology franchise**, invaluable at a time of rapid and far-reaching technological disruption; technology is both a 'vertical' sector strength and a 'horizontal' capability across other sectors.

Integrated **global office footprint** – powerful combination of sectors, longstanding local presence and specialist functional expertise, in an organisation characterised by a highly collaborative culture and team ethos.

Proven ability to drive **substantial operational value creation** through increasingly systematised and sector-specific toolkits, coordinated by a dedicated Portfolio Group.

Well-developed and embedded ESG practices throughout the firm's investing activities.

+ Find out about our ESG approach

Strong alignment and sense of **partnership with investors**; we are proud of our longstanding relationships and our highly transparent approach.

Our ESG story

We have come a long way

Permira funds have been delivering value to investors for more than 36 years and have a longstanding commitment to the integration of ESG in the investment process.



2020

Supporting communities through COVID-19

The Permira Partners founded a multi-million Euro Permira Relief Fund that has supported more than 140 charities through the Permira Foundation. Permira colleagues clocked up 2,000 pro bono hours working for charities supported by the Permira Foundation and we tripled our matched employee giving. Find out more on page 13.

Cyber safeguards and training

We implemented external third-party cyber monitoring of the private equity portfolio and crisis management training with company Chief Operational Officers, with a focus on cyber risk. Find out more on page 14.

Scaling initiatives on diversity

We added new criteria to our diversity metrics so that we can build a broader picture of the Permira funds' portfolio beyond gender. Find out more on page 14.

Climate risk assessment and collaboration

We assessed 223 portfolio companies for climate risk. We also joined Initiative Climat International, a collaborative initiative supported by PRI for private equity action on climate change. Find out more on page 15.

Looking ahead

In an industry that is always looking to the future, our ESG approach is continually evolving. In the year ahead, we plan to further integrate climate risks, while addressing diversity and inclusion and further monitoring cyber security. Refreshing our ESG policies, expanding the ESG central team and reviewing our ESG exclusions approach are additional priorities as we prepare for regulatory change, notably the EU Sustainable Finance Disclosure Regulation and the EU Taxonomy.



Q&A with Adinah Shackleton

In conversation with our Head of ESG

For six years, Adinah Shackleton has led Permira's ESG work across the investment lifecycle and within the firm. Here she explains why a strategic approach to ESG is more important than ever in building resilient businesses for a future-focused economy.



Question

'Sustainable' and 'responsible' may be seen as on-trend labels for businesses that want to be seen to be doing good. How can Permira be confident in growing companies that truly deliver on ESG matters?

Answer

As the steward of approximately €44bn of assets under management, we have a responsibility to de-risk the portfolio, but also an opportunity to create significant value. For more than a decade, we have been steadily increasing the rigour with which we assess ESG risks and actively engage with portfolio companies on ESG opportunities. Today, we track a wide range of metrics and governance approaches across all 51 portfolio companies in the private equity funds and we have systems in place to address ESG risk hotspots and opportunities. We have also implemented an ESG reporting pilot for one of the Permira Credit funds ('PCS4'). This year, we've further developed our portfolio company-specific dashboards so that we can clearly see where we need to focus our ESG efforts. Of course, all portfolio companies are at different stages of their journey. They also vary by sector and geography. All of this means that we cannot simply apply a one-size-fits-all approach; instead, we engage with companies to understand the potential risks and opportunities, and actively engage on helping to find a solution, focusing on companies with higher ESG risk or opportunity. That's a real strength – our partnership approach.



For more than a decade, we have been steadily increasing the rigour with which we assess ESG risk and actively engage with portfolio companies on ESG opportunities."

Question

In the last year, many ESG topics were eclipsed by COVID-19 and racial justice issues in the US. How has Permira responded?

Answer

In spring 2020, we rapidly mobilised to ensure Permira colleagues and their families around the world were safe and well-supported to adapt to new work / life balances. I think I speak for most colleagues when I say we have been inspired by one another's positive, 'can do' mindset. This generosity of spirit was echoed in financial giving, with Permira Partners contributing to a multi-million Euro Relief Fund that has since supported more than 150 charities through the Permira Foundation. We also tripled our matched employee giving. When the Black Lives Matter protests spread around the world just weeks later, we were moved to act again. We brought in international experts on racial justice and our teams joined webinars to learn more and openly debate how we as a firm can do better. We have since expanded our ESG portfolio KPIs to include racial diversity, and within Permira we've built more diversity partnerships to attract and grow more diverse talent. There is definitely more we need to do in this area, and it is one of our priorities for the year ahead.

Question

How does Permira 'walk the walk' on the ESG issues you engage your portfolio in?

Answer

It sounds a cliché but ESG is very much a part of our culture. All employees understand why it's important and they take ownership, whether that's in monitoring portfolio companies, giving pro bono hours (colleagues gave 2,000 hours last year) or volunteering as an environmental champion. Our leaders are equally committed, leading by example with transparent and principle-driven governance. Each deal team has a responsibility to integrate ESG, monitoring teams engage with companies and I get involved with higher risk companies or where we believe there are significant opportunities or more room for improvement. There really is a recognition that companies that manage these issues well will be more successful and sustainable in the longer term. Of course, there's always more we can do – especially in extending our own culture of ESG to companies earlier along their sustainability journey.

Question

What's on your to-do list for 2021?

Answer

If 2020 was the year for refocusing, 2021 is definitely the year for action. Our ESG sessions and webinars for portfolio companies have been very well received and we plan to do more sessions like these to share ESG knowledge. With a comprehensive set of metrics, I want us to continue to target the most important issues for companies by sector, geography and stage of the ESG journey. There is always more we can do to make sure ESG is being considered with the same weight as other investment considerations, from due diligence to exit. But every year we build on our foundations, driven by the growing evidence that sound ESG management really does build lasting value.

APPROACH TO RESPONSIBLE INVESTMENT

Building lasting value across the portfolio

At Permira, we're committed to responsible investment and our business values of partnership, creativity and integrity. This is because we believe that a focus on ESG and sustainability risks is an important part of building lasting value in the funds' portfolio companies and delivering a better outcome for our investors.



Having a long-term, responsible and sustainable approach has always been fundamental to the Permira funds' investment process and ownership model. Over more than a decade, we have developed our approach to integrating ESG risks, while also highlighting that every portfolio company is different."

