



LEA 02	Disclosures Materiality	Reason for Interaction	Principle PRI 1, 2, 3
Individual/ internal staff engagements	Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in & company's interests <input checked="" type="checkbox"/> To influence corporate transition for climate <input checked="" type="checkbox"/> To engage investor ESG activities <input type="checkbox"/> Other: specify	
Collaborative engagements	Collaborative engagements	<input type="checkbox"/> To support investment decision-making in & company's interests <input type="checkbox"/> To influence corporate transition for climate <input type="checkbox"/> To engage investor ESG activities <input type="checkbox"/> Other: specify	
Service provider engagements	Service provider engagements	<input type="checkbox"/> To support investment decision-making in & company's interests <input type="checkbox"/> To influence corporate transition for climate <input type="checkbox"/> To engage investor ESG activities <input type="checkbox"/> Other: specify	

# RI TRANSPARENCY REPORT

## 2018

Abac Solutions Manager S.à r.l.

## 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 2018 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 by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	🔒	n/a							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	✓	Private							✓
OO PE 02	Typical level of ownership	✓	Private							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
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	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	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	✓	Private	✓	✓					
PE 08	ESG issues impact in selection process	✓	Private	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Private		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Private	✓	✓					
PE 16	Approach to disclosing ESG incidents	✓	Private							✓
PE End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	⚠	n/a							✓
CM 1 01.6	Assurance or internal audit	✓	Public							✓
CM 1 01.7	Internal verification	✓	Public							✓
CM 1 01 End	Module confirmation page	✓	-							

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

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

- Fund of funds, manager of managers, sub-advised products
- Other, specify

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

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 01.3

Additional information. [Optional]

Manager of Private Equity funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Luxembourg

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

18

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

Abac Solutions Manager (the General Partner or "ASM") is based in Luxembourg. Abac Capital is an independent investment advisor to ASM, based in Barcelona, Spain. FTEs include ASM Directors and Abac Capital team.

**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.

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			321	000	000
Currency	EUR				
Assets in USD			380	865	462

**OO 06** **Mandatory** **Public** **Descriptive** **General**

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

**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
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	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** Provide contextual information on your AUM asset class split. [Optional]

Abac Solutions Manager is the General Manager of a 100% private equity fund.

<b>OO 09</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
--------------	--	---------------	----------------	----------------

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

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	<i>100%</i>



<b>OO 09.2</b>	Additional information. [Optional]
----------------	------------------------------------

Focus in Spain

### Asset class implementation gateway indicators

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

<b>OO 11.1</b>	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>
--------------	------------------	---------------	----------------	----------------

<b>OO 12.1</b>	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.
----------------	---

<b>OO 12.1.1</b>	Core modules
------------------	--------------

- Organisational Overview
- Strategy and Governance

<b>OO 12.1.2</b>	RI implementation directly or via service providers
------------------	---

<b>OO 12.1.2.1</b>	Direct - Other asset classes with dedicated modules
--------------------	---

- Private Equity

<b>OO 12.1.2.2</b>	RI implementation via external managers
--------------------	---

<b>OO 12.1.2.3</b>	Closing module
--------------------	----------------

- Closing module

<b>OO 12.2</b>	Additional information. [Optional]
----------------	------------------------------------

100% Private equity managed internally

### Investment policy

<b>SG 01</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
--------------	------------------	---------------	----------------------	----------------

**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 type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input 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 and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

Abac funds have the mission to invest profitably in solid Spanish medium-sized companies that require long-term flexible capital solutions.

We are aligned with the long-term interests of our portfolio companies. We have the philosophy that Abac funds should leave a positive footprint in our portfolio companies and leave them stronger or in a better position than when we acquired them.

At Abac Capital we acknowledge that our investment decisions impact the life of our portfolio companies, our employees and our communities. We have a fiduciary duty to our investors and we are committed to the utmost ethical behavior. This is a key success factor for our reputation as partners of choice. Thus, since inception, Environmental, Social and Governance (ESG) factors and a strong culture of Citizenship is at the heart of our CSR policy. ESG is monitored during investment process by deal team and reported to Approval

and Investments Committees and in portfolio companies by the Portfolio Review Committee. An ESG red flag will be sufficient reason not to pursue an opportunity.

<b>SG 01.5</b>	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
----------------	--

We consider environmental, public health, safety, and social issues associated when investing in a particular company.

