Corporate Sustainability Report

Partners Group
REALIZING POTENTIAL IN PRIVATE MARKETS
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## Contents

### Partners Group at a Glance & Sustainability Highlights 2021
- Key facts and figures about our firm and overview of last year’s sustainability highlights

### Introduction
- A note from our Executive Chairman and Chairman of Sustainability on Partners Group’s sustainability priorities and achievements in 2021

### Emerging Sustainability Trends
- Investment perspective: The next generation of decarbonization infrastructure
- Client perspective: ESG vs. impact – a call for more transparency
- Market perspective: Staying ahead of regulatory developments

### Our Sustainability Strategy

### Our Investment Portfolio
- ESG investing
- Measuring our ESG progress
- Case studies
- Impact investing

### Our Firm
- Our people
- Our planet
- Our governance
- Citizenship

### Our Stakeholders and Materiality Assessment
- An overview of the sustainability topics that are most relevant to our firm and our stakeholders

### Assurance Report

### GRI & SASB Content Index

### Contacts
Partners Group at a Glance

Key figures

- **127 USD billion** assets under management
- **1'592 employees**
- **20 offices** around the world

- **4 asset classes**: private equity, private infrastructure, private real estate, private debt
- **32 USD billion** deployed in transformative investments in 2021

- **>1'000** institutional clients
- **>200 million** client beneficiaries
- **>250 thousand** portfolio company employees

Key financials in 2021

- **2'629 CHF million** revenues
- **1'650 CHF million** EBIT
- **1'464 CHF million** profit
Partners Group is a leading global private markets firm. Since 1996, we have invested over USD 170 billion in private equity, private debt, private real estate, and private infrastructure on behalf of our clients globally. We seek to deliver sustainable performance across economic cycles through three key approaches:

**Transformational Investing**
We seek to generate strong returns by capitalizing on thematic growth trends and transforming attractive businesses into market leaders.

**Bespoke Client Solutions**
We provide tailored access to private markets and seek to enhance returns through our portfolio management capabilities.

**Stakeholder Impact**
We realize potential in private markets and seek to create sustainable returns with lasting positive impact for all of our stakeholders.

Our values

- **Partnership**
  - We are a team
  - Together, we are Partners Group

- **Passion**
  - No compromises; no surprises
  - Our people are our assets

- **Entrepreneurship**
  - Make it happen; no excuses

- **Excellence**
  - Our people are our assets
2021 Sustainability Highlights

Portfolio-level highlights

<table>
<thead>
<tr>
<th>2021 IMPACT ACHIEVED</th>
<th>EQUIVALENT TO</th>
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</thead>
<tbody>
<tr>
<td><strong>597.2 GWh</strong></td>
<td>&gt;163.1 million liters of gasoline being consumed</td>
</tr>
<tr>
<td>electricity consumption</td>
<td></td>
</tr>
<tr>
<td><strong>3.1 million metric tons</strong></td>
<td>&gt;660’000 passenger vehicles driven for one year*</td>
</tr>
<tr>
<td>CO₂e emissions</td>
<td></td>
</tr>
<tr>
<td><strong>16’651</strong></td>
<td>&gt;33.3 million hours of work**</td>
</tr>
<tr>
<td>net jobs</td>
<td></td>
</tr>
<tr>
<td><strong>3’799</strong></td>
<td>&gt;7.5 million hours of work**</td>
</tr>
<tr>
<td>peak jobs during asset construction</td>
<td></td>
</tr>
</tbody>
</table>

Note: data from our annual ESG KPI Survey, as of 30 June 2021. Once a year, we survey our direct lead and joint-lead investments on key aspects of their ESG performance. We use the data from this review to understand the collective impact of our portfolio on society and the environment, assess the overall ESG maturity of each investment and identify priority areas for engagement. Data compares cumulative figures from our 2020 and 2021 reporting periods for the same set of specific portfolio assets to ensure an accurate year-over-year comparison. Net jobs calculation methodology and scope were updated in 2020. Figures are calculated using the difference between 2020 and 2021 headcount, which includes jobs from M&A. The figure is reported for unrealized investments in our Direct Private Equity Funds.

*Passenger vehicles are defined as 2-axle 4-tire vehicles (passenger cars, vans, pickup trucks, and sport/utility vehicles) with an average of 4.6 tons of CO₂e per year. Source: EPA (2022). **Based on 40 hours per week, 50 weeks per year.
Corporate-level highlights

1. Development of our **Sustainability Strategy**, outlining Partners Group’s sustainability vision for the future.

2. Official launch of Partners Group’s **Climate Change Strategy**, which aligns with the Task Force on Climate-related Financial Disclosures (TCFD).

3. Partners Group is the only global private markets firm to be included in the **Dow Jones Sustainability Indices 2021**.

4. **André Frei**, former Partners Group Co-CEO, appointed as Chairman of **Sustainability** to collaborate with the Executive Team and ESG Team on corporate and portfolio-level sustainability efforts.

5. Establishment of two new **Employee Networks**, the Parents Network and the Boots & Rucks Network, with our Diversity & Inclusion networks now counting **400+ members**.

6. Number of **training hours per person increased by 25%** through our proprietary platform **PG Academy**.
2021 was a very active year in Partners Group’s sustainability journey. After many years of leading manifold sustainability initiatives at both the corporate and portfolio level, it was the year we consolidated our efforts into one overarching Sustainability Strategy.

Published in parallel with this report, it combines our existing frameworks around ESG and sustainability with a clear roadmap for the next phase of our firm’s sustainable development. With this strategy, we are confident we are in an even better place to achieve our aim of creating lasting positive impact and be recognized as a sustainability leader within our industry.

One important recognition of our firm’s position as a corporate sustainability leader in private markets was our inclusion in the Dow Jones Sustainability Indices in 2021. Partners Group was the only global private markets firm included in the Indices, which assess the performance of companies against a defined set of economic, environmental, and social criteria.

**Sustainability Strategy**

Covering both our firm and our portfolio of controlled assets, our Sustainability Strategy articulates our vision of building better and more sustainable assets and companies, while also creating positive and lasting impact for all our stakeholders. To achieve this dual vision, we have defined clear ESG ambitions for both our firm and portfolio. These range from investing in the low carbon economy and leading assets on their path to net zero; to becoming an impact leader in corporate responsibility to the benefit of our employees; to being a role model in entrepreneurial ownership and governance for our peers and portfolio assets.

We have defined a set of 25 targets along with related projects to drive progress. We will work hard to achieve these targets over time and have established appropriate responsibilities and governance mechanisms to ensure ownership and accountability. With this, we believe we can lead by example in creating real ESG impact, both as a firm and in the companies and assets we own.

We are well aware that the journey ahead is far from straightforward. True impact does not happen overnight; it is a multi-year effort that takes time and strong commitment. We welcome this challenge as we embark on this journey and are highly motivated to achieve our ambitious sustainability vision.

“Covering both our firm and our portfolio of controlled assets, our Sustainability Strategy articulates our vision of building better and more sustainable assets and companies, while also creating positive and lasting impact for all our stakeholders.”

**Update on select ongoing ESG initiatives**

2021 was also a very active year for us in a number of other areas. We further invested in the training and development of our employees, recognizing that our people are our most important asset. We are highly dedicated to providing them with the opportunity to grow, both professionally and personally. In 2021, we expanded our proprietary learning and development platform, PG Academy, to match the scale of our firm, increasing the variety and volume of our offering by 35% and the average number of training hours per person by 25%.
Our conviction in the importance of diversity & inclusion to our business remains unchanged. Since our inception, we have seen time and again that we make the best decisions when we collaborate, jointly explore and vigorously debate a range of viewpoints, in order to achieve clarity of direction. In line with this view, in 2021, we further strengthened our Diversity & Inclusion Committee and Leadership Team, including adding Board and Executive Team representation. We also supported the establishment of two more Employee Networks – the Parents Network and the Boots & Rucks Network for veterans. Together with our existing Women’s Network, Black Network and Pride Network, these are aimed at making Partners Group a better, more inclusive firm.

Another important initiative related to diversity & inclusion was the publication of a Board Diversity Policy, which aims to hire at least 50% of new Partners Group Board members from under-represented groups. With our approach of ensuring boards are adequately staffed with diverse and accretive skills to drive strategy and support value creation initiatives, we are confident that we will be able to achieve similar levels of diversity within our portfolio company boards.

While we are pleased with the progress we have made on many topics, one area where we have not made as much progress as we would have liked is working towards our target of substantially increasing the number of female Senior Members of Management to at least 25 by 2025. Together with our Diversity & Inclusion Committee, we have decided to significantly increase our efforts in 2022: we have developed a detailed hiring strategy aimed at attracting more female talent, as well as talent from other under-represented groups. We look forward to updating you on these efforts.

**Monitoring regulatory developments**

Shifting our attention to the broader market in which we operate, one development that we continue to monitor closely is the increase and tightening of ESG regulation in many parts of the world. Initiatives such as the European Union’s Sustainable Finance Disclosure Regulation – or SFDR – are aimed at ensuring that capital is directed the right way and that there is alignment on mandatory ESG disclosures among financial market participants.

Over the last few years, we have taken significant steps to prepare for regulation such as SFDR, increasing and institutionalizing ESG data-collection efforts across our firm and portfolio. Today, we aim to have all of Partners Group’s eligible funds classified as Article 8 under SFDR, i.e. as funds that promote positive environmental or social characteristics. This is in line with our existing commitment of ensuring that we integrate ESG criteria in our investment process for 100% of our assets under management. Sustainability is an integral part of our transformational investing strategy, which includes a strong focus on ‘strategic ESG’ through active ownership for our controlled investments. At the same time, we remain focused on ‘traditional ESG’ through stewardship for our non-controlled investments.

“The events that have unfolded over the past couple of years have only served to deepen our conviction in the importance of sustainability to our firm and our industry.”

**War in Ukraine**

In February, the unspeakable attack on Ukraine brought to an end our previous understanding of European political stability. The human tragedy caused by this crisis is, of course, forefront in our minds. As events started to unfold, we were proud to see our employees immediately spring into action. Together with our employees, we have been leveraging our global network of portfolio companies and business partners to respond to the urgent need for humanitarian aid. Our efforts so far have included delivering food, water, and medical supplies to Ukrainian citizens, donating warehouse space to the Polish Red Cross, and setting up a dedicated support fund through our employee foundation, with commitments matched by Partners Group.

The events that have unfolded over the past couple of years have only served to deepen our conviction in the importance of sustainability to our firm and our industry. We remain committed to reporting on our sustainability performance in a transparent manner and to maintaining an open dialogue with our stakeholders. We hope you find our report relevant and insightful, and welcome your feedback on any of the topics discussed.

**Steffen Meister**
Executive Chairman

**André Frei**
Chairman of Sustainability
Emerging Sustainability Trends

2021 was dubbed by many as the year that sustainability went mainstream, with the market responding to growing demand from stakeholders for products and services that ‘do good’. In the following section, we discuss three emerging sustainability trends that are relevant for our stakeholders in this context, taking in turn an investment, client, and market perspective. First, we take a look at the investment opportunities that are being generated by decarbonization, one of the giga themes guiding our thematic investing. Second, we tackle the lack of clear and consistent sustainability terminology in our industry and call for more transparency. Finally, we discuss the latest regulatory developments that will affect the ESG investing space.

**Why now?**

Policymakers are deploying direct investment, economic incentives, and regulatory frameworks with unprecedented vigor to expand decarbonization and reach net zero carbon goals, with an increased focus on ‘hard to abate’ sectors. The latest United Nations Climate Change Conference (COP 26) was the first opportunity for governments to outline their ‘Nationally Determined Contributions’ for reaching the 2015 Paris Agreement goals. While the submitted contributions do not fully achieve the reduction goals, they are moving in the right direction and 62% of global man-made GHG emissions are now covered by law or official government policies, compared to only 10% at the beginning of 2020.

Several investment and policy goals already extend to at least 2070, offering a long runway of investment opportunities, with a first wave of investments urgently needed in the next few years. While the volume of capital deployed behind decarbonization is expanding dramatically, we believe that the more complex investments required for ‘hard to abate’ sectors offer compelling returns for private capital.

**Investment perspective: The next generation of decarbonization infrastructure**

Combatting climate change is one of the greatest humanitarian and economic imperatives of our time. The increased frequency and intensity of natural disasters costs nearly USD 250 billion per year; this is a cost increase of around 600% since the 1980s. With a global consensus that man-made greenhouse gas (GHG) emissions are overwhelmingly responsible for climate change, we are witnessing mitigation efforts from both governments and corporates across the world on an unprecedented scale.

There is also a growing recognition that efforts to tackle climate change must extend beyond the electric power sector to address the more challenging decarbonization of industry, transportation, and buildings. Today, decarbonization is about far more than just renewables and the breadth and depth of decarbonization investment opportunities is, therefore, growing at speed.

**Beyond clean power**

The development of incremental clean power, as well as reliability and flexibility assets that address renewable power intermittency, remain vital to achieving Paris Agreement goals. But the power sector accounts for just 39% of direct carbon dioxide (CO2) emissions. Transportation and industrial sources are each responsible for around a quarter, with buildings and non-combustible sources, such as agriculture and waste, contributing between 5% and 10% of the total. In other words, over 60% of CO2 emissions stem from outside the power sector, meaning investors must look at decarbonization solutions beyond the clean power sector in order to achieve emissions reduction objectives.

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1 Source: Munich RE (2020).

The clean power investment theme includes the development of renewable power generation; infrastructure that enables power distribution and electrification; and reliability and flexibility assets, including batteries. Reliability and flexibility assets support renewable power growth while maintaining power resiliency during periods of low renewable utilization.

While we expect renewable power generation investment will remain high and relatively stable for at least the next 20 years, the focus on removing ‘hard to abate’ emissions will accelerate later this decade. We believe there will be increased spending on downstream electrification in industry and buildings, and the use of more low carbon fuels, including bioenergy, hydrogen, and synthetic fuels as they become more investable.

**Conservation:** This refers to energy and resource efficiency projects in industry, buildings, and transportation, including improvements in processes and the adoption of productivity tools and devices. Although the spectrum of investable assets is more limited, certain niches, including tech-enabled infrastructure services, are creating compelling investment opportunities. Circular economy developments, which can help support a closed loop carbon economy, are also drawing attention; for example, efforts to convert waste to valued products, including energy. Meanwhile, innovative sub-sectors, like chemical recycling and the burgeoning electronic waste (e-waste) industry, are also poised for growth.

Conservation will have the largest impact on reducing carbon emissions over this decade in every sector except power. In this category, spending will remain high or even accelerate during the next decade with the focus moving toward ‘hard to abate’ sectors; however, there will likely be diminishing returns after 2030 due to the increased cost of these projects.

**Carbon management:** This category refers to the ability to capture, sequester, and use CO$_2$ from industry, power plants, or the air itself. Across each component of the carbon management value chain, new investable business models are emerging. These range from capturing, transporting and sequestering CO$_2$ underground, to using CO$_2$ in the creation of building materials, chemical processes and synthetic fuels. This value chain is commonly referred to as carbon capture, utilization, and sequestration. However, we prefer the term carbon management as it better reflects the nature of the carbon waste that must be managed to combat climate change.

In the near term, carbon management opportunities are likely to be smaller as business models develop. However, we expect this category to become increasingly important over time; regulatory incentives will improve and contribute to removing 10-20%$^3$ of the man-made CO$_2$ emissions, which must be abated to reach net zero carbon.

**Investment needs are immense**

Each of these decarbonization categories is necessary to reach the Paris Agreement goals. Current policies are expected to reduce GHGs by an estimated 20-40% by the end of the century, resulting in an average global temperature of around 2.7°C above pre-industrial levels$^4$. Therefore, further action is needed.

According to our estimates, a cumulative investment of over USD 48 trillion will be required by 2040 to reduce CO$_2$ emissions by around 21 Gt CO$_2$ per year below current policy levels. Since public spending will not reach this level on its own, it is likely that public subsidies will be used to de-risk new technologies and support investment returns from private capital until the risk profiles and unsubsidized economics converge with those of more traditional infrastructure investments.

We expect a significant shift in global energy subsidy policies. The current focus on energy price stability will move towards a goal of reducing and repairing climate change’s impact. Policymakers have already embarked on this journey and, by 2050, we expect that subsidies for carbon capture, sequestration, and use, as well as industrial energy efficiency and biofuels (among others), will all but replace policies that subsidize fossil fuel production today.

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$^4$ Source: Climate Action Tracker (2021).
Client perspective: ESG vs. impact – a call for more transparency

A global pandemic that has shone a spotlight on social inequity has coincided with increased public awareness of the climate emergency. Against this backdrop, institutional investors are clamoring for financial products that aim to do good. By now, it is clear to most that the private markets industry has a fiduciary duty to incorporate ESG considerations into its investment due diligence processes and to work on ESG issues during its holding periods.

However, inconsistent terminology and a myriad of sustainability frameworks have resulted in a proliferation of fund launches labelled as ‘ESG-friendly’ or ‘impact’, and potentially misleading marketing materials filled with sustainability buzzwords and claims.

The spectrum of responsible capital shown below maps out the broad range of strategies that investors can adopt in the ESG and impact space. These range from traditional strategies with a limited focus on ESG factors, all the way to philanthropy.

The spectrum of responsible capital

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Negative Screening</th>
<th>ESG Investing</th>
<th>Impact Investing</th>
<th>Philanthropy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited or no focus on ESG</td>
<td>Focus on ESG risks:</td>
<td>Focus on ESG opportunities:</td>
<td>Focus on one or a cluster of SDG areas:</td>
<td>Focus on one or a cluster of issue areas:</td>
</tr>
<tr>
<td></td>
<td>• Wide consideration of ESG factors</td>
<td>• Investment selection</td>
<td>• Methodology establishing a logical link to a specific SDG</td>
<td>• Specific objective requires some financial trade-off</td>
</tr>
<tr>
<td></td>
<td>• Negative screening of harmful products</td>
<td>• Specific value creation initiative</td>
<td>• Measurement of the SDG contribution</td>
<td>• Specific objective requires 100% financial trade-off</td>
</tr>
</tbody>
</table>

We believe it is essential to be consistent and precise in the language we use across the firm and in our communication with our clients and business partners. We feel it is necessary to make a clear distinction between ESG investing and impact investing, two terms that are increasingly and erroneously used interchangeably.

