

Global Sustainability Directive

Issued by: Executive Team

Place, Date of Introduction: Baar-Zug, 14 February 2011

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Area of validity: Partners Group worldwide

1. Introduction

This Global Sustainability Directive (the "Directive") applies to Partners Group AG or an affiliate of Partners Group AG ("Partners Group"), as well as all the financial products and mandates ("Products") managed or advised by Partners Group.

This Directive outlines the institutional framework within which Partners Group integrates sustainability in its operations and investment activity to generate and protect returns. The Directive explains how Partners Group approaches the integration of sustainability factors into its investment decision-making process and risk framework, and how Partners Group reports on sustainability practices. In doing so, Partners Group must comply with a variety of local or regional mandatory sustainability laws and regulations applicable across various jurisdictions, the firm's entities, and Partner Group's fund offerings.

Partners Group considers the principles set out by the UN Principles for Responsible Investment. In addition, by assessing sustainability factors, Partners Group proactively manages risks and opportunities associated with evolving market dynamics and long-term developments. This approach contributes to the resilience of investments, fortifying the potential for sustained financial performance over the long term while aligning with responsible business practices and fulfilling fiduciary obligations to investors.

This Directive is to be read in conjunction with the firm's other global directives and policies such as Partner Group's Investment and Divestment Policy Private Markets and Investment Policy Liquid Private Markets as well as local sustainability related directives.

2. Governance

The Board of Directors of Partners Group Holding AG ("BoD") is responsible for defining a group wide sustainability strategy and monitoring the firm's observance of the strategy. The BoD delegates the implementation of the sustainability strategy to the Executive Team. The Executive Team defines and controls sustainability-related roles, priorities, and targets/goals for the firm's investment and corporate teams.

Partners Group's sustainability team develops and runs the operational governance across the firm. The ownership of sustainability is integrated and managed within each respective business unit, allowing for full integration and ownership of sustainability throughout the organization and operations. Partners Group drives accountability with each investment to own, set, and drive the respective sustainability risk management and opportunities as material to the investment. The degree to which engagement occurs can vary between asset class and type, in line with Partners Group's risk management, governance rights and ability to influence. Please see Section 4 for more detail.

3. Sustainability Risks

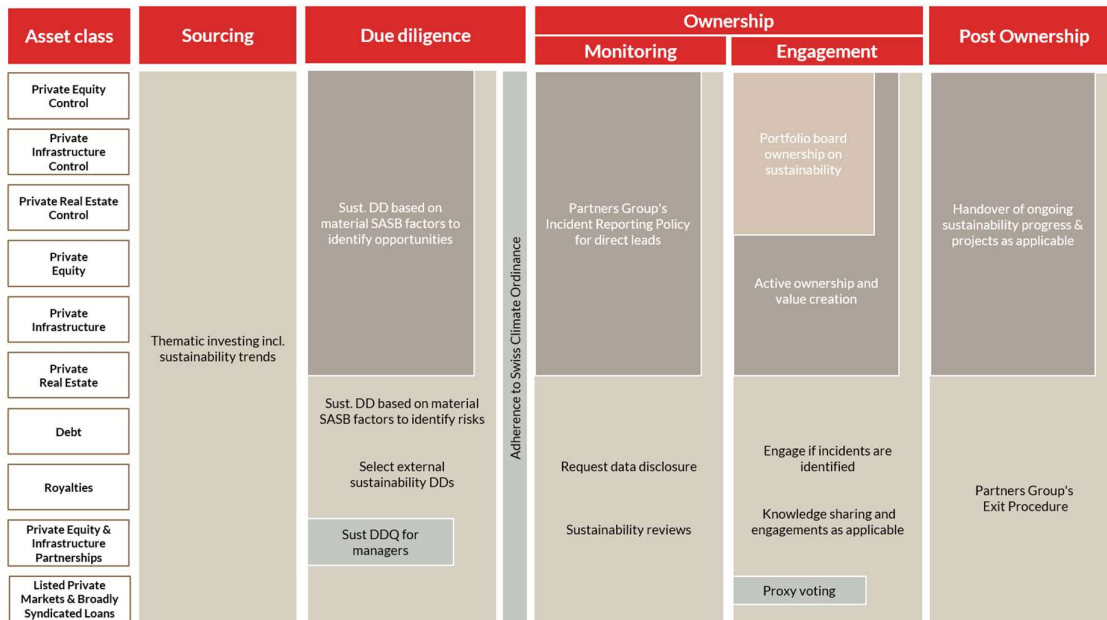
Sustainability risk is defined as any environmental, social, or governance event or condition that, if it were to occur, could cause an actual or a potential material negative impact on the value of the investment. This term aligns to the respective definitions which the different regulatory frameworks set.