We strive to grow and improve the companies in which we invest for long-term sustainability.

We seek to engage with all relevant stakeholders either directly or through representatives of our portfolio companies.

We implement appropriate reporting, auditing, compensation and governance structures in our portfolio companies with the goal of improving performance, aligning interests and minimizing risks.

Our portfolio companies and ourselves are committed to comply with applicable labor laws in the countries in which we operate.

We keep strict policies that prohibit bribery and other improper payments to public officials consistent with the OECD Anti-Bribery Convention.

We provide appropriate information to our limited partners on ESG matters, and we will continue to foster transparency about our activities.

No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that: Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
- 

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	---------------	----------------------	--------------

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

<b>SG 02.1</b>	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

<https://www.abacsolutions.lu/en/responsibility/>

Attachment (will be made public)

Screening / exclusions policy

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

<https://www.abacsolutions.lu/en/responsibility/>

Attachment

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

Time horizon of your investment

ESG incorporation approaches

Active ownership approaches

URL/Attachment

URL

URL

<https://www.abacsolutions.lu/en/our-funds/>

Attachment

We do not publicly disclose any investment policy components

**SG 02.3**

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

<https://www.abacsolutions.lu/en/our-funds/>

No

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

**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.

Three layer approach to Conflicts of Interest ("COI") resolution.

1) Abac Capital has a Compliance Committee, comprising a Chief Compliance Officer and a Compliance Director, that are made aware and solve potential COIs

- All Abac Capital employees undertake training to identify and appropriately manage different kinds of COIs (regulated in Abac Capital's Code of Conduct and Compliance Training Manual). Potential COIs are notified to the Compliance Committee

2) One Abac Solutions director holds the Chief Compliance Officer title and Abac Capital's Legal Director holds the Compliance Director title. Either the Chief Compliance Officer or the Compliance Director will be aware and solve COIs. When appropriate, the Compliance Committee escalates the matter to Abac's Board.

- Final decisions on investments are taken by the Board of Abac Solutions, which is independent from Abac Capital. This guarantees non-biased decision making and eliminates any COI at the time of investing

3) A Supervisory Board (integrated by seven core LPs) veils for investors interests and negotiates with Abac Capital management team to solve potential COIs. Potential conflicts may include (none of them are currently applicable):

- Discussions around potential key man substitution
- Conflicts between two different funds advised by Abac Capital
- Contracts with related parties

No

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
--------------	------------------	---------------	------------------------------	----------------

**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

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

**SG 05.2**

Additional information. [Optional]

Objectives for the year are set in Q1 and reviewed and updated quarterly.

## Governance and human resources

**SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

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

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
**Chief Compliance Officer**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
  - 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
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

**SG 07.2**

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

RI policy, objectives and related matters are reviewed by Abac Solutions Manager Board once a year and supervised regularly by the Chief Compliance Officer.

Roles related to RI at Abac Capital (independent investment advisor of Abac Solutions Manager):

- Abac CEO is personally involved in setting the Responsible Investment policy and objectives;
- An Abac Capital's partner is appointed as Chief Compliance Officer;
- Abac Capital's Legal Director is also the Compliance Director, in charge of day to day compliance matters;
- Deal team is in charge of conducting (or contracting a 3rd party to conduct) an ESG due diligence prior to each Investment Committee, where potential deals are discussed;
- Abac investment professionals perform ESG training at portfolio companies, discuss ESG implementation issues with portfolio companies and are involved in the definition of the ESG KPIs to be monitored, reported, and eventually improved by the portfolio company.

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

<b>Number</b>
---------------

1

<b>SG 07.4</b>	Additional information. [Optional]
----------------	------------------------------------

Abac Capital has four investment team members dedicated part time to RI and ESG activities, equivalent to 1 FTE

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment: Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
  - This can be an internal staff or an external role;
  - They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
  - They do not have to be allocating the majority of their time to RI/ESG activities.
  -
- Senior level oversight and accountability for RI implementation: Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
- "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
- 

If you have any questions or need support please contact [reporting@unpri.org](mailto:reporting@unpri.org) or call on + 44 (0) 203 714 3187.

