CVC

# ESG Report

2022


# Contents



## About this report

**The aim of this ESG report is to provide a greater level of transparency on how we approach the management of ESG factors, both at the firm and at an investment level. In addition to reporting the steps we have taken to evolve our approach to ESG, with a particular focus on 2021, we also set out a number of our priorities for the next 12 months.**

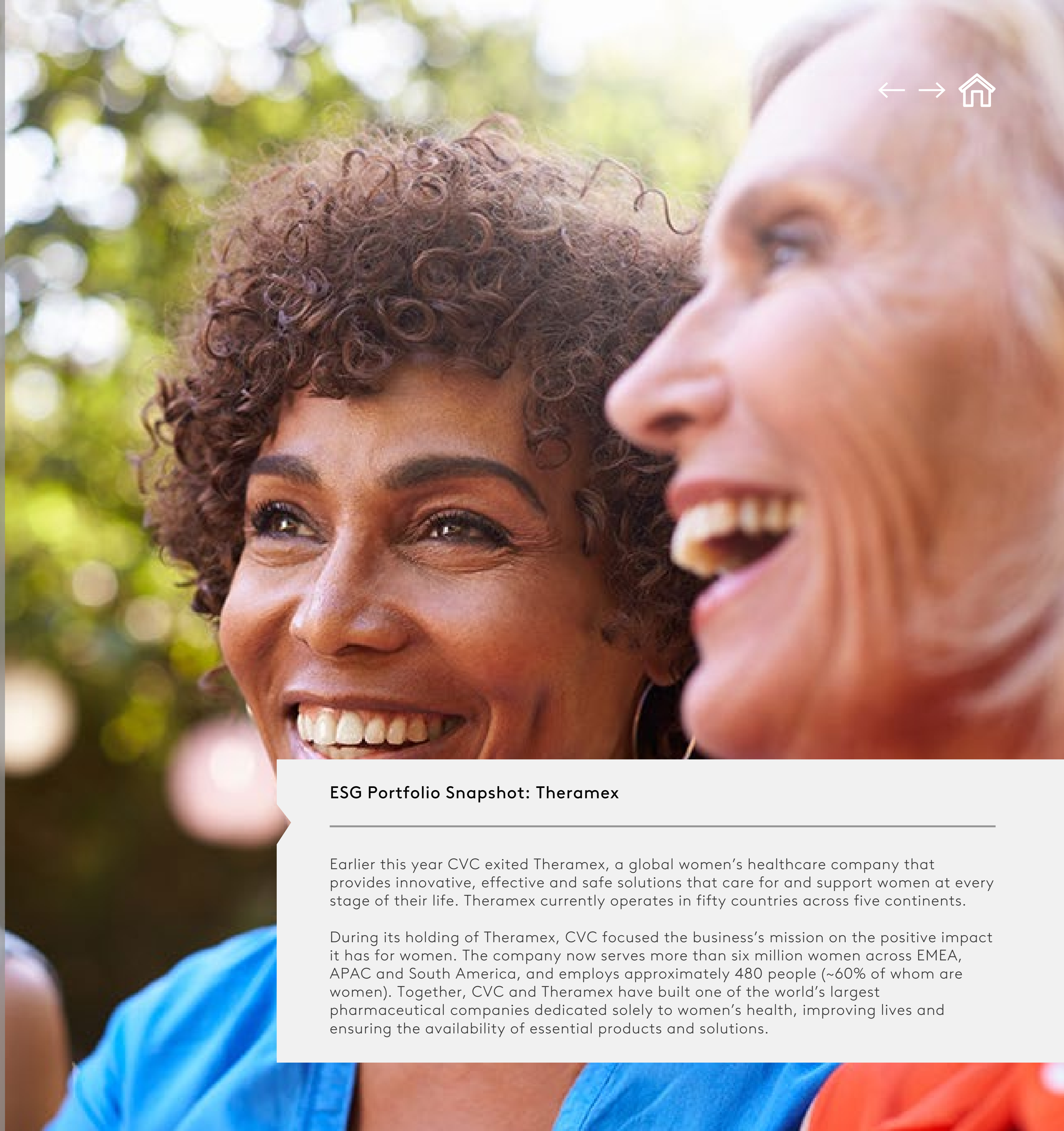
We recognise the importance of leveraging external ESG standards when demonstrating good ESG management and reporting practices:

- This report includes consideration of the activities and progress we have made in 2021 towards implementing the Six Principles of the United Nation's Principles for Responsible Investment ("PRI")
- The Sustainability Accounting Standards Board's ("SASB") Materiality Map® forms the basis of our ESG due diligence guide used when assessing new investments
- Transparency at the portfolio level is achieved through our ESG non-financial reporting process that incorporates metrics of international standards such as the Global Reporting Initiative and the World Economic Forum's International Business Council and those of the ESG Data Convergence Initiative, of which CVC is a founding member
- We engage with many of our portfolio companies using EcoVadis, a third-party sustainability assessment platform, in which CVC's Growth fund has an investment, to provide an independent review of how they address ESG considerations.

Any case studies referenced in this report herein are not representative of all investments and are shown solely for illustrative purposes. A more detailed disclaimer can be read at the end of this report.

# 01

# Introduction



## ESG Portfolio Snapshot: Theramex

Earlier this year CVC exited Theramex, a global women's healthcare company that provides innovative, effective and safe solutions that care for and support women at every stage of their life. Theramex currently operates in fifty countries across five continents.

During its holding of Theramex, CVC focused the business's mission on the positive impact it has for women. The company now serves more than six million women across EMEA, APAC and South America, and employs approximately 480 people (~60% of whom are women). Together, CVC and Theramex have built one of the world's largest pharmaceutical companies dedicated solely to women's health, improving lives and ensuring the availability of essential products and solutions.

# Letter from the Co-Chairs of the ESG Committee

## Our commitment to building better businesses

**We believe that progressively integrating ESG factors into our investment thesis helps to create sustainable value for our businesses, the communities in which they operate and our investors.**

During the last year we have been guiding our businesses as they navigate continuing social and economic uncertainty. Climate change and social inequality threatens further uncertainty in the years ahead and we therefore see ESG as an important part of how companies do business. By seeking to improve the ESG performance of companies, we believe we are building better businesses that are more efficient and robust, have a more positive impact on their employees, customers and local communities and are better positioned to deliver strong returns to their shareholders.

We are also committed to being transparent in how we integrate ESG into our approach to building better businesses and this ESG Report is a core element of this commitment.

## This decade of action

The COP26 climate conference cemented the private sector's fundamental role in achieving the global transition to Net Zero.

We are accelerating our focus on climate action within our portfolio to help secure our position in the future Net Zero economy. To ensure we implement a credible and transparent climate strategy we have made a formal commitment to the Science Based Targets initiative ("SBTi"). We plan to submit our targets for approval during the course of 2022 and will report on future progress against these targets once they are approved.

We will also continue to collaborate with others in our industry, particularly through our membership of initiative Climat International ("iCI"), to develop the essential innovations and standards necessary to achieve Paris-aligned greenhouse gas emission reductions.

In tandem with responding to the Net Zero challenge, we are exploring the intrinsic link between the natural world and the climate crisis. We are supporting our industry as it considers how it can work collaboratively to accelerate the protection of our planet's biodiversity and natural resources. This work will be carried out through our membership of the Private Equity Taskforce of the Sustainable Markets Initiative.

## Our ESG journey continues

We continue to evolve our integration of ESG at the portfolio level. This includes recently refining our portfolio monitoring and engagement programme into a Four Pillar Approach (p. 11) that will help us to create positive and long-lasting change within our companies.

Our approach to supporting our portfolio companies to respond to key issues such as addressing climate change and building employee engagement is further demonstrated in our portfolio company case studies (p. 31–37).

We recognise the importance of diversity of thought and experience for helping us to create superior returns and for providing a great place to work. We are enhancing our approach to diversity, equity and inclusion at CVC and within our portfolio companies. This will be led by our new Global Head of Diversity, Equity & Inclusion ("DE&I"), who started in June 2022.

Collaborating with our industry peers will be a key part of furthering our own ESG agenda. This includes becoming founding members of the ESG Data Convergence Initiative, a group of Limited Partners and private equity firms working together to advance a standardised set of ESG metrics for the private equity industry. We are taking a leading role on this through our position on the Steering Committee. Through this initiative we hope to deliver to our investors greater levels of transparency about the progress being made by our portfolio companies.

## Looking forward over the next 12 months

The war in Ukraine has not only created a shocking and saddening humanitarian crisis for the people of Ukraine and wider affected communities, but is also exacerbating the upheaval felt by many over recent years. Across the CVC network, we are supporting people affected by the conflict through mobilising community action and providing aid. This has recently included the Żabka Group providing 300 tonnes of food and hygiene products, Panzani providing over 3 million meals and PKP Energetyka supporting their employees financially to provide shelter for refugees crossing the border from Ukraine.

Ultimately, the global pandemic and its aftermath, in combination with the conflict, will have lasting impacts on the global economy, from supply chain disruptions to a paradigm shift in how workers view their current employment arrangements. Businesses must now, more than ever, be dynamic and bold in their ESG strategies to secure their licence to operate for the long term. This approach will lead how we operate as a firm and will be the ethos we seek to instil within our portfolio companies.

**Chris Stadler**
Managing Partner

**Jean-Rémy Roussel**
Managing Partner

June 2022

# About CVC

**CVC is a leading global investment advisory firm with €125 billion of assets under management.**

CVC's network of 25 offices throughout Europe, Asia and the Americas allows our experienced teams to get closer to the companies that we partner with and the communities in which they work. CVC deploys capital across a range of strategies to generate and support sustainable growth in our investee companies, and create long-term value for our investors and their beneficiaries.


| | | | |
|---|---|---|---|
| **€163bn** funds committed | **€125bn** assets under management | **110+** private equity portfolio companies | **550,000+** employees across our private equity portfolios |
| **25** offices | **43** nationalities | **700+** CVC employees | |

* Figures not including Glendower
Figures as at March 2022

# Our 2021 ESG highlights

40%

of new investment professional hires over the last three years were female

ecovadis

76%

of portfolio companies are registered with EcoVadis*

60+

participating portfolio companies across the two ESG Spotlight conferences held in 2021

100%

renewable energy across our offices†

10

EcoGrants provided to portfolio companies

* Excluding company investments made in the six months prior to year end
† Partially achieved through purchasing Energy Attribute Certificates
Figures as at December 2021

# Progress update with Chloë Sanders, Head of ESG

**Our last report provided insights into how we have incorporated ESG into our strategy of building better businesses in prior years. Building on this foundation, we remain acutely aware that the global megatrends facing the economy and society require us to constantly advance our activity on ESG in the interest of our stakeholders and portfolio companies. Therefore 2021 was another busy year for us!**

Through this year's report, we are seeking to reinforce to our investors, colleagues, and other stakeholders within the communities in which we operate that ESG will continue to inform our investment strategy as we increase our level of ambition and achievement in this area. In particular, we are focusing our efforts on climate action, data and measurement, diversity and collaboration within the industry.

## Climate action

Recognising how important high quality data is for enabling companies to commence and accelerate their decarbonisation journeys, we are working with our more recent investments[1] to review and where necessary improve their greenhouse gas ("GHG") emissions reporting to ensure it is in line with the guidance provided by the GHG protocol. We will then continue to work closely with a number of our investee companies to develop decarbonisation plans aligned with the requirements of the Paris Agreement.

This ongoing foundational work has enabled us to announce this year our commitment to the SBTi. Having been closely involved in the creation of the SBTi Private Equity guidance through our membership of iCI, we believe the SBTi framework is the most credible way to align our portfolio with a Net Zero 2050 trajectory. The framework is increasingly viewed as the gold standard[2] of climate commitments, requiring the inclusion of operational and value chain emissions, with only limited offsetting permitted and comprehensive annual reporting of progress required. We plan to submit our targets to the SBTi for verification later this year.

While we have already been measuring, reducing and offsetting our own operational Scope 1, 2 and 3 emissions, setting science-based targets demonstrates our commitment to also addressing our Scope 3 financed emissions. This is a significant step change in our climate change journey, which will require strong coordination and commitment at the firm level and in partnership with our portfolio companies. We are excited to meet this challenge so that we may firmly and confidently place CVC on a trajectory to Net Zero. This commitment to SBTi will also support our ongoing preparations for reporting in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

## Data and measurement

In 2021, we introduced our Four Pillar Approach (p. 11), which seeks to establish a comprehensive monitoring and engagement programme with our portfolio companies on material ESG topics and reporting. We are focused on collecting wider-reaching and more granular ESG data from our companies, while also aligning with industry initiatives including the ESG Data Convergence Initiative. Underpinned by external assessment tools such as EcoVadis and through the improvement of our own data collecting processes, we will increasingly have a greater level of understanding of where the ESG risks and opportunities exist across our entire global portfolio.

## Diversity

We value diversity of thought and experience at all levels of CVC and within our portfolio, and we have appointed a Global Head of DE&I, who will focus their efforts both within CVC and increasingly in supporting our portfolio companies as they develop and refine their own DE&I strategies. Further information on CVC's approach to DE&I can be found on p. 17 of this Report.

This new role, in addition to two new joiners in Europe and Asia who will focus solely on ESG, demonstrates our long-term commitment to the ESG agenda.

## The importance of collaboration

Advancing the ESG agenda, including achieving a Net Zero economy and protecting biodiversity while also maintaining economic growth will only be possible via an industry-wide effort and collaboration. As such we have continued to take an active role in iCI by contributing to the organisation's Net Zero working group, joining peers both in tackling the financial industry's climate change impact and to better understand the impact climate change will have on businesses.

We are also a founding member of the Private Equity Sustainable Markets Initiative Taskforce ("PESMIT") where we lead the Biodiversity Working Group, which is considering the risks of nature and biodiversity loss to the private equity industry and highlighting the opportunities and solutions available to businesses. PESMIT is part of the wider Sustainable Markets Initiative ("SMI") set up by HRH Prince of Wales to create a global 'coalition of the willing' who share a vision around the need to accelerate global progress towards a sustainable future. The SMI strongly encourages networking across Taskforces, enabling intra-industry collaboration.

In 2021 we also became founding members of the recently established ESG Data Convergence Initiative, recognising the importance of the industry-wide standardisation of ESG metrics and mechanisms for comparative reporting.

Internally, we have encouraged a greater degree of collaboration between our portfolio companies by expanding the scope of our ESG Spotlight series. Through this cooperative forum, we have provided our companies with additional tools, knowledge and experience that will inform their ESG journeys during our ownership and beyond.

**Chloë Sanders**
Head of ESG

1 Investments made since beginning of 2019 with over 25 percent holding
2 https://www.ft.com/content/308c08a6-3e4f-43a6-81d4-cfc0625eb9fa

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# Our approach to ESG at CVC


### ESG Portfolio Snapshot: Żabka

Żabka Polska ("Żabka") owns one of the largest chains of convenience stores in Central and Eastern Europe under the Żabka brand. It currently has 8,000 stores in 70 percent of towns throughout Poland.

Żabka was awarded a platinum medal by EcoVadis, the highest possible medal rating. This places the company among the top one percent of companies in the world that are best integrating the management of ESG factors into their strategies and operations according to the EcoVadis methodology. This result was achieved thanks to progress made across each of the four themes of the assessment, particularly on the environment. The company has implemented a best-in-class carbon footprint management system and had its emissions reduction targets verified and approved by the SBTi.

# Our ESG journey

**During our three decade history we have been creating consistent returns for our investors by building better businesses.**

We believe a key element of this ethos is the integration and management of ESG factors by us and our companies. The timeline below shows some key highlights and progress we have made to date.