Jörg Rockenhäuser

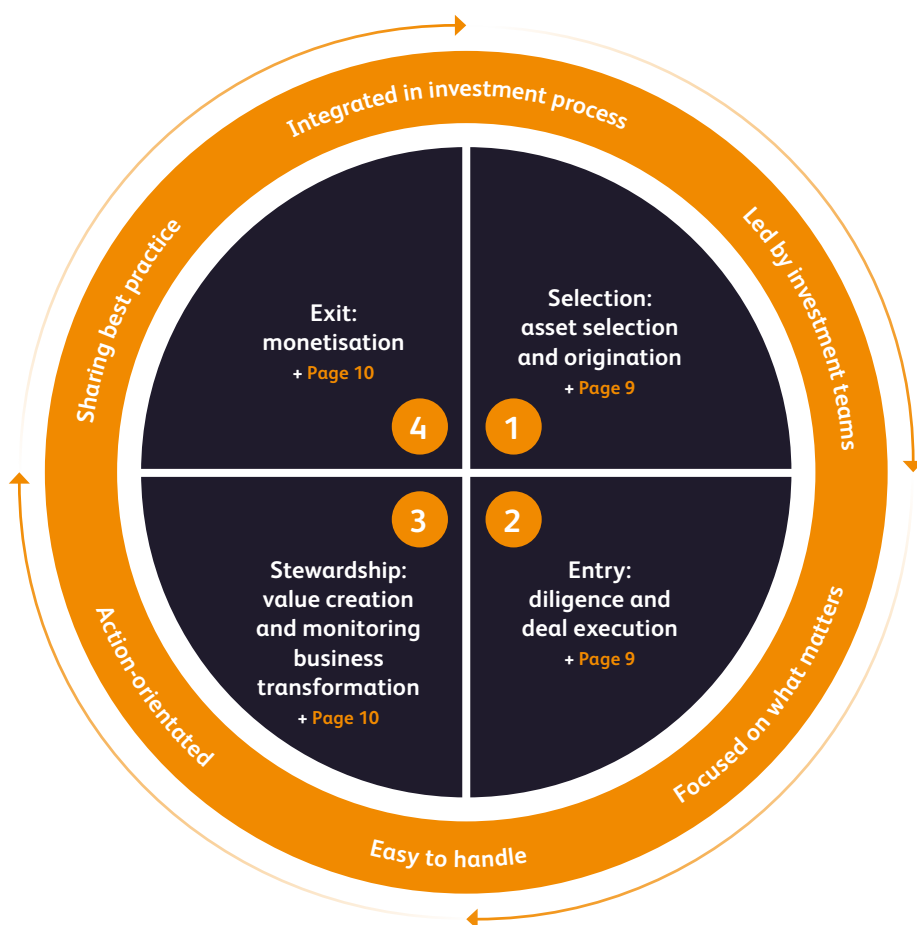
Partner, Head of DACH

Approach to responsible investment

Integrating ESG through the investment process

Our responsible investment policy and ESG framework outlines how we integrate key risks and opportunities across the investment lifecycle.

ESG across the investment lifecycle



Understanding the key levers which drive business improvement, including relevant ESG matters, is at the heart of the Permira buyout funds' transformational investment approach. We integrate ESG opportunities and value protection or creation initiatives into the value creation plan and monitoring process as appropriate.

ESG comprises a broad range of topics, which can in turn vary significantly by sector, region, maturity or size of company. Our approach accommodates these variations, seeking to understand the most relevant topics for each business. Likewise, where the Permira funds have a minority stake in a portfolio company, the approach is determined by the funds' level of influence or control. We believe that our buyout funds in particular are well positioned on ESG due to the ability to actively engage with portfolio company management teams.



1. Selection: asset selection and origination

ESG screening and analysis of portfolio investments and teams considering ESG risks and red flags for potential investments at origination stage, as relevant.



2. Entry: diligence and deal execution

ESG forms part of due diligence carried out by investment teams, including compliance, liabilities, reputational issues, risks and opportunities. Potential issues and mitigation measures are explored with support from ESG specialists and external advisors where required. Material ESG matters are integrated into value-creation plans for monitoring over the lifetime of the investment. During due diligence, deal teams evaluate the ESG profile of the business and identify areas for value protection or creation. There have been several cases where value-creation opportunities were identified as part of the ESG due diligence. Permira has also withdrawn from deals where the deal team was not comfortable with current ESG profile or practices, and the process and potential impact of changing these². The material risks and opportunities identified during the pre-investment process are presented to the Investment Committee. The General Partner makes the ultimate decision on investments for the funds.

² These cases are considered on the basis of sustainability risks potentially impacting the value of an investment.

While Permira may consider ESG factors when making an investment decision, Permira does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference in this report to environmental or social considerations is not intended to qualify our duty to maximise risk-adjusted returns.

Approach to responsible investment



3. Stewardship: value creation and monitoring business transformation

As set out in our business principles and ESG Portfolio Company Guidelines, we expect management teams to be committed to aligning with appropriate ESG standards within a reasonable timeframe, considering international standards, as appropriate. We expect each portfolio company of a Permira private equity fund to be aware of our business principles (see page 25) and to have their own business principles that should also incorporate the following values:

- Follow best practice with regard to applicable ESG standards
- Manage risks effectively and seek to minimise or mitigate any adverse effects to the environment, workers, affected communities and other stakeholders
- Add sustainable value to investee companies with appropriate regard to ESG matters

Material issues raised in due diligence are addressed by portfolio company management teams, driven by Permira's level of control and influence over the portfolio company. We engage with portfolio company management teams on ESG risks and/or opportunities, for example through ESG reviews or engagement on key topics. We believe portfolio companies that effectively manage ESG risk optimise financial performance in the long term. Financial and non-financial data is gathered, monitored and addressed where appropriate.

During the COVID-19 pandemic, our partnership approach has been fundamental to supporting colleagues across the portfolio and their communities



With an evidence-based ESG picture of the portfolio, we are better able to identify risk exposure and identify priorities.”

Through active ownership, we remain committed to supporting portfolio companies in achieving their ambitions and improving their performance. As primary stakeholder, we work hard to ensure portfolio companies are aligned with the importance of ESG to growth and success. Where the Permira funds have a minority stake in a portfolio company, the approach will be determined by the level of influence and control Permira has with the portfolio company.

Each January we begin gathering ESG information from across the portfolio. This includes a request for policies covering material ESG topics, as well as core and company-specific KPIs (see page 16) – including greenhouse gas (GHG) emissions and diversity metrics. With an evidence-based ESG picture of our portfolio, we are better able to identify both risk exposure and priorities. Going forward, we will deepen our analysis of data and scale up our engagement and feedback to portfolio companies.

Throughout the year, we engage with portfolio companies on material topics, taking a tailored approach depending on the company. Engagements include:

- Reputational risk monitoring of ESG issues
- Direct Board engagement on ESG
- Third-party ESG reviews or direct engagements with company management teams
- Webinars to engage companies collectively on specific topics. In 2020, these included COVID-19, diversity and inclusion, cyber security, ESG monitoring and reporting
- Annual ESG reporting

We report in detail on our approach to responsible investment annually in our [PRI transparency report](#).



4. Exit: monetisation

In the final stage of the investment lifecycle, exit and monetisation, we review progress made by portfolio companies on ESG, while understanding the informational needs for an exit process and sensitivities of likely acquirers / exit routes.

Approach to responsible investment

Permira Credit

The Permira Credit funds have been delivering value to investors for more than a decade. A focus on ESG is an important part of building lasting value in the Permira Credit funds' portfolio companies.

Permira Credit's responsible investment strategies

Direct Lending

Permira Credit's direct lending business has an established track record across Europe as a trusted and supportive partner to companies and private equity sponsors seeking debt financing.

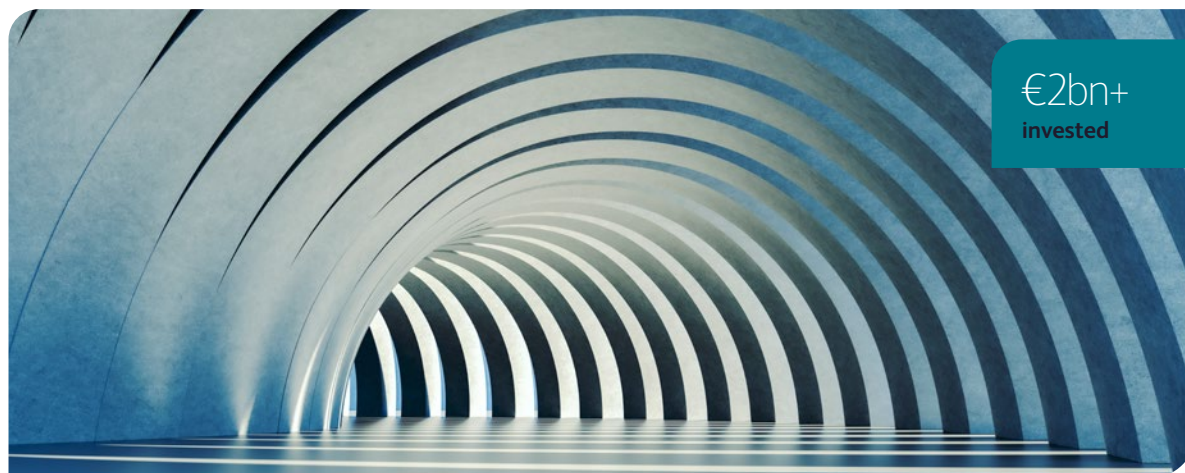
The PCS funds have a leading position across Europe for providing flexible credit solutions to mid-market European companies. The funds predominantly invest in the senior secured loans of private equity-backed businesses, with a focus on downside protection. We want to partner with ambitious businesses to support their growth.