ESG investing is concerned with the due diligence and improvement of the practices and operations of a company (the “How”). Impact investing, meanwhile, focuses on the company’s products & services (the “What”) and refers to investments in companies where the business model contributes positively to society and the environment, typically aligned with the UN Sustainability Development Goals (UN SDGs).

Whilst Partners Group’s investments frequently do contribute to the UN SDGs, most notably in the fields of renewable energy, healthcare and education, we are not an impact investor per se. We do, however, have a dedicated impact investing client offering, which invests only in companies with a direct link to the UN SDGs.
Our broader vision is to build better and more sustainable assets and companies, and to create positive impact for our stakeholders. We have developed our ESG Investing Framework, outlined on page 26, to improve transparency by explaining concisely how we aim to create value and achieve positive outcomes for our stakeholders.

We believe it is essential to be consistent and precise in the language we use across the firm and in our communication with our clients and business partners. We feel it is necessary to make a clear distinction between ESG investing and impact investing, two terms that are increasingly and erroneously used interchangeably.

Beyond negative screening

While a large part of the financial and investment community focuses its ESG attention on negative screening – on excluding certain sectors or types of investment – there is a growing consensus that excluding or divesting non-sustainable assets will not have a sufficient and timely impact on society. Investors can have far greater influence by engaging with investment managers and companies in order to pressure them to change or challenge their ambitions and progress. This approach of integration and engagement is commonly referred to as stewardship.

At Partners Group, we integrate sustainability into our sourcing and due diligence process. As a responsible investor, we are committed to investing in companies that are aligned with our values, and more concretely with our avoidance list as defined in our ESG & Sustainability Directive. However, we believe that as an active owner we have the unique opportunity, and also the responsibility, to go beyond asset selection and exclusion criteria by driving change within our investments.

ESG as a driver for change

For controlled companies in our portfolio, we often invest with an ambition to improve ESG performance through active ownership. This can mean going beyond mere operational ESG improvements and aiming to embed sustainability within the corporate culture and business strategy. Our governance rights and expertise, together with our active ownership philosophy and network, provide us with the potential to significantly enhance – and, in certain cases, even transform – our portfolio companies.

For enhancements, a natural first step is to request and implement minimum ESG standards, as described in our Sustainability Strategy on pages 16-25. Such ESG standards include, for example, the setup of ESG governance within each portfolio company, the establishment of a Diversity & Inclusion policy during our ownership period or the reduction of carbon emissions.

In many cases, we drive substantial change within our controlled portfolio companies. Our transformative approach can require the launch of several strategic ESG initiatives, which are owned and prioritised at the company’s board level. As an example, Ammega, a global leader in mission-critical industrial power transmission and lightweight process and conveyor belting, was transformed into a best-in-class company in terms of health & safety during Partners Group’s ownership. The Ammega leadership team developed a compelling multi-year ESG journey, and was recently awarded with the Platinum Medal, the highest recognition, by sustainability rating agency EcoVadis.

It is important for investors to note, however, that such transformative strategies can require significant resources and capital expenditure. ESG is not a ‘free lunch’ but a journey that requires conviction, competence and capacity. It is the responsibility of the board and executive teams of our controlled companies to decide about the investments required to mitigate risk and add long-term value.
Market perspective: Staying ahead of regulatory developments

Policymakers are significantly stepping up efforts to curtail global warming and the European Green Deal, launched with the ambition to make the EU economy sustainable and climate neutral by 2050, is now well advanced. The EU Action Plan on Sustainable Finance, which recognizes the crucial role that the investment management industry has to play in this transition, is also incrementally coming into force, with a raft of new regulation designed to re-orientate capital flows towards sustainable investment, ensure sustainability is incorporated into risk management and to foster transparency and long-termism across all asset classes.

European regulatory landscape

<table>
<thead>
<tr>
<th>Fund-level</th>
<th>Sustainable Finance Disclosure Regulation (SFDR)</th>
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<tbody>
<tr>
<td>Asset-level</td>
<td>EU Taxonomy</td>
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<tr>
<td></td>
<td>Corporate Sustainability Reporting Directive (CSRD)</td>
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</table>

At Partners Group, we have long been committed to promoting the highest ESG standards across the private markets industry. As part of this, we ensure that 100% of our assets under management are covered by our ESG & Sustainability Directive and have this externally assured. We have been working closely with our portfolio companies and assets to collate non-financial performance data as a basis to drive ESG improvements. With new European regulation coming into force, we are further improving data collection across our controlled and non-controlled assets in order to comply with industry-wide disclosure obligations. We also continue to monitor initiatives stemming from other jurisdictions, particularly the US, where the priorities of the new administration are likely to result in further action in the years to come.

5 Please see page 27 for more information.

Sustainable Finance Disclosure Regulation

In March 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) came into effect. SFDR aims to ensure a systematic and transparent approach to sustainability within financial markets, preventing greenwashing and ensuring comparability. It requires all investment managers to disclose how sustainability risks are integrated into their investment decisions, as well as the likely impact of sustainability risks on returns.

Financial market participants are expected to publish risk policies on their websites; disclose how sustainability considerations are incorporated into remuneration and establish a mechanism to disclose adverse sustainability impacts in pre-contractual documents and through periodic disclosures.

At a fund level, those actions depend on whether the product is classified as Article 6, 8 or 9.

- Article 6, labelled as non-sustainable, applies to funds that do not integrate any kind of sustainability into the investment process.
- Article 8, meanwhile, applies to funds that promote environmental or social characteristics and requires detailed information on how those characteristics will be met.
- Article 9 applies to funds where either environmental or social sustainable investment is the stated objective. The fund must simultaneously do no significant harm to any other ESG objectives and follow good governance practices, in particular, with respect to sound management structures, employee relations, staff remuneration and tax compliance. Here, detailed information is required on how the objectives will be met, including methodologies to measure and monitor the sustainable investment.

Given a lack of completeness in the EU’s definition of sustainable assets (EU Taxonomy) to support our product classification under SFDR Article 9, Partners Group has opted to classify all funds that were subject to classification as SFDR Article 8, i.e. as funds that promote positive environmental or social characteristics with a clear explanation of what this entails.

6 Applicable to funds which were active for fundraising and EU domiciled as per 10 March 2021.
The first disclosure obligations associated with the EU Taxonomy came into force on 1 January 2022. The EU Taxonomy supports SFDR through a standardized classification system designed to help investors determine what is, and is not, sustainable. To achieve this, the Taxonomy has set out a common set of criteria under which activities can be screened. It is based on six environmental objectives: climate change mitigation; climate change adaptation; the protection of water and marine resources; a circular economy transition; pollution prevention and control; and biodiversity and ecosystem protection. So far, only the first two objectives in the Taxonomy have been defined.

An economic activity is considered environmentally sustainable if it makes a substantial contribution to one of the six objectives, whilst doing no significant harm to the others. Funds in scope of the regulation must disclose whether economic activities qualify as sustainable, so that investors can make fair comparisons. In time, the intention is to broaden the Taxonomy beyond purely environmental sustainability objectives with the publication of a Social Taxonomy in 2023.

Meanwhile, on 21 April 2021, the European Commission published its proposal for a Corporate Sustainability Reporting Directive, which will align with SFDR and the Taxonomy Regulation and will ultimately replace the Non-Financial Reporting Directive, in order to reduce complexity and duplication of reporting requirements. This directive is due to go live in 2023.
Our Sustainability Strategy

Partners Group has a longstanding commitment to sustainability. ‘Creating lasting positive impact’ is one of our core purposes, as described in our Charter. It applies to all our activities as a firm: it guides our investment activities, our corporate activities and our daily interactions with all of our stakeholders. Our new Sustainability Strategy takes this commitment one step further.

At Partners Group, we define sustainability as a three-dimensional and long-term performance focus encompassing prosperity, people and our planet. While many of the board meetings and discussions at Partners Group and with our controlled portfolio companies focus on how to realize the potential and mitigate the risks of business, these discussions are not supposed to be limited to profitability in a narrow sense. Our ambition is to create value for all our stakeholders — by also considering environmental and social factors — as we strive for long-term success and resilience for our clients.

We were one of the first private markets investment managers to sign the United Nations Principles for Responsible Investment (UN PRI) in 2008 and have since strived to continuously enhance our approach to ESG investing. For six consecutive years, we are proud to have achieved the highest possible A+ rating for our overall responsible investment strategy and governance in the UN PRI’s annual assessment of its signatories.

In 2021, we decided to take our commitment to sustainability one step further by developing a comprehensive Sustainability Strategy covering both our firm and portfolio. Built around the ESG topics that are most material to Partners Group and its stakeholders, the strategy consolidates our existing efforts around ESG and sustainability, and outlines the way forward.
Our sustainability governance structure

At Partners Group, oversight for sustainability lies with the most senior levels of our organization. The Board of Directors is responsible for Partners Group’s Sustainability Strategy and oversight of ESG and sustainability topics at the firm and portfolio level.

The Board of Directors delegates the implementation of the Sustainability Strategy to the Executive Team under the lead of the CEO, who is advised by the Chairman of Sustainability. In this context, the Executive Team has defined ESG and sustainability governance structures, including respective roles and responsibilities, in Partners Group’s ESG & Sustainability Directive, Investment Policy Private Markets, Investment Policy Liquid Private Markets, as well as in the firm’s Internal Control System.

The Executive Team mandates the corporate and investment teams to execute the Sustainability Strategy at the firm and portfolio level. The investment teams are advised and controlled by the Sustainability Team. To maintain high levels of risk management, value creation, and reporting standards across the platform, Partners Group’s ESG governance and control framework integrates ESG into the investment process and assures independent monitoring of risks.

Board of Directors

Steffen Meister, Executive Chairman

- Board of Directors is responsible for the Sustainability Strategy
- Oversees ESG and sustainability topics at firm and portfolio level

“Our vision is to build better and more sustainable businesses”

Executive Team

David Layton, CEO, Head of Private Equity

- Executive Team is responsible for implementing the Sustainability Strategy
- Defines and controls sustainability-related roles and goals

“Sustainability is an integral part of our transformational investing approach”

Sustainability Team

André Frei, Chairman of Sustainability

- Collaborates with the Executive Team and Head of ESG
- Drives the Sustainability Strategy at firm and portfolio level

“We realize sustainability at scale”

Carmela Mondino, Head of ESG

- Develops and implements operational governance and control frameworks
- Advises investment teams and portfolio companies on ESG initiatives and drives progress
Partners Group has a longstanding commitment to sustainability

Development of our ESG due diligence tool based on the Sustainability Accounting Standards Board metrics and integration of the tool in our investment decision process. We ensure that all our direct investments comply with our ESG & Sustainability Directive.

2006
- Establishment of our ESG & Sustainability Directive (formerly Responsible Investment Policy) to guide our approach to ESG integration. Foundation of PG Impact (Verein), our employee foundation.

2008
- We are one of the first private markets investors to sign the UN-backed Principles for Responsible Investment (UN PRI) and have earned the highest rating in the UN PRI’s annual ESG assessment for six consecutive years. We begin our annual participation in the CDP.

2015
- Establishment of our annual ESG KPI survey for all controlled assets and companies. Publication of the Partners Group Charter, which formalizes our ambition to create lasting positive impact.

2016

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1 Propriety ESG due diligence tool based on the Sustainability Accounting Standards Board metrics integrated in the investment decision process for all our direct investments.
Partners Group pursues impact assessments for investments within the PG LIFE strategy to identify their contribution to the United Nations Sustainable Development Goals (UN SDGs).

Investment portfolio corresponds to “category 15: investments”, which are excluded at the level of the organization.

For our controlled investments, we have the governance and active ownership to lead assets on their path to net zero. We will learn from these decarbonization efforts and apply our learnings to our engagement with non-controlled investments.

Launch of the Partners Group LIFE Strategy, which follows a dual mission of combining market-rate financial returns with a measurable contribution to the UN SDGs\(^2\). We become a constituent of the FTSE4Good Index Series.

We become a first adopter of the IFC’s Operating Principles for Impact Management and establish our Diversity & Inclusion Committee.

We commit to offsetting our key corporate GHG emissions, teaming up with Natural Capital Partners, a leading provider of innovative environmental solutions.

Partners Group becomes the only global private markets firm to be included in the Dow Jones Sustainability Indices (DJSI), reflecting the firm’s position as a corporate sustainability leader in private markets.

We launch our first annual employee engagement survey and establish our Summer Internship Program aimed at attracting diverse talent.

We become a constituent of the FTSE4Good Index Series.

Partners Group joins the Initiative Climat International (ICI), a landmark global climate initiative for the private equity industry that is supported by the UN PRI.

We commit to the Paris Agreement as an organization\(^3\), and to managing our investment portfolio towards the Paris Agreement objectives\(^4\).

Partners Group becomes the only global private markets firm to be included in the Dow Jones Sustainability Indices (DJSI), reflecting the firm’s position as a corporate sustainability leader in private markets.

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

2 Partners Group pursues impact assessments for investments within the PG LIFE strategy to identify their contribution to the United Nations Sustainable Development Goals (UN SDGs).

3 Investment portfolio corresponds to “category 15: investments”, which are excluded at the level of the organization.

4 For our controlled investments, we have the governance and active ownership to lead assets on their path to net zero. We will learn from these decarbonization efforts and apply our learnings to our engagement with non-controlled investments.
Our Sustainability Strategy is built on a solid foundation

In order to identify ESG focus topics for our Sustainability Strategy, we built on our existing materiality assessment, conducting informal interviews and collecting feedback on sustainability priorities from key internal and external stakeholders, including our Board of Directors, Executive Team, Operating Directors on our portfolio company boards, investment teams and employees, clients and prospects, and external consultants.

As a result of this process, we have defined a clear vision for our Sustainability Strategy, along with a set of key ESG ambitions and related targets. The strategy also builds on our existing approach to sustainability and ESG investing as defined in key documents such as our Charter, Code of Conduct, and our internal and external policies and directives.
OUR SUSTAINABILITY STRATEGY

Our vision

We want to become an impact leader in corporate responsibility to the benefit of our employees and societies worldwide. As a firm, our vision is to create positive and lasting impact for all our stakeholders. As an investment manager, our vision is to build better and more sustainable assets and companies within our portfolio.

Our ambition

To achieve this dual vision, we have defined ESG ambitions for both our firm and portfolio of controlled assets, which include tackling climate change, realizing employees’ potential, and achieving ownership excellence and sustainability at scale. Each of these ambitions has a series of sustainability targets and related projects attached to it to ensure that we make real progress in these areas and are able to track that progress. To drive action, there will be clearly defined responsibilities and governance mechanisms for our sustainability targets and related projects.
Our targets

Corporate-level targets

**Environmental Focus**

**CARBON REDUCTION PROGRAM**

Achieve net zero emissions for our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.

- We measure and externally assure close to 100% of our GHG footprint.
- We reduce our Scope 2 to near zero by switching to renewable energy where possible and offsetting as a last resort.
- We contribute to nature- and technology-based solutions that address biodiversity and GHG emissions.
- We develop a decarbonization program to achieve net negative emissions by 2030.

**Key targets by 2025**

- We aim for a top-quartile employee engagement score, with 75%+ of employees engaged and less than 12% annual attrition.
- We assure equal pay for equal work globally.
- We assure equal (promotion) opportunities.
- We aim for our teams to reflect the local talent pools in the societies in which we operate.
- We aim for at least 25 female leaders in Senior Management.
- We relaunch our PG Stakeholder Impact effort.

**Key projects starting in 2022**

- Conduct our annual employee engagement survey. Continue to develop employees through PG Academy.
- Incorporate actions identified through the employee engagement survey into cell leaders’ P&D goals, assessment and compensation.
- Engage a reputable external party to verify equal pay for equal work, i.e., no material deviations globally.
- Update the D&I Strategy. We define and explore local talent pools and pursue targeted recruitment campaigns (e.g., summer internships; university ambassadors) to increase diversity.
- Relaunch the PG Stakeholder Impact effort. Further encourage employees to support local communities through impact/ESG projects that create lasting positive impact, providing their time, expertise or financial resources.

1 Corporate level Scope 3 emissions exclude Scope 3 emissions from “category 15: investments” (GHG Protocol), which are addressed at the portfolio level.
2 Using renewable Energy Certificates and verified carbon credits.
3 This is an ambition Partners Group has every year, rather than by a given date.
4 Extension of the Swiss We Pay Fair verification.
• We further refine our ESG strategy, governance and control framework, and continue to create value and mitigate risks, which should provide the basis for the highest rating by the UN PRI in its annual assessment.

• We link a part of our executive compensation to select ESG focus areas and goals.\(^1\)

• We aim to hire 50% of new board members from under-represented groups\(^2\), without compromising on merit-based assessments.

• As role models, our Board and Executive Team own and govern the most strategic initiatives at corporate level.

• Formalize our Internal Control System for ESG processes at corporate level and portfolio level, in line with our ESG & Sustainability Directive.

• Continue to prepare for changing ESG regulation and reporting standards (e.g. CSRD, SFDR, TCFD) to adhere to regulation and transparently communicate to our stakeholders.

• Include ESG and sustainability in the P&D goals, assessment and compensation of leaders and employees, beyond investment departments.

• Train all employees on ESG and our Sustainability Strategy through PG Academy to enable them to create impact in their roles.

• Issue a Renumeration Directive that links Board and Executive Team compensation to our Six Pillar Strategy and ESG targets.

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\(^1\) From 2022 onwards, as described in our 2021 compensation report.

\(^2\) From 2021 onwards, measured over a three-year horizon.

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**Partners Group’s corporate vision is to create positive and lasting impact for all our stakeholders**

The overview on the left highlights a number of corporate-level ESG targets. While these targets are ambitious, considering Partners Group is a global firm with operations in 20 offices and more than 1,500 employees, we believe they are achievable. Given the scope of these targets, some of them cannot be achieved in the short term. For example, the development of a technology-based decarbonization program will require a multi-year effort.

We commit to launching the required initiatives and projects to achieve these long-term targets. We will report annually on our performance, highlighting progress made compared to the previous year and challenges met along the way.
Our targets Portfolio-level targets*

Environmental Focus

**CLIMATE CHANGE STRATEGY**
Create long-term value by both investing in the low carbon economy and leading assets on their path to net zero.