**2009**
- HR Committee established

**2010**
- Conducted first ESG Survey and best practice sharing programme with portfolio companies, achieving a 98 percent participation rate

**2011**
- The CVC Foundation is established
- Developed online due diligence guidance tool to support investment professionals with ESG due diligence

**2012**
- ESG Policy first introduced
- CVC became a signatory to the Principles of Responsible Investment

**2013**
- Early stage ESG "red-flag" and compliance checklists introduced as part of due diligence process

**2015**
- CVC joined Level20

**2016**
- Individual portfolio company ESG updates incorporated into investor reporting
- Diversity & Inclusion Strategy developed
- CVC Credit ESG policy introduced

**2017**
- ESG Survey of portfolio companies including engagement with companies on ESG metrics and KPIs
- ESG Committee established

**2018**
- CVC joined Invest Europe's Responsible Investment Roundtable
- Ethics Committee established

**2019**
- CVC became a member of global sustainable business network BSR
- CVC became carbon neutral in its own operations

**2020**
- Joined the Institutional Limited Partners Association's 'Diversity in Action' initiative, a framework of actions needed to advance Inclusion & Diversity in the global investment community
- CVC Managing Partner representative joined Level20's advisory board
- CVC rated by EcoVadis
- EcoVadis begins portfolio-wide ESG ratings programme
- Move for Good company-wide fundraiser for COVID-19 relief causes
- Introduced updated due diligence guidance tool based on SASB to support investment professionals with ESG due diligence
- Latest CVC employee engagement survey

**2021**
- CVC joins the Private Equity Taskforce for the Sustainable Markets Initiative
- Race for Recovery company-side fundraiser to support on-going impact of COVID-19
- CVC issues its first EcoGrant
- CVC joins initiative Climat International
- CVC welcomes two interns through the 10,000 Black Interns initiative
- CVC commences its ESG Spotlight portfolio events
- CVC becomes a founder member of the ESG Data Convergence Initiative

**2022**
- CVC makes a commitment to the Science Based Targets initiative
- CVC appoints Global Head of DE&I

# Our ESG vision


**By identifying and addressing material ESG risks and opportunities with our companies, we aim to support businesses to create long-term value and sustainable returns. We also believe that incorporating environmental and social responsibility into our approach makes CVC a stronger business, enables us to attract, retain and motivate higher quality talent and enhances the resilience of our portfolio companies.**

## Using our Value Creation Framework

Our ESG Value Creation Framework sets out the six overarching categories of ESG topics on which we seek to engage with our portfolio companies. Within each of these categories we identify a targeted range of key performance indicators ("KPI") to track performance and engage on material ESG topics.

The diagram to the left shows the six dimensions of CVC's Value Creation Framework. Detailed below is a non-exhaustive list of what CVC considers with respect to each of the components:

- Environment & Planet: climate change, water and waste
- Governance & Ethics: cybersecurity, data security, anti-corruption and board responsibility for ESG
- Customer Engagement: customer satisfaction, research and development, and sustainable product and services innovation
- Sustainable Operations & Processes: service delivery, efficiency and responsibility in the supply chain, and improved digital processes
- Employee Engagement & Value Creation: health and safety, employee engagement, diversity and inclusion, training and job creation
- Community Engagement: responsible recruitment, community investment and COVID-19 relief.

The aim of the framework is to provide a systematic and repeatable approach to support our work with portfolio companies in assessing their priorities and the way they operate, from recognising the importance of customers and employees, through to understanding how a company can make a positive contribution to its community and minimises its impact on the natural environment. Our reporting programme aims to measure progress against each of these areas focusing on what is material for a particular business. Detail on this programme, including the non-financial data we collect from our companies, can be read on p. 24 and 26. Case studies highlighting examples of the different elements of how the Value Creation Framework works in practice with our portfolio companies can also be read on p. 31–37.

# Introducing our Four Pillar Approach

Our Four Pillar Approach


In addition to our Value Creation Framework, we are also formalising and enhancing how we engage with and monitor the progress of our portfolio companies as they implement their ESG strategies. Through our Four Pillar Approach, we work with our companies towards the following objectives:

1. Undertaking an external ESG assessment by organisations such as EcoVadis
2. Developing and disclosing annual ESG KPIs
3. Publishing an annual sustainability report
4. Encouraging the setting of externally validated science-based emissions reduction targets.

By engaging with companies on these four pillars, we can be confident that our companies will be better placed to build best in class ESG programmes and can be more adaptable and resilient during the global low carbon energy transition, even after our period of ownership. More information on how we are engaging companies on our Four Pillar Approach can be read on p. 25.

# Our approach to materiality and stakeholder engagement

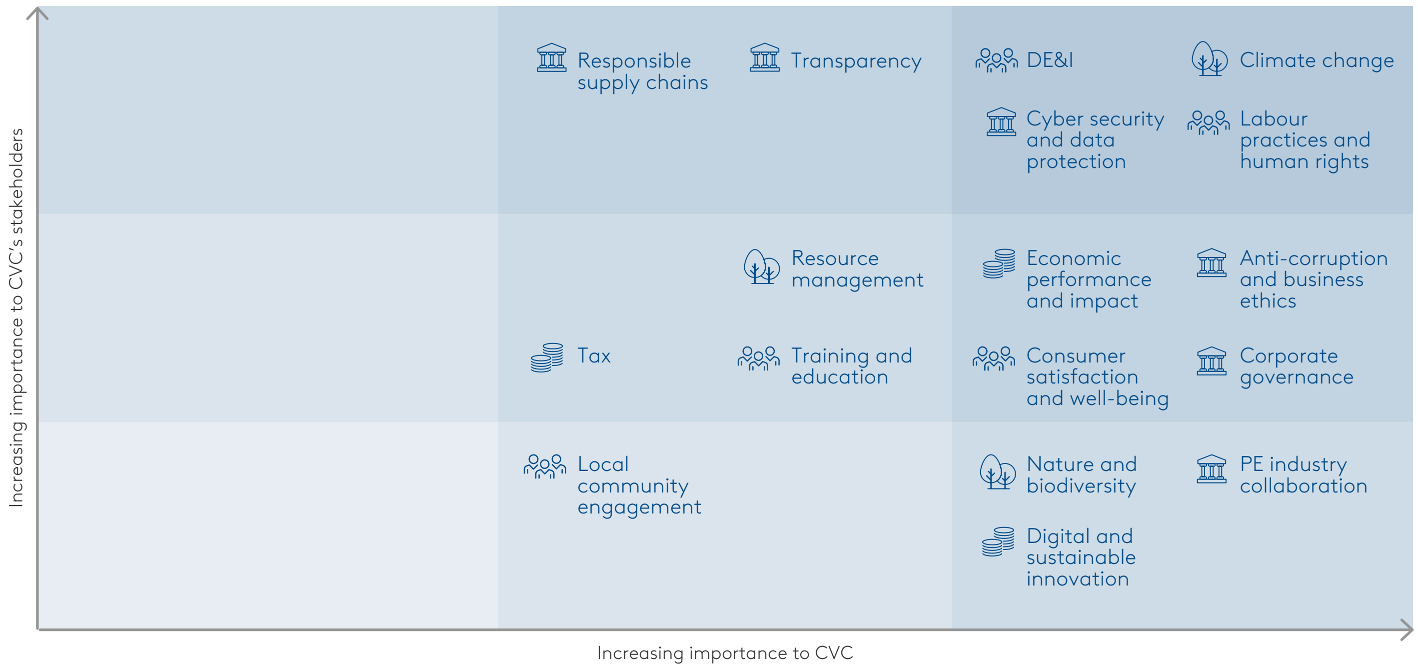
**Prioritisation is essential for successfully managing ESG risks and opportunities. To focus our efforts effectively, we recently undertook a materiality assessment. The assessment ensures we address our most relevant topics and has also seen us engage with and listen to our stakeholders to help prioritise and respond to key issues in a collaborative and transparent way.**

Using global reporting standards and academic, industry and competitor research, we explored and collated a broad universe of 80 material topics and defined their significance for CVC from an ESG perspective. Working with an external adviser, we reduced the total before sharing 24 priority issues that we felt were most important to CVC and our portfolio companies with a group of internal stakeholders representing a wide range of viewpoints. Together, we further reduced the list of topics and plotted them on a draft materiality matrix. The final step in the process was to interview select investors, as our key stakeholders, to refine and adjust the topics and their position on the materiality matrix below[3]. This process plays an important role in ensuring our ESG strategy is robust and comprehensively addresses both the financial and non-financial topics of most material importance to our business and stakeholders. We recognise that these topics are continuously evolving and we plan to review our materiality assessment periodically.

We are using our materiality assessment to prioritise the management of our material ESG topics as well as the topics material to our portfolio companies.

Graph key:

Environment | Social | Governance | Economic




3 Please note that the consultation process is ongoing and is due to conclude in Q3 2022.

**Outlined below is a summary of our identified stakeholders[4] and some of the principal ways in which we engage with them.**

| Stakeholder group | Engagement activity |
|---|---|
| Investors | ● Updates at annual investor conference<br>● Regular ESG updates through advisory boards meetings<br>● Portfolio company ESG overviews included in CVC Funds' quarterly reports<br>● Wider industry engagement through external GP/LP initiatives. |
| Portfolio companies | ● 'ESG Spotlight' shared learning and best practice conference<br>● Non-financial reporting<br>● Regular ESG newsletter<br>● ESG assessments<br>● Resources for community projects and EcoGrants. |
| Employees | ● Surveys<br>● Town halls<br>● Training. |
| Suppliers | ● Supplier onboarding<br>● Communication on Modern Slavery Statement. |
| Regulators | ● Periodic regulatory filings and reports<br>● Attendance at industry conferences, webinars and trainings<br>● Network with regulators, trade bodies, and peer firms around regulatory landscape and changes<br>● Review of material rule proposals, risk alerts, guidance and FAQs. |
| Community | ● Responsible recruitment<br>● Philanthropic donations<br>● Employee volunteering initiatives<br>● COVID-19 Pandemic Relief Fund. |

4 For the purposes of this report, we have focused on CVC's direct stakeholders and have not included the stakeholders of our portfolio companies.

# Supporting ESG initiatives in our industry

## PRI
Since becoming a signatory in 2012, CVC has maintained a consistent performance in the PRI assessments and in 2019 and 2020 achieved an A for both Strategy and Governance and in the Private Equity Module. The PRI has delayed the opening of its next reporting period until early 2023, at which time CVC will receive its next assessment. CVC's Head of ESG, Chloë Sanders, is a member of the PRI's Private Equity Advisory Committee.

## Invest Europe
We have been an active member of Invest Europe, the world's largest association of capital providers since 2000. Since 2018 CVC has been a member of Invest Europe's Responsible Investment Roundtable and sits on the Sustainable Finance Working Group.

## Level20
CVC is a founding member of Level20, an organisation dedicated to improving gender diversity in the European private equity industry. CVC Managing Partner, Cathrin Petty, joined the Level20's advisory board in 2020 and Senior Managing Director Gemma Wright is part of its Senior Women's Committee.

## BSR
CVC has been a member of the global sustainable business network BSR since 2019. We worked directly with the organisation to produce an updated due diligence guidance tool for our deal teams based on the SASB Materiality Map®. BSR has also supported a number of our portfolio companies directly with specific ESG matters.

## initiative Climat International
During 2021 we became a member of iCI so we can contribute to the private equity industry's commitment to tackling climate change.

## AIMA's Alternative Credit Council
CVC Credit is a board member of Alternative Investment Management Association's ("AIMA") Alternative Credit Council, providing insight and feedback on industry practices and guidance for regulatory engagement around ESG, D&I, and Sustainable Finance initiatives and legislation.

## European Leveraged Finance Association
CVC Credit is a member of the European Leveraged Finance Association's ("ELFA") ESG Committee, which is a trade body in Europe representing the leveraged loan investor community and advocates for industry best practice, among its other missions.

## Sustainable Markets Initiative
During 2021 we took a leading role within the Sustainable Markets Initiative's Private Equity Taskforce to support the development and take up of the processes by which private capital flows can accelerate progress towards sustainable development that protects and enhances biodiversity.

## ESG Data Convergence Initiative
In 2021 we became a founding member of the ESG Data Convergence Initiative ("EDCI") to help advance an initial standardised set of ESG metrics and a mechanism for comparative reporting within the private equity industry. We are also a member of the Steering Committee.

PRI Principles for Responsible Investment

### Principle 1
We will incorporate ESG issues into investment analysis and decision-making processes.

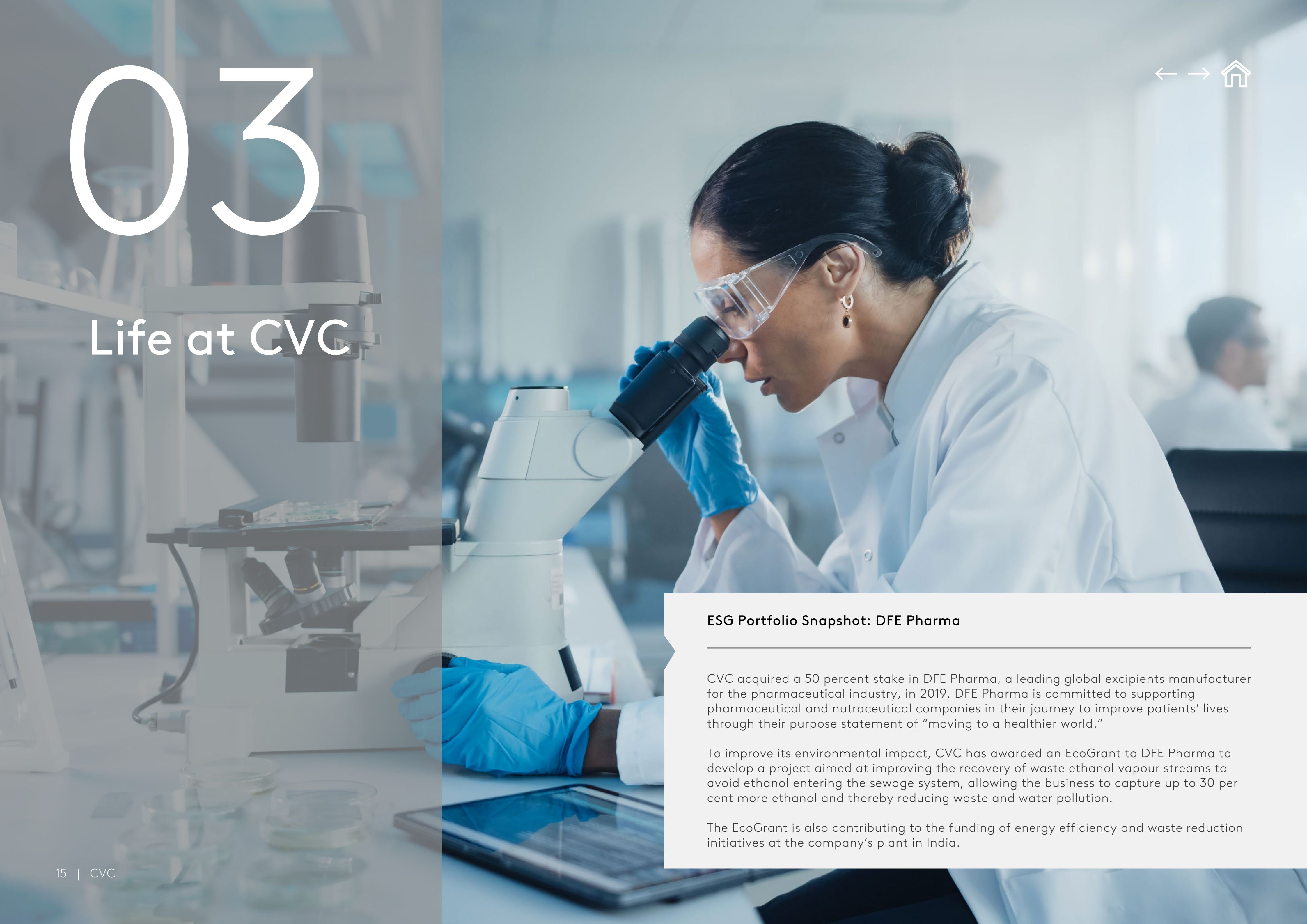
### Principle 2
We will be active owners and incorporate ESG issues into our ownership policies and practices.