€9bn+
invested in direct
lending

14 years
of investing in
European companies

150+
investments



€2bn+
invested

Collateralised loan obligations (CLOs)

The Providus CLO platform was established in 2017 to invest primarily in broadly syndicated loans and bonds that are issued to support large-cap companies in resilient sectors.

Permira Credit's award-winning CLO Management platform manages vehicles which invest predominantly in broadly syndicated leveraged loans to large-cap companies. Five Providus CLOs have been issued since 2018. Providus CLO I and Providus CLO II were among the first CLOs in Europe to contain ESG exclusion criteria. These criteria, applied across all Providus CLOs, restrict the type of industries the CLO can invest in for ESG reasons. ESG red flags are also considered as part of the due diligence and monitoring processes.

These credit vehicles invest principally in a portfolio of broadly syndicated corporate credits in large companies. The CLO manager is responsible for selecting and actively managing

this portfolio. Permira Credit is committed to ESG due diligence by considering exclusion criteria specified in the fund documentation and using ESG screening tools to identify potential sustainability risks with a view to minimising risk and optimising returns. It also reflects ESG topics in due diligence for primary and secondary credits, on a risk basis where feasible.

Due diligence may include a review of available legal and other due diligence streams and publicly available information (regarding the sector, activities, nature of operations) and/or ESG databases for primary and secondary credits.

Ongoing ESG monitoring applies ESG tools, such as the reputational risk framework, to track investments' ESG ratings and potentially material incidents. Permira Credit may also make subsequent buy/sell decisions in the secondary market based on monitoring intelligence.

Approach to responsible investment

Permira Credit's responsible investment strategies continued

Structured Credit

Permira Credit's structured credit funds have been investing in European CLOs for more than a decade, with €1.4bn invested in both rated notes and equity, across five Sigma funds and several managed accounts.

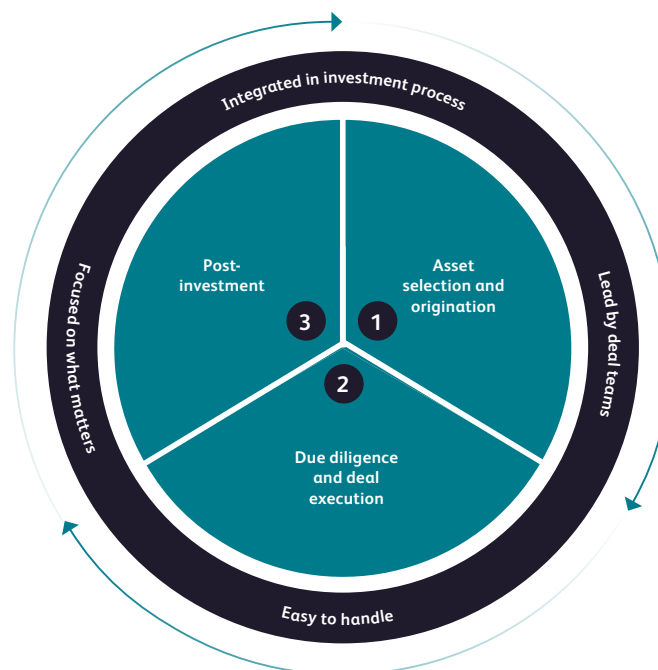
With a focus on sub-investment grade rated notes and equity in both primary and secondary markets, there is engagement with CLO managers on ESG policies and integration. This engagement is long-term, leveraging extensive networks with CLO managers, arrangers and investors.

96%
of CLO managers include ESG
in the investment process

75%
of CLO managers are
PRI signatories

While Permira Credit may consider ESG factors when making an investment decision, it does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference in this report to environmental or social considerations is not intended to qualify our duty to maximise risk-adjusted returns

Permira Credit's direct lending investment process



1. Asset selection and origination

- ESG negative screening of potential investments
- Understanding ESG profile to identify areas for further due diligence (as relevant)

With respect to negative screening, potential investments are considered on a case-by-case basis as part of the pre-investment due diligence process, where consideration is given to ESG and sustainability risks. There may be instances where Permira Credit would not invest in certain sectors / sub-sectors where sustainability risks may impact the value of an investment.



2. Due diligence and deal execution

- Potential ESG risks are considered for direct lending investments as part of each standard investment analysis
- Investment professionals access public information, reputation risk reviews, relevant documents, and the sponsor or company management team as appropriate and depending on the risk profile of the business
- Key ESG risks are presented to the Investment Committee and General Partner



3. Post-investment

- Ongoing monitoring of material ESG risks identified pre-investment (as relevant) and emerging post-investment
- Engagement with selected portfolio companies on managing and improving ESG, particularly where the Permira Credit funds have a board seat or board observer seat, as we believe portfolio companies that effectively manage ESG risk optimise financial performance in the long term
- Reporting material incidents or developments to investors

Approach to responsible investment

COVID-19 and the importance of workplace wellbeing

From the onset of the COVID-19 pandemic in March 2020, the Permira funds' portfolio companies mobilised to ensure teams were safe and able to work remotely where appropriate. But more than this, they showed a remarkable sense of social responsibility to the wider community. From donating or manufacturing medical and personal protective equipment to frontline workers, to prioritising small businesses for payment, extending payment terms and setting up hotlines to support customers, we are proud of how our portfolio companies responded during such challenging circumstances for everyone.

LSNE
PPE donations
to Bellevue and NYU
Langone medical
facilities

Golden Goose
Donating proceeds from the sale of
#TogetherWeAreStronger
T-shirts to medical institutions



Tilney
£10,000
donation to NHS
critical care unit in St
George's Hospital to
feed staff



Team Viewer
Made its online
collaboration software
freely available
to schools and
universities
for remote learning

Universidad Europea
Sports centre offered
for conversion to
treat patients
from Madrid area



P&I
Donated to Greek hospitals
10,000 face masks
12,000 gloves
1,680 litres of sanitiser



Diversitech
Now producing disinfectant products & masks
\$20/day hazard pay
to employees unable to WFH



Action on COVID-19 across the portfolio

Assistance

Assisted in sourcing ventilators
for Italian Government



Donated hospital beds from
teaching hospital health
department



Donated equipment to NYU
hospital



Produced >450k non-medical
masks; donated a mask to LA
Protects charity for every mask
sold in July

Reformation

Response

c. 40% sales done remotely
using video

GOLDEN GOOSE / ★

Allegro Smart! offered for free;
subscribers grew by 1.8m in L6M



University courses run online



Warehouse staff split into teams
to reduce contact



Return of furlough money to
government following strong
online sales performance



Gradual return to work

Companies are implementing
additional health and safety
measures for the gradual return
to work

Permira has shared good
practice guidelines internally
for portfolio company
management teams

+ Find out more about Permira's
direct response to the COVID-19
crisis in our communities



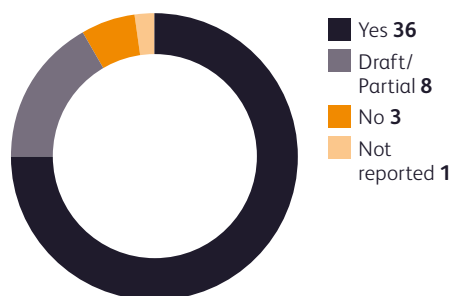
Approach to responsible investment

The Permira funds have made investments in companies that support cyber security, such as Exclusive Group and Kroll

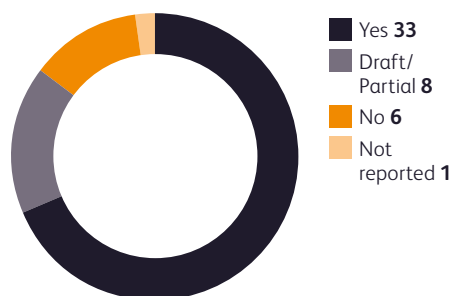
Cyber security in a digital world

We address cyber security at the highest levels of Permira, with a dedicated Cyber Group reporting into the Executive Committee and Board. Since 2018, cyber due diligence has been mandatory for new investments by the Permira private equity funds, and for the existing portfolio we have implemented external third-party cyber security monitoring of the portfolio to understand the risks and priorities in the funds. In 2020, we found that the majority of portfolio companies had cyber security policies, reporting mechanisms to the Board, designated cyber security roles in place and incident prevention controls. For companies responding 'no' or non-responders, we will be reaching out to engage them, starting with supporting them to develop policies and begin collating data on this critical risk area.