- We measure (year one\(^1\)) and externally assure (year two\(^1\)) our GHG footprint
- We develop a tailored GHG reduction strategy within three years\(^1\) to lower carbon equivalents by 50%+ by 2035\(^2\)
- We start to meaningfully reduce our GHG emissions, striving for around 20% reduction over our ownership period
- We act on our environmental footprint\(^3\) over our ownership period, based on a materiality assessment within three years\(^1\)

Social Focus

**STAKEHOLDER BENEFITS PROGRAM**
Build companies that employees desire to work for; re-invest substantially into development, financial or wellbeing initiatives for staff.

- We develop a tailored Employee Engagement Initiative within two years\(^1\), based on regular engagement surveys and target scores
- We develop and implement a D&I Strategy over our ownership period
- We aim for our teams to reflect the local talent pools in the societies in which we operate, and we progress towards this goal through targeted recruitment campaigns where needed\(^4\)
- We initiate a Stakeholder Benefits Program\(^2\) within two years, re-investing substantially into relevant employee focus areas

Key targets during ownership

- Develop a program to enable Partners Group to systematically share best practices and global minimum standards from our own experience and that of our investment portfolio by:
  - Conducting employee engagement surveys and initiatives
  - Defining a material D&I Strategy
  - Providing best-in-class employee training and development opportunities (PG Academy)
- Continue to develop an institutionalized approach to our Stakeholder Benefits Program based on our experience with pilot programs across assets in the areas of education, development, health & safety and financial wellbeing

Key projects starting in 2022

- Continue to execute our Climate Change Strategy (e.g. systematically assess climate-related risks across our portfolio)
- Support portfolio companies and assets with the provision of non-financial ESG data to report in line with ESG regulation, with a particular focus on carbon (e.g. through standards, tools and service providers)
- We work towards having Scope 1 and 2 emissions externally assured and Scope 3 emissions measured for our controlled companies
- Develop and provide lessons learned, best practices, policies and playbooks (beyond carbon)

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1 of / during our ownership period.
2 Calculated on an average basis, based on carbon emission intensity, with 2019 as the base year (where available). This serves as an interim milestone on the path to net zero.
3 Beyond carbon, e.g. land, water and resources.
4 Refers to Partners Group’s strategic program for controlled companies to build better businesses by reinvesting up to 10% of profit growth for stakeholder impact projects, with the goal to generate people impact beyond industry standards through company specific and customized solutions.
Partners Group’s vision for its portfolio is to build better and more sustainable businesses through active ownership

For the assets and companies that we own on behalf of our clients and control as majority shareholders, we establish a clear ESG governance structure. We appoint three leaders who are responsible for ESG at asset level: one leader each at board, executive and operational level. We ask these leaders to develop a meaningful ESG Journey for their business and to identify a number of strategic ESG initiatives with meaningful impact in relation to environmental, social or governance aspects. Given that ESG is part of our transformational investing strategy, we expect the strategic ESG initiatives to be on the board agenda just like traditional business initiatives.

The ESG Team, in collaboration with the investment teams, provides guidance to our investments, and challenges their ESG ambition and progress on a regular basis. The targets presented on the left serve as guidance to our assets and companies on the ESG standards we believe should be a part of their ESG Journey. Furthermore, the boards and executives of our assets and companies are responsible for identifying and prioritizing additional ESG initiatives they deem relevant for the long-term success and resilience of their specific businesses.

We note that real ESG impact does not happen overnight, but is a multi-year effort that takes time and resources. We expect our boards and executives to initiate and execute on these ESG initiatives during our ownership period, typically starting in the second year of our ownership.

* The description of this Sustainability Strategy in this report focuses on controlled assets in Partners Group’s private equity and infrastructure business. A similar approach will be adopted for private real estate. Our engagement approach for private debt, integrated investments and listed private markets is covered in our ESG & Sustainability Directive.
Our Investment Portfolio

ESG Investing

Partners Group’s ESG Investing Framework

At Partners Group, we aim to hold ourselves to the highest standards of ESG and sustainability by making them an integral part of our transformational investing strategy. We combine a traditional ESG approach through stewardship for non-controlled investments with a strategic ESG approach through active ownership for controlled investments.

Traditional ESG through stewardship

- **Integrate**
  - Apply ESG avoidance list (e.g. tobacco, child labour) to reduce risks
  - Source thematically (e.g. decarbonization to steer capital)
  - Integrate ESG in due diligence based on SASB materiality

- **Engage**
  - Engage on ESG value creation opportunities and risks to protect returns
  - Provide expertise or incentives (e.g. through sustainability linked loans) to support change
  - Monitor and challenge ESG implementation

- **Enhance**
  - Cautiously invest and consciously reduce negative externalities
  - Top-down: Impose and implement minimum ESG standards
  - Bottom-up: Develop tailored ESG journeys to increase sustainability

- **Transform**
  - Transform to be an impact leader for a specific ESG topic
  - Launch strategic ESG initiatives, owned by the board
  - ESG Team advises on ambition and challenges progress

Strategic ESG through active ownership

We integrate sustainability into our sourcing and due diligence process. Our thematic investment approach, which includes a focus on sustainability giga themes such as decarbonization, guides our investment professionals in their sourcing efforts. As a responsible investor, we are committed to investing in companies and assets that are aligned with our values, and we avoid investing in certain sectors as described in our avoidance list in our ESG & Sustainability Directive. Furthermore, we believe that, as an active owner, we have the unique opportunity, and also the responsibility, to go beyond exclusion criteria by driving change within our investments. Our governance rights and our expertise allow us to adopt a strategic ESG approach that enables us to enhance and, in select cases, even transform our controlled portfolio companies. As active owners, we therefore not only mitigate risks to protect value, but also seek to create value by building more sustainable businesses.

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1 This description of our ‘traditional ESG’ approach relates to our ESG investing approach for non-controlled direct investments, as well as fund and debt investments.

2 This description focuses on controlled assets in Partners Group’s private equity and infrastructure business. A similar approach will be adopted for private real estate.
100% of our AuM is covered by our ESG & Sustainability Directive

The ESG & Sustainability Directive details Partners Group’s definition of responsible investment and outlines how ESG integration enables us to fulfill our fiduciary duty to clients and achieve our investment objectives, while also creating positive social, environmental, and financial outcomes for our stakeholders. It describes the key processes through which we implement ESG integration, including:

- Screening investments against our sourcing avoidance criteria
- Identifying material ESG risks and value creation opportunities during due diligence
- Engaging with investments to initiate ESG improvement projects during ownership
- Monitoring ESG performance through an annual internal and external reporting process

The policy outlines how we adapt our approach for different asset classes, including primary, secondary, and liquid investments. It also details Partners Group’s ESG governance structure, which is described in more detail on page 17. 100% of our assets under management are covered by our ESG & Sustainability Directive, as detailed by the UN PRI framework, ISP 1.1 and ISP 3.

Partners Group integrates ESG factors throughout the entire investment process for all asset classes:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Sourcing</th>
<th>Due diligence</th>
<th>Monitoring</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ESG themes</td>
<td>ESG DD based on material SASB factors to identify opportunities</td>
<td>ESG enhanced monitoring, Principle Adverse Indicators, and KPIs</td>
<td>Active ownership and value creation*</td>
</tr>
<tr>
<td></td>
<td>ESG sensitivities avoidance</td>
<td>ESG DD based on material SASB factors to identify risks</td>
<td>ESG DDQ for managers</td>
<td>Engagement on identified risks that are not properly managed and incidents</td>
</tr>
<tr>
<td>Private Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Infrastructure</td>
<td></td>
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<tr>
<td>Private Real Estate</td>
<td></td>
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</tr>
<tr>
<td>Private Debt and listed investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Applies only to select controlled investments, where Partners Group would become the majority owner (on behalf of its clients) and therefore have the greatest amount of control and influence over an asset.

† = externally assured
Measuring ESG progress

To ensure the continued growth of our platform, we are committed to implementing a scalable and replicable process for ESG integration and measurement. In 2018, we established an ESG Dashboard to further increase the transparency of ESG reporting across our portfolio. Based on the SASB industry standards and our multi-year experience of implementing ESG projects with our assets, the ESG Dashboard shows material ESG metrics that are common across our portfolio. It allows us to have a portfolio-wide view of ESG performance, including the relative importance of each metric to each portfolio company. In this report, we present two ESG Dashboards for the firm’s direct private equity and infrastructure companies and assets.

The ESG Dashboard provides a holistic view across environmental, social and governance topics, covering 12 key metrics. These allow Partners Group to track ESG performance and progress made across the portfolio and asset classes.

Between the last survey cycles, our ESG Team has updated and strengthened its processes in order to respond to the upcoming regulatory requirements surrounding the EU’s Sustainable Finance Disclosure Regulations (SFDR), as described on page 14. From an operational standpoint, we have upgraded and standardised the validation of our annual ESG survey results, including thresholds and controls. Furthermore, we are creating procedures to ensure that this process is assurable. Reporting ESG data is a key part of SFDR, which is why data quality, coverage and assurance are vital for the reporting to our stakeholders. By onboarding strategic ESG platforms and service providers, we aspire to remain at the forefront of ESG data. With a high standard of data quality and coverage for our direct asset classes, we will be able to create benchmarks for our industry verticals and add ESG as a vital metric in portfolio analysis.
For the real estate asset class, we are also strengthening our data collection and ESG monitoring processes. We started working with a third-party data provider to get better and more accurate data in a timely manner from our underlying assets. We are in the process of setting up a platform which will enable our real estate assets to be tracked consistently and allow for consolidation. We are confident that building this new foundation will strengthen data coverage and quality, which will allow us to fulfill regulatory requirements and provide a meaningful real estate ESG Dashboard in our next Corporate Sustainability report. We will report on ESG data and assess progress made compared to the prior year for our real estate portfolio in 2022.

In view of the upcoming SFDR regulatory requirements, Partners Group will also publish fund-level ESG reports with all mandatory ESG KPIs as of June 2023. In parallel with this process, we will also review and upgrade how we publish our ESG data.

How to read our ESG Dashboards

**Maturity scores:** For metrics that can be qualitative as much as quantitative in nature, such as environmental management and cybersecurity, we deploy our maturity assessment to evaluate five dimensions of an asset’s approach to that particular ESG topic in a holistic manner. The five dimensions we evaluate are policy, authorization, responsibility, implementation and reporting. We assign each dimension a score from 1 to 4 and arrive at an overall maturity level for a particular ESG topic by averaging across the dimensions.

**Materiality:** While we report on a set of consistent ESG metrics across our assets, the materiality of these metrics varies based on the industry and sector in which our assets operate. Within our dashboards, we indicate whether a particular ESG topic is high, medium, or low materiality for a given asset. Our methodology for assigning materiality is inspired by SASB’s standards. It asks questions on key dimensions of materiality for a given ESG topic, such as financial impact, regulatory environment, industry norms, stakeholder concerns and opportunities for innovation. Based on the answers to these questions, the methodology classifies a particular ESG topic as high, medium or low materiality for a specific portfolio company.

**Performance arrows:** With each year that we report, we are able to show our portfolio companies’ progress on material ESG issues over time. To better highlight changes in performance, we include performance arrows for each metric for every asset. These arrows indicate whether an asset’s performance on the topic improved, declined, or stayed consistent compared to the previous year. Further, in an effort to ensure we are not rewarding or penalizing portfolio companies for insignificant changes in performance, we developed confidence intervals for all metrics. This means that in order for a metric to be designated as an improvement or decline in performance, it needs to cross an established threshold that we believe is indicative of meaningful change.

**Key focus areas:** It is important to note that while we are reporting on year-on-year progress for each metric, individual portfolio companies select a subset of these topics to prioritize and act on each year. A dark box around a particular metric indicates that the portfolio company worked actively on that ESG topic during the year.

In view of the upcoming SFDR regulatory requirements, Partners Group will also publish fund-level ESG reports with all mandatory ESG KPIs as of June 2023. In parallel with this process, we will also review and upgrade how we publish our ESG data.
# Private Equity ESG Dashboard

## Environmental

<table>
<thead>
<tr>
<th>Vertical</th>
<th>Company</th>
<th>Environmental maturity</th>
<th>GHG intensity (tCO₂e / m USD sales)</th>
<th>Energy intensity (kWh / m USD sales)</th>
<th>% Waste diverted</th>
<th>Responsible supply chain maturity</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Company A</td>
<td>3.0 ▲</td>
<td>52.2 ▲</td>
<td>176'254.2 ▼</td>
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<td>3.1 ▲</td>
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<tr>
<td></td>
<td>Company B</td>
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<td>- ▼</td>
<td>- ▼</td>
<td>-</td>
<td>3.0 ▲</td>
</tr>
<tr>
<td></td>
<td>Company C</td>
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<td>-</td>
<td>39'505.4 ▲</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>Company D</td>
<td>2.7 ▶</td>
<td>- ▼</td>
<td>- ▼</td>
<td>-</td>
<td>2.6 ▼</td>
</tr>
<tr>
<td></td>
<td>Company E</td>
<td>1.3 ▼</td>
<td>2.9 ▼</td>
<td>1'550.7 ▲</td>
<td>-</td>
<td>1.3 ▼</td>
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<tr>
<td></td>
<td>Company F</td>
<td>2.1 ▶</td>
<td>224.6 ▲</td>
<td>202'868.7 ▼</td>
<td>-</td>
<td>2.9 ▼</td>
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<tr>
<td></td>
<td>Company G</td>
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<td>44.5 ▲</td>
<td>43'956.4 ▼</td>
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<td></td>
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<tr>
<td></td>
<td>Company I</td>
<td>2.1 ▶</td>
<td>- ▼</td>
<td>- ▼</td>
<td>-</td>
<td>1.3 ▼</td>
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<tr>
<td></td>
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<td>7'679.3 ▲</td>
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<td></td>
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<td>33'570.7 ▼</td>
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<td>- ▼</td>
<td>-</td>
<td>1.0 ▼</td>
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<tr>
<td></td>
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<td></td>
<td>Company S¹</td>
<td>1.9 ▼</td>
<td>299.1 ▼</td>
<td>1'017'281.4 ▼</td>
<td>- ▼</td>
<td>3.1 ▼</td>
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<tr>
<td></td>
<td>Company T</td>
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<td>99.8 ▲</td>
<td>3'701.9 ▼</td>
<td>- ▼</td>
<td>2.0 ▼</td>
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<tr>
<td><strong>Services &amp; Technology</strong></td>
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<td>- ▼</td>
<td>- ▼</td>
<td>14% ▼</td>
<td>1.0 ▼</td>
</tr>
<tr>
<td></td>
<td>Company V</td>
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<td>- ▼</td>
<td>- ▼</td>
<td>-</td>
<td>1.0 ▼</td>
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<tr>
<td></td>
<td>Company W</td>
<td>1.0 ▼</td>
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<td>- ▼</td>
<td>-</td>
<td>1.0 ▼</td>
</tr>
<tr>
<td></td>
<td>Company X</td>
<td>3.1 ▼</td>
<td>26.2 ▲</td>
<td>180'805.2 ▼</td>
<td>15% ▼</td>
<td>1.0 ▼</td>
</tr>
</tbody>
</table>

### Legend

#### Materiality²

- high
- medium
- low

#### Priority ESG topic

### 2021 ESG engagement performance

- improvement in performance ▲
- no change in performance ▼
- decline in performance ▼

---

1. The company expanded the coverage of this KPI, going from only its HQ to the entire company globally. For this reason, the arrow (as well as the value versus last year) goes up even if the carbon intensity is the highest in the portfolio. The company is actively developing its decarbonization strategy.

2. The materiality is relative to each asset and its industry; for that reason, we calibrate it to have an even distribution among the three categories.

---

30 | Partners Group
### Social

<table>
<thead>
<tr>
<th>Employee turnover</th>
<th>Lost-time incident rate</th>
<th>% Female management</th>
<th>Number of operating directors</th>
<th>Anti-bribery / Anti-corruption maturity</th>
<th>Publication of a CSR report</th>
<th>Cybersecurity maturity</th>
</tr>
</thead>
<tbody>
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<td>6% ▲</td>
<td>0.8 ▲</td>
<td>11% ▲</td>
<td>3 ▲</td>
<td>3.4 ▲</td>
<td>Yes</td>
<td>2.9 ▲</td>
</tr>
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<td>4.2 ▲</td>
<td>32% ▲</td>
<td>3 ▲</td>
<td>3.0 ▲</td>
<td>No</td>
<td>1.9 ▲</td>
</tr>
<tr>
<td>24% ▲</td>
<td>1.8 ▲</td>
<td>4% ▲</td>
<td>-</td>
<td>1.0 ▲</td>
<td>No</td>
<td>2.0 ▲</td>
</tr>
<tr>
<td>- ▲</td>
<td>1.2 ▲</td>
<td>- ▲</td>
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<td>2.9 ▲</td>
<td>No</td>
<td>2.4 ▲</td>
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<td>- ▲</td>
<td>17% ▲</td>
<td>-</td>
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<td>Yes</td>
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</tr>
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<td>2.3 ▲</td>
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<tr>
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<td>- ▼</td>
<td>28% ▼</td>
<td>- ▲</td>
<td>3.6 ▲</td>
<td>Yes</td>
<td>2.3 ▲</td>
</tr>
<tr>
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<td>0.0 ▲</td>
<td>36% ▼</td>
<td>3 ▲</td>
<td>2.6 ▲</td>
<td>No</td>
<td>2.4 ▲</td>
</tr>
<tr>
<td>72% ▼</td>
<td>- ▼</td>
<td>13% ▼</td>
<td>3 ▲</td>
<td>3.3 ▼</td>
<td>No</td>
<td>2.6 ▲</td>
</tr>
<tr>
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<td>- ▲</td>
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<td>4 ▲</td>
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<td>3.1 ▲</td>
</tr>
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<td>3.6 ▲</td>
</tr>
<tr>
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</tr>
<tr>
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<td>4.6 ▲</td>
<td>67% ▲</td>
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</tr>
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<td>- ▲</td>
<td>53% ▲</td>
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<td>0.0 ▲</td>
<td>0% ▲</td>
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<td>0.8 ▼</td>
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<td>2.9 ▲</td>
<td>No</td>
<td>3.6 ▲</td>
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<tr>
<td>8% ▲</td>
<td>1.0 ▲</td>
<td>5% ▼</td>
<td>4 ▲</td>
<td>3.4 ▲</td>
<td>Yes</td>
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</tr>
<tr>
<td>66% ▼</td>
<td>0.4 ▼</td>
<td>38% ▼</td>
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<td>2.6 ▲</td>
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</tr>
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<td>1.4 ▲</td>
<td>No</td>
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<td>- ▼</td>
<td>52% ▼</td>
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<td>No</td>
<td>2.0 ▲</td>
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<tr>
<td>43% ▼</td>
<td>0.2 ▼</td>
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<td>No</td>
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<tr>
<td>36% ▲</td>
<td>0.3 ▲</td>
<td>38% ▼</td>
<td>3 ▲</td>
<td>3.9 ▲</td>
<td>No</td>
<td>2.7 ▲</td>
</tr>
</tbody>
</table>
We saw improvements in the maturity assessments across two factors:

- **Environmental maturity** increased for seven portfolio companies
- **Anti-bribery** and **Anti-corruption** governance improved across half of our portfolio companies

**Health & safety**, measured by the lost-time incident rate, improved across nine of our assets.

We use the number of Operating Directors on our portfolio company boards with clear assignments on strategic value creation initiatives as one of several KPIs to assess **active ownership** in our portfolio companies. This KPI increased for 11 portfolio companies.