### Principle 3
We will seek appropriate disclosure on ESG issues by the entities in which we invest.

### Principle 4
We will promote acceptance and implementation of the Principles within the investment industry.

### Principle 5
We will work together to enhance our effectiveness in implementing the Principles.

### Principle 6
We will each report on our activities and progress towards implementing the Principles.



# 03

# Life at CVC

## ESG Portfolio Snapshot: DFE Pharma

CVC acquired a 50 percent stake in DFE Pharma, a leading global excipients manufacturer for the pharmaceutical industry, in 2019. DFE Pharma is committed to supporting pharmaceutical and nutraceutical companies in their journey to improve patients' lives through their purpose statement of "moving to a healthier world."

To improve its environmental impact, CVC has awarded an EcoGrant to DFE Pharma to develop a project aimed at improving the recovery of waste ethanol vapour streams to avoid ethanol entering the sewage system, allowing the business to capture up to 30 per cent more ethanol and thereby reducing waste and water pollution.

The EcoGrant is also contributing to the funding of energy efficiency and waste reduction initiatives at the company's plant in India.

# Our values

CVC's unique history has a lot to do with the values we hold today. Our journey helped shape these values and they have been integral in creating the business we are all a part of. We encourage our employees to embrace CVC's values so that they understand the principles that underpin our business.

### Entrepreneurial

- We think like owners
- We are personally accountable
- We create our own success and reward

### Inclusive

- We do not tolerate any form of bias
- We listen and make decisions by consensus
- We treat colleagues with respect

### Honest

- We speak our minds
- We challenge conventional wisdom
- We are confident, without arrogance or complacency

### Balanced

- We take a cautious approach based on facts
- We acknowledge mistakes and learn from them
- We are interested in the world around us and our impact on it

# Diversity, Equity and Inclusion

**Securing and retaining a diverse and inclusive workforce remains core to our values and also gives us a competitive advantage as we believe diversity of thought lies at the core of successful businesses. This year, we appointed a Global Head of DE&I to drive this agenda, who started in this new role in June this year.**

Our inaugural 2016 DE&I strategy guided the achievement of our target to reach 20 percent of female investment professionals within CVC Capital by 2020.

We have since expanded this target to 25 percent by 2025 to maintain this positive trajectory, which we plan to achieve through our updated DE&I strategy.

CVC Credit exceeded its target to achieve 25 percent female investment professionals by 2020, employing 29 percent in 2021. It has expanded its target to achieve 50 percent female investment professionals by 2030.

Going beyond gender, our DE&I strategy also seeks to secure a global workforce that more accurately reflects the society and markets in which we operate. For the first time, we have introduced a target by 2025 to achieve the national benchmarks, where applicable data is available, for race and ethnicity across our offices.

Our strategy is overseen by Managing Partner Cathrin Petty as chair of the Group DE&I Committee and will be implemented across our entire global footprint by regional DE&I forums, which were first established in 2021.

## Our Diversity, Equity and Inclusion Strategy is driven by a four-stage programme

We will achieve our 2025 targets through an updated DE&I strategy, which is informed by our four-stage programme aimed at attracting, developing, retaining and measuring success. We undertook an external process with YSC Consulting in 2021 to guide the activities within this strategy that will help us to successfully meet, or exceed, these targets. YSC found that CVC has a very distinctive and treasured culture based on entrepreneurship, autonomy and meritocracy and where colleagues feel able to speak up and have a strong sense of belonging.

Additionally, CVC Credit has partnered with MLT Advisory to help build and achieve its own DE&I KPIs and targets.

# Our four-stage programme

## 1 Attracting

We are committed to working in partnership with external organisations to help us meet and engage with a diverse pipeline of talent and encourage people from a range of backgrounds to consider a career with us.

We do this through:

- Providing coaching and mentoring to students
- Offering internships and permanent positions
- Encouraging individuals, particularly women and ethnic minority groups, to pursue a career in investment management.

In 2021 we welcomed our first interns through the #10,000BlackInterns initiative, a programme aimed at addressing the underrepresentation of black investment professionals. We also accepted interns in 2021 through the GAIN programme, which aims to inspire women to enter the investment industry, to help address the lack of gender diversity in the private equity sector. This has been undertaken in partnership with Level20.

We have also continued our sponsorship of SEO in the US as part of their Alternative Investments programme and we have developed and expanded this partnership to the UK.

## 2 Developing

The third iteration of our mentoring programme began in 2021, and saw over 300 employees participate as either a mentor or mentee to share learnings and guide careers within CVC.

We offer global diversity and equity training for our approximately 700 employees and we operate a programme of unconscious bias training across our 25 offices. All new joiners are aware of our approach to DE&I as they undertake an onboarding programme and an annual refresher course.

We also run a number of specific programmes across our regions including a women's development programme in Asia, as well as an annual women's meeting with the Asia board, aimed at creating and encouraging opportunities for female investment professionals in the region.

## 3 Retaining

We provide a comprehensive set of initiatives to retain and support our employees so that the skills and knowledge critical to our business are preserved within the firm.

We offer new parental leave benefits, which include six months' paid leave for primary care givers and two weeks' paid leave for secondary caregivers; full year bonus eligibility for employees on parental leave; parental coaching pre and post leave, as well as access to emergency care support for children, adults and elders.

We also provide fertility benefits that include an allowance for IVF and for cryopreservation and we are rolling out Maven globally, which is a fertility benefits platform to identify treatment, specialists and facilities.

## 4 Monitoring

In addition to our external DE&I audits, our DE&I programme is frequently reviewed by our Board, who assesses a comprehensive set of KPIs to ensure our strategy places the firm on track to achieve our targets.

We use Culture Amp, a leading provider in employee engagement, to conduct a biannual firm-wide survey, which is a vital feedback tool. In 2020, 93 percent of employees described CVC as a "great place to work".

The survey also highlighted that colleagues value our entrepreneurial culture, the quality of our people and opportunity for personal growth. In 2020, there was a desire for greater work-life balance and, where possible, every employee now has the resources and equipment to work from home. We have also focused on health and well-being and employees have access to Headspace, the mindfulness app; MyndUp to support mental health, and Sama, an online coaching platform.

The 2022 survey will run halfway through the year. The analysis and results will be shared with the Board and each team will have an opportunity to create their own action plan to complement any group-wide initiatives.

# Environmental performance

**As a firm with a significant global presence, we are committed to better understanding, and reducing, our environmental impact. We have been collecting environmental data on each of our offices so we can monitor and drive improvement. We have also engaged a specialist energy management solutions provider to analyse our 2021 carbon footprint and advise on our emissions reduction strategy. We are aiming to have decarbonisation targets validated by the SBTi by the end of 2022.**

Our Scope 1, 2 and business travel Scope 3 emissions for 2021 are compared against our 2019 and 2020 emissions in the table to the right. The fall in Scope 3 business travel emissions in 2020 due to COVID-19 has continued in 2021. Whilst we recognise business travel emissions are likely to increase in 2022 as COVID-19 travel restrictions are reduced, it is our intention to closely monitor such emissions. We will also encourage and facilitate the use of technological solutions that became integral to our way of working during COVID-19 related work from home mandates to reduce the need for business travel. We recognise that our financed emissions (i.e. the emissions associated with our investments) are our most significant source of emissions and we are working closely with our advisors to measure and address these (see page 25 for more detail).

This year, we have compensated for our emissions by continuing our partnership with ClimateCare to support carbon reduction projects around the world. These include contributing to the restoration of over 70,000 hectares of degraded woodlands in Southwestern China and supporting the reforestation of over 400,000 hectares of the Lower Mississippi Alluvial Valley in the United States. These projects were chosen not only for their contribution to reducing emissions but also for the additional social benefits they deliver to local communities, with both projects creating jobs and boosting economic growth within their surrounding areas.

We have undertaken an updated survey of all our offices to understand opportunities for environmental improvements. This year we have again used Energy Attribute Certificates for offices that have not yet transitioned to using renewable energy to guarantee that for each 1MWh of energy our offices use, an equal amount of renewable energy is generated. This year, we have purchased Energy Attribute Certificates covering a total of 1,677 MWh of energy used.

| Scopes | 2019 Total Emissions ($tCO_2e$) | 2020 Total Emissions ($tCO_2e$) | 2021 Total Emissions ($tCO_2e$) |
|---|---|---|---|
| Scope 1 | 125 | 212 | 168 |
| Scope 2[5] | 444 | 180 | 293 |
| Scope 3[6] | 12,454 | 1,645 | 760 |
| Totals | 13,023 | 2,037 | 1,221 |

5 Market based
6 Category 6 (business travel) only

# Governance

**At CVC, ESG is overseen and driven at the most senior level. The ESG Committee is co-chaired by two Managing Partners and includes an additional four Managing Partners as members. It has a mandate that spans our six investment platforms: Asia, North America and Europe, Growth, Strategic Opportunities, Credit and Secondaries. The Committee draws upon expertise from investment professionals, operations, marketing and communications teams, as well as the ESG and philanthropy teams.**

The ESG Committee is a sub-committee of the CVC Group Board and is the main sponsor of CVC's Responsible Investment Policy and is responsible for overseeing CVC's Responsible Investment and ESG management activities and reporting to the CVC Group Board. With the support of our ESG, Legal and Compliance personnel, the deals and operations teams are responsible for implementing our Responsible Investment Policy and Procedures during the investment process. Please refer to the Appendix for a high level overview of our governance structure and committees.

CVC considers identifying and managing risk factors related to ESG to be an important part of its strategy, and as such considers ESG risks in both a portfolio investment and corporate context. As part of a broader risk maturity initiative, CVC has recently appointed a Group Risk Director. The Group Risk Director is working closely with senior management and the ESG team to integrate ESG risk into the Group's risk framework. This includes helping to define the Group's Risk Appetite in relation to ESG risks and setting appropriate measures and monitoring processes; these will be implemented during the current financial year.

## Code of Conduct

Recognising the importance of maintaining a high level of integrity and strong ethics in the conduct of our business, our Code of Ethics is a guiding set of principles that outlines our obligation to stakeholders and the standards and behaviours to which we expect CVC employees to uphold. The Code is underpinned by a suite of global policies, which are applicable across our global network and, where appropriate, take into consideration local laws and regulations. Policies cover a range of topics, including, but not limited to, anti-bribery, corruption and political contributions, conflicts of interest, reporting and review of personal securities transactions and holdings, whistleblowing, tax, fees and expenses. CVC's Compliance Team conducts periodic reviews and testing of its key compliance policies and procedures throughout the year both internally and using external advisers to ensure that the firm's policies and procedures remain appropriately designed to meet the ongoing needs of both our business and any new regulatory developments or best practices.

## Regulation

Our approach to compliance has evolved over the last 12 years in response to a changing regulatory landscape. We have sought to deepen our relationships with regulators, such as, the U.S. Securities and Exchange Commission and the Monetary Authority of Singapore and we are committed to helping with the development of financial services and corporate governance regulation.

We are supportive of the objectives of the European Union's Sustainable Finance Disclosure Regulation ("SFDR") and we communicated entity-level disclosures on a voluntary basis ahead of SFDR's introduction in March 2021. We are also preparing to report according to the recommendations of the TCFD, which will be informed by a climate scenario analysis that we plan to undertake in the second half of this year. Our SDFR sustainability risk statement and further information on market specific disclosure regulation can be read on our website.

## EcoVadis

We first partnered with CVC investee company EcoVadis in 2020 to evaluate our firm-level ESG management and governance within our London office and to help us identify ways to improve. Since receiving our first score and feedback, we have identified opportunities to improve our governance and environmental processes, including improving our information security protocols with third party providers.

As a world leader in sustainability ratings, the independence and integrity of the ratings process is paramount to EcoVadis and it has a number of measures in place to ensure this is the case, including information firewalls and an employee code of conduct. Further detail on the EcoVadis process, and how we are using it to monitor the ESG activities of our portfolio companies, can be read on p. 25 of this report.

## Cyber security

Digitalisation is key to a transparent, efficient, low-carbon economy as well as being a core part of how we and our portfolio companies operate. Our materiality assessment has reconfirmed the critical importance to our operations and stakeholders of adopting strong cyber security and data protection measures as cyber threats become more sophisticated. In addition, we have increased our expectation of portfolio company cyber information security governance. This is being carefully monitored though our updated cyber programme being put into effect in 2022. Further detail on this programme can be read on p. 27 of this report.

At the CVC corporate level, cyber security is overseen by our Data Compliance Committee ("DCC"), which includes representatives from IT, legal, human resources, and compliance. The DCC provides challenge, support, advice and direction to CVC's IT and Governance, Risk and Compliance employees and contractors.

The DCC is responsible for information security and data protection projects within CVC's corporate entities and monitors the development and implementation of CVC's data protection, information security and privacy compliance policies, guidance and associated protocols and procedures. We also commission independent cyber security reviews of our corporate entities which cover vendor diligence, network testing, staff awareness, privacy risk assessment, implementation of the EU's General Data Protection Regulation, review of policies and procedures as well as payment controls.

# 04

# Our approach to responsible investment

## ESG Portfolio Snapshot: Talan

Talan is an IT & Consulting business accompanying clients in their IT & Digital transformation projects by providing end-to-end services. The company operates in multiple end-markets including banking, energy and transportation and across key geographies including France, the UK, Switzerland and Canada.

ESG is a key consideration for Talan's management and the company has been voted as the best place to work in both France and Canada. Since CVC Credit's investment in 2020, Talan's management has committed to a number of ESG actions and targets including:

- Commissioning an EcoVadis report (silver rating achieved)
- achieving 40 percent of women in management committees by 2023
- having 30 percent of the variable remuneration of Executive Committee members linked to a common CSR objective from 2022
- and securing a 30 percent reduction in its Scope 1, 2 and 3 emissions over a four year period from 2021 to 2025.

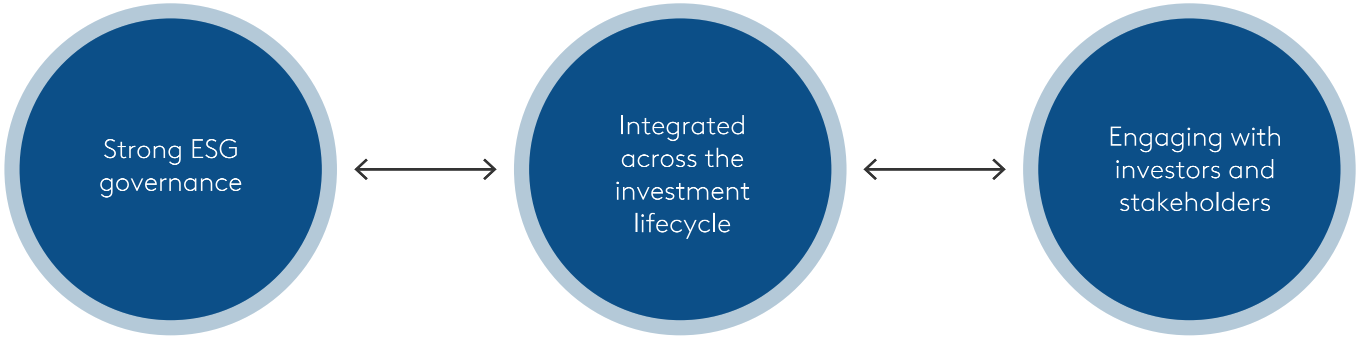
# Responsible investment overview

**CVC is committed to building better businesses in a way that creates sustainable, long-term value in close partnership with management teams and employees.**

Our approach is defined in our Responsible Investment Policy (the "Policy"), which was first established in 2012 and is reviewed periodically.