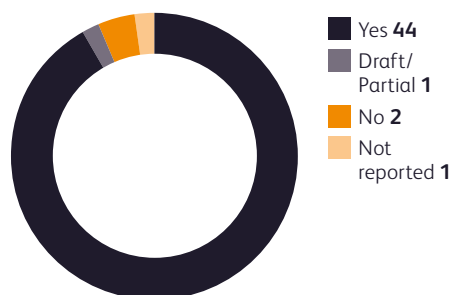
Cyber security policy



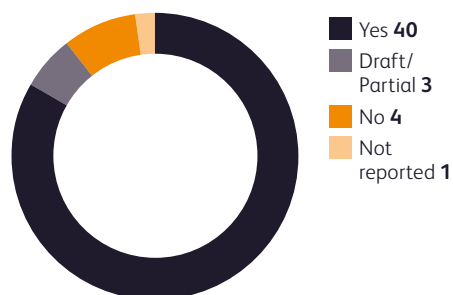
Cyber reporting to the Board



Designated roles managing cyber risk



Incident prevention controls



The importance of diversity to business success

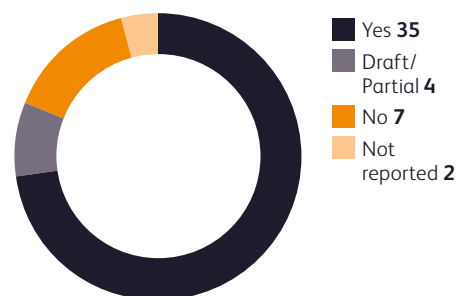
As a firm, we fully support the [business case for diversity](#), in particular the correlation of diverse workforces with innovation and financial performance.

To support portfolio companies in their diversity and inclusion journey, we have introduced mandatory templates for all Investment Committee documents and Portfolio Review Committee sessions that outline management team composition and commentary on diversity. We are also leveraging the Chief Human Resources Officer network to raise diversity topics and we offer targeted support for all new personnel in those roles.

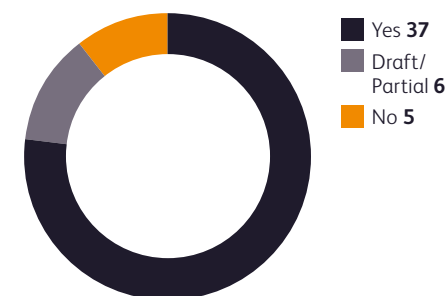
As well as gender, as a firm we are fully committed to greater racial diversity and this resolve strengthened during 2020. We have added further criteria to our annual portfolio reporting covering racial / ethnic diversity and we look forward to this information opening up conversations and inspiring action in the coming year.

+ See Permira's own approach to governance and diversity

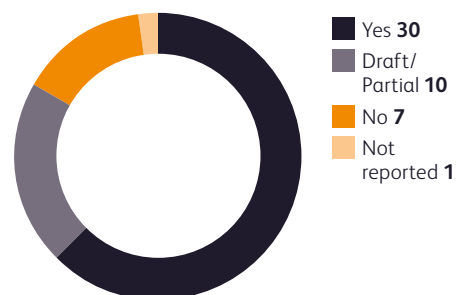
Do you run an Employee Engagement / Satisfaction Survey?



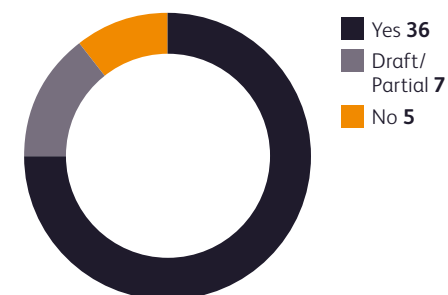
Whistleblowing policy / process



Diversity, Inclusion and/or anti-discrimination policy, or similar



Anti-harassment policy



Our Diversity and Inclusion steering committee has a working group dedicated to fostering positive social impact across the Permira funds' portfolio

Approach to responsible investment

Climate action across the portfolio

A changing climate will have potentially damaging impacts on the physical infrastructure and supply chains of many companies. There are also growing regulatory drivers to report and address GHG emissions, mandatory PRI climate reporting¹ and increasing expectations from investors in the Permira funds.² By taking positive steps to reduce emissions, companies can make efficiency savings, harness new commercial opportunities and realise reputational advantages.

These are just some of the reasons why, for five years, we have been requesting carbon data from our portfolio companies. Over this period, we have gained greater insights into risk hotspots and opportunities to support the resilience of the Permira funds. In 2020, our climate risk assessment covered 223 companies³ and showed that 43% of companies in the private equity funds include climate-related risks in their business strategy or were planning to in the next 1-2 years, and 71% were assessing and improving energy efficiency (or planning to in the next 1-2 years). Further results are shown opposite.

Overall, the data we have received indicates that many portfolio companies are still relatively early in their climate journey. There are therefore multiple opportunities for us to engage and support across the portfolio. We are now identifying which portfolio companies merit further assessment, such as a more detailed climate scenario analysis. We are also engaging with management of the private equity funds' portfolio companies on climate change preparedness and mitigation. For our private credit portfolio, this work will be conducted through the equity sponsors. For some companies, carbon footprinting remains a challenge for a range of reasons and our focus in 2021 will be on supporting those companies.

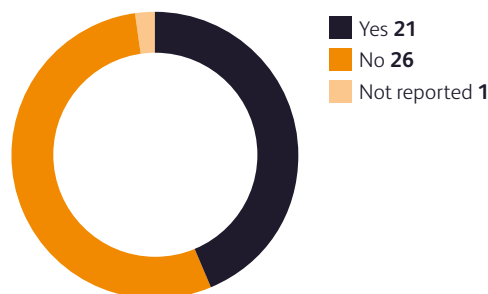
To fill the gap in the actual data received, we have undertaken a carbon footprint estimate across the private equity (since 2018) and direct lending portfolio (since 2020). Actual data will provide a more accurate baseline across the portfolio, and to deliver this our own investment teams will receive additional training to identify climate-related risks or opportunities as part of the origination and deal process. We also plan to engage with our sector teams on climate change to help them consider and address physical and transition risks for their specific markets.

As part of scaling and deepening our climate engagement with the portfolio, in 2020 we joined [Initiative Climat International](#), a collaborative initiative supported by the UN PRI to understand and actively engage with portfolio company management teams on climate change.

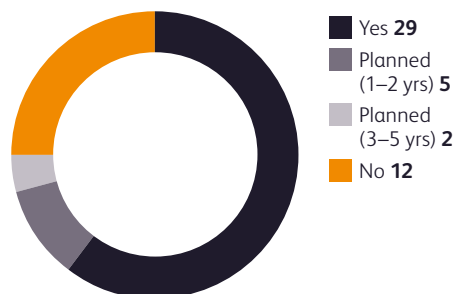
+ Find out about Permira's own carbon footprint and climate approach

We are on the editorial board for the Invest Europe 2021 Climate Change Guide

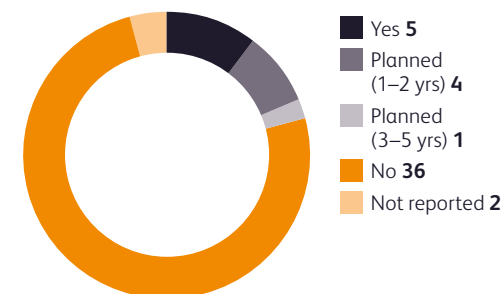
Does the Board have oversight of climate-related risks and opportunities relevant to its business?