**Gender equality** measured through the percentage of women in management averaged at 28% across our portfolio, while last year this was 25%. In 2020, there were five portfolio companies with less than 10% female management, while in 2021 this was the case in three portfolio companies.

We have seen improvements in **waste** diversion for portfolio companies that measure and report on waste; however, the reporting coverage remains low, requiring more efforts and collaboration by the ESG Team and the respective companies.

Only five portfolio companies published a **Corporate Sustainability Report** in 2021.
Future Focus

We will continue building on the governance of ESG topics and aim to further improve collaboration and engagement in the upcoming data-collection period. We plan to leverage the experience we have built and guide our portfolio companies with a library of ESG policy templates. We believe policies serve a regulatory requirement and enable strong governance.

Health & safety is an important topic for many of our portfolio companies. Keeping the lost-time incident rate average low and actively addressing the outliers is necessary to ensure our portfolio companies continue to provide a safe working environment and stable business operations. We plan to connect our portfolio companies that focus on health & safety improvements to learn from each other.

Operating Directors are a prerequisite for our active ownership approach and the implementation of value creation strategies, including ESG initiatives. This is an area where our ESG Team works with and relies on the work of our Operating Directors and Entrepreneurial Governance Team.

Diversity & Inclusion (D&I), and especially gender equality as an indicator that can be measured across the portfolio, is a focus area outlined in our Sustainability Strategy. We will continue to leverage best practices from companies that have taken the initiative and made progress on D&I topics. This should accelerate progress at companies which need to improve, enabling them to design D&I strategies that are tailored to the locations in which they operate.

The coverage and tracking of waste diversion is an area where we need to step up our efforts. Measuring and tracking waste diversion is particularly challenging for companies with global operations spread across multiple locations. With national requirements for waste diversion becoming the norm, we believe it is an area in which our portfolio companies can drive positive change.

Besides providing increased transparency to investors, we encourage our portfolio companies to improve ESG transparency for their other stakeholders. The newly added Corporate Sustainability Report metric shows that there is still room to further improve coverage across our portfolio. We believe that sustainability reporting is a natural step for assets and companies that are advanced on their ESG Journey.
Private Infrastructure ESG Dashboard

### Environmental

<table>
<thead>
<tr>
<th>Asset</th>
<th>Environmental policy maturity</th>
<th>Water usage (m³)</th>
<th>No. of environmental incidents</th>
<th>% waste diverted</th>
<th>GHG emissions (tCO₂e / m USD sales)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Midstream energy infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>3.4 ▼</td>
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<td>0 ▲</td>
<td>-</td>
<td>1'525 ▲</td>
</tr>
<tr>
<td>Company B</td>
<td>3.7 ▲</td>
<td>205'411 ▼</td>
<td>0 ▲</td>
<td>-</td>
<td>1'541.4 ▲</td>
</tr>
<tr>
<td>Company C</td>
<td>3.6 ▲</td>
<td>-</td>
<td>0 ▲</td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Company D</td>
<td>3.9 ▲</td>
<td>6'762 ▼</td>
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<td>16%</td>
<td>379'962.0 ▼</td>
</tr>
<tr>
<td><strong>Renewable energy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company E</td>
<td>2.3 ▲</td>
<td>-</td>
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<td>75%</td>
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</tr>
<tr>
<td>Company F</td>
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<td>-</td>
<td>0 ▲</td>
<td>4%</td>
<td>6'313.0 ▼</td>
</tr>
<tr>
<td>Company G</td>
<td>3.6 ▲</td>
<td>2'037 ▲</td>
<td>0 ▲</td>
<td>0%</td>
<td>14.0 ▲</td>
</tr>
<tr>
<td>Company H</td>
<td>3.7 ▲</td>
<td>-</td>
<td>0 ▲</td>
<td>-</td>
<td>51.1 ▲</td>
</tr>
<tr>
<td>Company I</td>
<td>1.0 ▲</td>
<td>2'343 ▼</td>
<td>0 ▲</td>
<td>95%</td>
<td>807.0 ▼</td>
</tr>
<tr>
<td>Company J</td>
<td>2.7 ▲</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Company K</td>
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<td>716 ▼</td>
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<td>8'320.0 ▼</td>
</tr>
<tr>
<td><strong>Telecommunications</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Company L</td>
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<td>0 ▲</td>
<td>-</td>
<td>443'446.0 ▲</td>
</tr>
<tr>
<td><strong>Power generation</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Company M</td>
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<td>4'647'86 ▼</td>
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<td>0%</td>
<td>322'089 ▲</td>
</tr>
<tr>
<td>Company N</td>
<td>3.6 ▼</td>
<td>1'691'434 ▼</td>
<td>0 ▲</td>
<td>30%</td>
<td>740'853.6 ▲</td>
</tr>
</tbody>
</table>

**Legend**

- **Materiality**
  - high
  - medium
  - low

**Priority ESG topic**

2021 Performance

- improvement ▲
- no/limited change ►
- decline ▼

**How to interpret the table:** The ESG dashboard analyzes our direct lead portfolio companies according to various ESG criteria. Dark blue highlights an issue that is considered to be high materiality for a company, blue highlights medium materiality and light blue highlights low materiality.

In the upcoming survey cycle, we have increased our assurance requirements for our infrastructure assets, making the data more reliable and accurate, and providing a foundation for us to create efficiencies.
<table>
<thead>
<tr>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; safety</td>
<td>Contractor management</td>
</tr>
<tr>
<td>Lost-time incident rate</td>
<td>Contractor management maturity</td>
</tr>
<tr>
<td>50.2</td>
<td>3.9</td>
</tr>
<tr>
<td>0.0</td>
<td>3.4</td>
</tr>
<tr>
<td>0.0</td>
<td>2.6</td>
</tr>
<tr>
<td>0.0</td>
<td>2.7</td>
</tr>
<tr>
<td>0.0</td>
<td>2.4</td>
</tr>
<tr>
<td>0.0</td>
<td>3.3</td>
</tr>
<tr>
<td>0.3</td>
<td>3.0</td>
</tr>
<tr>
<td>0.0</td>
<td>3.6</td>
</tr>
<tr>
<td>0.7</td>
<td>3.3</td>
</tr>
<tr>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>0.3</td>
<td>3.4</td>
</tr>
<tr>
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</tr>
<tr>
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<td>3.6</td>
</tr>
<tr>
<td>0.5</td>
<td>3.3</td>
</tr>
</tbody>
</table>
**Private Infrastructure Dashboard Analytics**

**Findings**

**Community engagement** improved, as the number of community complaints decreased from 162 in 2020 to 9 in 2021.

We use the number of Operating Directors with clear assignments on strategic value creation initiatives as one of several KPIs to assess *active ownership* in our portfolio companies. This KPI increased from below two to above three on average across our infrastructure assets.

We have managed to continue our efforts to operate in a *zero environmental incidents environment in 2021*.

We have also improved the **average maturity scores** on key ESG topics:

- Environmental management maturity increased from an average of 2.9 to 3.1 (out of 4.0)
- Contractor management maturity increased from 2.5 to 2.9 (out of 4.0)
- Anti-bribery/Anti-Corruption maturity stayed at an average of 3.0 (out of 4.0)
- Cybersecurity maturity increased from 2.6 to 2.9 (out of 4.0)

We attribute the improvement in maturity scores to our active ownership approach, as we are improving the set of policies, practices, and oversight structures that govern these topics across our portfolio companies. The progress we have made in contractor management is especially important considering the infrastructure asset class and its dependence on contractors.

80% of our portfolio companies report on their *GHG emissions*, while 20% are still in the process of measuring their carbon footprint.

Only 35% of our portfolio companies report on *waste* management data.

Only one portfolio company published a **Corporate Sustainability Report**.
Future Focus

Proactive engagement with communities is critical and we will continue to work with our portfolio companies to ensure that they have effective community engagement plans in place. This can be particularly meaningful for renewable infrastructure platforms. For example, communities may participate in the success of development projects and project developers can reduce the risk of substantial delays.

Operating Directors are a prerequisite for our active ownership approach and the implementation of value creation strategies, including ESG initiatives. This is an area where our ESG Team works with and relies on the work of our Operating Directors and Entrepreneurial Governance Team.

We continue to strive for a zero environmental incident score. However, with growing scrutiny towards compliance regulations, we need to keep following changing rules/regulations closely to ensure that we can maintain our successful track record.

We attribute the improvement in maturity scores to our active ownership approach, as we are improving the set of policies, practices, and oversight structures that govern these topics across our portfolio companies. The progress we have made in contractor management is especially important considering the infrastructure asset class and its dependence on contractors.

We aim to increase the coverage and quality of carbon emissions data and will work with portfolio assets and companies as part of the upcoming data-collection process. Our aim is to ensure that companies measure and gain external assurance for their carbon footprint. This is a prerequisite for assets to develop a strategy to achieve net zero emissions.

The coverage and tracking of waste diversion is an area we aim to work on more actively with our portfolio companies. However, measuring and tracking waste diversion is challenging for our infrastructure assets as, in most cases, they rely heavily on contractors. With national requirements for waste diversion becoming the norm, we believe it is an area in which our portfolio companies can drive positive change, with some infrastructure already in place that we will continue to improve over time.

Besides providing increased transparency to investors, we encourage our portfolio companies to improve ESG transparency for their other stakeholders. The newly added Corporate Sustainability Report metric shows that there is still room to further improve coverage across our portfolio. We believe that sustainability reporting is a natural step for assets and companies that are advanced on their ESG Journey.
Case study
Private Equity: PCI Pharma

PCI Pharma Services (PCI) is a global provider of outsourced pharmaceutical supply chain solutions supporting biotechnology and pharmaceutical companies throughout the various stages of drug development and commercialization. The company has over 25 Good Manufacturing Practice facilities globally and almost 4'000 employees. Partners Group acquired PCI on behalf of its clients in July 2016.

During our ownership period, we worked with the company on a broad range of value creation initiatives. We also developed and deployed our One PCI strategy to drive value through the implementation of operational and technology transformation initiatives, which resulted in organic growth, enhanced margins, and increased customer satisfaction.

Adding value by reducing waste and energy
A key part of our value creation efforts focused on waste management. PCI manages large amounts of paper and plastic which ultimately turn, in some proportion, to scrap. During our ownership period, PCI reduced its scrap percentage to below 3% and increased its recycling rate to over 75%, with a target to reach 100% in 2021. This had an estimated EBITDA impact of USD 0.9 million, and helped the company improve its EcoVadis sustainability rating to Gold.

PCI also engaged with an external energy management consultant to identify low- and no-cost measures to reduce its energy consumption and related greenhouse gas emissions. In 2019, the company also began holding bi-weekly environmental management system steering team meetings geared towards improving conservation performance across the company. The measures implemented achieved a 15% reduction in energy consumption, with an estimated EBITDA impact of USD 1.6 million.

A lasting impact on health & safety
Ensuring the wellbeing of company employees is another important part of a manufacturing company’s operations and, during our ownership, PCI committed to standardizing best practice health & safety initiatives. The company is now working towards continuous improvement in its total recordable injury rate (TRIR) and lost-time incident rate (LTIR) performance, and has managed to reduce its TRIR from 1.7 in 2019 to 0.7 in 2021 and its LTIR from 2.0 in to 0.5 in the same time period. PCI has also implemented a consistent product health risk assessment process.

ESG handover
Although we exited as a majority shareholder, we still hold a significant minority stake in PCI. As part of our exit and in order to ensure continued commitment to ESG topics, we shared ESG materials and an overview of projects to be completed with the new lead investor Kohlberg.

“During our ownership with PCI, we targeted various ESG factors. We aimed at significantly improving environmental and waste management, as well as health & safety standards in order to improve employee wellbeing. Our initiatives were not only successful in enhancing PCI’s ESG standards, but also had a beneficial EBITDA impact.”

Sujit John, Managing Director, Private Equity Health and Life
Case study
Private Infrastructure: VSB Group

VSB Group (VSB) is a leading European developer, owner, and operator in the renewable energy sector. Founded in 1996, VSB operates throughout the renewable energy value chain, from the development of projects, to asset management and the technical and commercial management of operational sites, as well as having a broad offering in energy solutions. VSB has successfully developed and built over 1.1GW of onshore wind and solar photovoltaic generating assets to date and manages over 1.4GW of wind assets. The company has expanded from its headquarters in Dresden, Germany, to become a European renewable platform active in ten countries with over 350 employees and 22 offices. Partners Group acquired an 80% equity stake in VSB on behalf of its clients in January 2020.

Going greener
Although VSB is already considered a ‘green asset’, there is always room for improvement. In 2020, we supported VSB with the introduction of its VSB GoesGreen initiative. This included a number of ESG projects with the overall objective of further improving VSB’s ESG credentials, reducing its carbon footprint, and deepening the alignment between employees and the company’s mission.

On the environmental and GHG emissions side, the first step in the VSB GoesGreen initiative was to assess VSB’s Scope 1 and Scope 2 emissions with the support of an external advisor. While VSB develops renewables projects, it still produces GHG emissions. Detailed Scope 1 and Scope 2 analyses have been completed and now Scope 3 emissions will be assessed. In line with Partners Group’s expectations for its direct lead portfolio, VSB is setting baseline emissions before creating an action plan and targets.

Engaging employees on ESG
The VSB GoesGreen initiative aims to foster greater employee identification with VSB’s values through measures such as switching to sustainably sourced food, promoting a paperless office, and organizing reforestation trips. These measures have helped improve employee engagement on ESG topics and made the company an even more attractive ‘employer of choice’. Furthermore, a comprehensive health & safety review was conducted in 2021 to assess the wellbeing of VSB’s employees and its contractors. Following this review, the company is aligning health & safety reporting across the organization to increase oversight and transparency.

The G in ESG
Finally, on the governance side, we conducted a detailed assessment of VSB’s IT and cybersecurity setup across its offices. VSB continued its efforts to mitigate undue cyber risks and to make progress on its cyber journey. Furthermore, we performed a maturity assessment of the anti-bribery and anti-corruption policy in order to close potential risk gaps and set up a more robust system.

“ESG in the infrastructure space should go beyond investing into sustainable themes such as renewable energy. It is also about transforming businesses to make them more sustainable. Our aim with VSB Group was therefore to further improve the holistic ESG profile of a so-called ‘green asset’.”

Dr. David Daum, Managing Director, Private Infrastructure Europe
Case study
Private Real Estate: Dinghao Eletronics Plaza

Dinghao Eletronics Plaza is a 137,739 sqm mixed-use development located in the heart of Zhongguancun (ZGC), Beijing. The area is known as the “Silicon Valley” of China and the property sits adjacent to the ZGC metro station, with direct access to the property at basement level. Partners Group invested in the asset on behalf of its clients in 2019.

Building with ESG in mind
For this investment, the overarching goal of our real estate asset management team was to pursue a holistic approach to ESG improvement, with measures aimed at enhancing the asset’s environmental and social performance.

In terms of the social aspect, the aim was to further develop the healthy, safe and comfortable environment. This was done by ensuring high air and water quality in common areas, maintaining comfortable indoor temperatures, implementing touchless access to toilets, lifts and other common areas, and promoting health and nutrition education.

On the environmental side, measures were introduced aligning with the Chinese government’s carbon neutral policy. These measures addressed different dimensions of the building, such as the lighting (façade glass with more than 40% transparency was used in order to lower the requirement for artificial lighting); heat isolation (a rooftop garden was built to help reduce heat and act as a carbon sink); and heat absorption (reflective paint was used on building tops to reduce heat absorption). Furthermore, EV charging stations (10% of parking spaces) and bike parking (150 spaces) were included. We believe these measures contributed to the sustainable certification of Tower A, which achieved practical completion in November last year, and has been certified according to LEED and WELL standards.

Design-led initiatives
We used an internationally renowned, sustainability-focused architecture firm to help embed certain features into the design process. For example, we installed disabled access and barrier free paths, mothering and diaper changing rooms, and a running track on the roof of the retail podium.

Adapting to a post-COVID world
Finally, in light of the pandemic, COVID considerations were an integral part of the project. These features included the installation of an air filtration system with filter class MERV13/F8 or above in office areas and MERV13/F7 or above in retail areas. Similarly, operable windows were also chosen to further help circulation.

“Partners Group focuses on transformational investing. Within real estate, our vision for transformation goes beyond the hardware upgrades and encompasses environmentally conscious and people-oriented building modernization. We view this as an opportunity to make meaningful contributions to global ESG efforts; our end products are not only sustainable but also promote the wellbeing and connectivity of end users.”

Kelly Xu, Member of Management, Senior Lead Asset Manager
Case study
Private Debt: Kusters Beheer

Kusters Beheer (Kusters) is a manufacturer of high-complexity fine mechanical components and modules for various end-markets. Kusters operates nine sites in the Netherlands and serves clients of the semiconductor, machinery construction, automotive, aerospace, electronics and chemical, and food & beverages industries. Partners Group provided debt financing of behalf of its clients as a lead and control lender in 2021.