In addition to summarising our approach to Responsible Investment, the Policy also outlines CVC's commitment to supporting ethical behaviours in all its activities, together with investing in and working with the local communities in which CVC operates. The policy is publicly available on our website.

Further detail on our activities can also be found in our annual PRI transparency report.



# How we integrate ESG throughout the investment process

## Pre-acquisition

**CVC's comprehensive approach to ESG due diligence reflects our conviction that ESG issues can present material risks and opportunities that can impact the long-term value of our investments.**

If ESG risks are identified in due diligence, but we believe they are manageable or can be remediated immediately once an investment has been made, the issues will typically be included in the 100-day plan to ensure they are addressed early in the investment.

If CVC concludes that the ESG risks of a target company are too great and cannot be appropriately mitigated in a reasonable timeframe, then no investment is made.

1

### Identify
Sourcing, selection and due diligence

Where relevant, investment teams engage external consultants, such as sustainability specialists or lawyers, to help diligence particular ESG aspects of the potential portfolio company business.

Our due diligence guide, based on the SASB international disclosure framework, is made available to help the assessment of material ESG risks and opportunities. Our findings are also reinforced by our proprietary due diligence checklist processes.

Using third party business intelligence tools, our teams assess ESG-related risks and management standards relevant to the target company.

# Monitoring and engagement

**From the early stages of the CVC holding period, our aim is to support our portfolio companies in improving their ESG performance.**

During the investment period, we typically monitor portfolio companies' ESG performance with a view to helping management teams identify and respond to opportunities for further improvement. We have introduced a Four Pillar Approach to monitoring and engagement with the aim of building a consistent approach across the portfolio. We also provide direct support to our portfolio companies through, for example, membership on their ESG Committees, our ESG Spotlight conferences, access to sustainability experts, and participation in stakeholder materiality assessments to help companies identify and prioritise material ESG topics. More information on these initiatives is provided on p. 25 and 27.

Our non-financial reporting programme, in which the significant majority of portfolio companies participate, measures progress against each of the areas of our value creation framework as set out on p. 10. This programme incorporates metrics from international standards such as the Global Reporting Initiative, the World Economic Forum's International Business Council and most recently the ESG Data Convergence Initiative. How we are carrying out our data collection process in practice with our portfolio companies can be read on p. 25.

## 2 Stewardship

### Proactive ownership, value creation and monitoring

Once an investment has been made, we work with a company's management team to improve the 'value fundamentals', as well as consider costs. ESG considerations are included in the post-closing review, which typically takes place during the first six months of an investment.

During the period of ownership, we monitor our portfolio companies' ESG progress, through external assessments, such as EcoVadis ratings, and non-financial reporting, with a view to identifying and responding to opportunities for further improvement on an ongoing basis.

Investment teams are required to escalate internally ESG-related incidents that arise within portfolio companies that are deemed to be sufficiently material. ESG incidents are also tracked externally through third-party business intelligence tools.

# Four Pillar Approach

During this reporting period, we have advanced how we engage with our portfolio companies on ESG. We believe our Four Pillar Approach will drive progress on our companies' ESG strategies, supporting companies to more efficiently adapt to changing regulatory and stakeholder demands in their markets, especially regarding climate change. Through this process, we seek to support companies to achieve long-term sustainable success beyond exit.

## 1. External assessment
Increasingly we are asking our portfolio companies to undertake an external ESG assessment from a credible third-party provider. Most companies use EcoVadis, which provides a standardised assessment process, a common platform, sector-specific benchmarks and performance improvement tools to help them deliver on their ESG action plans and improve their corporate disclosure. Over 75 percent of our companies that had been in the portfolio for more than six months were registered on the platform by the end of December 2021. Examples of the data that we have collated through the EcoVadis process is set out on the following page.

## 2. Annual ESG KPIs
A comprehensive understanding of the non-financial and material issues faced by our portfolio companies helps with our commitment to build better businesses. By engaging with the significant majority of our companies to measure ESG KPIs on a range of areas as set out in our Value Creation Framework, such as GHG emissions, employee and customer engagement metrics, diversity statistics and employee training, we can track the progress of companies over time and encourage positive change. In this way our companies can grow in a manner that seeks to minimise negative impacts on the environment and society.

As a founding member of the ESG Data Convergence Initiative, we are also partnering with our industry peers to improve and standardise the disclosure of ESG data. We look forward to reporting on progress made to advance a standardised set of ESG metrics and a mechanism for comparative reporting as part of this project in our next report.

To further improve our collection of high quality data from our portfolio companies we are investing in additional internal resource dedicated to this vital aspect of monitoring. We are also developing digital solutions that will allow us to track portfolio ESG engagement on the four pillars to help inform our investment and management decisions.

## 3. Sustainability report
We encourage our portfolio companies to produce their own ESG or sustainability reports as such reports are an effective tool for engaging with stakeholders and providing a platform to communicate progress and challenges relating to ESG topics. We expect our portfolio companies to communicate in their reports a clear ESG strategy aligned to their core business activities and demonstrate an awareness of their most material ESG risks and opportunities as well as a plan to address them. Whilst we encourage companies to produce reports, we recognise that the publication of a sustainability report typically comes later in a company's ESG journey and will take time for companies to implement.

## 4. Climate Action
At the end of 2021, we engaged an external consultant to start working with over 60 companies in the portfolio to measure and report on their Scope 1, 2 and 3 emissions in line with the GHG Protocol. We have focused our efforts on our investments made since 2019 and in which CVC Funds hold a larger ownership stake (typically more than 25%).

Measuring the emissions of our portfolio companies (our Scope 3 financed emissions) will help us develop and refine our strategy to decarbonise in line with a Net Zero economy and help our companies on their journey towards setting science-based targets. It will also help us to understand and mitigate climate-related risk, which was identified as the most significant ESG issue for our business in our materiality assessment.

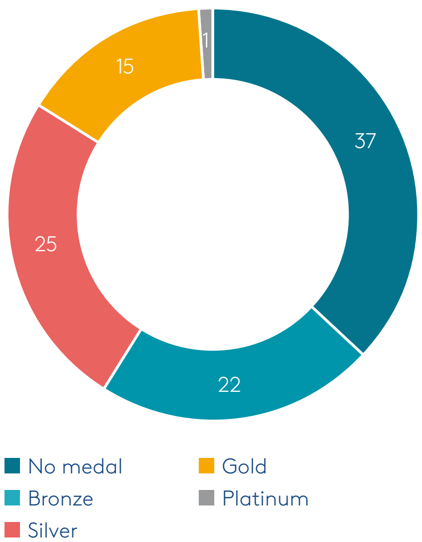
# EcoVadis portfolio company data

The EcoVadis assessment focuses on 21 sustainability criteria that are grouped into four themes:

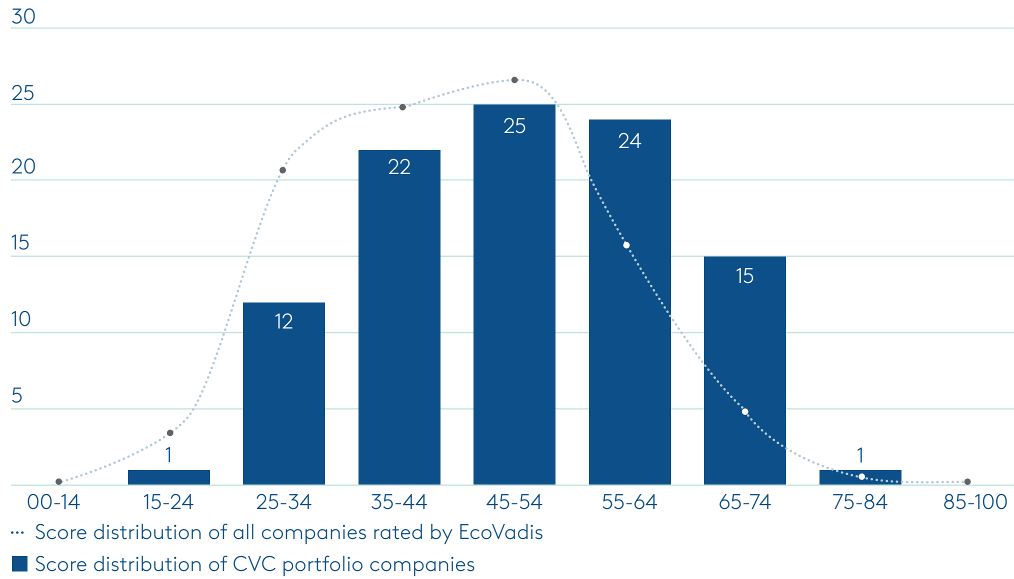
1. Environment
2. Labour & Human Rights
3. Ethics
4. Sustainable Procurement.

These criteria are based on international sustainability standards such as the Ten Principles of the UN Global Compact, the International Labour Organisation conventions, the Global Reporting Initiative standards, the ISO 26000 standard, the CERES Roadmap, and the UN Guiding Principles on Business and Human Rights. Select data we have collected through the platform are set out on this page.

EcoVadis medal distribution (%)




Score distribution (%)




## Activity KPIs

When determining whether a company has attained a certain activity KPI, EcoVadis will consider a short list of strengths that are relevant to a specific KPI (i.e. policies, actions or programmes in place to manage the specific issue). If the company is deemed to have sufficient strengths in place to manage that issue, then EcoVadis will award them that activity KPI. Below is a selection of activity KPIs collected under each of the themes of Environment, Social and Governance along with the percentage of CVC portfolio companies that attained each KPI.

**72%**
Actions on energy consumption and GHGs

**60%**
Waste management measurements in place

**66%**
Actions to prevent discrimination and/or harassment

**47%**
Actions to promote diversity

**81%**
Policy on information security

**82%**
Active whistleblowing procedure in place

Note:
EcoVadis data for those CVC portfolio companies who had received the results of their EcoVadis assessments by 31 December 2021, representing a total of 70% of the CVC portfolio excluding investments made during H2 of 2021.
The criteria for EcoVadis medal assignment, for scorecards published from 1 January 2020 -31 December 2021, are as follows: Platinum – top 1% of EcoVadis rated companies (overall score between 73 and 100); Gold – top 5% of EcoVadis rated companies (overall score between 66 and 72); Silver – top 25% of EcoVadis rated companies (overall score between 54 and 65); Bronze – top 50% of EcoVadis rated companies (overall score between 45 and 53).

# Further support for our portfolio

## ESG Spotlight conference

**Since 2020 we have run an ESG Spotlight conference every six months to bring our portfolio companies together in a virtual forum to address collective ESG challenges and opportunities. Topics covered for each conference reflect the ever-evolving ESG agenda as well as the priorities of CVC and our investors. Through this inclusive and collaborative forum, all portfolio companies can access shared learnings and best practice from companies operating across a variety of sectors and markets.**

At our Spotlight conference in December 2021, to help our portfolio companies work towards the required elements of the Four Pillar Approach, the conference focused on how to prepare for a robust sustainability report and featured a deep dive on establishing credible decarbonisation plans informed by the SBTi. Each topic was supported by two case studies from portfolio companies to further enable knowledge sharing opportunities and help place portfolio companies on a shared trajectory for meeting our ESG ambitions and expectations.

## Sustainability linked loans

We also drive ESG performance in our portfolio companies, where appropriate and consistent with the company strategy, by helping them access sustainability linked loans. Through this financing, our companies are incentivised to achieve predefined sustainability performance targets as measured by predefined KPIs that are expected to improve their impacts on the environment and society.

## Cyber security

At a portfolio level, we typically perform due diligence reviews on potential investments that include a range of IT considerations and risk factors such as disaster and incident recovery, systems management, outsourcing and vendor management, and network security.

We have also developed an updated cyber programme being put into effect in 2022, which includes ensuring there is active governance of information security risk at the board level of our portfolio companies. As part of this, each company's board is to confirm that basic cyber protections and information security governance arrangements are in place during ownership. We will report on the rollout of this initiative in our next report.

## EcoGrants

In 2021 we launched our EcoGrant programme to support companies to undertake initiatives to improve or reduce their environmental impact. The programme delivers grants to fund the implementation of environmental projects to benefit either the portfolio companies or their local communities. Our aim is to incentivise our portfolio companies to achieve their ESG goals, while promoting knowledge sharing on impactful environmental initiatives. The grants will help fund a range of solutions including reducing the use of fossil fuels, improving water management, and educational programmes for promoting the effective and efficient use of natural resources.

## High integrity carbon compensation

Alongside our EcoGrants programme, we are setting aside additional funding to invest in opportunities for CVC and potentially our portfolio companies to accelerate their climate change strategies through nature-based solutions. Whilst we are committed to ensuring our companies are focused on reducing their Scope 1, 2 and 3 emissions, effective carbon avoidance and sequestration will remain integral to compensating for hard to abate emissions. We will therefore use this funding to partner with organisations such as the Blue Marine Foundation to enable the development of high-quality nature-based solutions that store carbon for the long-term while also bringing about other positive impacts relating to biodiversity and community relations.

Further examples of how we are collaborating with our companies on their ESG programmes, in line with our Value Creation framework, can be found on p. 31–37.

# ESG at exit

3

## Exit

Moving to the next stage of growth

**When appropriate, we are increasingly disclosing relevant ESG information, gathered through the CVC fund ownership periods, to potential buyers at the exit stage. The extent to which ESG considerations are incorporated into exit preparations will depend on the anticipated method of exit.**

### Preparing for an IPO

When preparing for an IPO there is an increased focus on ensuring a company can meet its reporting obligations which, depending on the jurisdiction of the IPO, are increasingly likely to include reporting on material ESG issues and opportunities. Public companies are also increasingly being scrutinised on their ESG management and governance. Through the EcoVadis assessment process and periodic non-financial reporting, we seek to ensure that companies are preparing themselves for their next period of growth following our ownership.

## Case study: Munchy Food Industries

CVC acquired a 100 percent stake in Malaysian business brand and products producer Munchy Food Industries ("Munchy's") in 2018.

Throughout our ownership, we have overseen the creation of an ESG roadmap supported by an ESG software platform to target operational process enhancements across the business. Through both the roadmap and software, Munchy's has achieved notable environmental and social improvements, including a significant reduction in its emissions, driven both by the impact of COVID-19 and the introduction of energy efficiency measures (57 percent decrease in emissions over a 12-month period from July 2020 to July 2021) and an increase in women in executive positions from 36 percent to 50 percent. These improvements were secured through a partnership with an ESG solutions provider, who worked with Munchy's to identify priority KPIs and set out strategies to address them.

Through applying the roadmap, Munchy's achieved a Silver Medal from EcoVadis, reflecting its improved governance of sustainability issues within the business. It was also awarded in 2021 the ESG Award of Excellence by the Hong Kong Venture Capital and Private Equity Association and achieved Planet Mark's industry leading sustainability certification in 2020 and 2021 for its year on year carbon emission reductions.

This programme of work supported CVC successfully exiting the company to Universal Robina Corporation in 2021.

# CVC Credit's ESG approach

## Summary

**Established in 2005, CVC Credit ("Credit") is the dedicated credit arm of CVC. It invests in companies across the sub-investment grade corporate credit markets in Europe and North America, with a strong focus not only on downside protection through active risk management but also increasingly the integration of ESG factors into due diligence and decision making.**

Credit provides investors with a broad range of opportunities to meet their investment criteria through dedicated vehicles and investment solutions for both Private Credit and Performing Credit. These strategies benefit from shared approaches to ESG guided through Credit's ESG policy and recognise the importance of transparency and disclosure within ESG through being signatories to the PRI.