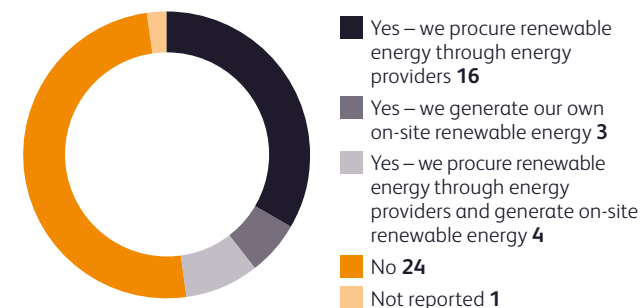
Has the company taken steps to assess and improve energy efficiency in its operations?



Is the company 'carbon neutral' (e.g. measuring, reducing and offsetting any remaining carbon emissions)?



Does the company procure any green / renewable energy?



¹ For example, the European [Climate and Energy Package](#) and the UK's announced intention to make climate disclosures mandatory for large companies and financial institutions by 2025.





² In 2020, more than 70 pension funds and investment managers with \$16tn of assets under management joined the [Institutional Investors Group on Climate Change](#).

³ Across Permira (private equity funds) and Permira Credit (direct lending and CLO management funds).

Approach to responsible investment

ESG requests for information

As part of our responsible stewardship of the portfolio, we issue an annual request for information. The online survey includes a request for policies covering material ESG topics, as well as core and company-specific KPIs.

	Policies	Core KPIs ²
 Environmental	<ul style="list-style-type: none"> • Environmental Policy¹ 	<ul style="list-style-type: none"> • Greenhouse Gas Emissions (Scope 1, 2, 3)¹ • Material environmental incidents¹
 Social	<ul style="list-style-type: none"> • Health and Safety Policy¹ • Appropriate HR Policies¹ • Anti-discrimination, anti-harassment¹ 	<ul style="list-style-type: none"> • Diversity and inclusion, or similar¹ • Employee engagement / satisfaction survey¹ • Procurement practices guidelines¹ • Headcount (FTE)¹ • Employee churn / attrition¹ • Gender diversity¹ • Gender pay gap (%) • Health and Safety accidents and incidents • Material social / workforce incidents¹
 Governance	<ul style="list-style-type: none"> • Employee Code of Conduct and/ or Code of Ethics¹ • Anti-Bribery and Corruption (ABC)¹ • Gifts / Entertainment • Confidentiality 	<ul style="list-style-type: none"> • Conflicts • Whistleblowing policy / process¹ • Appropriate insurance, including D&O liability insurance • Material governance incidents¹ • Convictions for violations of anti-corruption and anti-bribery (ABC) laws
 Other, including cyber	<ul style="list-style-type: none"> • Overarching sustainability policy¹ • Cyber security and data protection policies and controls 	<ul style="list-style-type: none"> • Cyber security breach attempts

This is not an exhaustive list of all requests but a snapshot of what we typically ask for.

Data are requested from portfolio companies on an annual basis (with some metrics requested quarterly) as part of our year-end ESG portfolio monitoring and reporting process. The request is sent to portfolio companies in the P4, P5, P6, P7 and PGO1 funds. The table above presents a subset of KPIs which are requested.

¹ During 2020 Permira Credit undertook a pilot for ESG monitoring and reporting with PCS4 fund portfolio companies. Having received a good response rate, Permira Credit is now committed to rolling this out across PCS3, 4, and future PCS funds.

² Some private equity companies also have ESG KPIs tailored to their sector.

ESG WITHIN PERMIRA

Leading by example

At Permira, we know that actions speak louder than words. As we monitor portfolio companies for risk and engage management teams in key ESG opportunities for growth, Permira teams demonstrate their own commitment to sustainable and responsible business.



As a firm, we need to be able to demonstrate, with credibility, that we too are embracing the compelling business case of embedding ESG into our own operations.”

Chris Davison

Partner, Head of Investor Relations
and Fundraising

ESG within Permira

Material issues

To achieve the most targeted impact on the ESG risks and opportunities most relevant to our industry and stakeholders, we have assessed and prioritised issues, firstly by impact on Permira and secondly by importance to our stakeholders.

Our materiality assessment involved seven internal stakeholders from our risk, communications, investment, portfolio, ESG and investor relations teams. Together, they assessed a long list of potential issues by their importance to our stakeholders and by their ability to impact financial performance, regulatory compliance and reputation.

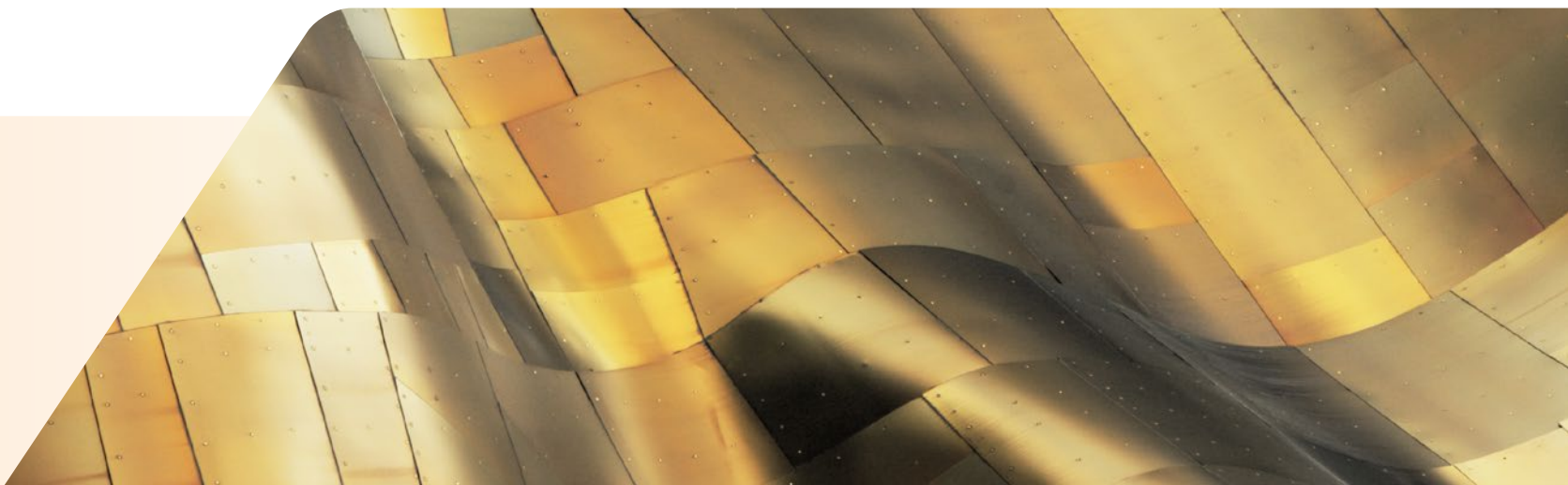
We believe our biggest opportunity lies with how we engage with portfolio companies on ESG and investing responsibly. We also believe it's important to lead by example in how we operate at a firm level.

The most material issues arising were **responsible investing** and **governance**, closely followed by **cyber security**.

The impact and importance of issues has changed and will continue to change over time.