Loan terms linked to material ESG topics
Given the industrial nature of the business, and the relevance of ESG topics to the sector, we agreed to provide a sustainability-linked loan to Kusters with the aim of linking the loan terms to the most material ESG topics. To identify the most material ESG topics, the first step was to conduct a materiality assessment using an expert third-party service provider. For the most material ESG objectives and KPIs, we defined the initial reporting of the baseline values and agreed to track their performance over time. This report was due by December 2021, and included the following Sustainability Performance Targets (SPTs) and KPIs for Kusters across the environmental, social and governance dimensions:

<table>
<thead>
<tr>
<th>SPT</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>Energy intensity per EUR 100k turnover in KWh or GWh per operating company</td>
</tr>
<tr>
<td>Waste management</td>
<td>Waste volumes per significant waste stream per EUR 100k turnover per operating company</td>
</tr>
<tr>
<td>Occupational health &amp; safety</td>
<td>Lost-time injury frequency per operating company</td>
</tr>
</tbody>
</table>
| Business ethics & governance| 1) Draft of a policy system on business ethics & governance (Anti-bribery & corruption, Whistleblowing, Authorization) applicable for the entire Group  
|                             | 2) Number of relevant employees trained per policy at Group level     |

The next step, during Q1 2022, is to agree on ambitious and meaningful targets for each one of these areas. The timeline for achieving these targets is expected to be from 2022 until the end of the lending period.

Sustainability-linked loans at Partners Group
Partners Group aims to have sustainability-linked loans as an integral part of its direct lending strategy, especially in European transactions. A sustainability-linked loan is any type of loan instrument that incentivizes the borrower’s achievement of ambitious SPTs. The goal is to enhance a borrower’s ambition and accountability on ESG topics by providing an economic incentive (margin ratchet) that rewards commitment to sustainability.

Our Private Debt Investment Committee developed Sustainability-Linked Loans Operating Principles with a series of recommendations for our investment teams to consider when engaging with sponsors and presenting the terms to the investment committee. These include focusing on material ESG topics, setting ambitious targets, having an incentive (interest step-down) if the targets are met and a penalty (interest step-up) if the targets are not met, as well as the use of a third-party assurance to ensure reliability of the KPIs, among others.

We believe that by applying our recommendations, our debt investment teams can make a meaningful contribution to our investments’ sustainability performance, while reducing their risk profile and honoring our fiduciary duty to clients.
Select ESG Initiatives in 2021

<table>
<thead>
<tr>
<th>ENVIRONMENTAL</th>
<th>SOCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decarbonization strategy</strong></td>
<td>Diversity &amp; Inclusion</td>
</tr>
<tr>
<td>Civica Published its carbon reduction plan committed to achieving carbon neutrality by 2040</td>
<td>Confluent HEALTH</td>
</tr>
<tr>
<td>VoyageCare Established a carbon reduction strategy with a carbon neutrality target of 2025</td>
<td>KinderCare EDUCATION</td>
</tr>
<tr>
<td><strong>Energy efficiency</strong></td>
<td>Community engagement</td>
</tr>
<tr>
<td>USIC Introduced a proprietary software to reduce field travel and saved &gt;400 tCO₂</td>
<td>Grassroots RENEWABLE ENERGY</td>
</tr>
<tr>
<td>Foncia Replaced its 400-vehicle fleet for electric or hybrid vehicles</td>
<td>EnfraGen</td>
</tr>
<tr>
<td><strong>Climate risk assessments</strong></td>
<td>Health &amp; safety</td>
</tr>
<tr>
<td>Detailed assessment of potential impact of physical risks (extreme heat, droughts, extreme precipitation, sea level rise, water availability, natural disasters) to &gt;10 assets in our direct investment portfolio</td>
<td>AMEGA</td>
</tr>
<tr>
<td><strong>Waste management</strong></td>
<td>Supply chain</td>
</tr>
<tr>
<td>Techem Improved process to collect and dispose of &gt;5 million devices replaced every year</td>
<td>Green ISLAND SOLAR RENEWABLE POWER</td>
</tr>
<tr>
<td>Schleich Achieved waste reduction through packaging optimization and less plastics use</td>
<td>TOUS</td>
</tr>
<tr>
<td><strong>Biodiversity</strong></td>
<td>Employment conditions</td>
</tr>
<tr>
<td>Grassroots Sapphire Wind Farm participated in the New South Wales Biodiversity Offsets Scheme, where companies can either purchase or take management actions (such as maintaining a biodiversity habitat) to generate biodiversity credits</td>
<td>KinderCare EDUCATION</td>
</tr>
<tr>
<td>Greenlink Carried out biodiversity surveys for birds, bats, badgers, otters, and dormice during the environmental assessment, and designed the project according to survey findings</td>
<td>Vishal</td>
</tr>
<tr>
<td>Schleich Achieved waste reduction through packaging optimization and less plastics use</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholder Benefits Program</td>
</tr>
</tbody>
</table>
## OUR INVESTMENT PORTFOLIO

### GOVERNANCE

<table>
<thead>
<tr>
<th>ESG-linked compensation</th>
<th>Management incentives linked to ESG performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ammega and Telepass</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cybersecurity</th>
<th>Cybersecurity assessments conducted across &gt;10 companies in our portfolio</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Transparency &amp; CSR Reporting</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Techem and Rovensa</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Ammega and Telepass</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Confluent Health
Developed a Diversity & Inclusion Counsel which focuses on racial/ethnic diversity and the LGBTQ community

### KinderCare
Developed a three-year strategy for employees based on employee survey results

### Grassroots
Set up a Community Benefit Fund, which contributes annually to funding local initiatives

### Enfragen
Donated to install a solar well in the village of an indigenous community

### Ammega
Developed a health & safety policy and defined a vision for zero harm by 2025

### Fermaca
Performed an external audit and reinforced its security plan for all personnel

### Green Island
Conducted a responsible supply chain review and adopted Partners Group minimum standards to ensure and improve labor rights

### TOUS
Became part of the responsible Jewellery council and implemented a QR code for customers to see the products’ origin

### KinderCare
Implemented a “Living wage” initiative to true up wages in critical regions

### Vishal
Employs ~1,000 differently abled staff and has won the Helen Keller Award for five consecutive years

### Schleich
Established an employee incentive program giving every employee the opportunity to invest in the company and benefit from the value creation and financial upside

### EyeCare Partners
Established a benefits package plan with a focus on health insurance premium costs, and a career institute with trainings and staff support for further education

### Techem and Rovensa
Published their first CSR Report

### Cybersecurity
Cybersecurity assessments conducted across >10 companies in our portfolio
Impact investing

**PG LIFE: impact at scale**

In 2021, we continued to grow PG LIFE, our private markets investment strategy that has the dual mission of achieving attractive financial returns and driving positive environmental and social impact, as framed by the United Nations Sustainable Development Goals (SDGs). To achieve this mission, PG LIFE integrates impact considerations throughout the investment lifecycle. Companies and assets are selected for investment according to their potential to directly contribute to one or more SDG targets through their core business activities, on top of their ability to meet Partners Group’s requirements for financial risk and return.

In 2021, PG LIFE added nine new investments to its impact portfolio, bringing the total number of investments to 18, which include amongst others:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Description</th>
<th>Main UN SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmathen</td>
<td>Contract development and manufacturing organization headquartered in the Netherlands.</td>
<td>3</td>
</tr>
<tr>
<td>RESILIENT</td>
<td>Platform focused on acquiring, developing, financing and operating decentralized water assets in North America.</td>
<td>6</td>
</tr>
<tr>
<td>DIMENSION</td>
<td>Leading community solar and battery storage platform in the US.</td>
<td>7</td>
</tr>
<tr>
<td>PARMACO</td>
<td>Leading provider of high-quality modular buildings for the public educational sector.</td>
<td>9</td>
</tr>
</tbody>
</table>
In the year ahead, we expect to add several new investments to the portfolio, onboard management teams of recently closed investments to our PG LIFE vision, and execute on specific initiatives to create or protect value through improved impact integration. We will continue to build the field of impact investment and demonstrate how the PG LIFE ‘impact-at-scale’ strategy can drive much needed investment to achieve the vision of the SDGs.

**New investment spotlight: Parmaco**

Headquartered in Finland, Parmaco is a long-term lessor of modular education facilities. Parmaco designs, builds and leases these buildings through medium- to long-term contracts (>5 years) and the buildings themselves are estimated to have a useful life of around 40 years. The core business model of Parmaco is based on securing rental contracts with municipalities in Finland and Sweden through public tender processes for educational buildings.

Partners Group included Parmaco in the PG LIFE fund because its core positive contribution to the SDGs is the provision of sustainable infrastructure for educational facilities, which aligns with SDG 9.4: ‘Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.’

Parmaco’s buildings emit 54% less greenhouse gases compared to their equivalent traditional concrete-framed alternative over their 40-year lifetime. This is achieved through raw material supply, transport & manufacturing. The main driver for the emission reduction is the usage of wood (predominantly certified softwood) as a renewable resource sourced from local suppliers as well as the efficient and resource-saving way it is processed and refurbished.

Over our ownership period, we plan to focus on the following impact areas:

- We will onboard and work with two advisors with strong modular building expertise. Together with Parmaco’s management, we will set an impact agenda, which is in line with the company’s focus on environment and education.
- We will further discuss strategies that Parmaco could implement to increase its contribution to the SDGs, for example through expansion into further geographies; prioritizing construction of educational facilities in areas of greatest need; expanding into the provision of other types of facilities; engaging with customers on how to monitor and maximize energy efficiency and air quality; and monitoring sustainable sourcing and certification of material inputs.

When it comes to impact measurement, KPIs that could be relevant for steering the company’s impact include the area built (sqm) broken down by country, the greenhouse gas emissions avoided, and the energy efficiency savings in practice. We are finalizing the onboarding of the company and will have the defined metrics and first values in 2022.
Our Firm

Our people

At Partners Group, we recognize that our people are our most important asset. We aim to attract and retain unique and diverse professionals by offering them a great place to work and the opportunity to grow, both professionally and personally.

In 2021, we continued to hire talented professionals from across the globe and expanded our platform to 1,592 employees (2020: 1,533). The percentage of female (39%) and male (61%) employees remained at around the same level as in 2020.

Similarly, the overall age breakdown of our employees globally remained largely in line with the previous year. In terms of nationalities, our professionals today represent around 60 different nationalities and speak over 30 different languages.

As a growing firm, we want to ensure that we not only hire new talent but also retain our existing talent. We thus monitor our retention rate closely in order to assess whether we are maintaining the right balance between hiring and retaining. In 2021, our turnover rate of 16.9% (2020: 9.0%) was slightly above our typical and expected turnover range of 10-15%.

2021 employee information by headcount (HC)

### HC by region

<table>
<thead>
<tr>
<th>Region</th>
<th>HC Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>698</td>
</tr>
<tr>
<td>Asia</td>
<td>548</td>
</tr>
</tbody>
</table>

### HC by employee type

<table>
<thead>
<tr>
<th>Part-time</th>
<th>Full-time</th>
<th>Temporary</th>
<th>Permanent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female: 40</td>
<td>Female: 587</td>
<td>Female: 10</td>
<td>Female: 627</td>
</tr>
<tr>
<td>Male: 21</td>
<td>Male: 943</td>
<td>Male: 4</td>
<td>Male: 964</td>
</tr>
</tbody>
</table>

### HC by employment contract

<table>
<thead>
<tr>
<th>Permanent</th>
<th>&gt;50</th>
<th>&lt;30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female: 627</td>
<td>90</td>
<td>480</td>
</tr>
<tr>
<td>Male: 964</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undefined: 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### HC by age group

<table>
<thead>
<tr>
<th>&lt;30</th>
<th>30-50</th>
<th>&gt;50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>480 (30%)</td>
<td>1,022 (64%)</td>
<td>90 (6%)</td>
<td>1,592</td>
</tr>
</tbody>
</table>

Note: as of 31 December 2021. 
Source: Partners Group.

Global HC by seniority level and gender

<table>
<thead>
<tr>
<th>Seniority Level</th>
<th>Female</th>
<th>Male</th>
<th>Undefined</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>540 (46%)</td>
<td>629 (54%)</td>
<td>1 (0%)</td>
<td>1,170</td>
</tr>
<tr>
<td>Member of Management</td>
<td>76 (25%)</td>
<td>232 (75%)</td>
<td>0 (0%)</td>
<td>308</td>
</tr>
<tr>
<td>Senior Member of Management</td>
<td>11 (10%)</td>
<td>103 (90%)</td>
<td>0 (0%)</td>
<td>114</td>
</tr>
<tr>
<td>Total</td>
<td>627 (39%)</td>
<td>964 (61%)</td>
<td>1 (0%)</td>
<td>1,592</td>
</tr>
</tbody>
</table>

Global HC by seniority level and age group

<table>
<thead>
<tr>
<th>Seniority Level</th>
<th>&lt;30</th>
<th>30-50</th>
<th>&gt;50</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>480 (41%)</td>
<td>659 (56%)</td>
<td>31 (3%)</td>
<td>1,170</td>
</tr>
<tr>
<td>Member of Management</td>
<td>0 (0%)</td>
<td>289 (94%)</td>
<td>19 (6%)</td>
<td>308</td>
</tr>
<tr>
<td>Senior Member of Management</td>
<td>0 (0%)</td>
<td>74 (65%)</td>
<td>40 (35%)</td>
<td>114</td>
</tr>
<tr>
<td>Total</td>
<td>480 (30%)</td>
<td>1,022 (64%)</td>
<td>90 (6%)</td>
<td>1,592</td>
</tr>
</tbody>
</table>

Note: as of 31 December 2021. 
Source: Partners Group.
2021 new joiner information

New joiners by region

- Europe: 124 (39%)
- Americas: 78 (25%)
- Asia: 122 (36%)

New joiners by gender

- Male: 191 (61%)
- Female: 123 (39%)

New joiners by age group

- <30: 188 (60%)
- 30-50: 119 (38%)
- >50: 7 (2%)

2021 leaver information

Leavers by region

- Europe: 102 (39%)
- Americas: 64 (25%)
- Asia: 93 (36%)

Leavers by gender

- Male: 157 (61%)
- Female: 102 (39%)

Leavers by age group

- <30: 93 (36%)
- 30-50: 10 (4%)
- >50: 10 (4%)

Note: as of 31 December 2021. Source: Partners Group.

“Partners Group truly values the contribution each and every employee makes to its business and rewards hard work. If you set goals, work steadfastly towards them and embrace Partners Group’s values of partnership, entrepreneurship, leadership, excellence and passion, you will succeed.”

Kelly-Marie Henry, Senior Compliance Officer

Read about our culture and values in our Charter

Read about our approach to employee compensation in our 2021 Compensation Report

Employee information from previous years can be found on our website
Fostering employee engagement

Every year, we conduct a firm-wide employee engagement survey to ensure our employees’ voices are heard and to foster increased employee engagement. These surveys help us identify potential development areas and provide valuable feedback on ongoing improvement initiatives. Focus areas identified in our 2021 survey include providing additional support with hiring and resourcing, strengthening our commitments around diversity & inclusion, and providing more transparent communication around decision-making.

We have implemented several measures to address these improvement areas. For example, we have strengthened our Employee Networks and our Diversity & Inclusion Committee with the aim of reinforcing the sense of inclusiveness and belonging at Partners Group. We have also increased the use of diverse interview panels to support more diverse hiring. To provide more transparency into decision-making, we have established more frequent Q&A sessions with senior leaders of the firm and introduced team leader induction sessions with our Executive Team. Additional initiatives we are working on to address these areas can be found in the following sections.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actively engaged employees</td>
<td>62%</td>
<td>71%</td>
<td>68%</td>
</tr>
<tr>
<td>Breakdown by gender</td>
<td>Male: 65%</td>
<td>Male: 71%</td>
<td>Male: 68%</td>
</tr>
<tr>
<td></td>
<td>Female: 57%</td>
<td>Female: 70%</td>
<td>Female and Undefined¹: 68%</td>
</tr>
<tr>
<td>Response rate</td>
<td>85%</td>
<td>85%</td>
<td>90%</td>
</tr>
</tbody>
</table>

¹ Due to privacy and data protection reasons, survey results for employee populations that do not meet minimum size requirements are automatically randomly grouped with larger employee populations.

Note: as part of its annual employee survey, Partners Group measures employee engagement using a five-point scale (“strongly agree” to “strongly disagree”) on five questions related to employee engagement (e.g. “I feel proud to work for Partners Group”). The percentage of actively engaged employees is the percentage of employees who reported that they “strongly agree” or simply “agree” as opposed to “neither agree nor disagree”, “disagree”, or “strongly disagree” with these statements out of the total number of employees who participated in the survey.

Empowering employees through learning

People’s learning and growth has always been one of the foundations of Partners Group’s success. In line with the purpose and vision of our Charter, we aim to grow our people personally and professionally, we are committed to continuous learning and we substantially invest in the training and development of our employees.

In 2020, we went live with our bespoke learning and development platform, PG Academy, delivering a flexible and scalable learning offering with targeted business, functional, technical, leadership and personal development skills training, and covering topics related to diversity & inclusion.

In 2021, despite the impact of COVID-19 measures, we continued to uphold our commitment to strengthening our leaders and developing our people, moving in-person trainings to a virtual classroom setting where needed. We further expanded the PG Academy platform to match Partners Group’s scale, increasing the variety and volume of our offering by 35% and the average training hours per person by 25%, with a balanced approach across gender, levels, and geography.
Developing our leaders

The development of our leaders and employees continued to be a priority for PG Academy in 2021. 96% of our employees took advantage of learning opportunities and had some form of training in one of our learning categories. 93% of our leaders have now had leadership training in the last two to three years.

Developing our leaders will continue to be a strong focus going forward. We have built out coaching opportunities over three levels as a development accelerator, with newly standardized external coaching programs for senior leaders, a new digital coaching platform with qualified external business coaches for mid-level leaders and employees, and our internal PG coaching and mentoring programs for employees at all levels.

New learning and development initiatives during the year

In 2021, recognizing the need for bespoke learning, PG Academy launched an employee training needs survey to understand our people’s requirement for new programs. As a result, we added a Wellbeing category to our training catalogue and launched a series of pilots on topics covering Wellbeing, Resilience, Coaching, Design Thinking, Strategic Information Collection, and the Art of Storytelling. The programs under the Wellbeing category are aimed at providing support and practical advice on topics such as managing stress and energy levels, conducting successful coaching sessions, or developing emotional intelligence to become more successful leaders. The pilots enabled us to curate and design the right programs to launch to larger groups in 2022.