## Investment best practice and due diligence

ESG is typically incorporated into Credit's investment analysis, both at the time of the initial underwriting and increasingly in on-going investment monitoring. During pre-investment both Performing and Private strategies seek to assess the ESG related risks of issuers as well as evaluate companies' ESG approach. The Private Credit investment strategy may also set KPI targets for their borrowers and look at how companies compare relative to their sector. The internal analysis is supplemented by the use of an external ESG service provider RepRisk, which provides a process for identifying past and potential ESG issues.

Reflecting Credit's commitment to increasingly embedding ESG, the platform's internal ESG Working Group has begun developing an internal proprietary scorecard. This scorecard is intended to be incorporated into the investment analysis, by reviewing a company's ESG practices as well as certain ESG metrics. The proprietary tool will utilise a range of environmental, social and governance data points with the aim of providing a more complete view of the key ESG elements of an investment and align with international standards and standardised questionnaires being developed for the private credit industry.

The scorecard will be used across the platform starting in 2022 and Credit will report on its implementation and impact during the next reporting period. The rollout of the scorecard will be supported by internal ESG training to ensure complete and effective integration into investment decision making.

## Private Credit

When providing direct lending investments, Private Credit seeks to influence companies on ESG during the financing process and, where feasible, during the lifecycle of the investment process. As investors further develop their own ESG strategies, the Private Credit team has partnered with a key investor to manage a ESG linked loan strategy on their behalf.

2021 also saw the further integration of ESG through the introduction of ESG margin ratchets, which Private Credit has used to incentivise companies to improve their ESG programmes by way of a margin reduction on their loans; typically ranging from 5-15 basis points. As part of its investment process, when a company confirms it wishes to enter into an ESG margin ratchet, Private Credit assesses the proposed KPIs and the suitability of the KPI hurdles a company is required to address to meet the required threshold for a margin reduction. For example, a company can achieve a reduction by commissioning an ESG report from a third party, such as EcoVadis, and can receive a further reduction if the report shows the company meeting certain ESG metrics.

Since introducing the ESG margin ratchet in 2020, Private Credit has arranged the financing of over €2.4bn ESG-linked loans and currently has 20 borrowers in its portfolio with an ESG margin ratchet.

## Performing Credit

Performing Credit targets core income opportunities in both senior secured loans and bonds, aiming to achieve market-leading returns through a combination of current income yield and active portfolio management.

ESG characteristics are generally integrated into the Performing Credit investment process with details of the ESG review to be included in the investment memos, which forms part of the Investment Committee discussions and overall credit analysis. For example, during 2021 greater than 20 percent of deals declined in Europe were due to ESG concerns raised through the pre-investment process.

Recognising the syndicated nature of the Performing Credit strategy, and thus more limited ability to directly influence companies on their ESG approach, Performing Credit actively seeks to engage industry groups as part of the wider industry's commitment and implementation of ESG principles.

Within the European market, representatives within the Performing Credit team have been active members of the ELFA's ESG Committee since December 2020. This has allowed Credit to proactively push for enhanced disclosure from borrowers as well as market best practice with regards to ESG. In 2021, its focus was on enhanced disclosure through facilitating the production of ELFA's ESG factsheets, publications and best practice guides aimed at aligning market expectation and streamlining the disclosure process within the leveraged finance industry, including its Best Practice Guide to Sustainability Linked Leveraged Loans.

In addition to being on the ELFA ESG Committee, Performing Credit is also an active member in the ESG working group and the ESG Harmonisation Credit Consortium for the AIMA.

## Case study: ESG margin ratchet in action

Healthcare employment agency Nurseplus has been encouraged by Private Credit's ESG margin ratchet to accelerate its ESG journey in 2021 by developing an ESG Action Plan and launching its first Carbon Footprint report.

This activity was reviewed by EcoVadis, who awarded Nurseplus a Silver Medal, placing the company in the top 21 percent of companies rated by EcoVadis in the temporary employment agency activities industry. In response to the ratchet, Nurseplus is taking further action to address its environmental impact by setting a target to become Net Zero by 2050 or sooner.

The company began taking action to reduce its emissions in 2021 through identifying 14 small petrol vehicles in its existing fleet that will be replaced with pure electric vehicles over the course of 2022 to reduce its Scope 1 emissions. Nureseplus will also be implementing an energy audit programme of all its branch locations and will aim to use exclusively renewable or low carbon suppliers by 2025 in each location.[8]

8 For illustrative purposes only, the case study presented herein is for informational purposes only and should be viewed as a typical outcome for improvements to a borrower's ESG programme as a result of financing arrangement with a margin rachet.

Nurseplus

# Glendower Capital's ESG approach

**CVC merged and established a strategic partnership with Glendower Capital ("Glendower") in January 2022. Glendower, which focuses solely on private equity secondaries, believes that investing responsibly is a core factor in achieving long-term success and value creation. Glendower is therefore committed to integrating strong ESG principles as a firm and within its investments.**

## Glendower's commitment to ESG

For Glendower, ESG is about being socially responsible and transparent and encouraging the underlying managers in its portfolio to do the same. ESG forms an important component of Glendower's strategy and is being increasingly embedded in its investment and portfolio monitoring processes.

In 2021, the firm achieved an important milestone by becoming a signatory to the UN PRI. Glendower has been aligned with these principles since inception and, by becoming a signatory, intends to build on its ESG programme and have its performance assessed by an independent body. It also published its inaugural ESG report in 2021 to deliver greater insight to its investors and all other stakeholders on Glendower's responsible investment process.

Glendower has also recently hired a dedicated ESG resource to complement its existing cross functional ESG Working Group and further advance the integration of ESG within the firm.

## Applying ESG within its investment process

### *Pre-investment and due diligence*

Glendower's due diligence driven approach to investment encompasses the consideration of ESG factors that may impact investment selection as well as deal structuring and pricing. Where an investment opportunity presents a higher level of ESG risk due to sector or geography, for example, a deeper dive is undertaken by Glendower to seek to understand the full spectrum of ESG issues and to inform decision making. In certain instances, the identification of possible material ESG risks has resulted in the abandonment of potential investment opportunities.

Glendower's Investment Team is responsible for incorporating ESG factors into the diligence process for each investment opportunity. In addition, the Investment Team screens each investment against a number of sources, such as RepRisk and the SASB framework, to determine if there are any ESG issues, reputational risks or additional areas to diligence with respect to that investment. The firm may also use external consultants to collect in-depth and bespoke insights on particular issues to further inform investment decision making.

Final decision-making authority on ESG matters rests with the Investment Committee for the relevant Glendower fund. ESG risks, mitigants and opportunities associated with an investment opportunity are typically presented and discussed during meetings of the Investment Committee and it is the Investment Committee's responsibility to challenge and approve ESG considerations.

### *Monitoring investments*

Each year, Glendower requests underlying managers within its portfolio to complete an ESG questionnaire. The questionnaire examines both ESG issues at the portfolio level as well as what the underlying managers themselves are doing in terms of ESG, including diversity and inclusion, within their firm.

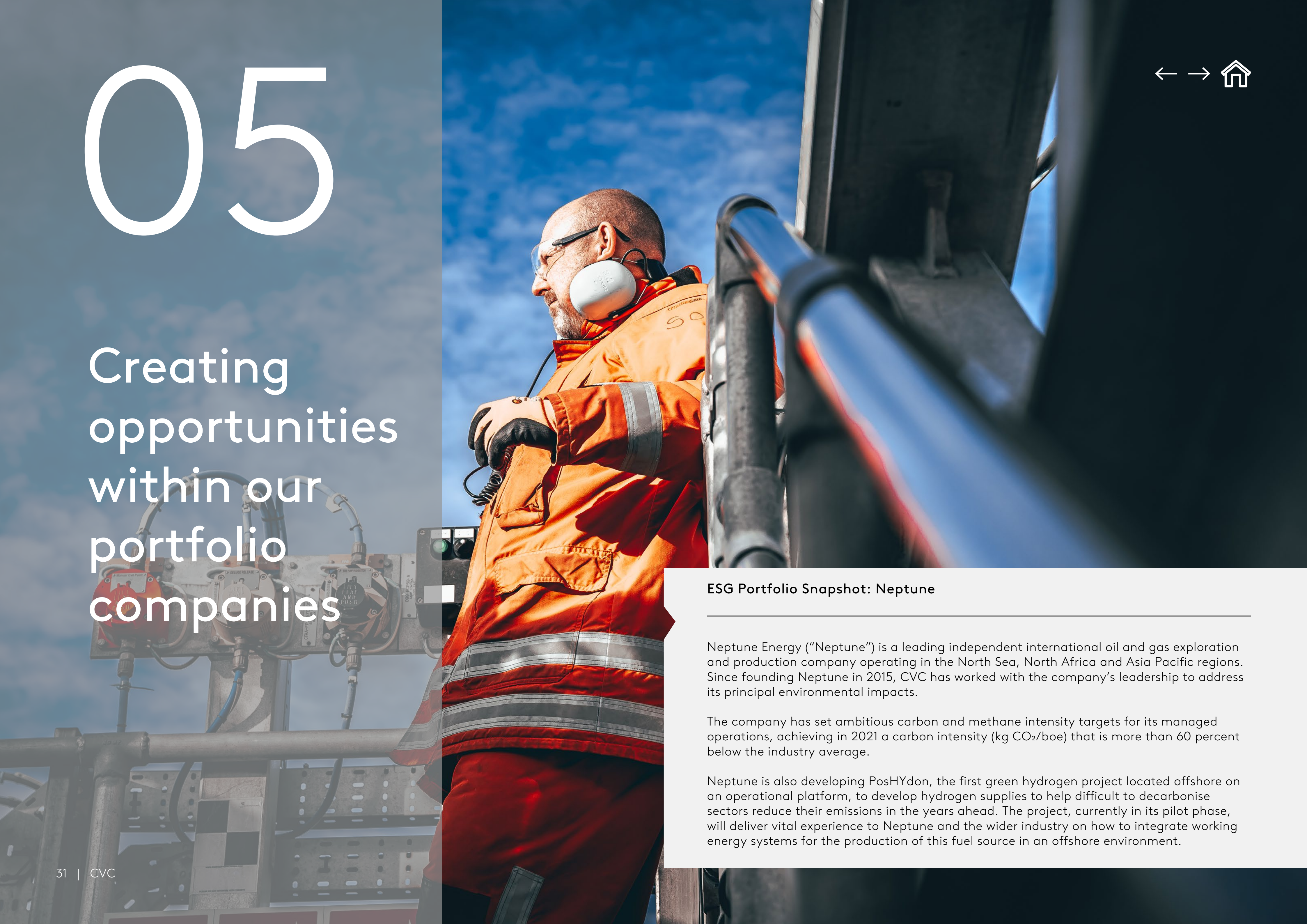
Responses to the questionnaire form part of an annual progress report, which allows Glendower to improve its ESG disclosure with its investors and provides meaningful insight and opportunities for Glendower to engage underlying managers on developing issues over the previous year. Select data from Glendower's most recent progress report was made available in Glendower's annual ESG report (published in June 2022).

### *ESG at Glendower*

At the firm level, Glendower's core culture is one of inclusivity and the firm is committed to hiring and retaining talented individuals from a diverse set of backgrounds as it recognises that a diversity of views is essential for growth. The Glendower team is made up of over 13 different nationalities and is 42 percent women.

Its recent diversity and inclusion initiatives have included becoming a signatory to the ILPA Diversity in Action initiative, participating in the #10,000blackinterns initiative and launching a Graduate Analyst Programme in 2021 to help find the next generation of talent. Glendower employees also actively support the wider industry's approach by participating in panel discussions, industry associations, mentoring programmes and diversity forums, including with the BVCA, Level20 and Women in Secondaries. To engage further on diversity and inclusion, Glendower is actively extending its vendor due diligence monitoring programme to include information on diversity and inclusion.

Glendower is also seeking to improve its environmental impact and has been offsetting its travel emissions since 2018. It has also begun implementing a wider footprint measurement and offsetting programme as it works to become carbon neutral at an operational level. Work has also commenced with service providers to consider the right way to implement the SBTi recommendations for secondaries funds with respect to the carbon emissions of portfolio investments.



# 05

## Creating opportunities within our portfolio companies

### ESG Portfolio Snapshot: Neptune

Neptune Energy ("Neptune") is a leading independent international oil and gas exploration and production company operating in the North Sea, North Africa and Asia Pacific regions. Since founding Neptune in 2015, CVC has worked with the company's leadership to address its principal environmental impacts.

The company has set ambitious carbon and methane intensity targets for its managed operations, achieving in 2021 a carbon intensity (kg $CO_2$/boe) that is more than 60 percent below the industry average.

Neptune is also developing PosHYdon, the first green hydrogen project located offshore on an operational platform, to develop hydrogen supplies to help difficult to decarbonise sectors reduce their emissions in the years ahead. The project, currently in its pilot phase, will deliver vital experience to Neptune and the wider industry on how to integrate working energy systems for the production of this fuel source in an offshore environment.

# Case study: DKV Mobility Services Group

DKV Mobility Group SE ("DKV") is a leading European B2B platform for on-the-road payments and solutions, serving around 245,000 active truck and fleet customers across 51 service countries. CVC invested in DKV in 2018 and we have since been working with the company to accelerate its support for the European transport sector's decarbonisation in line with the EU's carbon emission targets.

Due to the transport sector accounting for an estimated 25 percent of the EU's greenhouse gas emissions, DKV – with CVC's assistance – has focused its ESG strategy around two core targets: becoming climate positive for its own operations by 2023 and to cut customers' fleet carbon intensity by 30 percent by 2030. DKV supports its customers on reducing their emissions through providing one of the largest independent networks for alternative fuels, such as CNG and LNG, within Europe. Additionally, DKV successfully connected more than 285,000 public charging points and offers their customers at home and at work charging solutions.

CVC has supported DKV in 2021 to make further innovations in its emission reductions approach by providing funding to the company through our EcoGrants programme. Through this grant, DKV is developing a consumer-friendly digital emission tracking service that will improve its ability to measure, manage and reduce the annual $CO_2$ emissions of its large customer base.

- Environment & Planet
- Customer Engagement
- Sustainable Operations & Processes

# Case study: STARK Group

CVC acquired STARK Group ("STARK"), the leading distributor of heavy building materials in Northern Europe, in 2021. Over the past year we have been working with STARK's Group Executive Committee, which also functions as the company's Sustainability Advisory Board, to support the company's ambition to accelerate the green transition in the construction industry.

As part of the strategy, STARK is taking measures to become a Net Zero emissions distributor of heavy building materials by 2050. To achieve this, it has announced a target to reduce its GHG emissions by 42 percent by 2030, from a 2020 baseline, and has also pledged to source 100 percent renewable electricity by 2030. Furthermore, with Scope 3 emissions representing ~98 percent of the company's total emissions portfolio, STARK is seeking to reduce its Scope 3 emissions by 12.3 percent also by 2030. To deliver confidence to its stakeholders of its Net Zero commitment, STARK prepared in 2021 to have its targets validated by the SBTi. It achieved validation in 2022.

With CVC's support, STARK is reducing its Scope 3 emissions through a range of measures including increasing its provision of third party certified eco-labelled products and by providing product embodied carbon and climate budget information to its customers. It is looking for further opportunities to reduce its indirect emissions through undertaking inventory surveys to assess materiality in its value chain and by establishing new partnerships with specific suppliers that promote sustainability.

Through STARK's commitment to strong ESG governance, which has included linking the company's executive remuneration with sustainability performance, it has been awarded an EcoVadis Platinum rating, ranking it among the top one percent of the 75,000 companies assessed by the platform. Through CVC's backing, STARK's ESG achievements have placed the company in a strong position to pursue further sustainability and Net Zero aligned growth opportunities.