<b>SG 08</b>	Voluntary	Public	Additional Assessed	General
--------------	-----------	--------	---------------------	---------

<b>SG 08.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
----------------	---

**Board members/Board of trustees**

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

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**



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

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

**Chief Compliance Officer**

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

**Portfolio managers**

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

**ESG portfolio manager**

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

**Investment analysts**

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

**Dedicated responsible investment staff**

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

<b>SG 08.3</b>	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
----------------	---

Responsible Investment training provided to all employees upon joining ASM or Abac Capital. Annual refreshment session for all employees. ESG best practices shared during portfolio companies updates and other committees (e.g., quarterly at Monday Morning Meeting).

Variable remuneration of portfolio companies' C-level management also includes the implementation of ESG goals.

**Promoting responsible investment**

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	---------------	----------------------	----------------

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

<b>SG 09.1</b>	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]

Beyond ensuring that portfolio companies' employees are aware of the importance Abac places to ESG matters, Abac Capital strives to spread the Principles of Responsible Investment in those presentations it delivers to university students interested in the private equity industry, during meetings with professional advisors and with potential target companies.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- 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 Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
Donations to foundations, matching gift program, pro bono work, member of ASCRI

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

- Basic
- Moderate
- Advanced

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

Abac Capital is engaged in:

- Pro-bono work: Abac Capital employees collaborate with non-profit organizations of choice during working hours, such as the Cottolengo del Padre Alegre (a non-profit organization supporting physically and mentally impaired people of limited financial means) and the Aura Foundation (a non-profit organization aiming to improve the quality of life of people with intellectual disability by helping to integrate them into society and finding them employment);
- Donations to foundations: Abac Capital donates a percentage of its annual profits to foundations that invest in a selected group of non-profit organizations sponsored by its employees;
- Matching gift program: Abac Capital matches euro for euro the donations that its employees make to charitable and non-profit organizations where they volunteer their time for service;
- Abac Capital is a member of ASCRI, the Spanish Private Equity Association.

Other collaborative organisation/initiative, specify

Ship2B, a social impact fund.

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

- Basic
- Moderate
- Advanced

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

Abac Capital collaborates with Ship2B (<http://www.ship2b.org>), analyzing and offering investment recommendations on social early stage entrepreneurial projects.

Abac Capital's CEO is a Ship2B patron and sits on its Board of Directors, that meets quarterly.

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

<b>SG 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
--------------	------------------	---------------	----------------------	--------------

**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.)

## Description

Included Responsible Investment as part of Abac's Sustainable Value Investing and Risk Management frameworks, frequently communicated in meetings with advisors and target companies.

## Frequency of contribution

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

## Description

Attended ESG Investment webinar delivered by Harvard Business School professor George Serafeim to get an academic point of view on the latest thinking about ESG investing.

## Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

## Description

- Encouraged other private equity firms to adopt PRI and report ESG KPIs during professional gatherings such as the CapCorp Conference;
- Spoke publicly about RI in conferences at universities such as Esade Business School, Barcelona;
- Encouraged family business owners to adopt ESG practices during workshops.

#### 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

#### Description

In conferences and gatherings described above.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media

#### Description

Published an ESG Report (shared with investors and professional advisors) summarizing the work done during the previous year on the ESG front and describing the impact of the ESG initiatives implemented at each portfolio company.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

#### Description

Abac Capital's CEO is on the board of Ship2B, a social impact fund based in Barcelona and Abac Capital employees volunteer their time and effort to analyze social impact investing opportunities for Ship2B.

### Frequency of contribution

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

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

SG 13.1

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
  - FX, commodity price fluctuations
- We do not execute such scenario analysis and/or modelling

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

<b>SG 13.2</b>	We do the following
----------------	---------------------

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

<b>SG 13.3</b>	Additional information. [OPTIONAL]
----------------	------------------------------------

Abac invests in companies based in Spain, but deal team assesses country exposure and sector weightings for portfolio construction and as part of Abac's Risk Management Tool, which also factors ESG risks together with industry, regulatory and market among others.

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	--	---------------	----------------------------	--------------

<b>SG 14.1</b>	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
----------------	--

Abac has developed an in-house Risk Management Tool to identify key risks that could impact its portfolio companies, such as management, information, lack of influence, supply and demand, industrial, and compliance risks, among others. Environmental, Social and Governance risks are also part of the framework, which is reviewed biannually and leads to the definition of a set of strategic initiatives to be incorporated in each portfolio company's action plan.