We also launched a Lean Training Program for 400+ employees within our Client Services and Investment Services business departments. As part of the Lean Training Program, employees will learn eight high-performance Lean practices over an eight-week period, through both theoretical and practical sessions with their team and Lean coach. The objective is to implement and institutionalize a culture of continuous improvement including Lean education, ongoing streamlining of end-to-end processes and performance tracking.

“I joined Partners Group in 2000 as a temporary receptionist. I did not have a university degree at the time and did not have a background in finance. I experienced a welcoming and supportive culture, which allowed me to learn and grow, get my studies done, and eventually be promoted to Managing Director. When I became pregnant in 2015, I was concerned that I would not be able to balance being a parent with my demanding work. I had a fantastic mentor at Partners Group who took time and shared her own experience, tips and advice. A few years later – and now with two lovely daughters – I would not say it is easy, but it is perfectly possible with the support I received.”

Sara Odebunmi, Managing Director, Global Head Platform Services
PG Academy is now setting increased focus on expanding learning opportunities which are function-specific and focus on those capabilities prioritized by business teams to deliver on strategy.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Average hours of training per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>21</td>
</tr>
<tr>
<td>Male</td>
<td>19</td>
</tr>
<tr>
<td>Undefined</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seniority Level</th>
<th>Average hours of training per employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>20</td>
</tr>
<tr>
<td>Member of Management</td>
<td>21</td>
</tr>
<tr>
<td>Senior Member of Management and Board of Directors</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

= externally assured

Focusing on employee health & safety

We are highly committed to caring for our employees’ health, both mental and physical. As part of this commitment, in 2021, we extended our Employee Assistance Program, which was already available to employees in Asia and the Americas, to employees globally. The program offers services such as ‘lunch and learn’ sessions on how to spot signs of stress and phone counseling services on topics ranging from family and financial issues, to emotional health and stress.

Having observed that working from home through COVID-19 had led to a breakdown of boundaries between work and home life as well as unsustainable working hours for many employees, our Executive Team emphasized the importance of sustainable working through a range of communications channels to support employee health.

Absentee rate in 2021

In 2021, Partners Group had an absentee rate of 1.6%, which corresponds to an average of five days of absence per employee.

Taking Diversity & Inclusion to the next level

Our conviction in the importance of Diversity & Inclusion to our business remains unchanged. Since our inception, we have seen time and again that we make the best decisions when we collaborate, jointly explore and vigorously debate a range of viewpoints, in order to achieve clarity of direction. This process of ‘creative abrasion’ is key to the partnership approach that sits at the heart of our business. Our conviction is that a diversity of perspectives, skills, experience and backgrounds among our employees, combined with a tradition of inclusion, underpins creative abrasion and enables us to achieve our aim of creating lasting positive impact for all our stakeholders. We therefore aim to attract employees with a diversity of perspectives, skills and backgrounds and sustain an inclusive work environment in which everyone feels empowered to share their opinions and listen to those of others.

In 2021, we took our Diversity & Inclusion efforts to the next level. We believe that a strong and effective governance setup is key to ensuring continued, significant progress on Diversity & Inclusion topics. We have therefore strengthened our Diversity & Inclusion Committee, which is now comprised of five members, including two Senior Members of Management. Additionally, we have another twelve colleagues who, together with the Diversity & Inclusion Committee members, form our Diversity & Inclusion Leadership Team. Members represent colleagues from across the entire organization, including at Board and Executive Team level. We believe that this team is sizeable, energetic, determined and influential, enabling us to ensure progress.

To leverage the broader organization, the Diversity & Inclusion Committee and the Leadership Team work closely with our Employee Networks and their members. We are pleased to have supported the establishment of two new Employee Networks in 2021 – The Partners Group Parents Network and The Partners Group Boots & Rucks Network.
Our Employee Networks currently comprise the following:

- **The Partners Group Women’s Network**: For women and allies; over 140 members; promoting community, improving representation and realizing the potential of female talent at Partners Group globally.

- **The Partners Group Black Network**: For Black, African, Caribbean, Afro-Latino colleagues and allies; over 30 members; creating community, growing representation and advancing inclusion & equity of Black and People of Color employees at Partners Group.

- **The Partners Group Pride Network**: For LGBT+ identifying colleagues and allies; over 90 members; aiming to advance inclusion, equity and realizing the potential of LGBT+ people at Partners Group globally.

- **The Partners Group Parents Network**: For working parents and allies; over 130 members; enhancing inclusive culture by providing peer-to-peer support and guidance to working parents, thus increasing the longevity of young professionals at Partners Group globally.

- **The Partners Group Boots & Rucks Network**: For veteran military and service personnel and allies; over ten members; providing a welcoming and inclusive environment for those who have previously been service personnel or served in the military.

"I have worked in Partners Group’s London office since 2012 and have progressed within the Client Solutions team during this time. The opportunities presented to me are a testament to the meritocratic culture at Partners Group. As the leader of The Partners Group Pride Network I can actively contribute to our inclusive work environment."

Antony Esposito, Head UK Consultant Relations
In addition, throughout the year, we focused on a number of initiatives in the following three areas:

**Hiring & onboarding**

In summer 2021, we again hosted our traditional Summer Internship Program in Europe and the US, with a very high percentage of talent from under-represented groups. After the program, a number of participants successfully applied for our 2023 Financial Analyst Program. Of the Financial Analyst Program that started in summer 2022, we are pleased to report that more than 40% of participants are members of under-represented groups.

We continue to work towards our target of substantially increasing the number of female Senior Members of Management to at least 25 by 2025. However, in 2021, we were not able to make as much progress on the hiring front as we had planned. As a consequence, the Diversity & Inclusion Committee, together with Partners Group’s Executive Team, has decided to significantly increase our efforts to achieve this goal in 2022 and beyond. A detailed hiring strategy has been developed to attract more female talent as well as talent from other under-represented groups. Our hiring process is designed to ensure that all candidates are measured and benchmarked against the same criteria, and to avoid any form of discrimination, with all hiring managers required to take unconscious bias training. By having more female candidates and candidates from under-represented groups at the start of the hiring process, we are hoping to be able to successfully attract and hire more such talent.

**Culture & retention**

Last year, we included additional questions in our employee engagement survey to better measure inclusion at Partners Group. This year, the results showed that we generally rank on par with or above benchmark companies across several metrics, with 78% of employees believing that “In Partners Group, everyone is treated fairly regardless of personal background or characteristics”; 87% agreeing that “I am treated with respect as an individual”; and 93% confirming that “People in my team do not reject other for being different.”

However, there is also room for improvement on some metrics. Only 54% of employees believe that “Senior leaders’ actions reflect a real commitment to diversity”. While this is on par with benchmark companies, we feel we can do better. All Managing Directors and Partners will have a specific action relating to diversity & inclusion in their 2022 goals.

To improve our future culture and retention efforts, we will also begin collecting additional diversity & inclusion data on a voluntary basis from our employees and candidates globally, taking into account local regulatory restrictions. We believe that this additional data will allow us to make more informed decisions, and to undertake more targeted efforts for the benefit of our employees globally as well as for all of Partners Group’s stakeholders.

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**25 female Partners and Managing Directors by 2025**

| 12 | 48% |

1 Figure includes members of our Board of Directors. Data as of December 2021.
Board Diversity Policy

In recognition of the importance of Diversity & Inclusion to our business, in 2021, we established a Diversity Policy for Partners Group’s Board of Directors. We believe the composition of our Board is fundamental to achieving our strategic objectives and recognize the benefits of having a Board that is adequately staffed with diverse and accretive skills to drive strategy and support value creation initiatives.

A truly diverse Board will include and make good use of differences in the technical know-how, regional and industry experience, social and ethnic background, race, gender, as well as other distinctions between directors such as cognitive and personal strengths.

Based on this objective, the Board has established a target of ensuring that the proportion of newly elected independent directors is comprised of at least 50% of the following groups on a three-year rolling basis:

- Persons identifying other than (cis-)male.
- Persons from the LGBT+ community.
- Persons from under-represented ethnic minority group.

Read the full policy here.

Progression & development

We are committed to providing equal employment and advancement opportunities to all individuals, and to making all employment decisions based on merit, qualifications, and abilities. As such, our Human Resources department annually performs an equal pay analysis, which has shown no pay inequalities in recent years.

The diversity & inclusion data-collection project mentioned above is intended to expand this analysis. Similarly, the data project will also allow us to measure and ensure that not only female, but also professionals from other under-represented groups progress at the same rate as the broader Partners Group population.

In 2021, our analysis showed that female professionals do indeed progress at the same rate as the broader Partners Group population. Overall, in 2021, 22% of female and 23% of male employees were progressed. We have also broken this data down by department and level of seniority and found no unexplainable differences.

“Since joining Partners Group in 2017, the firm has invested time in my growth. The biggest validation of all came when I was invited to co-head its European real estate business. It does not happen often that an Indian with predominantly Asian experience gets to lead one of the biggest real estate markets for a firm. To me, this says it all. It’s about inclusiveness, it’s about trust and – above all – it’s about performance.”

Rahul Ghai, Managing Director, Co-Head Private Real Estate Europe
Collaborating with external organizations
Besides our internal Diversity & Inclusion efforts, we are also pleased to work closely with the following external organizations:

**Advance**
Advance is the leading business association for gender equality in Switzerland, committed to increasing the share of women in management in Swiss-based companies.
www.theadvance.ch

**Girls Who Invest**
Girls Who Invest is a US-based not-for-profit that is working to bring more female investment professionals into the asset management industry through an intensive skills-based summer training. Girls Who Invest also provides an online training program and paid summer internship programs with partnering asset managers.
www.girlswhoinvest.org

**High Water Women**
High Water Women is an organization founded in 2005 by women in the hedge fund and investment industries with a focus on providing enriched educational opportunities for low-income youth and the economic empowerment of women and children.
www.highwaterwomen.org

**Him For Her**
Him For Her is a not-for-profit venture aimed at accelerating diversity on for-profit boards. The organization engages leading “Hims” to introduce the world’s most talented “Hers” to corporate board service. Since its founding in May 2018, Him For Her has made hundreds of valuable introductions to board-ready women.
www.himforher.org

**Level 20**
Level 20 is a European-based not-for-profit organization that aims to promote and improve gender diversity in the private equity industry. Level 20’s goal is for women to hold at least 20% of senior positions in the European private equity industry. In 2015, when the organization was founded, women occupied only around 5% of these positions.
www.level20.org

**LGBT Great**
LGBT Great is a global membership organisation specialist in developing LGBT+ diversity & inclusion within the investment and savings industry.
www.lgbtgreat.com

**Pathways to Higher Education**
Pathways to Higher Education is a Philippines-based organization focused on equipping high-potential but financially underprivileged students with the necessary academic and soft skills to become ethical and discerning leaders.
www.ateneo.edu/socdev/pathways

**Stonewall**
Stonewall is a UK-based organization that works with institutions to create inclusive and accepting cultures, to ensure institutions understand and value the huge benefits brought to them by LGBTQ+ people, and to empower institutions as advocates and agents of positive change.
www.stonewall.org.uk

**Toigo Foundation**
The Toigo Foundation aims to foster the career advancement and increased leadership of under-represented talent by creating mechanisms for greater inclusion from the classroom to the boardroom.
www.toigofoundation.org

**Windsor Fellowship**
The Windsor Fellowship identifies disadvantaged students from lower socioeconomic backgrounds across the UK and provides career guidance and development skills with the help of intensive training sessions, internships and career mentoring.
www.windsor-fellowship.org

**#10000BLACKINTERNS**
#10000BLACKINTERNS offers internships to Black students across the UK to help kick start their career in investment management. 200 of the industry’s leading players are participating as a way to source a more diverse group of talent for the long term.
www.10000blackinterns.com
Our planet
At Partners Group, we recognize the importance of incorporating environmental factors, alongside social, governance and commercial factors, into our overall investment and risk management framework. Over the years, we have developed specific tools and processes to ensure a thorough integration of a range of environmental factors throughout the lifecycle of our investments, from sourcing through to ownership.

We also recognize the potential impact of our business operations on the environment and are committed to making a fair contribution to reducing this impact. We strive to reduce the consumption of resources and improve the efficiency of their use by applying the principles of reducing, re-using and recycling in our offices; avoiding pollution by avoiding unnecessary business travel; taking environmental issues into considerations when purchasing goods and services; and considering energy efficiency in the acquisition, design, renovation, location and use of office buildings.

Climate Change Strategy
As a firm, we are committed to working towards net zero carbon emissions across our entire organization and managing our investment portfolio towards the Paris Agreement goals. Published in 2021, our group-wide Climate Change Strategy outlines our approach towards achieving these goals, highlighting how we manage climate risks and impacts across our firm and our investment portfolio. The strategy aligns with the Task Force on Climate-related Financial Disclosures’ (TCFD) recommended disclosures. We have embedded this strategy into the key stages of our investment and ownership process from sourcing and due diligence through ownership to exit.

Our approach to addressing climate change consists of six pillars, which are in line with the four core elements of TCFD: governance, strategy, risk management, and metrics & targets.
In 2020, Partners Group also became an official supporter of the TCFD. This year, we have published our first standalone TCFD report, outlining our climate-related efforts and activities in 2021. In the report, we transparently communicate our climate-related ambitions and share our goals and milestones towards achieving a low carbon economy in line with TCFD’s recommended disclosures.

The six pillars of Partners Group’s Climate Change Strategy

1. Strategic asset allocation
   - Thematic focus on energy transition, low-carbon investments and exclusion of thermal coal
   - Encourage sourcing of assets that support the achievement of the UN SDGs

2. Portfolio risk & opportunity assessment
   - Portfolio footprinting
   - Scenario analysis

3. Investment risk assessment & management
   - Climate risk due diligence
   - Climate change sweeps
   - Regular monitoring

4. Lead by example
   - Corporate carbon footprint
   - Reduction/offset initiatives
   - Supplier engagements

5. Metrics & reporting
   - Measure baseline
   - Identify targets
   - Report on progress

6. Governance
   - Overseen by Board of Directors
   - Led by Executive Team
   - Managed by investment teams

Supporting global climate initiatives

Initiative Climat International
In line with our commitment to deliver positive stakeholder impact, in 2021, Partners Group joined the Initiative Climat International (ICI), a landmark global climate initiative for the private equity industry that is supported by the Principles for Responsible Investment. Members of the ICI commit to recognizing the risks that climate change presents to their investments, contributing to the Paris Agreement’s objectives, and engaging with portfolio companies to reduce greenhouse gas emissions. More details on iCI are available here.

UN PRI Climate Hub for Private Markets
To help advance climate action, we also contributed to the UN PRI’s working group to develop a climate resource hub for private markets investors. The hub provides easy access to key tools, guides and insights to support investors on their path to net zero and to building more resilient companies and assets. Part of our engagement with the working group included producing a video for the hub, which explains Partners Group’s approach to minimizing the impact of climate change across our portfolio. Please find the link to the PRI Private Markets Climate Series with Partners Group here. The link to the PRI’s Private Markets Climate Hub can be found here.
Our corporate GHG emissions in 2021

Our policy choices & methodologies:

| Consolidation approach (Scope 1&2): Operational control approach. |
| Gases included in calculated CO2 equivalents: CO2, CH4, and N2O. |

Most relevant emission factors used are:
Scope 1

Scope 2
- U.S. EPA eGrid with 2018 Data

Scope 3
- Defra Greenhouse Gas conversion factors (2021)
- Ecoact Homeworking emissions white paper (2021)

Global warming potential (GWP) rates used: IPCC Fourth Assessment Report (AR4 - 100 Year).

Base year for the calculation: 2019. While Partners Group has reported to the Carbon Disclosure Project since 2010, 2019 was chosen as base year as emissions data was gathered from all international offices, while in the past only Zug office emissions were reported.

Where market-based GHG emission data was not available for scope 2 emissions (approx. 6% of total scope 2 emissions), location-based GHG emission data was used. Other indirect (Scope 3) GHG emissions data was used. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation: "3.c transmission and distribution (T&D) losses," "5. Waste generated in operations;" "6. Business travel (air travel);" and homeworking. Scope 3 emissions from categories "1. Purchased goods and services," "2. Capital goods;" "3.a,b,d Fuel- and energy related activities (not included in scope 3 or scope 2)," "4. Upstream transportation and distribution," "7. Employee commuting;" "8. Upstream. leased assets;" "9. Downstream transportation and distribution;" "10. Processing of sold products;" "11. Use of sold products;" "12. End-of-life treatment of sold products;" "13. Downstream leased assets;" "14. Franchises;" and "15. Investments" are excluded.

Biogenic CO2 emissions are not relevant for Partners Group.

Organization-specific metric (the denominator) chosen to calculate the ratio: Total Scope 1 & 2 emissions / 1'592 employees.

Significant estimates applied and assumptions used:
- For refrigerants, the emissions data was extrapolated from four offices where data was available representing c50% of the workforce.
- Where office energy data was not available, data from comparable offices was used (applicable to less than 5% of FTE).
- Waste emissions data was available for ten offices including the five largest international offices of Partners Group representing c85% of the workforce. Due to limited granularity of the data available, waste was categorized into (i) Mixed Recyclables, (ii) Mixed MSW (municipal solid waste) combusted, (iii) Mixed MSW landfilled, and (iv) Mixed Organics as defined by the EPA, Office of Resource Conservation and Recovery. Likewise, water consumption was not included due to limited data availability.
- For homeworking, the emissions data was extrapolated from the six largest offices, representing at least 90% of the workforce. Also, heating and cooling are excluded as estimates for employee energy usage depends on many factors, such as household size, energy usage behavior, number of household members, resulting in a large variability in outcomes.

Additional comments:
- Reduction initiatives: As in 2020, the largest part of the reduction compared to the 2019 base year is a result of COVID-19 and 2021 is therefore not a representative year. That said, we continued our efforts to increase the number of offices that utilize renewable energy and since January 2021 our Tokyo office started purchasing green energy. For 2022, we are planning to switch several other offices including our Munich and Sydney locations to renewable energy. In view of current global developments related to COVID-19, we may at a later stage decide to choose two base years (2019 and 2020).
- Carbon offsets: The 2019 emissions from air travel were fully offset in 2020 through carbon credits. All reported emissions from 2020 were fully offset in 2021 through carbon credits.