- Environment & Planet
- Governance & Ethics
- Customer Engagement
- Sustainable Operations & Processes

# Case study: Icario

CVC acquired a majority interest in Icario in 2021, following the US-based company's rebranding after the merger of market leaders Revel and NovuHealth. Icario is a health action company whose solutions and programmes seek to leverage the behavioural and data sciences to move people and communities to take action on their health. Since acquisition, CVC has been working in close partnership with Icario's management to advance the company's mission of "making the world a healthier place, one person at a time".

Through CVC's investment, the company has been able to focus on furthering its social impact and community engagement by accelerating its technology and product roadmap. This has included acquiring the SaaS platform ChipRewards to manage its consumer and employer engagement programmes to achieve better health outcomes and lower total costs. In addition, it has undertaken a new partnership with ConnectureDRX, the Medicare Advantage shopping and enrolment solution service, to help consumers and agents better identify which Medicare Advantage plan best fits their needs.

By improving the customer experience through these solutions, Icario grew its customer base in 2021 by 56 percent and its products now support the health of more than 100 million Medicaid, Medicare Advantage, Exchange, and Commercial members. Over the past year, Icario's health action programmes have also delivered valuable results for its customers, with 75 percent of members attesting to improved overall health plan satisfaction, a 14 times higher Medicaid and Exchange health risk assessment completion rate and a 337 percent increase in cancer screenings during the period. Finally, the company has assembled a Medicaid Advisory Council made up of leading experts with deep expertise in supporting Medicaid eligible populations. The Council informs Icario's leadership on strategy, offerings, and programmes to states and leading Medicaid health plans, with a goal of helping beneficiaries and to drive overall health service provision.

CVC will continue working with Icario to develop new technology and data solutions to positively influence customer behaviours and improve the quality of plans and action strategies to achieve better health outcomes for individuals and communities across the US.

- Customer Engagement
- Sustainable Operations & Processes
- Community Engagement

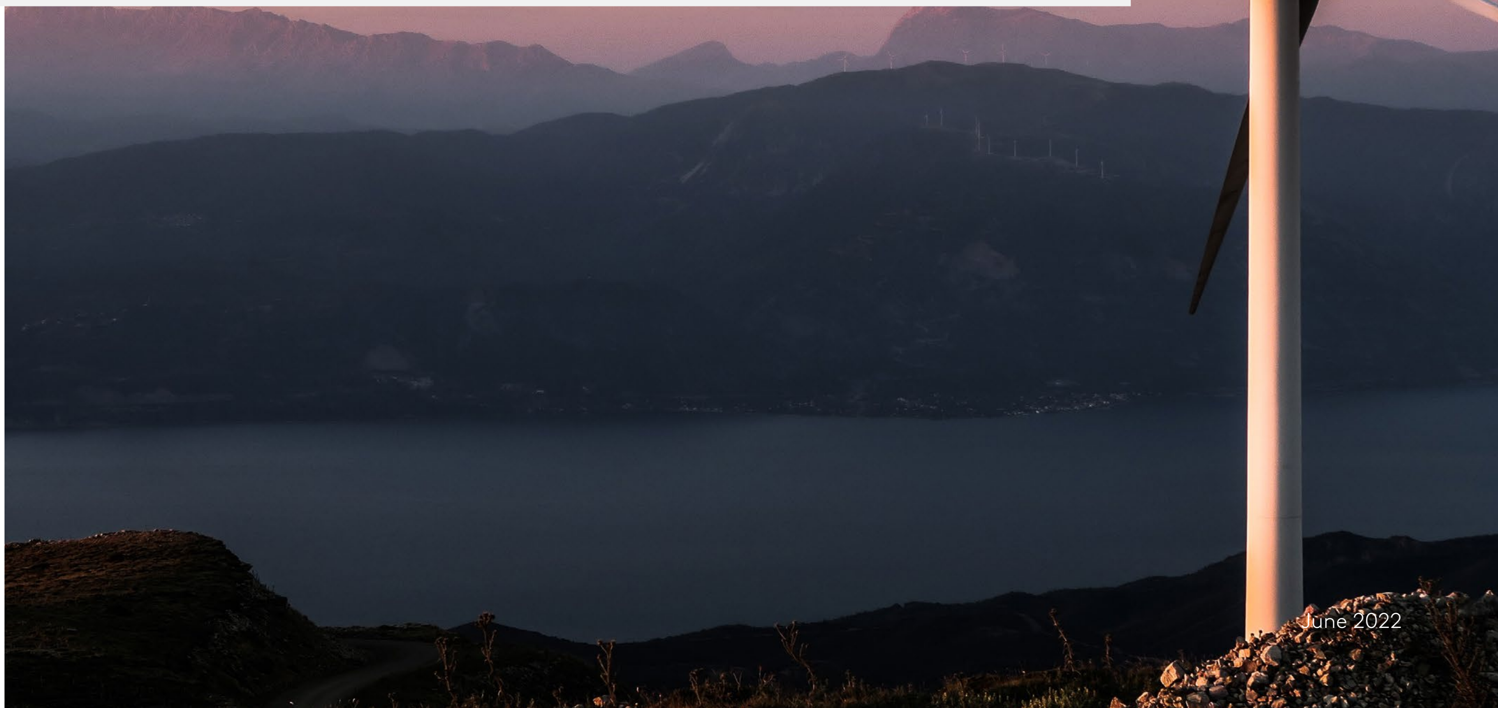
# Case study: Public Power Corporation

In 2021, CVC invested a 10 percent stake in Public Power Corporation ("PPC"), one of the largest generators and suppliers, and sole distributor of electricity in Greece. PPC's generation portfolio consists of conventional energy plants, hydroelectric power plants and renewable energy sources, which collectively account for circa half of the electricity produced in the country. CVC made the investment through its Strategic Opportunities II strategy, which invests in high quality, stable businesses with a longer holding period for strategic development. Through this investment, CVC will seek to actively support PPC's transition to a modern and green energy provider.

As part of this transformation, PPC is planning to cease its use of lignite coal by 2023 and is actively scaling up its deployment of renewable energy and low carbon alternatives such as energy storage, biomass and hydrogen to replace the 3.4GW lost through decommissioning its coal plants. In addition to CVC's investment, the company's transition is being enabled through innovative financing solutions. This has included PPC proceeding in March 2021 with the first sustainability-linked high-yield bond issuance in Europe with a sustainability clause, committing the company to reducing its direct $CO_2$ emissions by 40 percent by December 2022 (taking 2019 as the base year), and with bond maturity in 2026. PPC subsequently proceeded with a second sustainability-linked bond issue in July 2021, with a commitment to reduce direct $CO_2$ emissions by 57 percent by December 2023 (taking 2019 as the base year) with a bond maturity in 2028.

Beyond its direct emissions, PPC is taking steps to better understand its Scope 3 indirect emissions and a detailed recording of these emissions began in 2021. Through CVC's investment, PPC will develop and implement further solutions to reduce this category of emissions to align the company with ambitious medium and long-term EU and Greek carbon neutrality targets.

■ Environment & Planet



# Case study: Domestic & General Group

CVC acquired Domestic & General Group ("D&G"), a leading appliance insurance, repair and care specialist, in 2013. The company helps to avoid a significant amount of waste being sent to landfill by conducting over 2.4 million appliance repairs each year while reducing the carbon footprint of its 9,000 local repairers by ensuring they are deployed as locally as possible. With sustainability being core to D&G and a clear driver for its growth, CVC is supporting the company as it seeks to create positive environmental and social impact over the coming years.

D&G has received funding from CVC's EcoGrant initiative to actively encourage consumers and its customers to extend the life of their products by prioritising re-use and repair. Through using an electric vehicle 'Van for Good', D&G will be promoting consumer engagement initiatives across 2022, including a Community Recycling and Repair Scheme, Commonwealth Games Activation Programme and longer-term community reuse centre support. As part of these initiatives, D&G is partnering with volunteering organisation onHand, in addition to the company's existing relationship with ReUse, to allow customers to donate appliances and furniture via its "Van for Good" to encourage a circular economy and avoid waste.

In addition to consumer facing initiatives, D&G has been developing a sustainability roadmap to consider further opportunities to improve its environmental impact including starting to explore opportunities to transition its fleet of partner vehicles from diesel to electric. Further opportunities to reduce its GHG emission exposure will be informed by a carbon footprint measurement and baselining project, which the company plans to undertake in 2022.

In recognition of its governance and management of sustainability issues, D&G received a bronze EcoVadis rating in 2022.

- Environment & Planet
- Customer Engagement
- Sustainable Operations & Processes
- Community Engagement

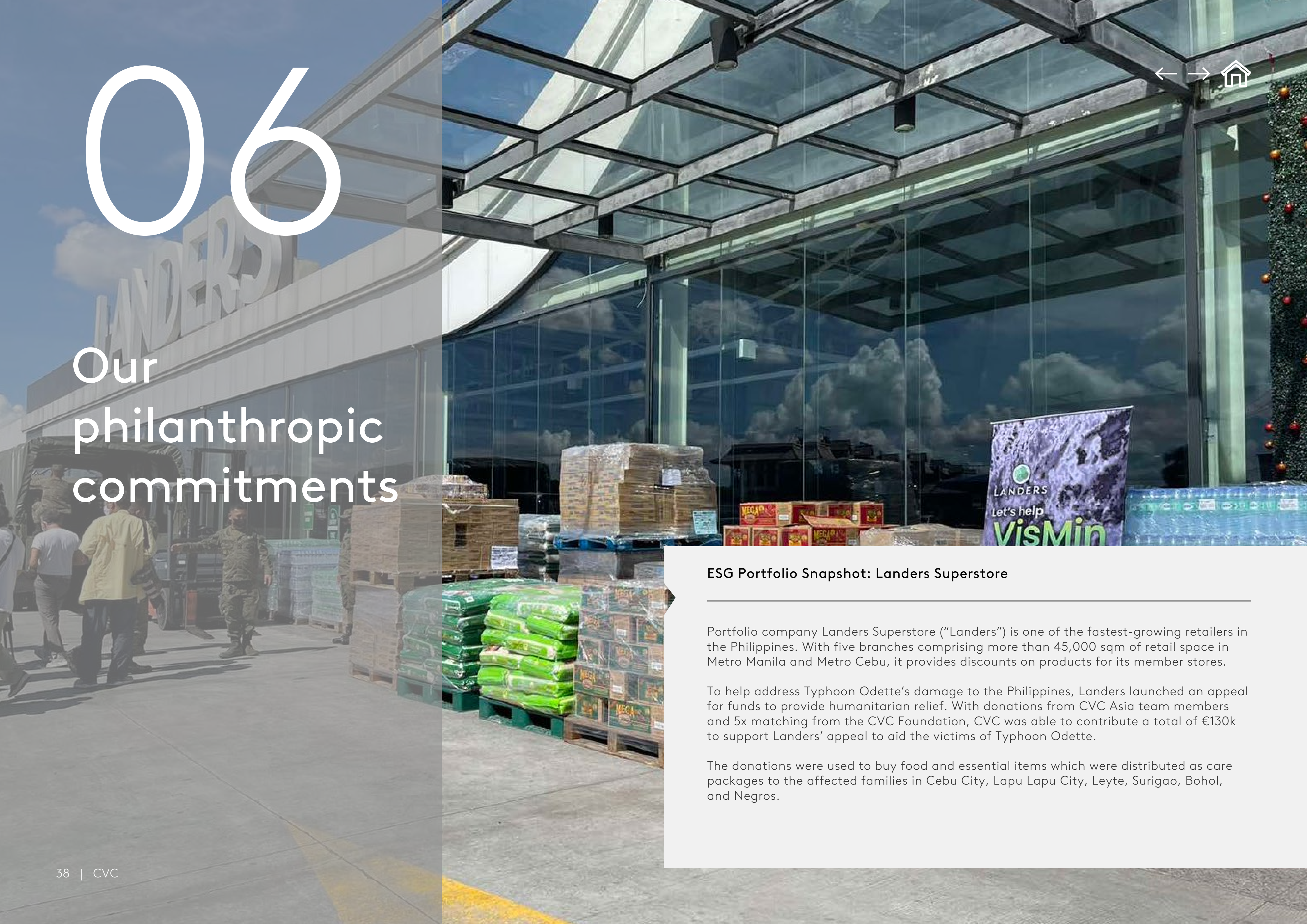
# Case study: PDC Brands

CVC acquired PDC Brands ("PDC") in 2017. PDC is a rapidly growing wellness and personal care company with a portfolio of category-leading brands across wellness, hair care, beauty & cosmetics, fragrance, and bath & body care. PDC's products are found across 80 markets globally and serve diverse consumers around the world. Recognising the importance of diversity to the company, CVC has worked with PDC to place DE&I at the heart of the company's ESG strategy.

This has led to the creation of a DE&I council, which aims to improve employee diversity at all levels of the company and across its brands. Steps taken by the DE&I council include rolling out employee DE&I training and updating interview guides to eliminate unconscious bias. These initiatives have helped establish PDC as an inclusive place to work, with 42 percent of new hires coming from the BIPOC community. Additionally, 80 percent of new hires have been women.

In particular, DE&I is a core value for Cantu, a leading hair care brand targeting women with textured hair. Within Cantu, 100 percent of new hires identify as people of colour. Cantu is seeking to further its mission of promoting diversity and inclusion through a strategy 'to Empower, to Educate, and to Elevate' the female leaders of tomorrow. To activate these key pillars, Cantu partners with leading organisations such as Gyrl Wonder and Women Empowering Nations, and has also created bespoke programmes to support women of colour.

- Customer Engagement
- Employee Engagement & Value Creation
- Community Engagement




# 06

# Our philanthropic commitments

## ESG Portfolio Snapshot: Landers Superstore

Portfolio company Landers Superstore ("Landers") is one of the fastest-growing retailers in the Philippines. With five branches comprising more than 45,000 sqm of retail space in Metro Manila and Metro Cebu, it provides discounts on products for its member stores.

To help address Typhoon Odette's damage to the Philippines, Landers launched an appeal for funds to provide humanitarian relief. With donations from CVC Asia team members and 5x matching from the CVC Foundation, CVC was able to contribute a total of €130k to support Landers' appeal to aid the victims of Typhoon Odette.

The donations were used to buy food and essential items which were distributed as care packages to the affected families in Cebu City, Lapu Lapu City, Leyte, Surigao, Bohol, and Negros.

# Our commitment to the community

**Launched in 2011, the CVC Foundation is our network-wide philanthropy programme that aims to improve the lives and prospects of disadvantaged people and particularly children and young people in the communities where our offices and portfolio companies do business.**

We have developed many partnerships with not-for-profit organisations, venture philanthropy groups and social enterprises across our global network. Through these relationships, we provide a package of support that typically includes funding, pro bono expertise, employee volunteering and access to the wider CVC network.

For nearly a decade, our Foundation has been made possible through annual funding committed by our Board, fundraising events and individual donations, together with the enthusiasm of the CVC executives who serve on our Philanthropy Committee and the many employees who volunteer or offer pro bono advice to the charities we support across the globe.

## Opportunity for all

The aim of the CVC Foundation is to make a positive contribution to society and support disadvantaged people to achieve their full potential. We focus on three main areas:

- Education
- Employability
- Entrepreneurship.

We support organisations working with people affected by poverty, a lack of quality education, unemployment, racial and/or gender inequality, as well as poor physical or mental health.

## Our charitable partners

We currently work with 30 charities that are aligned with our core priorities. Charities receive significant grant funding from CVC along with volunteering, pro bono advice and access to our network.

Employee engagement is central to our philanthropy programme and every office is encouraged to support local charities. CVC employees take responsibility for managing specific charitable partnerships, and our Philanthropy Committee, comprising staff from across our network, provides strategic direction to our philanthropy programme at the Group level.