Sustainability risks are included in Partners Group's enterprise risk management framework.

Partners Group’s investment teams are responsible for mitigating risks and creating value by considering relevant sustainability topics throughout the investment lifecycle.

4. Integration throughout the investment lifecycle

Partners Group’s investment decision-making process is divided into four key phases, and at each phase sustainability is integrated into the financial considerations.



Controlled investments are defined as direct Investments in which Partners Group holds an equity stake of more of 50%

- Sourcing:** Many sustainability themes present attractive investment opportunities and are actively explored by Partners Group’s investment teams. All thematic themes and sub-themes, which can include sustainability related themes, are evaluated by Partners Group’s Thematic Relative Value Committee. As an active owner, we see strive to create long-term value and support the transition to a low carbon economy. For the avoidance of doubt, this includes investing in, and the transformation of assets exposed to carbon-intense industries/sectors.
- Due diligence:** As part of Partners Group’s investment process, investments teams are to complete a sustainability due diligence for any investment opportunity brought to the Investment Committee. Depending on the asset class and type, this includes completing a SASB-based due diligence or a sustainability due diligence questionnaire for managers. Frequently, it also includes leveraging external due diligence expertise and an assessment of the investments’ adherence to sustainability regulations. Material sustainability risks and opportunities are to be integrated in the investment underwriting and observed for allocation proposals. All investment opportunities and allocation proposals are evaluated by Partners Group’s Investment Committees.

For the avoidance of doubt, Partners Group may make investments that require work and/or time to reduce sustainability risks and/or create sustainability opportunities.

All investments are allocated to the relevant products in line with Partners Group’s Allocation Directive.

- Ownership:** Depending on the asset class and ownership structure, there are nuances to the approach and degree to which sustainability is integrated throughout Partners Group's holding period of the investment.

Monitoring: Partners Group requests sustainability data from its full investment portfolio, covering 100% of AuM, on an annual basis. The data metrics requested are largely driven by sustainability regulations that are applicable to Partners Group.

All direct lead private equity, private infrastructure and private real estate investments are asked to adopt Partners Group's Incident Reporting policy upon onboarding. In line with this policy, Partners Group is informed of any threatened or pending litigation/arbitration or other adverse events, including sustainability, outside the ordinary course of business that may lead to a material financial loss or adverse reputational impact on the company, Partners Group, or its clients.

For Partners Group's control private equity and infrastructure investments, governance and sustainability are reviewed on a semi-annual basis via Sustainability Governance Reviews, Board Reviews and Transformational Ownership Reviews. For Partners Group's Private Debt and Broadly Syndicated Loans investments, internal sustainability ratings are reviewed and discussed annually in the Debt Sustainability Review Committee. For the remaining asset types and classes, the review is based on data availability and part of the standing portfolio reviews.

Engagement: Post-acquisition, Partners Group introduces the firm's governance and sustainability approach as part of the asset onboarding phase. Throughout the hold period, engagements occur based on the data received, any incident reports, board materials, general correspondence, and/or executed sustainability linked loans associated to an investment.

Where relevant, Partners Group shares best practices and resources such as playbooks, case studies to support its portfolio investments to reduce sustainability risks and/or execute on opportunities. The firm favors an investment-by-investment application of sustainability engagements to meet return-generating objectives.

For listed investments, engagement occurs via proxy voting in line with Partners Group's Proxy Directive.

- Post Ownership:** As part of Partners Group's exit procedure, investment teams are expected to update the sustainability due diligence assessment, with an update on any risk mitigation topics. All exits (opportunities) are evaluated by Partners Group's Investment Committees.

5. Integration throughout the investment lifecycle

Partners Group's investment process, including sustainability considerations, is set up to achieve long-term investment returns for our stakeholders. Potential conflicts of interest are managed towards this goal and in line with pecuniary factors and the firm's established conflict resolution mechanism.

6. Reporting

Partners Group reports on sustainability at the level of Partners Group and at product, if required by the local and regional regulators. Throughout the year, Partners Group reports on the sustainability activities, and summarizes these by publishing an annual Sustainability Report, detailing its performance on sustainability indicators and progress made in further developing its approach to sustainability integration throughout the investment lifecycle.