<b>SG 14.2</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
----------------	--

- Changing demographics
- Climate change and related issues

<b>SG 14.3</b>	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
----------------	--

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above



**SG 14.4**

Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
  - Disclosure on emissions risk to clients/trustees/management/beneficiaries
  - Climate-related targets
  - Encourage internal and/or external portfolio managers to monitor emissions risk
  - 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
- Resource scarcity
  - Technology developments
  - Other, specify(1)
  - Other, specify(2)
  - None of the above

**Innovation**

SG 18	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

**SG 18.1**

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 18.2**

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Abac's motto is "sustainable value investing". When Abac professionals approach advisors or potential target companies they always try to incorporate ESG in their speech. Abac professionals would say (and truly mean it!) that they only invest if they think they can add value; Abac professionals believe that Responsible Investing generates long-term value for the fund, for its portfolio companies and their employees, and for society at large.

The response to this indicator could relate to any aspects of your responsible investment processes, activities, outputs or outcomes that you consider to represent significant developments and progress in the practice of responsible investment in general or in a particular market or asset class.

Illustrative examples include:

- the introduction of longer holding periods (or portfolio turnover limits) to encourage longer-term thinking;
- new ways of delivering information or reports to clients;
- the development of innovative KPIs or performance measurement tools (e.g., to track the carbon intensity or other ESG characteristics of portfolios or to link these to financial performance);
- the use of new engagement approaches that deliver better ESG or financial outcomes; and/or
- new partnerships or collaborations.

No

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

### SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Private equity

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

	<b>Disclosure to clients/beneficiaries</b>
	Disclosure to clients/beneficiaries
	<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other
	Frequency
	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested

SG 19.2	Additional information [Optional]
---------	-----------------------------------

Abac discloses ESG information related to its pre-investment activities and post-investment monitoring of ESG performance in the format of a printed Annual ESG Report shared with investors and professional advisors.

## Overview

PE 01	Voluntary	Public	Descriptive	PRI 1-6
-------	-----------	--------	-------------	---------

PE 01.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
---------	---

Abac Solutions Manager ("ASM") Responsible Investment approach follows the UNPRI guidelines. It also follows EVCA recommendations and CSSF rules.

ASM's independent advisor Abac Capital also considers Responsible Investment as an integral part of the investment process and incorporates ESG as part of the Due Diligence. Once a target becomes a portfolio company, the deal team helps implement changes in RI matters. Abac Capital's board members supervise and monitor that Responsible Investment principles are followed and that progress is made, and report back to ASM's Board of Directors.

PE 02	Mandatory	Public	Core Assessed	PRI 2
-------	-----------	--------	---------------	-------

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

ASM's investment guidelines state that all portfolio companies should comply with ESG principles as per the UN Global Compact management model and shouldn't be involved in any issue related to Human Rights violations, labour abuse, environmental degradation or corruption. Beyond that, ASM's investment guidelines specifically exclude investments in companies engaged in manufacturing or distribution of military weapons, prostitution, gambling and tobacco manufacturing.

Abac Solutions Manager Investment Committee asks its investment advisor Abac Capital for ESG analysis on targets.

Abac Capital's Approval Committee and Investment Committee track ESG matters surfaced during due diligence. Portfolio companies' Board of Directors also track ESG issues at their quarterly meetings.

A red flag identified by the deal team during ESG Due Diligence - e.g., child labour in the supply chain, payment to government officials, etc.- of which Abac does not have comfort it could be stopped by the change of ownership, is reason enough to directly reject an investment opportunity.

- 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
-------	-----------	--------	---------------	-----------

**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]

The PPM explicitly mentions those sectors that will be excluded from investment consideration, including companies whose business activity consists of an illegal economic activity, or which substantially focus on the production / trade of tobacco / distilled alcoholic beverages and related products, the financing of the production of weapons and ammunition of any kind, casinos and equivalent enterprises, and research or development of applications relating to electronic data programs which aim at supporting or are intended to enable internet gambling, online casinos, pornography, illegally entering into electronic data networks or downloading electronic data.

Although not included in the body of the PPM, Abac Solutions Manager ("ASM") and some Limited Partners executed side letters whereby ASM committed to use all reasonable endeavours to take into account the ten principles of corporate governance published by the UN Global Compact when managing the business and investments of the fund, and, upon the reasonable periodic request, to provide those investors with updates on ESG matters / discuss developments that are relevant to those investors ESG policies, as well as to inform those investors after the occurrence of any significant ESG controversies or incidents.