Since 2011, our philanthropy activities have developed rapidly and we are working today in 16 countries.

# Working across our network

CVC's local offices around the world enable us to have a meaningful and global impact through the CVC Foundation.

## Our global offices


**UK**

Impetus, Prince's Trust, Street League, Premiership Rugby, St Joseph's, London Youth, Bookmark, Entrepreneurs Foundation, The Old Vic, Restart, QA

**Continental Europe**

Toekomstatelier de l'Avenir, Fundación Tomillo, Sport dans la Ville, Red Barnet, UWC Xperience, KU Leuven

**Americas**

Brasil Rugby, Jumpstart, Venture for America, SquashSmarts, SkysTheLimit.org, NESsT

**Asia**

SVhk, Streets International, Youth Co:Lab, Mother's Choice, Teach For Thailand

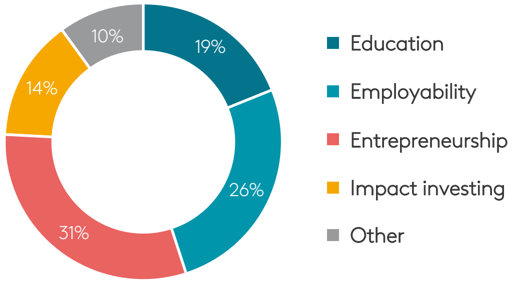
**Global**

Young Innovator Awards

# How do we make an impact?

## There are three main elements to our philanthropy programme:

### 2021 Grants by Focus Area




### 1. Charitable grants

We provide multi-year funding commitments to the charities in our core philanthropy programme as well as one-off donations. Grants to charities range from €25,000 to €200,000 and are made for general purposes or to fund specific projects over a two-year period. We work closely with our charities and monitor their activities, ensuring that they can demonstrate the impact they're having on beneficiaries.

For example, in the earlier years of youth charity, Toekomst Atelier de l' Avenir ("TADA"), our Brussels office and CVC's Philanthropy team worked with senior management to develop an impact measurement system. This process has helped TADA to refine its programme to better meet the needs of beneficiaries while also demonstrating to funders, volunteers and other stakeholders how the programme has made a tangible difference in the lives of young people.

### 2. Employee involvement

Many of CVC's employees are philanthropically motivated and active in their local communities. They get involved in a number of ways: making donations; volunteering their time; providing pro bono advice; serving as board members of CVC-supported charities; and through fundraising events.

We actively support our employees to make a positive impact in their local communities and employees can volunteer for an unlimited amount of time subject to the agreement of their line managers. We also operate a popular corporate matching scheme that supports employee fundraising efforts for charities of their choice. We match employee donations to registered charities and non-profits of their choice at 2x for senior staff and 5x for junior colleagues. We also match the monetary value of any volunteering employees undertake based on their salary.

In 2021, approximately 75 percent of employees were involved with a charity and over half of our employees were involved in charitable fundraising and donations. During the year we made 399 employee matching donations totalling €3.1m.

During 2022 we aim to have all CVC offices support one or more charities and we will report on our progress to achieving this in our next report.

### 3. CVC Young Innovator Awards

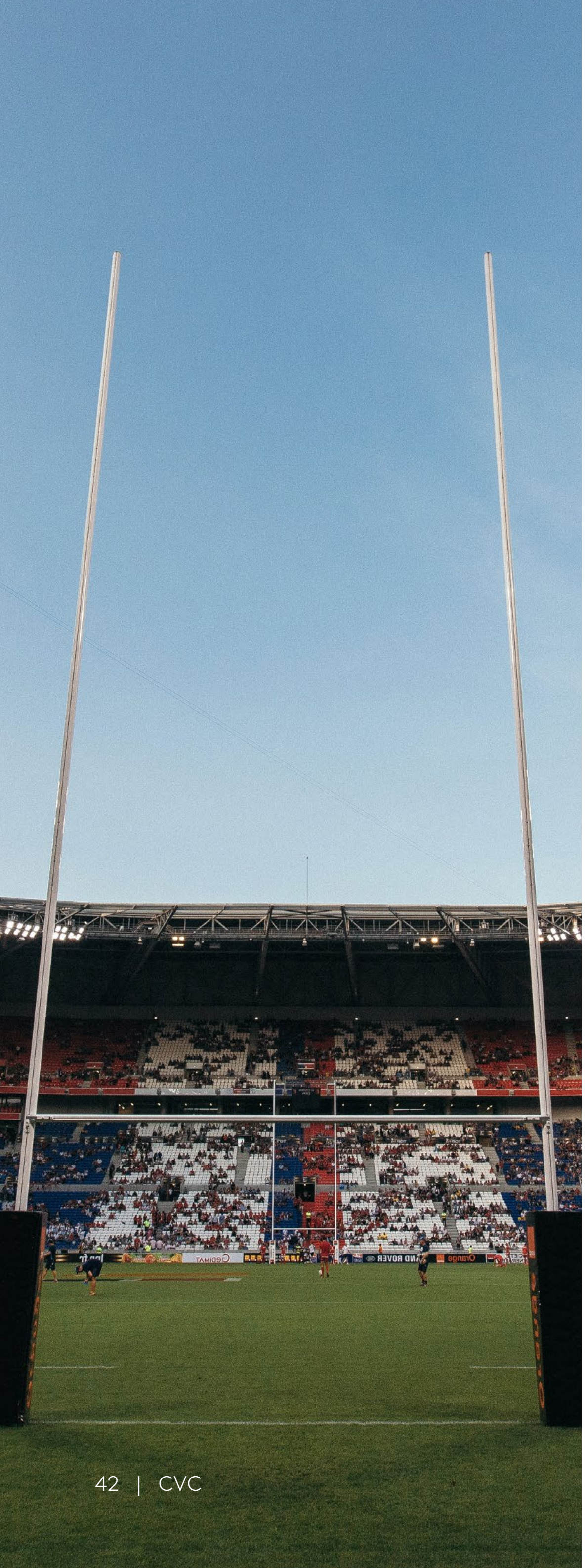
In 2015, we launched the Young Innovator Awards to support young entrepreneurs to create the businesses of the future. The award currently operates across nine CVC offices. Since 2015, we have awarded €1.4m of grants to 96 entrepreneurs, with the average grant amounting to €10,500.

Entrants to the Young Innovator Awards compete to win a package of cash grants, mentoring, and access to our global network. For businesses with a social or environmental impact, there is also the potential for follow-on investment from the CVC Foundation.

As part of our commitment to building better businesses, the Young Innovator Awards are a cornerstone initiative within our philanthropy programme, enabling us to both seek to tackle youth unemployment and contribute to the economic development of our local communities. For our employees, the event encourages team building, collaboration and allows our colleagues to share their expertise and career experience with aspiring entrepreneurs.

Some examples of companies that have benefited from the Awards include Unmind, Magnolia, Rebundle, Foods of Tomorrow and Genomtec. These companies have successfully scaled up and raised venture capital to fund their expansion. During 2021, we launched the awards in Brazil with our charity partner NESsT. We will expand this programme to more CVC locations.


London Young Innovator Award finalists



# Working with our portfolio companies

**The CVC Foundation has a long history of working with portfolio companies on community programmes.**

We do this by co-funding projects, supporting their fundraising initiatives, making introductions to trusted charity partners using the expertise and contacts of our philanthropy team and sharing knowledge and best practice.

This is an important pillar of our philanthropic programme as it leverages our own charitable efforts, while mobilising our resources to reach more communities and create a legacy of philanthropy with companies that lasts well beyond our funds' period of ownership.

## Case study

### Premiership Rugby's commitment to community service wins a gold award

PREMIERSHIP RUGBY

Premiership Rugby is one of England's top leagues for professional club rugby and comprises England's top twelve teams. The league attracts in-person audiences of 1.9 million and has games shown on BT Sport, Channel 5 and Perform within the UK and NBC and RDA internationally.

In 2008, Premiership Rugby established the HITZ programme, which works with more than 2,000 14 to 23-year-olds across England every year. HITZ employs rugby's core values of teamwork, respect, enjoyment, discipline, and sportsmanship to inspire young people to gain qualifications in education, training, and apprenticeships for employment opportunities. In recognition of their work, Premiership Rugby won the gold award for its HITZ programme at the 2021 Corporate Engagement Awards.

Since inception in 2008, nearly 20,000 individuals have participated in the HIITZ programme, with more than 70 percent of participants going on to further education, training or employment. At least 80 percent of participants have stated there has been a noticeable improvement in their personal, social and physical well-being.

The CVC Foundation is proud to be a core funder of this high quality programme as well as of the Premiership Rugby Champions, a suite of resources for primary school teachers linking the game of rugby to core curriculum areas such as numeracy and health.

# Case study

## London Youth Prince Philip Award

CVC was awarded the 2021 Prince Philip Award by London Youth for our contribution to the wellbeing and development of London's young people. London Youth is an umbrella organisation for over 450 youth clubs located across economically deprived areas of London. These clubs are integral to local neighbourhoods and provide a safe place for young people to socialise and learn new skills.

The Prince Philip Award was created by London Youth's first royal patron, HRH The Duke of Edinburgh, who supported the charity for over 70 years. It was awarded to CVC for our ongoing support of London's young people through our partnership with London Youth, which has three pillars:

- Grants to the youth clubs to enable them to run activities during the summer months which keep young people productively engaged during the school holidays
- Funding for a new mental health and innovations programme which aims to train over 500 mental health champions across the UK's capital
- Transfer of CVC's unused apprenticeship levy to the clubs to enable them to upskill youth workers.

# CVC Global Challenge 2021 Race for Recovery


## Race for Recovery

In 2021, we built on our 2020 'Move for Good' corporate challenge by encouraging our employees to take part in a global 'Race for Recovery' challenge, supporting people and communities across the world affected by COVID-19.

As part of this initiative, the CVC Foundation sponsored employees to cycle, run, swim, or walk 100km during a two-week period.

355 CVC employees worldwide took part in the challenge and covered a total of 37,172km, of which 123 participants were able to hit the €10k fundraising target. As a result, CVC donated €3.8m to 44 philanthropic causes around the world.

**355**

of CVC's employees took part

**37,172km**

covered in total across the challenge

**€3.8million**

was donated to 44 philanthropic causes around the world

# 07

# Appendix

## ESG Portfolio Snapshot: Fine Today Shiseido

CVC purchased Shiseido's personal care business in 2021, obtaining the Japanese business's portfolio of global brands including haircare product Tsubaki and skincare label SENKA. The new business has since been named Fine Today Shiseido.

Since investment, CVC has placed Fine Today's customers at the heart of its value creation plan. It has worked with the businesses to create more environmentally friendly products through adopting re-usable and recyclable packaging. CVC has also worked with the company to establish an internal division dedicated to ESG, which has overseen the company's accreditation of its greenhouse gas emission reduction targets by the SBTi. It is pursuing emissions reductions through reviewing and redesigning its manufacturing processes and by switching to clean energy sources, among other measures.

Further ESG improvements and opportunities are being identified at Fine Today through the company's undertaking of the EcoVadis review process.

# Appendix

## Overview of CVC's governance structure and committees

### ESG Committee

The ESG Committee is responsible for overseeing and reporting to the Group Board on the incorporation of CVC's Responsible Investment programme in our investment processes from pre-acquisition to exit. The Committee also works with deal teams and other Committees such as Investment Committee and Portfolio Committee to improve the integration of ESG within our portfolio companies' way of operating. To ensure consistency of approach across the CVC Network, the ESG Committee oversees the work of Credit and includes a representative of the senior team at Glendower.

### HR Committee

The HR Committee is responsible for the full employee life cycle aspects of the firm. There is a separate HR Committee for the Credit platform, which is made up of senior employees from the investing and business operations teams.

### Diversity, Equity & Inclusion Committee

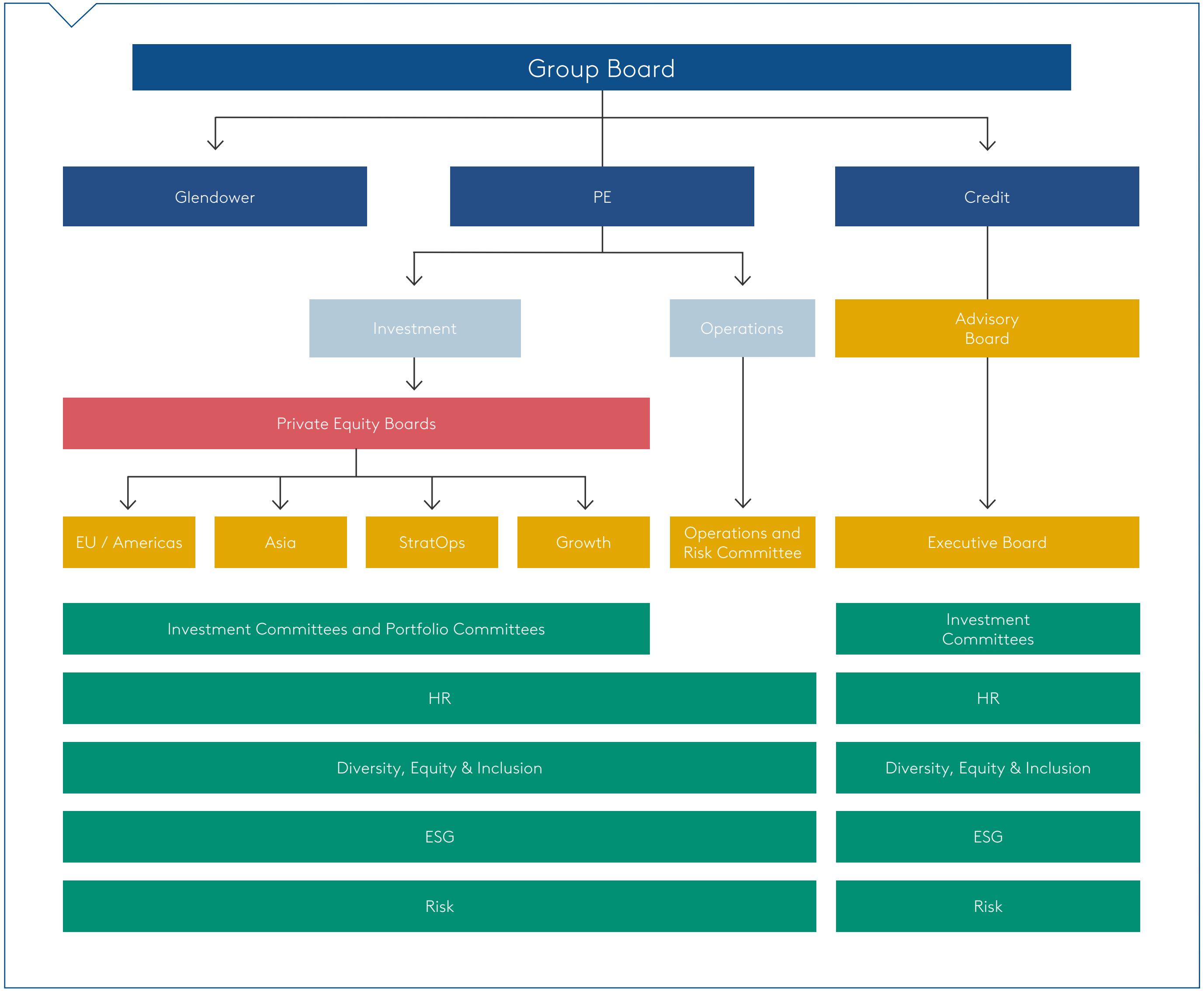
The Diversity, Equity & Inclusion Committee oversees the application of policies and initiatives aimed at increasing diversity within CVC across four pillars: Attraction, Development, Retention and Measurement.