GRI 305-1, 305-2, 305-3 and 305-4

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<th>Unit</th>
<th>2021</th>
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<th>2019</th>
</tr>
</thead>
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<td>513</td>
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<tr>
<td>Gross energy indirect (Scope 2) GHG emissions</td>
<td>Metric tCO₂e</td>
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<td>1'364</td>
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<tr>
<td>Gross other indirect (Scope 3) GHG emissions</td>
<td>Metric tCO₂e</td>
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<td>3'239 (Restated: 1'984)</td>
</tr>
</tbody>
</table>

Note: 1 Only business travel (air travel) included in Scope 3 for 2019. 2 Scope 3 emissions related to homeworking were overstated in the 2020 emissions table due to a miscalculation of underlying working hours. 3 = externally assured
**Details on the development of our corporate GHG emissions compared to the prior year**

Direct GHG emissions (Scope 1) increased in 2021 primarily due to the inclusion of refrigerant emissions (including headcount-based extrapolated values for offices without actual emissions available). Scope 2 emissions remained largely unchanged compared to the prior year. Compared to the restated prior year Scope 3 emissions, the increase in 2021 was driven by the gradual return to business travels after the severe travel restrictions and lockdowns in 2020.

**Contributing to nature-based solutions in relation to our corporate GHG emissions**

We have offset our key corporate GHG emissions since 2019, teaming up with Natural Capital Partners, a leading provider of innovative environmental solutions. Together, we have built a global portfolio of low-carbon sustainable development projects that we are financing in relation to our CO₂ emissions according to the highest international standards. An example of a project included in our 2021 offsetting portfolio is shown below.

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**Native Forest Restoration Portfolio, Australia**

Regenerating native forests through tree planting and working with local communities to change agricultural practices

**Project type:**
Natural climate solutions, afforestation/reforestation

**Region:** Australia

**Standard:** ERF

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**Description**

Based around the South West Darling Downs region of Queensland, the project is regenerating the native forests that have been suppressed through agriculture such as grazing. The project activities include using tree species local to the native area, managing the timing and extent of grazing, thinning for fire management, stopping or suppressing any mechanical clearing of natural regrowth. This project is registered through the Emissions Reduction Fund (ERF) Standard developed by the Australian Government. A portion of the project area is on land over which the Budjiti Aboriginal people have a native title interest. Through the project, they have gained additional access to their traditional lands for cultural, heritage and bush tucker purposes. They also receive a share of the carbon sale revenues.

**Sustainable Development Goals supported**

In addition to delivering emissions removals to take climate action (SDG 13), the project delivers additional sustainable development benefits:

- **No poverty:** Approximately 23,000 households live within the project area and 75% of the carbon revenue is returned to them. The project is also working with local households on agricultural training to improve crop yields and formation of a cooperative to improve access to markets.

- **Clean water:** The project includes 21 km of riparian zones along the Paroo River, which the regeneration of native vegetation will protect.
Our governance

We are committed to meeting high standards of corporate governance and risk management practices. This applies both to our own operations and to the investments we make on behalf of our clients. We have developed, and continue to update, strategies and procedures specific to our business for managing the main risk categories identified by our Board of Directors.

We also recognize that in our industry, reputation and trust are of utmost importance. Since our inception, we have strived to cultivate a strong culture of ethics throughout the firm to ensure our clients’ interests are always at the forefront of our activities. We are committed to preserving our high legal, ethical and moral standards and aim to foster and encourage a culture of strict compliance with local and international laws and regulations. Our internal monitoring procedures go through an independent assessment on a yearly basis through our yearly audit, as well as further evaluations of controls by various regulators depending on the jurisdiction.

Maintaining state-of-the-art Enterprise Risk Management (ERM)

A sound risk management practice is paramount for Partners Group’s long-term success. In order to ensure adequate coverage of relevant risks, Partners Group operates an Enterprise Risk Taxonomy, which represents a hierarchical categorization of relevant risks, organized along the four following risk themes:

- **Finance risks**: related to our balance sheet and income statement (e.g. profitability and liquidity)
- **Operational risks**: related to internal processes and operations (e.g. currency hedging, models, service providers, international marketing and technology)
- **Regulatory, legal and compliance risks**: related to non-adherence to regulations, laws or internal policies (e.g. market abuse, data privacy and money laundering)
- **Investment risks**: related to our investment process and platform (e.g. investment due diligence, ESG, portfolio management and semi-liquid products).
In 2021, we continued to further embed our approach to enterprise risk management into the organization with the following initiatives:

**ERM e-learning**
After having re-designed our ERM framework in 2020, one important initiative in 2021 was the deployment of the new framework across our organization, with a particular focus on risk owners. 100% of risk category and risk area owners have now concluded an ERM e-learning. They have been further trained on our approach and have confirmed their understanding of their roles and responsibilities.

**New ERM tools**
We have adopted a new ERM software to host our risk taxonomy and consolidate all workflows related to our ERM, including our annual risk assessment, the maintenance of internal control systems, scenario analyses, quality assurance reports, and internal audits. The software allows risk owners to have constant access to our risk taxonomy and understand how they interact with it at different levels.

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**Model risk management**
Following our annual risk assessment in 2020, we decided to add “platform model” as a new risk category in our risk taxonomy to be owned by our Chief Risk Officer. In 2021, we identified the high-risk models across our firm and agreed on how to manage the inherent risks. This framework will be further strengthened and rolled out in 2022, starting with the highest risk models.

**Business resilience**
We have further strengthened our crisis management setup and responsibilities, and are planning to evaluate and implement a dedicated crisis management communication and collaboration platform by Q1 2022. In 2022, we plan to review the new crisis management setup through dedicated fire drills to test preparedness for key processes and functions.
While the COVID-19 pandemic continued to dominate the social, political, and economic landscape in 2021, Partners Group continued to strengthen its operations from a cyber resilience and cyber risk perspective. To withstand cyber attacks, Partners Group operates a multi-faceted and layered security framework based on the internationally recognized NIST Cybersecurity framework, which we introduced in early 2016. Important risk management elements include policies and controls, proactive monitoring, awareness and training. All these measures are then complemented by third-party validation and verification. We continue to place strong emphasis on cyber risk management and cyber resilience to safeguard the assets entrusted to our firm, and saw several important external and internal developments in 2021.

**External developments**

The severity of system weaknesses (so-called vulnerabilities) has increased again, while the time between the detection of such a vulnerability and its active exploitation by criminals has continued to shorten, further reducing the time available for technical teams to analyze and mitigate weaknesses. Prominent vulnerabilities affected well-known email servers in the first quarter of 2021, as well as a widely used programming library in the last quarter of the year. Given these vulnerabilities and the sophistication of modern social engineering tactics, we expect to see an increase in business email compromise, financial fraud attempts, (targeted) ransomware-based extortion and damage, as well as risks via the (software) supply chain across all industries in 2022. However, we are continuing to see increased interest from regulators, lawmakers, investors and clients in cyber risks, and we expect this increasing awareness to foster important dialogue on cyber risks and their mitigation.
**Internal developments**

Partners Group has initiated a multi-year technology transformation program (“Program ADVANCE”) involving the targeted use of cloud technology. This will further increase scalability, resilience, and time to market for technology-related projects. Alongside these new developments, we continued to educate our staff in cyber literacy and their related duties.

**Centralizing our compliance tools and obligations**

As an investment firm operating in multiple jurisdictions globally, we are committed to fostering a culture of compliance with local and international laws and regulations and managing risks that may arise in these areas. As our industry has increased significantly in complexity and scale, we have invested substantially in making our platform user-friendly to support our employees in meeting their compliance obligations. In 2021, our Compliance team further invested in technology to enhance its services and centralize its existing tools and trainings. Partners Group launched StarCompliance, a cloud-based platform for employees to request pre-approval for personal transactions.

**Bespoke compliance training programs**

A key aspect of achieving the overarching objective of meeting legal and regulatory obligations is to ensure employees are trained to identify, manage, and avoid risks to the extent necessary to competently execute their assigned activities and responsibilities. In 2021, we continued to enhance the compliance and business ethics training programs for employees globally. We launched additional modules to train new employees, as well as externals who have access to our systems, on business ethics matters relevant to these areas. We further built out our learning management system offerings to include bespoke training on our new enterprise risk management scheme, tailoring the content to an employee’s function.

**Proactively addressing greenwashing risk**

As part of our commitment to being transparent to our investors and stakeholders on our ESG progress and impact at firm and portfolio level, we have reviewed our setup and launched the necessary initiatives to ensure that we adhere to regulatory requirements, ensure relevant client communication and manage greenwashing risks.

In a first step, we re-educated employees in client facing roles and developed the ESG Investing Framework presented earlier in this report to ensure consistent terminology around ESG investing. In 2022, we plan to further formalize these education sessions within our Client Solutions departments and integrate them as mandatory annual trainings. In a second step, we re-trained our compliance department on ESG and greenwashing in order to raise awareness for these risks within the standard marketing material review processes. Finally, we formulated processes to ensure that marketing materials and product presentations are regularly reviewed by the Sustainability Team to ensure transparent and consistent communication.

**Tax transparency**

As outlined in our Tax Policy, Partners Group is committed to paying its fair share of taxes and to creating positive stakeholder impact in the communities in which it does business. Since 2021, we annually publish a Tax Transparency Report on our website, which describes our Tax Strategy and explains selected key areas of taxation in more detail. It is guided by international tax standards and provides an overview of our approach to taxation according to the Global Reporting Initiative Standard (GRI Standard).
Citizenship

We support entrepreneurial non-profit organizations and social enterprises that create positive, high-impact and measurable social and environmental benefits through our employee foundation.

Founded in 2006, PG Impact Foundation is run entirely by Partners Group employees who contribute their time and expertise to identifying, evaluating and investing in high-impact projects benefitting disadvantaged populations and the environment.

Since its inception, PG Impact Foundation has supported more than 85 projects across the globe with both grants and seed-stage impact investments, committing to 18 projects in 2021 (2020: 14).

Grants and impact investments

Our employee foundation PG Impact Foundation makes two types of monetary commitments to social organizations:

- Direct impact investments into seed-stage social enterprises with a proven business model and demonstrated measurable social impact. Investment structures are flexible and may take the form of low-interest loans, convertible notes and equity. 100% of any returns from these investments are recycled back into PG Impact Foundation for allocation to future projects.

- Grants to non-profit organizations working to address a diverse set of challenging global issues faced by disadvantaged populations. These include organizations promoting education and job skills, health and wellness, and entrepreneurialism. There is a preference for organizations operating in a region where Partners Group has a local footprint; however, any organization doing impactful work will be considered.

2021 grant example: Magic Breakfast

In early 2021, PG Impact Foundation provided a grant to Magic Breakfast, a charity founded in 2003 that aims to fight child hunger in the UK. Although often invisible, child hunger is still prevalent in developed countries, with 1.6 million children suffering from food insecurity in the UK. The outbreak of COVID-19 in mid-2020 further amplified the food shortage experienced by children, with the UK Food Foundation reporting that at least 2.3 million children were living in households that had experienced food insecurity.

By feeding and valuing these children, Magic Breakfast makes a practical difference in their lives. Independent research, carried out by the UK’s Institute of Fiscal Studies, found that schools that provide year 2 pupils with a free, nutritious breakfast boosted their reading, writing and maths progress by an average of two months per year, compared to pupils in schools with no such breakfast provision. The ‘magic breakfast’ comprises porridge, cereals, bagels and unsweetened juice, in compliance with governmental school food standards and regulations in the UK.

PG Impact Foundation’s grant will also kick off a long-term partnership between Partners Group’s private debt portfolio company Côte Bistro and the charity. Additional funding was also provided to Magic Breakfast in conjunction with funds raised from our external advisors and Côte’s management. As a result, we helped provide over 320,000 school breakfasts, which were distributed to the nearly 50,000 disadvantaged school children in the Magic Breakfast network.

For more details, please visit www.magicbreakfast.com

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### Partners Group charity contributions and other spending in 2021

<table>
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<th>Category</th>
<th>Amount</th>
</tr>
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<tr>
<td>Sustainability Foundation</td>
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<tr>
<td>PG Gives Back 2021(^1)</td>
<td>CHF 3’975</td>
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<tr>
<td>PG Impact</td>
<td>CHF 500’000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>CHF 6’503’975</strong></td>
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</table>

\(^1\) The “PG Gives Back” initiative is an initiative whereby every Partners Group employee has two days to spend on an initiative of their choice, aimed at contributing positively to the society or environment in which we live. The projects range from helping refugees and disaster victims and restoring local schools, to supporting farmers in remote areas and preserving forests and natural landscapes. The focus of the initiative consists in the active participation of our employees in local projects. The figure thus describes financial contribution beyond the volunteering activities.
Supporting relief efforts in Ukraine

In response to the desperate need for humanitarian aid following Russia’s invasion of Ukraine, we established the PG Impact Ukraine Fund and leveraged our global network of portfolio companies and business partners to provide help. Many employees generously donated to this fund, with Partners Group matching each donation. The proceeds have been used to support several important initiatives.

Within weeks of the invasion, we partnered, for example, with our portfolio company Żabka Polska, a network of convenience stores in Poland, and CVC Capital Partners to fund a cargo train carrying 60 tons of food, water, and hygiene supplies from Poland into Kyiv. We also made 2,400 sqm of warehouse and logistics space in Warsaw available for use by the Polish Red Cross, delivered 25 tons of medical supplies to Lviv and Kyiv, and sponsored tuition fees for up to 50 Ukrainian students at schools managed by our portfolio company ISP.

Led by our Ukrainian colleagues, our internal Stand with Ukraine taskforce has been active in developing and coordinating humanitarian projects since the war started, and we continue to look for new ways to help the local population.

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2021 grant example: We Don’t Waste

We Don’t Waste is a Denver-based non-profit organization that collects excess food, largely from food distributors/caterers, and delivers that food to community-based non-profit agencies feeding underserved populations. Prior to the pandemic, the Denver Department of Public Health & Environment estimated that 11% of the city’s population struggled to access food some or most of the time. Today, the agency estimates that a third of Denver residents experience food insecurity – this rate is even higher for People of Color and households with children.

PG Impact Foundation issued a grant to We Don’t Waste in 2017 to support the organization’s acquisition of a distribution/storage facility, which significantly expanded their food collection and storage capacity. In 2019, PG Impact Foundation awarded a follow-on grant to We Don’t Waste to support their purchase and refurbishment of a refrigerated truck that was converted into a mobile food market truck. Since the initial grant in 2017, PG Denver employees have actively volunteered in various food collection drives organized by the non-profit, most notably during Denver Broncos home games.

For further details, please visit www.wedontwaste.org.
Our Stakeholders and Materiality Assessment

Partners Group’s stakeholders and engagement channels

Material topics identified during our materiality assessment

Our Corporate Sustainability Report covers the topics that we believe matter most to our stakeholders, which include our clients and their beneficiaries, employees, shareholders, portfolio companies and their stakeholders, financial partners, and regulatory bodies. These include topics covered by the Global Reporting Initiative (GRI) Economic, Environmental and Social Standards and also reflect the Sustainability Accounting Standards Board (SASB) standards on materiality by industry for the financials vertical. Due to their relevance to our firm, these are the topics we have chosen to cover in this report as well as in our Sustainability Strategy, Annual Report and other Partners Group materials.

Materiality assessment methodology

In developing this report, we have employed the GRI Reporting Principles for defining report content and quality. We considered the needs and expectations of stakeholders, as well as what they consider to be material sustainability topics for both Partners Group and the broader private markets industry. In a first step, together with our Sustainability Team and members of the Executive Team, we mapped out the firm’s direct stakeholders and the channels through which the firm engages with each group. Through these channels, informal feedback was collected about the sustainability topics each group considers to be most relevant in their relationship with Partners Group. Based on these inputs, we identified the material topics that should be covered in this report, considering the degree to which Partners Group has control over each issue.

In developing our Sustainability Strategy in 2021, we further built on this materiality assessment, conducting additional informal interviews and collecting feedback on sustainability priorities from key internal and external stakeholders, including our Board of Directors, Executive Team, Operating Directors on our portfolio company boards, investment teams and employees, clients and prospects, and external consultants. As a result of this process, we have defined a clear vision for our Sustainability Strategy, along with a set of key ESG ambitions and related targets (see pages 16-25).

The full list of identified material topics can also be found in our GRI Content Index on pages 74-77.
Our approach to stakeholder engagement

The chart below shows the direct and extended stakeholders identified in our stakeholder assessment process, as well as the engagement channels established with each direct stakeholder group. For all direct stakeholders, as well as for Partners Group itself, one of the most material issues identified is ensuring ESG factors are systematically integrated throughout the investment cycle for all private markets asset classes. That is why this report focuses in particular on our strategic ESG approach of enhancing and transforming controlled assets based on active ownership.

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th>Main engagement channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients &amp; beneficiaries</td>
<td>• Ongoing client meetings • Ongoing updates via My Partners Group Portal • Quarterly client reporting • Annual General Meeting • Workshops for investors &amp; ESG Webinars</td>
</tr>
<tr>
<td>Shareholders</td>
<td>• Ongoing shareholder meetings • Semi-annual reporting • Annual General Meeting</td>
</tr>
<tr>
<td>Employees</td>
<td>• Annual employee engagement survey • Partners Group Intranet • Partners Group People employee portal • Global and local Town Hall meetings • Annual performance and development reviews • Ongoing training and mentoring programs • PG Academy</td>
</tr>
<tr>
<td>Portfolio companies</td>
<td>• ESG onboarding • Annual ESG KPI survey • Ongoing ESG engagements as part of our entrepreneurial governance approach • ESG workshops • Incident reporting tool • PG Alpha*</td>
</tr>
<tr>
<td>Financial &amp; business partners</td>
<td>• Annual Partners Conference • Ongoing due diligence and monitoring meetings</td>
</tr>
<tr>
<td>Regulatory bodies</td>
<td>• Ongoing reporting obligations • Recurring audits • Regulatory examinations and visits</td>
</tr>
<tr>
<td>Society &amp; communities</td>
<td>• Partners Group public communication channels • PG Gives Back • PG Impact Foundation</td>
</tr>
</tbody>
</table>

*A proprietary tool designed to support cross portfolio tracking and review performance and development of our investments.
Independent Limited Assurance Report on selected GRI and PRI Disclosures

To the Board of Directors of Partners Group Holding AG, Baar

We were engaged to carry out a limited assurance engagement on selected disclosures for the business year ended 31 December 2021 included in the Corporate Sustainability Report of Partners Group Holding AG (hereafter "the Group"). Our independent assurance engagement to obtain limited assurance covers the disclosures that are indicated by the tick mark ( ) (hereafter "the selected GRI and PRI disclosures") and listed in the GRI Index on page 71 sq. of the Corporate Sustainability Report for the business year ended 31 December 2021.