- 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 clients.

Yes

**If yes**

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

No

PE 04.2

Additional information.

Abac Solutions Manager and some Limited Partners executed side letters whereby ASM committed to use all reasonable endeavours to take into account the ten principles of corporate governance published by the UN Global Compact when managing the business and investments of the fund, and, upon reasonable periodic request, to provide those investors with updates on ESG matters / discuss developments that are relevant to those investors ESG policies, as well as to inform those investors after the occurrence of any significant ESG controversies or incidents.

**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.

ESG issues are taken into consideration throughout the entire investment process.

Independent Investment Advisor includes ESG in the following investment decision stages:

Deal sourcing:

- Any potential deal is rejected if: a) Target company is engaged in a business excluded from investment as per Abac's investment guidelines (i.e., manufacture or distribution of military weapons, prostitution, gambling and tobacco manufacturing)
- b) Deal team has evidence that company has a material issue in Human Rights, Labour, Environment or Corruption, as defined by UN Global Compact
- 

Approval Committee:

- CIO always asks deal team if any ESG related issue has been detected and response is recorded in Approval Committee minutes
- Approval Committee dismisses any deal that has a material ESG red flag

Due Diligence:

- During due diligence (during company visits, management interviews, etc.), deal team pays special attention to identifying any human rights, labour, environment, corruption or money laundering issue, or any unlawful or unethical behavior
- ESG due diligence is typically contracted to an external advisor with experience in the matter, and includes a situation assessment and an identification of areas of improvement and potential deal breakers. Report is discussed between the deal team and the advisor and identified issues directly with the company for further clarification
- A specific environmental report is prepared for manufacturing businesses or when specific threats have been identified
- Anti-money laundering and sanction checks are carried out on (1) deal co-investors, (2) portfolio companies (prior to signing) and (3) seller/buyer in buy/sell processes

Investment Committee:

- ESG matters are always discussed at Investment Committee and constitute an integral part of the investment decision; they are recorded in Investment Committee minutes

Management Plan/100-day plan:

- During final due diligence stage, deal team supports management in the preparation of a business plan that includes immediate actions to be taken in the first 100 days post closing of the investment (100-day plan)
- Plan includes actions to solve any ESG issues identified during due diligence, standardisation of ESG reporting as per Abac's standards, appointment of ESG responsible at portfolio company (when missing) and initiatives to improve key ESG metrics

ESG at Abac Solutions Manager ("ASM"):

- ASM ESG Officer, during ASM Investment Committee, verifies that Abac Capital has complied with its self-imposed ESG obligations during due diligence and investment decision

No

**PE 05.3**

Additional information. [Optional]

ESG issues are addressed in a consistent manner for all investments (regardless of sector, geography or investment thesis). However, special watch-outs are set in specific cases:

- Manufacturing industries: external Environmental due diligence performed
- Companies with procurement in emerging markets: check of suppliers labour conditions and implementation of suppliers homologation process post-acquisition
- Industries prone to deal with black-money (typically retail businesses using cash)
- Companies that mostly sell through tender processes: check existence of bribes / corruption and set anti-corruption and whistleblowing policies post-acquisition (if not directly ruled out from investment)

**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.

- 1- ESG due diligence from a specialized external advisor is attached to the documentation submitted for review to the Investment Committee
- 2- Deal team must complete at least two specific ESG slides that are included in the Investment Committee deck: a summary of ESG matters identified in the due diligence and a summary of ESG status and action plan to be included in the 100-day plan

Post-investment (monitoring)

PE 09

Mandatory

Public

Gateway/Core Assessed

PRI 2

PE 09.1

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 09.2

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

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

(in terms of total number of portfolio companies)

PE 09.3

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

Environmental

List up to three example targets of environmental issues

Does the company have initiatives in place to reduce paper and packaging usage? Show % reduction vs. previous year and top 3 projects in place

Does the company have initiatives in place to reduce water usage? Show % reduction vs. previous year and top 3 projects in place

Does the company have initiatives in place to reduce electricity consumption? Show % reduction vs. previous year and top 3 projects in place