ESG issues included in materiality assessment

- | | | |
|---|--|--|
| <p>1 Responsible investing / portfolio, e.g.</p> <ul style="list-style-type: none"> a Climate change b D&I c Supply chain d Responsible marketing e Cyber security / data f Health & safety g Crisis management | <p>4 Health & safety</p> <ul style="list-style-type: none"> a COVID-19 b Wellbeing / mental health <p>5 Climate change</p> <ul style="list-style-type: none"> a Travel habits b Office consumption <p>6 Governance</p> <ul style="list-style-type: none"> a Risk b Transparency c Anti-bribery and corruption d Anti-money laundering e Business ethics f Procurement g Governance framework | <p>7 Policy / regulations</p> <ul style="list-style-type: none"> a Tax <p>8 Talent</p> <ul style="list-style-type: none"> a Retention b Investment in people c Pipeline / succession planning d Training and development <p>9 Cyber security / data</p> <ul style="list-style-type: none"> a Data protection b Customer privacy <p>10 Social responsibility</p> |
|---|--|--|



ESG within Permira

Environmental impact

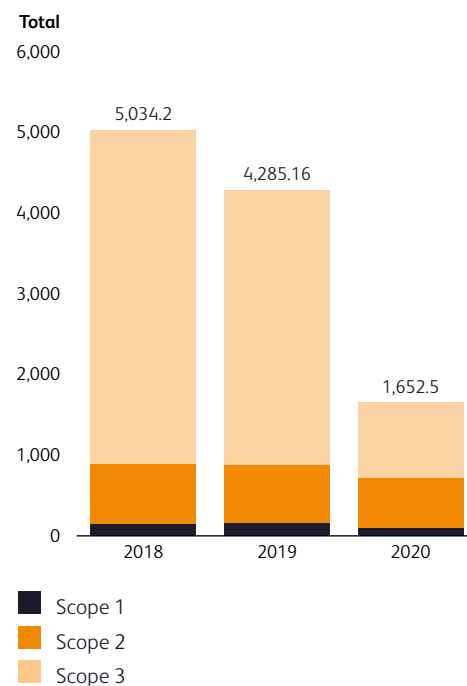
Just as we engage the private equity funds' portfolio companies on climate risk and embracing low-carbon opportunity, we are also doing the same within Permira. Having operated with CarbonNeutral® status since 2018, we are steadily reducing emissions.

Our Environmental Advisory Group comprises enthusiastic champions from across our international offices and meets quarterly to drive momentum around eco-efficiency initiatives. Its three main priorities are to switch to renewable energy sources at all sites (where local infrastructure allows), eliminate or significantly reduce single-use plastics and to 'green' our office buildings to BREEAM Excellent or equivalent sustainability ratings. The London office has recently been refurbished to BREEAM Excellent standards, with the highest levels of eco-efficiency.

Since 2018, our GHG emissions have reduced by 67% in absolute terms (73% when considering business growth). Despite adapting our carbon footprinting methodology to factor in 'working from home' emissions, we recognise that 2020 was exceptional in terms of minimal emissions from business travel and office procurement and that the more accurate reduction trajectory is around 15%, as we achieved in 2019.

Our Environmental Policy extends to suppliers who are assessed for their ESG approach and performance during tender and throughout the relationship. We also survey suppliers on modern slavery risks, working closely with those identified as high risk to reduce any exposures. Further information is available [here](#).

Permira Carbon Footprint



Supporting sustainable development with gold standard carbon offsets

While reducing our GHG emissions remains our priority, certain activities such as business travel currently mean that we also need to offset emissions. We purchase Gold Standard certified carbon offsets through [Natural Capital Partners](#).

Our offset is contributing to five UN 2030 Sustainable Development Goals:



The **Building Research Establishment Environmental Assessment Method** (BREEAM) is the world's leading sustainability assessment method for master-planning projects, infrastructure and buildings.

Our Carbon Footprint Assessment is conducted by expert consultants and includes: Scope 1 (direct emissions): energy consumption (gas), refrigerant gases (air conditioning); Scope 2: (indirect energy emissions): electricity; Scope 3 (other indirect emissions): Business travel (including flights, train travel and taxis), water, waste, outbound deliveries and staff commuting. In 2020, our consultants also factored in 'working from home emissions' to account for all the time spent working outside of the office.

NATURAL
CAPITAL
PARTNERS

CERTIFIED
CARBON
NEUTRAL®
company
CarbonNeutral.com

ESG within Permira

Social impact

The Permira values of integrity, creativity and partnership come to life within our workplace, and through our outreach and giving to those in our communities. As we step up as colleagues, we also lend our expertise to local organisations doing vital work in their neighbourhoods.

Our culture has long been characterised by a high degree of collaboration. From an investing perspective, we are at our best when there is multi-sector or multi-geographic collaboration, and this is actively rewarded through the incentives system. Today, we are more committed than ever to nurturing a collaborative and inclusive environment, where our people can thrive and the firm can continue to attract and retain the best industry talent. Sometimes it can be the worst times in which the spirit of togetherness shines the brightest, and during COVID-19, all 360 colleagues, spanning three continents, showed immense resilience and proactive spirit to support one another.

32%*

of Permira professionals are women

* Includes organisational and investment professionals

A workplace of inclusion and diversity

At Permira, our philosophy has always been that decision-making is best carried out by a group that is both diverse and cohesive. Permira continues to strive towards building a more diverse and inclusive culture, which we also encourage within our portfolio companies. Our Diversity and Inclusion steering committee comprises 15 members, including nine women. Reporting into the Executive Committee, it has four working groups on: inclusive recruiting and integration, diverse leadership and culture, engagement and accountability (including responding to requests for information), and social outreach and impact.

40%*

of new hires in 2020 were women

* Approximate



Diversity of thought has been and will always will be intrinsic to Permira and developing diverse talent remains fundamental to our success. Not to mention, it just makes for a more interesting, fun and rewarding place to work."

John Coyle

Partner, Head of the New York office and Diversity & Inclusion champion for Permira

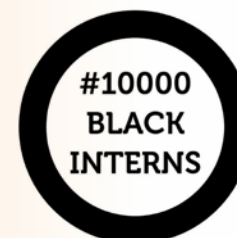
We have been intensifying our efforts to recruit diverse talent by reaching out to wider sources to reflect a variety of educational backgrounds and professions, including sponsoring networks such as OutInvestors, Sponsors for Educational Opportunity and #100blackinterns. We are also enhancing our recruiting processes and investing earlier through internship programmes and on campus relationships.



We remain committed to creating even more opportunities for women to join Permira and to work their way through the business into leadership positions. We are making steady progress."

Caroline Carr

Chief Human Resources Officer, Permira

LEVEL
20OUT LGBT+ NETWORK
INVESTORS

ESG within Permira

A proactive approach from recruitment to retirement

We are continuing to evolve our recruiting process, assessing quantitative and technical skillsets and ensuring greater involvement of Partners and Principals earlier in the interview process, as well as a more consistent use of structured scorecards.

The results of our diversity recruitment work are encouraging, with approximately 40% of 2020 new hires being women and a doubling of the number of female investment professionals at the firm over the last two years. Our Executive Committee reviews our diversity data on an ongoing basis and we also submit it to the British Private Equity & Venture Capital Association to benchmark how we are performing relative to our peers.

19%

of investment professionals are female

Harvard

Psychology and unconscious bias expert, Professor Mahzarin Banaji, has helped us review all of our hiring, promotion, and evaluation processes.

After recruitment, we work proactively to ensure new starters integrate within an inclusive culture and diverse leadership. To support this, we offer offsites for all to develop our collective understanding of inclusivity. It's also a prominent topic within the Permira Virtual Leadership Series where themes have included: A Conversation on European History, A Discussion About Race and How Business Leaders Can Effect Change, We're Someplace We've Never Been: Race, Diversity and the New America.

We have recently launched a leadership programme for all Principals and Managing Directors with a focus on inclusive leadership and we have updated mentor assignments to include formal senior employee mentorship programmes for diverse investment professionals. We are also expanding our ongoing professional development programmes to enhance communication, manager feedback and unconscious bias training. At the same time, webinars continue apace, with international experts sparking debate and reflection on ethnicity, race and racial justice during 2020.

The Permira Women's Network goes from strength to strength, with meetings and events held regularly throughout the year, designed to promote further collaboration, community and experience-sharing.

To support working parents, we offer 16 weeks' full maternity pay and four weeks' paternity leave, with return-to-work coaching. Our new Childcare policy offers up to 52 hours a year of additional leave for emergency childcare needs and home tutoring.

Permiraans grow with us

Permira is a growing firm and employees know they can expect to grow with us. For new joiners, induction includes more than 20 hours of inspiring content created by Permira and facilitated by more than 20 members of the firm. We also offer a three-day modelling bootcamp across three global locations for new joiners from a non-finance background, to ensure that we are able to recruit from a diverse pool.

Each month, deal team members or external experts deliver webinars to our teams, from digital marketing and interviewing skills to commercial due diligence and communications skills on Zoom.