Our engagement neither covers disclosures not indicated by the tick mark ( ), nor prior-year disclosures, forward-looking information, information from external documentation sources or expert opinions.

Board of Directors’ Responsibility

The Board of Directors of Partners Group Holding AG is responsible for the preparation and presentation of the disclosures in the Corporate Sustainability Report in accordance with the reporting criteria. The Group applies the 2016 GRI Standards of the Global Reporting Initiative (2016 GRI Standards), option "core" and the 2021 Investment and Stewardship Policy module of the Principles for Responsible Investment (the 2021 ISP module of the PRI) as reporting criteria.

This responsibility includes the selection and application of appropriate methods for the Corporate Sustainability Report (in particular the selection of material topics) as well as the use of assumptions and estimates for individual sustainability disclosures that are appropriate under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls to enable the preparation and presentation of a Corporate Sustainability Report that is free from material misstatement whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion, based on our procedures performed and the evidence obtained, as to whether any matters have come to our attention that cause us to believe that the selected GRI and PRI disclosures have not been prepared, in all material respects, in accordance with the 2016 GRI Standards (option "core") or the 2021 ISP module of the PRI, respectively.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform the engagement to obtain limited assurance about whether the selected GRI and PRI disclosures are presented in accordance with the 2016 GRI Standards (option "core") or the 2021 ISP module of the PRI, respectively, in all material respects.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained is substantially lower. The procedures selected depend on the auditor's judgment. Taking into account risk and materiality considerations, we have carried out procedures in order to obtain sufficient appropriate evidence.

These procedures included amongst others:

- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on sustainability performance, including the consolidation of the data;
- Inquiries with staff at group level responsible for the collection and consolidation as well as the performance of internal control procedures with regard to the disclosures;
- Inspection of selected internal and external documents in order to determine whether qualitative and quantitative information is supported by appropriate evidence and presented in an accurate and balanced manner;
- Assessment of data collection, validation and reporting processes as well as of the reliability of the reported data on the basis of sample testing and the examination of selected calculations;
- Analytical evaluation of the quantitative data and development of the selected GRI and PRI disclosures, which were submitted for consolidation at group level;
- Evaluation of the consistency of the requirements applicable to the Group for the selected GRI and PRI disclosures with other disclosures and key figures in the Corporate Sustainability Report 2021;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations
Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the selected GRI and PRI disclosures may occur and not be detected. Our engagement is not designed to detect all weaknesses in internal controls over the preparation and presentation of the selected GRI and PRI disclosures, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Independence and quality control
We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected GRI and PRI disclosures of the Group for the business year ended 31 December 2021 are not presented, in all material respects, in accordance with the 2016 GRI Standards (option "core") or the 2021 ISP module of the PRI, respectively.

KPMG AG

Silvan Jurt
Licensed Audit Expert

Thomas Dorst
Engagement Lead Partner

Zurich, 26 April 2022
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of the organization.</td>
<td>Partners Group Holding AG (Partners Group)</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services.</td>
<td><strong>Corporate Sustainability Report 2021 (CSR)</strong>, Partners Group at a Glance, p. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Find out more: <a href="http://partnersgroup.com/businesses">partnersgroup.com/businesses</a></em></td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters.</td>
<td>Baar-Zug, Switzerland</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations.</td>
<td><strong>CSR</strong>, Partners Group at a Glance, p. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Find out more: <a href="http://partnersgroup.com/our-offices">partnersgroup.com/our-offices</a></em></td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form.</td>
<td><strong>Corporate Governance Report 2021 (CGR)</strong>, 1. Group structure and shareholders, p. 149</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served.</td>
<td><strong>CSR</strong>, Partners Group at a Glance, p. 4</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization.</td>
<td><strong>CSR</strong>, Partners Group at a Glance, p. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Annual Report 2021 (AR)</strong>, Key figures, p. 4</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers.</td>
<td><strong>CSR</strong>, Employee information, p. 48–49</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain.</td>
<td>As a private markets investment manager, Partners Group works with a number of third party service providers that support its day-to-day business operations. In all dealings with any third parties, Partners Group applies the principles, policies and directives summarized in its <strong>Code of Conduct</strong>.</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain.</td>
<td>No significant changes took place during the reporting period.</td>
</tr>
<tr>
<td>102-11</td>
<td>Precautionary Principle or approach.</td>
<td>Partners Group’s risk management is an ongoing process under the leadership and supervision of the Executive Team. <strong>CGR</strong>, 3.9 Risk management process, p. 166</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives.</td>
<td><strong>CSR</strong>, Partners Group at a Glance, p. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>CSR</strong>, Our environmental commitments, p. 57</td>
</tr>
<tr>
<td>Disclosure</td>
<td>Description</td>
<td>Response / location</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>---------------------</td>
</tr>
</tbody>
</table>
| 102-13     | Membership of associations. | **Industry associations:**  
  • ABVCAP (Brazilian Private Equity & Venture Capital Association)  
  • Advance  
  • AVCAL (Australian Private Equity & Venture Capital Association)  
  • BVCA (British Private Equity and Venture Capital Association)  
  • Corporate Pension Network, Japan (supporting member)  
  • DCIIA (Defined Contribution Institutional Investors Association)  
  • DCREC (Defined Contribution Real Estate Council)  
  • Him For Her  
  • IIF (Institute of International Finance)  
  • ILPA (Institutional Limited Partners Association)  
  • INREV (European Association for Investors in Non-Listed Real Estate Vehicles)  
  • Invest Europe  
  • JIAA (Japan Investment Advisers Association)  
  • LAVCA (Latin American Venture Capital Association)  
  • Level 20  
  • LPEA (Luxembourg Private Equity & Venture Capital Association)  
  • PREA (Pension Real Estate Association)  
  • SECA (Swiss Private Equity & Corporate Finance Association)  
  • SFAMA (Swiss Funds & Asset Management Association)  
  • SVCA (Singapore Venture Capital & Private Equity Association)  
  • Swiss Sustainable Finance  
  • UN PRI (Principles for Responsible Investment)  
  • iCI (Initiative Climat International) |

**Strategy**

102-14 Statement from senior decision-maker. **CSR**, A note from the Executive Chairman and Chairman of Sustainability, p. 8

**Ethics and Integrity**

102-16 Values, principles, standards and norms of behavior. **Partners Group Charter**  
**Partners Group Code of Conduct**

**Governance**

102-18 Governance structure. **CGR**
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stakeholder engagement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups.</td>
<td><a href="#">CSR</a>, Materiality assessment methodology, p. 67-68</td>
</tr>
<tr>
<td>102-41</td>
<td>Collective bargaining agreements.</td>
<td>1.0% of Partners Group’s employees are covered by collective bargaining agreements.</td>
</tr>
<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders.</td>
<td><a href="#">CSR</a>, Materiality assessment methodology, p. 67-68</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement.</td>
<td><a href="#">CSR</a>, Materiality assessment methodology, p. 67-68</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised.</td>
<td><a href="#">CSR</a>, Materiality assessment methodology, p. 67-68</td>
</tr>
<tr>
<td><strong>Reporting practice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in the consolidated financial statements.</td>
<td><a href="#">AR</a>, 1. Reporting entity, p. 46</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries.</td>
<td><a href="#">CSR</a>, Materiality assessment methodology, p. 67-68</td>
</tr>
<tr>
<td>102-47</td>
<td>List of material topics.</td>
<td><a href="#">CSR</a>, Materiality assessment, p. 67-68</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information.</td>
<td>No significant restatements compared to the previous reporting period. Any restatements are provided for the purpose of year-on-year comparison or to signal that there have been no material changes to Partners Group’s approach.</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting.</td>
<td>No significant changes from previous reporting periods in the list of material topics and topic boundaries.</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report.</td>
<td>Corporate Sustainability Report 2020, published March 2021.</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle.</td>
<td>Annual</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report.</td>
<td><a href="#">CSR</a>, Contacts, p. 80</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards.</td>
<td>This report has been prepared in accordance with the GRI Standards: Core option.</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index.</td>
<td>The GRI content index (this document) is in accordance with the GRI Standards.</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance.</td>
<td>Partners Group’s consolidated financial statements and Compensation Report are externally audited. Furthermore, Partners Group has a limited assurance for selected GRI and PRI disclosures in its Corporate Sustainability Report.</td>
</tr>
</tbody>
</table>
Material topics
The table below lists the material topics identified during Partners Group’s materiality assessment process (see CSR, pp. 70-71). All topics identified pertain directly to Partners Group Holding AG and entities controlled by it.

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
<th>External assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic Performance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 201: Economic Performance 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed.</td>
<td>AR, Key performance indicators (incl. assets under management), p. 5</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AR, Consolidated income statement, p. 38</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AR, Income tax disclosure, p. 80-82</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>CSR, Citizenship, Charity contributions and other spending in 2021, p. 65</td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Economic Impacts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 203: Indirect Economic Impacts 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported.</td>
<td>CSR, Asset Class Deep Dives, Private Infrastructure, p. 42</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Anti-corruption and responsible business practices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 205: Anti-corruption 2016</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures.</td>
<td>Partners Group’s <strong>Code of Conduct</strong> is publicly available on our website for all our employees and business partners. It summarizes the key directives, policies, practices and values, including our anti-corruption policies, which enable us to maintain high standards of business conduct. To ensure all employees are fully aware of the contents of the directives it summarizes, we conduct targeted training and education sessions on those directives. On an annual basis, all employees globally, including all members of our governing bodies, are required to take and pass a number of online compliance training programs, which encompass our anti-corruption policy and procedures, to ensure these documents have been thoroughly understood.</td>
<td>Yes</td>
</tr>
<tr>
<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken.</td>
<td>During the reporting period, no instances of confirmed incidents of corruption were identified nor confirmed incidents in which employees were dismissed or disciplined of corruption were identified. There were no instances where contracts with business partners were terminated or not renewed due to violations related to corruption and no public legal cases brought against the company or its employees due to corruption.</td>
<td>Yes</td>
</tr>
<tr>
<td>Disclosure</td>
<td>Description</td>
<td>Response / location</td>
<td>External assurance*</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 305: Emissions 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions.</td>
<td><strong>CSR</strong>, Environment, p. 59</td>
<td>Yes</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy Indirect (Scope 2) GHG emissions.</td>
<td><strong>CSR</strong>, Environment, p. 59</td>
<td>Yes</td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions.</td>
<td><strong>CSR</strong>, Environment, p. 59</td>
<td>Yes</td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity.</td>
<td><strong>CSR</strong>, Environment, p. 59</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>GRI 307: Environmental Compliance 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>307-1</td>
<td>Non-compliance with environmental laws and regulations.</td>
<td>During the reporting period, no instances of non-compliance with environmental laws or regulations resulting in fines or non-monetary sanctions from competent authorities were identified.</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Human capital management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRI 401: Employment 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401-1</td>
<td>New employee hires and employee turnover.</td>
<td><strong>CSR</strong>, Our people in 2021, p. 48-49</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>GRI 404: Training and Education 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee.</td>
<td><strong>CSR</strong>, Human Capital Development, p. 52</td>
<td>Yes</td>
</tr>
</tbody>
</table>
| 404-2      | Programs for upgrading employee skills and transition assistance programs.   | Information on Partners Group’s programs for upgrading employee skills can be found in **CSR**, Human Capital Development, p. 50-52

Partners Group has a sabbatical policy according to which every employee is entitled to take one month paid sabbatical after every five years of continuous service.

Partners Group has no transitional assistance in cases of retirement. For terminations, Partners Group offers, on a case-by-case basis, formal outplacement support, extended notice periods, CV and Interview coaching, as well as introductions to headhunters. | Yes |
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
<th>External assurance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews.</td>
<td>During the reporting period, 81% of Partners Group’s employees received annual performance and career development reviews according to the standard P&amp;D assessment process. Our Executive Team members also go through a P&amp;D assessment by each writing a self-assessment against each of the performance categories, complemented by a personal review from our chairman on their performance and compensation. The P&amp;D assessment process involves 1289 employees globally split by • 40% female, 60% male and 0% undefined • 71% professionals, 22% Member of Management and 7% Senior Member of Management</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Diversity & inclusion**

**GRI 405: Diversity and Equal Opportunity 2016**

| 405-1      | Diversity of governance bodies and employees. | CSR. Employee information, p. 48-49  
CGR. 3. Board of Directors, p. 152  
CGR. 4. Executive Team, p. 170  
CGR. 4.5. Global Executive Board, p. 172 | Yes, CSR only |

**Marketing compliance**

**GRI 417: Marketing and Labeling 2016**

<p>| 417-3      | Incidents of non-compliance concerning marketing communications. | During the reporting period, no material instances of non-compliance with regulations or voluntary codes concerning marketing activities resulting in fines or non-monetary sanctions from competent authorities were identified. In cases of non-material incidents, which do not warrant disclosure, resolution was ensured through internal breach and sanctioning processes. | Yes |</p>
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
<th>External assurance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data protection and customer privacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRI 418: Customer Privacy 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.</td>
<td>During the reporting period, no substantiated complaints regarding breaches of customer privacy and losses of customer data were identified.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Socioeconomic Compliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRI 419: Socioeconomic Compliance 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>419-1 Non-compliance with laws and regulations in the social and economic area.</td>
<td>During the reporting period, no instances of non-compliance with laws or regulations in the social and economic area resulting in fines or non-monetary sanctions from competent authorities were identified.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Risk Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n/a Approach to Risk Management.</td>
<td><strong>CSR</strong>, Our governance, p. 61-64</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n/a Approach to employee compensation and benefits.</td>
<td><strong>Compensation Report 2021</strong></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>PRI Investment and Stewardship Policy (ISP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISP 1.1 Elements of the responsible investment policy.</td>
<td><strong>CSR</strong>, Our Investment Portfolio, p. 27 <strong>ESG &amp; Sustainability Directive</strong></td>
<td>Yes, CSR only</td>
<td></td>
</tr>
<tr>
<td>ISP 3 Percentage of total AuM covered by policy elements on overall approach to responsible investment and/or guidelines on ESG factors.</td>
<td><strong>CSR</strong>, Our Investment Portfolio, p. 27</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
Sustainability Accounting Standards Board (SASB) Index 2021

The table below indicates how our Corporate Sustainability Report content prepared in accordance with the GRI Standards “Core option” maps onto selected SASB disclosure topics and accounting metrics. While we do not address all metrics included in the SASB standards, we are aiming to develop our disclosure over time and to close relevant gaps.

<table>
<thead>
<tr>
<th>Sustainability Disclosure Topics &amp; Accounting Metrics</th>
<th>Disclosure</th>
<th>Description</th>
<th>Response / location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transparent Information &amp; Fair Advice for Customers</strong></td>
<td><strong>FN-AC-270a.1</strong> (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings</td>
<td>There were no covered employees with a record of new investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings disclosed during 2021. Partners Group has policies, procedures, trainings and controls to ensure compliance with applicable rules and regulations.</td>
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<td><strong>FN-AC-270a.2</strong> Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers</td>
<td>During the reporting period, no instances of non-compliance with regulations or voluntary codes concerning marketing activities resulting in fines or non-monetary sanctions from competent authorities were identified.</td>
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<td><strong>FN-AC-270a.3</strong> Description of approach to informing customers about products and services</td>
<td>All Partners Group clients have a dedicated relationship manager who interacts with them on a regular basis to inform them about products and services. Our clients are invited to events or webinars where updates to existing products and services are provided, or new launches are presented. Furthermore, all Partners Group clients have access to the My Partners Group portal. This is our state-of-the-art investor portal to securely distribute and communicate information to Investors.</td>
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| **Employee Diversity & Inclusion** | **FN-AC-330a.1** Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees | **CSR**, Employee information, p. 48-49  
**CGR**, 3. Board of Directors, p. 152  
**CGR**, 4. Executive Team, p. 170 |
| **Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory** | **FN-AC-410a.1** Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening | (1) 100% of Partners Group’s AuM (USD 127.3 billion) is covered by our ESG & Sustainability Directive. Therefore, all Partners Group products integrate ESG factors into the investment cycle, both from a risk mitigation and a value creation perspective.  
(2) 10% of Partners Group’s AuM (USD 14.8 billion) is classified as sustainability themed investing across our infrastructure (55%, USD 8.0 billion) and private equity (45%, USD 6.5 billion) portfolio.  
(3) 100% of Partners Group’s AuM (USD 127.3 billion) includes ESG factors in the screening of the investment process. |
| FN-AC-410a.2 | Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies | **CSR** Our investment portfolio, p. 27  
**ESG & Sustainability Directive** |
| FN-AC-410a.3 | Description of proxy voting and investee engagement policies and procedures | **CGR** 7. Shareholders’ participation, p. 173 |

### Business Ethics

| FN-AC-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulation | During the reporting period, no instances of non-compliance with laws or regulations associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, or malpractice resulting in fines or non-monetary sanctions from competent authorities were identified. |
| FN-AC-510a.2 | Description of whistleblower policies and procedures | Whistleblowing is covered within Partners Group’s Speak-Up Directive. |

### Systemic Risk Management

| FN-AC-550a.1 | Percentage of open-end fund assets under management by category of liquidity classification | Partners Group is a global leader in evergreen programs for investments in private markets. These open-ended evergreen vehicles cater mostly to high-net-worth individuals and have no contractual end but are subject to potential redemptions.  
As of 31 December 2021, we manage 29% of our AuM (USD 36.7 billion) in evergreen programs. In 2021, inflows to evergreen programs have again exceeded redemptions by USD 4.5 billion, making them a net contributor to AuM growth in 2021.  
Gating provisions are a standard feature of these evergreen programs in order to protect remaining investors and performance: net redemptions in these investment programs are typically limited to 20-25% p.a. of the prevailing net asset value, depending on the investment strategy and content of the program. When deemed to be in the best interest of the investment program, stricter gating rules can be enforced for select share classes for a period of up to two years. |
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