### Ethics Committee

The Ethics Committee is responsible for the application and compliance with CVC's code of ethics and associated procedures. It has oversight of all processes that could reputationally impact the firm outside of investment risk.

### Philanthropy Committee

The Philanthropy Committee determines the strategy and oversees our philanthropic activities across the CVC network.



# GRI table

The Global Reporting Initiative's GRI Standards have been used as a guide for this report. The topics included in this content index have been informed by our materiality assessment, for which the consultation process is ongoing. In preparing this report, we have applied the underlying principles and standard definitions set out by the GRI 2016 standards. However, this report has not been prepared in full accordance with the GRI Standards Core option at this time. It is our ambition to progress our level of reporting align with best-practice standards in future reports.

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| General GRI Disclosures | | | | |
| 102-1 | Name of the organisation. | The reporting organisation shall report the following information: a. Name of the organisation. | CVC | |
| 102-2 | Activities, brands, products, and services. | The reporting organisation shall report the following information: a. A description of the organisation's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets. | Please see CVC's 'About' webpage. | |
| 102-3 | Location of headquarters. | The reporting organisation shall report the following information: a. Location of the organisation's headquarters. | Luxembourg | |
| 102-4 | Location of operations. | The reporting organisation shall report the following information: a. Number of countries where the organisation operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report. | Please see the list of countries on CVC's 'Offices' webpage and p. 5 in this report. | |
| 102-5 | Ownership and legal form. | The reporting organisation shall report the following information: a. Nature of ownership and legal form. | Please see CVC's Corporate Structure webpage. | |
| 102-6 | Markets served. | The reporting organisation shall report the following information: a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries. | | |
| 102-7 | Scale of the organisation. | The reporting organisation shall report the following information: a. Scale of the organisation, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organisations) or net revenues (for public sector organisations); iv. total capitalization (for private sector organisations) broken down in terms of debt and equity; v. quantity of products or services provided. | Relevant information can be read on p. 5 of this report. | |
| 102-8 | Information on employees and other workers. | The reporting organisation shall report the following information: a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organisation's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made. | Relevant information can be read on p. 5 and 17 of this report. | |
| 102-9 | Supply chain. | The reporting organisation shall report the following information: a. A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services. | | As a global organisation, CVC works with a number of third-party suppliers and service providers typically in the countries where it has offices. |
| 102-10 | Significant changes to the organisation and its supply chain. | The reporting organisation shall report the following information: a. Significant changes to the organisation's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination. | CVC merged and established a strategic partnership with Glendower Capital in January 2022. Information about Glendower can be read on p. 30 of this report | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| General GRI Disclosures continued | | | | |
| 102-12 | External initiatives. | The reporting organisation shall report the following information: a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes, or which it endorses. | The external initiatives CVC aligns with are summarised on p. 14. | |
| 102-13 | Membership of associations. | The reporting organisation shall report the following information: a. A list of the main memberships of industry or other associations, and national or international advocacy organisations. | CVC's membership of relevant associations can be read on p. 14. | |
| 102-14 | Statement from senior decision-maker. | The reporting organisation shall report the following information: a. A statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy for addressing sustainability. | A statement can be read on p. 4. | |
| 102-15 | Key impacts, risks, and opportunities. | The reporting organisation shall report the following information: a. A description of key impacts, risks, and opportunities. | Relevant impacts, risks, and opportunities are summarised on p. 4 and 12. | |
| 102-16 | Values, principles, standards, and norms of behavior. | The reporting organisation shall report the following information: a. A description of the organisation's values, principles, standards, and norms of behaviour. | CVC's values can be read on p. 16.<br><br>Please see CVC's 'Responsible Investment Policy'.<br><br>CVC Credit's 'Responsible Investment Policy'.<br><br>Glendower's '2021 ESG Report'. | |
| 102-17 | Mechanisms for advice and concerns about ethics. | The reporting organisation shall report the following information: a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behaviour, and organisational integrity; ii. reporting concerns about unethical or unlawful behaviour, and organisational integrity. | Background on relevant mechanisms can be read on p. 20. | |
| 102-18 | Governance structure. | The reporting organisation shall report the following information: a. Governance structure of the organisation, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics. | Governance structure can be viewed on p. 20 and 46. Detail about how this structure works in practice is provided within this report. | |
| 102-19 | Delegating authority. | The reporting organisation shall report the following information: a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees. | Delegating authority information can be read on p. 20 and 46. | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics. | The reporting organisation shall report the following information: a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body. | Relevant detail can be read on p. 12 and 13. | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| **General GRI Disclosures continued** | | | | |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy. | The reporting organisation shall report the following information: a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. | The governance body's role can be read on p. 20. | |
| 102-29 | Identifying and managing economic, environmental, and social impacts. | The reporting organisation shall report the following information: a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities. | Please see CVC's 'Responsible Investment Policy'. The ESG Committee's role is also discussed within the report. | |
| 102-30 | Effectiveness of risk management processes. | The reporting organisation shall report the following information: a. Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental, and social topics. | Please see p. 20 for more information on CVC's approach to managing ESG related risks. | |
| 102-31 | Review of economic, environmental, and social topics. | The reporting organisation shall report the following information: a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities. | | The ESG Committee regularly reviews relevant ESG topics and responds accordingly. |
| 102-32 | Highest governance body's role in sustainability reporting. | The reporting organisation shall report the following information: a. The highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material topics are covered. | | Senior leaders of the ESG Committee review and approve CVC's annual ESG report. |
| 102-40 | List of stakeholder groups. | The reporting organisation shall report the following information: a. A list of stakeholder groups engaged by the organisation. | A list of stakeholders can be read on p. 12. | |
| 102-42 | Identifying and selecting stakeholders. | The reporting organisation shall report the following information: a. The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | Relevant information can be read on p. 12. | |
| 102-43 | Approach to stakeholder engagement. | The reporting organisation shall report the following information: a. The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | Relevant information can be read on p. 12. | |
| 102-44 | Key topics and concerns raised. | The reporting organisation shall report the following information: a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organisation has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns. | Relevant information can be read on p. 12. | |
| 102-46 | Defining report content and topic Boundaries. | The reporting organisation shall report the following information: a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organisation has implemented the Reporting Principles for defining report content. | Report content and topic boundaries have been informed by a materiality assessment process. Relevant information can be read on p. 12. | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| General GRI Disclosures continued | | | | |
| 102-47 | List of material topics. | The reporting organisation shall report the following information: a. A list of the material topics identified in the process for defining report content. | Material topics can be viewed in a materiality matrix on p. 12. | |
| 102-48 | Restatements of information. | The reporting organisation shall report the following information: a. The effect of any restatements of information given in previous reports, and the reasons for such restatements. | | No significantly material restatements since CVC's last ESG report. |
| 102-49 | Changes in reporting. | The reporting organisation shall report the following information: a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries. | | No significant changes in CVC's reporting since CVC's last ESG report. |
| 102-50 | Reporting period. | The reporting organisation shall report the following information: a. Reporting period for the information provided. | | January 2021 – December 2021 with some reference to activities planned for 2022. |
| 102-51 | Date of most recent report. | The reporting organisation shall report the following information: a. If applicable, the date of the most recent previous report. | | The most recent previous report was published in September 2021. |
| 102-52 | Reporting cycle. | The reporting organisation shall report the following information: a. Reporting cycle. | | CVC aims to report annually. |
| 102-53 | Contact point for questions regarding the report. | The reporting organisation shall report the following information: a. The contact point for questions regarding the report or its contents. | | Chloë Sanders, Head of ESG, csanders@cvc.com. |
| 102-55 | GRI content index. | The reporting organisation shall report the following information: a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. | | The GRI content index (this document) is in accordance with the GRI standards. |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| Specific GRI disclosures – Environment | | | | |
| 302-1 | Energy consumption within the organisation. | The reporting organisation shall report the following information:<br>a. Total fuel consumption within the organisation from non-renewable sources, in joules or multiples, and including fuel types used.<br>b. Total fuel consumption within the organisation from renewable sources, in joules or multiples, and including fuel types used.<br>c. In joules, watt-hours or multiples, the total:<br>i. electricity consumption.<br>ii. heating consumption.<br>iii. cooling consumption.<br>iv. steam consumption.<br>d. In joules, watt-hours or multiples, the total:<br>i. electricity sold.<br>ii. heating sold.<br>iii. cooling sold.<br>iv. steam sold.<br>e. Total energy consumption within the organisation, in joules or multiples.<br>f. Standards, methodologies, assumptions, and/or calculation tools used.<br>g. Source of the conversion factors used. | Relevant information regarding energy consumption is detailed on p. 19. | |
| 305-1 | Scope 1 GHG emissions. | The reporting organisation shall report the following information:<br>a. Gross direct (Scope 1) GHG emissions in metric tons of $CO_2$ equivalent.<br>b. Gases included in the calculation; whether $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, or al.<br>c. Biogenic $CO_2$ emissions in metric tons of $CO_2$ equivalent.<br>d. Base year for the calculation, if applicable, including:<br>i. the rationale for choosing it;<br>ii. emissions in the base year;<br>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.<br>e. Source of the emission factors and the global warming potential ("GWP") rates used, or a reference to the GWP source.<br>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.<br>g. Standards, methodologies, assumptions, and/or calculation tools used. | CVC's operational emissions are disclosed on p. 19. | |
| 305-2 | Scope 2 GHG emissions. | The reporting organisation shall report the following information:<br>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of $CO_2$ equivalent.<br>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of $CO_2$ equivalent.<br>c. If available, the gases included in the calculation; whether $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, or all.<br>d. Base year for the calculation, if applicable, including:<br>i. the rationale for choosing it;<br>ii. emissions in the base year;<br>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.<br>e. Source of the emission factors and the GWP rates used, or a reference to the GWP source.<br>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.<br>g. Standards, methodologies, assumptions, and/or calculation tools used. | CVC's operational emissions are disclosed on p. 19. | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| **Specific GRI disclosures – Environment continued** | | | | |
| 305-3 | Scope 3 GHG emissions. | The reporting organisation shall report the following information:<br>a. Gross other indirect (Scope 3) GHG emissions in metric tons of $CO_2$ equivalent.<br>b. If available, the gases included in the calculation; whether $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, or all.<br>c. Biogenic $CO_2$ emissions in metric tons of $CO_2$ equivalent.<br>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.<br>e. Base year for the calculation, if applicable, including:<br>i. the rationale for choosing it;<br>ii. emissions in the base year;<br>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.<br>f. Source of the emission factors and the GWP rates used, or a reference to the GWP source.<br>g. Standards, methodologies, assumptions, and/or calculation tools used. | CVC's Scope 3 business travel emissions are disclosed on p. 19. | |
| 307-1 | Non-compliance with environmental laws and regulations. | The reporting organisation shall report the following information:<br>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:<br>i. total monetary value of significant fines;<br>ii. total number of non-monetary sanctions;<br>iii. cases brought through dispute resolution mechanisms.<br>b. If the organisation has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient. | | CVC is not aware of any material fines for non-compliance with environmental laws and regulations. |
| **Specific GRI disclosures – Social** | | | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees. | The reporting organisation shall report the following information:<br>a. Benefits which are standard for full-time employees of the organisation but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:<br>i. life insurance;<br>ii. health care;<br>iii. disability and invalidity coverage;<br>iv. parental leave;<br>v. retirement provision;<br>vi. stock ownership;<br>vii. others.<br>b. The definition used for 'significant locations of operation'. | Select employee benefits can be read on p. 18. | |
| 401-3 | Parental leave. | The reporting organisation shall report the following information:<br>a. Total number of employees that were entitled to parental leave, by gender.<br>b. Total number of employees that took parental leave, by gender.<br>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.<br>d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.<br>e. Return to work and retention rates of employees that took parental leave, by gender. | CVC's approach to parental leave can be read on p. 18. | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| Specific GRI disclosures – Social continued | | | | |
| 403-6 | Promotion of worker health. | The reporting organisation shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organisation:<br>a. An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.<br>b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organisation facilitates workers' access to these services and programs. | CVC's promotion of worker health initiatives can be read on p. 18. | |
| 403-9 | Work-related injuries. | The reporting organisation shall report the following information:<br>a. For all employees:<br>i. The number and rate of fatalities as a result of work-related injury;<br>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);<br>iii. The number and rate of recordable work-related injuries;<br>iv. The main types of work-related injury;<br>v. The number of hours worked.<br>b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:<br>i. The number and rate of fatalities as a result of work-related injury;<br>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);<br>iii. The number and rate of recordable work-related injuries;<br>iv. The main types of work-related injury;<br>v. The number of hours worked.<br>c. The work-related hazards that pose a risk of high-consequence injury, including:<br>i. how these hazards have been determined;<br>ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;<br>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.<br>d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.<br>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.<br>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.<br>g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used. | | Not relevant to CVC as a financial services company. |
| 404-1 | Average hours of training per year per employee. | The reporting organisation shall report the following information:<br>a. Average hours of training that the organisation's employees have undertaken during the reporting period, by:<br>i. gender;<br>ii. employee category. | | CVC provides training on a range of areas. Training is made available to all employees. |
| 404-2 | Programs for upgrading employee skills and transition assistance programs. | The reporting organisation shall report the following information:<br>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.<br>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. | CVC's programs for upgrading employee skills are referred to on p. 18. | |

# GRI table continued

| GRI Standard Number | General GRI Disclosures | Description | Location of relevant information | Comment |
|---|---|---|---|---|
| **Specific GRI disclosures – Social continued** | | | | |
| 405-1 | Diversity of governance bodies and employees. | The reporting organisation shall report the following information:<br>a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories:<br>i. Gender;<br>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;<br>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).<br>b. Percentage of employees per employee category in each of the following diversity categories:<br>i. Gender;<br>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;<br>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). | Select information on diversity statistics can be found on p. 17. | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs. | The reporting organisation shall report the following information:<br>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:<br>i. social impact assessments, including gender impact assessments, based on participatory processes;<br>ii. environmental impact assessments and ongoing monitoring;<br>iii. public disclosure of results of environmental and social impact assessments;<br>iv. local community development programs based on local communities' needs;<br>v. stakeholder engagement plans based on stakeholder mapping;<br>vi. broad-based local community consultation committees and processes that include vulnerable groups;<br>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;<br>viii. formal local community grievance processes. | Case studies on CVC's engagement with local communities can be read on p. 39. | |
| 417-3 | Incidents of non-compliance concerning marketing communications. | The reporting organisation shall report the following information:<br>a. Total number of incidents of non-compliance with regulations and/ or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:<br>i. incidents of non-compliance with regulations resulting in a fine or penalty;<br>ii. incidents of non-compliance with regulations resulting in a warning;<br>iii. incidents of non-compliance with voluntary codes.<br>b. If the organisation has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient. | | No incidents to report. |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data. | The reporting organisation shall report the following information:<br>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:<br>i. complaints received from outside parties and substantiated by the organisation;<br>ii. complaints from regulatory bodies.<br>b. Total number of identified leaks, thefts, or losses of customer data.<br>c. If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient. | CVC operates according to strict cyber security protocols. CVC's approach to cyber security can be read on p. 20. | No complaints to report. |
| 419-1 | Non-compliance with laws and regulations in the social and economic area. | The reporting organisation shall report the following information:<br>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:<br>i. total monetary value of significant fines;<br>ii. total number of non-monetary sanctions;<br>iii. cases brought through dispute resolution mechanisms.<br>b. If the organisation has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.<br>c. The context against which significant fines and non-monetary sanctions were incurred. | | No incidents to report. |

# Contacts and Disclaimer

If you would like any further information on CVC's approach to ESG management, please feel free to contact: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While CVC may consider ESG factors when making an investment decision, CVC does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards.

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