Social

List up to three example targets of social issues

% women employees and % women in management committee

% employee attrition and % voluntary attrition

Number of accidents and % of accidents with medical leave

Governance

List up to three example targets of governance issues

% independent directors and % women directors

Existence of a code of conduct

Existence of an audit, a nomination and a remuneration committees

We do not set and/or monitor against targets

No

**PE 09.4**

Additional information. [Optional]

Consistent set of KPIs defined for all portfolio companies as part of 100-day plan and reported in Board of Directors meetings on a quarterly basis

**PE 10**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2**

**PE 10.1**

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 10.2**

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

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

(in terms of total number of portfolio companies)

No

**PE 10.3**

Additional information. [Optional]

Identified issues during due diligence are used to elaborate an ESG guideline for each portfolio company. Revamp of existing ESG/sustainability policy to Abac's standards is included in the 100-day plan; completion of this initiative is monitored by the Board of Directors

**PE 11**

**Voluntary**

**Public**

**Additional Assessed**

**PRI 2**

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



**Types of actions taken by portfolio companies**

- Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

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

(in terms of total number of portfolio companies)

- 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

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information
- Other actions, specify
- None of the above

<b>PE 11.2</b>	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
----------------	---

- Regular communication of why ESG matters are important to Abac, through secondment of investment professional in portfolio company (typically in the first months after closing an investment) and during Board of Directors meetings
- Appointment of an ESG officer / captain at portfolio companies to oversee ESG initiatives implementation and to be the person of contact to discuss / share best practices on ESG matters with Abac

<b>PE 12</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2,3</b>
--------------	------------------	---------------	--------------------	----------------

<b>PE 12.1</b>	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
- 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
- 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]
----------------	--

- ESG KPIs and status of ESG initiatives reported monthly
- ESG business cases reported ad-hoc at Board of Directors meetings

## Outputs and outcomes

PE 14	Voluntary	Public	Additional Assessed	PRI 1,2
-------	-----------	--------	---------------------	---------

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

PE 14.1	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
---------	--

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

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

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

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

None of the above

PE 14.2	Describe how you are able to determine these outcomes.
---------	--

ESG tracking and reporting is performed quarterly and allows Abac to measure the impact and evolution of each portfolio company's ESG performance.

Successful implementation of jointly defined initiatives is steadily leading to an improvement of ESG performance across investments.

Management typically prepares case studies when implementing ESG initiatives. Reported initiatives such as the completion of an energy efficiency plan or a plan to improve the work place also have a positive financial impact, with a short payback period that can be measured from the financial accounts (e.g., electricity consumption)

## Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
-----------	-----------	--------	---------------	---------

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

**CM 1 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 implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or 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

**CM 1 01.2 & 01.8****Mandatory****Public****Descriptive****CM 1 01.2**

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

**CM 1 01.3 & 01.9****Mandatory****Public****Descriptive****General****CM 1 01.3**

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, or we did not have such a report last year.

**CM 1 01.4, 10-12****Mandatory****Public****Descriptive****General****CM 1 01.4**

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
  - An Internal Audit Committee strives to safeguard the Report from intended or unintended biases addressing UNPRI questions and collecting data from team members/portfolio companies
- None of the above

CM 1 01.6	Mandatory	Public	Descriptive	General
-----------	-----------	--------	-------------	---------

**CM 1 01.6** Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities

Corresponding indicator number

SG05 to SG12 and SG18 to SG19

- RI policies

Specify

R.I. related documentation

Corresponding indicator number

SG01, SG02

- RI related governance

Corresponding indicator number

SG03, SG04

- Investment selection process in non-listed assets

Corresponding indicator number

SG13 to SG15

- ESG incorporation in selection process for private equity investments

Corresponding indicator number

PE01 to PE16

- Other

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

27/03/2018

Assurance standard used

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

Specify

The Internal Audit Committee did not use a published Assurance standard, rather it verified that the submitted answers were not subject to the intended / unintended biases of the writer and truly reflected what the company had done on the ESG front during 2017. The Internal Audit was appointed by Abac's Board based on competence for the task at hand. The Internal Audit encompassed interviewing the team in charge of completing the UNPRI Report and asking them to justify a sampled number of answers, providing legitimate evidence to support the claims made by the writer. Information used in the report was also centralized in a shared repository that was used by the Internal Audit Committee to double-check the accuracy of the given answers.

CM 1 01.7	Mandatory	Public	Descriptive	General
-----------	-----------	--------	-------------	---------

**CM 1 01.7** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

Sign-off or review of responses

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