In 2020, our monthly speaker series featured Matt Walker, science of sleep expert from Stanford University; Nassim Taleb, author of The Black Swan; and Tim Peake, astronaut, among many others. We also offer one-on-one communications training and executive leadership coaching, and a subscription to Udemy, an online learning platform.

Alongside a broad array of learning opportunities, Permira employees and their families were offered additional support, for example improved home office set-up, and funding towards home-school tutoring during periods of lockdown. In addition, Permira has focused on mental health, resilience and wellbeing during this time, for example offering life coaching, virtual exercise and mindfulness app subscriptions. We feel a huge responsibility to offer our people a varied, engaging and content-rich set of learning opportunities alongside a varied career. The switch to virtual learning in the wake of COVID-19 has enabled this on a global, 'anytime, anywhere' basis.

ESG within Permira

Permira in the community

Formed in 2017, the Permira Foundation⁸ was established to centralise the firm's philanthropic initiatives in the geographies in which we operate.

While Permira has a long history of being involved in charitable giving, the Foundation ensures a consistent approach to charitable giving across Permira and encourages engagement with the charities alongside financial support. The Permira Foundation's objectives focus on education, poverty, health, social inclusion and relief efforts. It achieves these objectives through making grants to charitable organisations and social enterprises that work in these areas. It is largely funded through contributions by current Partners, although all staff and former Partners are also invited to contribute. Each year, all Permira offices are invited to nominate charities of their choice, representing our diverse teams and offices and their local needs, and these are reviewed quarterly by the Permira Foundation. In the last year, Permira colleagues have clocked up 2,000 pro bono hours working for charities supported by the Permira Foundation and we tripled our matched employee giving.

A decade of championing social entrepreneurship

We have a long history of charitable giving at Permira. A decade ago, Sir Damon Buffini, a founding partner, established the Social Business Trust (SBT) alongside Adele Blakebrough MBE, a leading social entrepreneur. The Permira Foundation continues to support the Trust with a £200,000 donation each year, helping it to reach 2.7 million beneficiaries in the UK since 2010.

+ Find out more about the Social Business Trust



Seeing the work of our social enterprises and partners in action is a joy to experience. As we look forward to the next ten years, the people who make up SBT will continue to hold a genuine and profound belief that bringing together the best of business and the best of social enterprise has the potential to create a more sustainable and more just society for us all."

Larissa Joy

Chair, Social Business Trust



At Permira, ESG is really just part of what we're all doing each day – whether that's in our conversations with business partners on the importance of diversity to business value, going the extra mile to make waste-free workplaces, or giving 2,000 hours collectively to help those in our communities. That's not to say we can't do more though, which is why our talented people are always looking for ways to solve the next environmental or social challenge."

Paul Armstrong

Managing Director

Building skills and employability among young people has also been an important focus for our community investment in the past and is a priority for the Permira Foundation. Since 2017, the New York office has run an annual Summer Scholars programme for disadvantaged teenagers, in collaboration with like-minded organisations [Mind Matters](#) and [Opportunity Network](#). In 2020, we delivered a virtual four-day programme to 20 young people, giving them a unique insight into what it's like to work in private equity. We included a simulated Investment Committee experience in which students reviewed and selected the best investment opportunities. In London, our partnership with [Teach First](#) was adapted, whereby Permira colleagues volunteered to mentor head teachers around governance and financial management. New partnerships with Career Ready and SEO have given colleagues the opportunity to mentor secondary school students with a 'Digital Insights' programme in development for 2021 to run along the Summer Scholars in the US.

ESG within Permira

COVID-19 and the Permira Relief Fund

The global COVID-19 pandemic has had devastating consequences for people around the world. Losing loved ones and livelihoods, for millions life will never be the same again.

From March 2020, we intensified our efforts with charitable partners, such as the Social Business Trust, charities and local hospitals. In April 2020, the Permira Foundation set up a Relief Fund in response to the impact that COVID-19 had on the communities in which we operate. The Permira Foundation received funding from the Permira Relief Fund and leveraged existing relationships with charities to reach out to other beneficiaries that were particularly affected by the pandemic.

The Permira Relief Fund increased the deployment of grants and with the firm matching employee fundraising three to one. There has been a particular focus on engaging with charities beyond just financial support and the team continues to look for opportunities where we can offer pro bono support and where Permiraans can volunteer their own

time and expertise. We are currently working on a number of initiatives across the globe with a large proportion of Permira employees working alongside organisations to amplify the impact we can have.

To date, the multi-million Euro fund has been distributed across more than 150 charities via the Permira Foundation, including €1.7m to assist companies within the Permira funds' portfolio that were most heavily impacted.



Thank you for Permira Foundation's generous contribution to the Robin Hood Relief Fund to help the most vulnerable and under-resourced New Yorkers grapple with the unpredictable effects of COVID-19."

Charity Partner, Robin Hood

Permira relief funds



Children and vulnerable families 33%	Domestic abuse 6%
Medical care 25%	Disaster recovery 7%
Education and employment 14%	Mental health 5%
Homelessness 13%	Other (rehab, refugees, anti-trafficking, bereavement) 5%
Grant distributions 7%	Elderly care 5%
Food distribution 6%	



Thank you so much for the Permira Foundation's kind donation, for help with our provision of a second refuge and for assisting victims fleeing domestic abuse."

Charity Partner, Safer Guernsey

1m+

beneficiaries supported to date



36+

charities currently receiving volunteer support



22%

of Permira colleagues working with a charity



NGO collaborations



160,000

items of PPE delivered to frontline workers in Germany, UK, Guernsey, Spain, France, USA and Hong Kong



Donations of fruit and veg to food banks each week



Donations of children's clothes and toys to vulnerable children



Even through this terrible pandemic, you and your colleagues have chosen to give your time, energy and expertise to reach out beyond your own organisation, despite intense workloads and personal challenges."

Sarah Wren

Chief Executive, Hertfordshire Independent Living Service

ESG within Permira

Permira in the community

Sharing our skills with non-profit managers

In October 2020, recognising the increasing popularity and success of virtual events, the Social Business Trust joined us to deliver a series of webinars for the management teams of the charities supported by the Permira Foundation.

With internal and external leaders in their field, we hosted four webinars to enable charities to network and share collective experiences through interactive presentations. They also offered opportunities to learn from experts on topics of interest.

This is a great example of how our talent at Permira can achieve a positive impact beyond our business. By sharing skills and insight in a pro bono way like this, we upskill the non-profit sector to deliver even more positive outcomes for their beneficiaries. The series is set to continue, with upcoming topics including Governance, ESG, Digital Marketing, Internal Communications and Cyber security.

Webinar	Presenter
Presenting with impact Exploring tips and techniques to help leaders present with impact when it matters	
Data analytics Focusing on the practices and pitfalls in building analytics and insights capability using freely available tools to bring life and intelligence to data	 
Running your team at full power Thinking about hiring decisions, what to look for in key roles and holding powerful conversations with teams to accelerate performance	
Social and racial equality What can charities do to improve racial equality when thinking about both internal and external commitment and racial representation	

Pro bono projects and volunteering

As previously mentioned, a particular focus over the year has been identifying charities where we can amplify our financial contribution with pro bono and volunteer support over a number of projects. With so many charities experiencing rapid growth throughout the pandemic, Permira is well placed to help share their expertise and this has been achieved virtually without the need for face-to-face contact in many cases. Some examples of charities we've worked with throughout the year are:

Foodlink

The Foodlink Foundation is committed to providing nutritious and healthy meals to needy people in Hong Kong, while simultaneously reducing food waste. When safe to do so during COVID-19, our Hong Kong team visited the kitchen and made snacks using surplus food which were then distributed to local Baptist Centre groups whilst also packing rice packs for the elderly.



10,000
food packs
distributed

City Harvest

City Harvest re-distributes fresh surplus food from across the value-chain to food banks across the UK. The charity has doubled in size of the course of the year due to increased demand and has had to scale-up significantly to meet the growing need. As well as joining the Board of Trustees, Permiraans have been supporting across a variety of functions including projects in HR, legal and sustainability.

36+

charities currently receiving volunteer support



Volunteering with Crisis Text Line is both heart-breaking and incredibly rewarding. Letting them know they are not alone."

Crisis Text Line

Crisis Text Line provides a free mental health texting service through confidential crisis intervention via text message throughout the US, and available 24 hours a day. Having received the necessary training and support, colleagues in our Menlo Park office have been able to volunteer as counsellors from their home.

Fundación Balía

Fundación Balía enables social integration of underprivileged children through structured education programmes across Spain. With face-to-face education difficult through much of 2020, colleagues in our Madrid office got involved in running activities online, with weekly digital classes for children and administrative support to the Balía Foundation itself.

ESG within Permira

Governance

The Permira business principles are reflected in our structures of transparent governance.

Below our Board and Executive Committee, each Permira fund is managed by a General Partner or Manager who appoints an Investment Committee to advise them. The Portfolio Review Committee ensures appropriate oversight of monitoring the value creation progress of the Permira private equity funds' portfolio companies.

Certain Permira funds may invest in businesses through an investment platform structure which performs portfolio and risk management functions on behalf of that fund. Where that platform is based in the UK, it publishes a UK tax strategy statement.

Code of Business Conduct and Ethics

We recognise that our business and the environment in which we operate are complex, as are the issues and questions that arise. We have a Code of Business Conduct and Ethics to assist Permira partners and employees in the conduct of our business and to help guide decision-making. The Code is supported by global policies to help us ensure that we manage and operate our business prudently while complying with applicable laws and regulations. These policies cover aspects such as risk management, confidentiality and security, conflicts of interest, anti-corruption / anti-bribery and anti-money laundering.

+ Find out more about governance at Permira

ESG governance

Our Head of ESG, Adinah Shackleton, oversees the development of the ESG strategy and approach, with a mandate to drive further improvement across the firm and the portfolio. Permira's ESG Group sets the direction and strategy for ESG in the firm, reporting to the Executive Committee on a regular basis. The ESG Group includes the Head of ESG, members of the investment team, Portfolio Group, investor relations team and risk management team. Christopher Crozier and Ignacio Faus, the firm's Chief Risk Officer (CRO) and Chief Operating Officer respectively, are members of the ESG Group. The CRO sits on the boards of the General Partner / manager, thereby bringing specific risk and ESG expertise to the governance bodies for the Permira private equity funds.

In 2020, a separate ESG Group was formed for Permira Credit, providing greater focus on credit-related issues (previously, Permira Credit participated in the overall Permira ESG Group). This cross-functional group met bi-weekly to drive forward the ESG integration approach across Permira Credit's three strategies. This reflects the ongoing commitment to ESG integration and increased investor interest in ESG across its strategies.

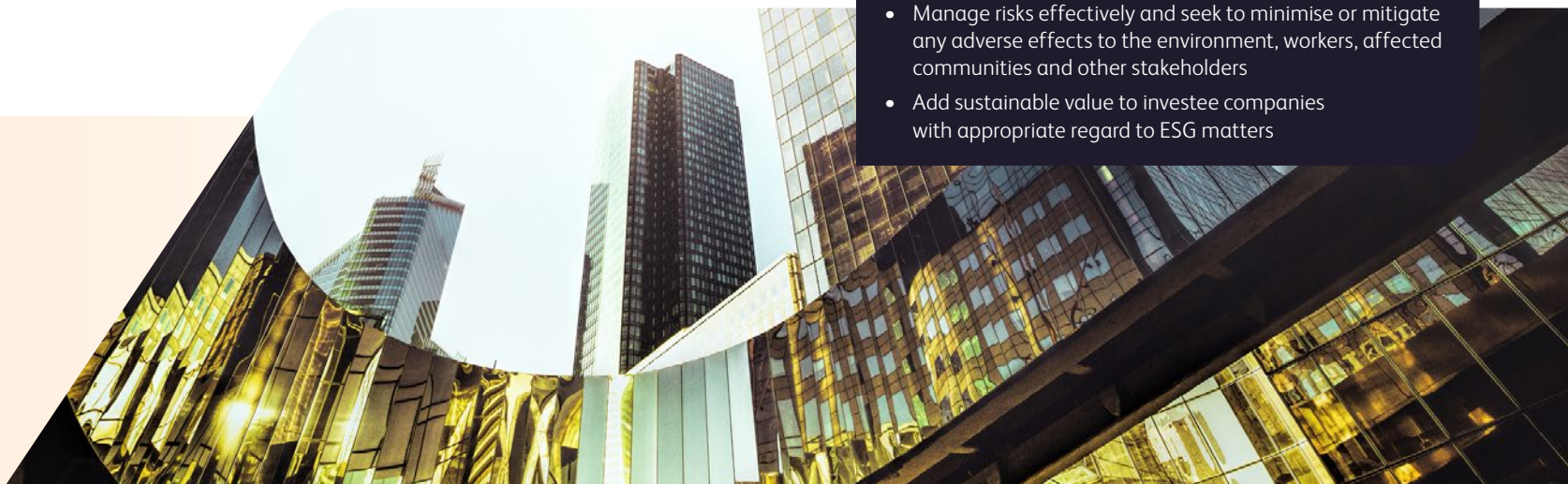
Driven by our principles

At Permira, our business principles apply to all partners and employees, as well as contractors, temporary employees, secondees and interns.

- Act with honesty and integrity at all times and never seek to mislead anyone
- Treat everyone we deal with, both internally and externally, with respect, courtesy and fairness
- Do not discriminate against anyone on any grounds
- Be sensitive to the wellbeing of everyone we deal with, both internally and externally
- Comply with both the letter and the spirit of all applicable laws, regulations and contractual obligations
- Maintain the confidentiality of all information we receive in connection with our business, except where disclosure is authorised or required
- Manage all conflicts of interest fairly and appropriately
- Ensure our actions protect and enhance the reputation and value of Permira

We expect each portfolio company of a Permira private equity fund to be aware of these principles and to have their own business principles that should also incorporate the following values:

- Follow best practice with regard to applicable environmental, social and governance (ESG) standards
- Manage risks effectively and seek to minimise or mitigate any adverse effects to the environment, workers, affected communities and other stakeholders
- Add sustainable value to investee companies with appropriate regard to ESG matters



ESG within Permira

Disclosure and engagement

Alongside our PRI disclosure, our approach to responsible investing, portfolio case studies and our reports are available on our website for anyone to access. Beyond our engagement with portfolio companies discussed in the previous chapter, we also engage transparently with a range of stakeholders. Below is an overview of key engagements we make as a firm. Key portfolio engagements are discussed in the previous chapter.

Stakeholder group	ESG engagement methods / activities
Investors	<p>Webcasts on quarterly valuations, new investments (including the investment rationale and transaction details) and material developments in the funds, where appropriate</p> <p>Knowledge-sharing webinars with further information on key topics and initiatives at the firm. These have included ESG topics, such as cyber security and diversity, as well as a series of webinars hosted by the Portfolio Group covering their approach to digital value creation and advanced analytics</p> <p>Investor notes in quarterly investment valuation reports, including a description of fund and portfolio level performance. Investor notes are produced upon signing, completion and exit of each investment</p> <p>The Advisory Committee and Annual Meetings take place in June. In addition, there are semi-annual Advisory Committee meetings in December</p> <p>Institutional Limited Partners Association-compliant reporting</p>
Employees	<p>Annual employee surveys</p> <p>Ad hoc forums on topical issues, e.g., diversity</p> <p>Regular internal ESG newsletter</p>
Industry bodies	<p>Annual transparency disclosure to PRI</p> <p>Member of British Venture Capital Association Responsible Investment Advisory Group</p> <p>Invest Europe ESG Roundtable (affiliate member)</p> <p>European Leveraged Finance Association – ESG reporting roundtables</p>
Media	Inbound questions identify themes of interest
Regulators	Through industry body consultations and commentary on regulations
Suppliers	<p>All suppliers are assessed for ESG against our Environmental Policy during tender and in quarterly business review meetings</p> <p>We also request larger suppliers to disclose modern slavery risks and we engage with them on any potential risk areas</p>

+ Read our PRI disclosure

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