



LEA 02	Disclosures	Monetary	Principles
<p>By disclosing the nature and extent of the engagement, the investor should provide sufficient information to enable stakeholders to understand the engagement and its impact on the company's performance and the environment, society and the economy.</p> <p>The investor should disclose the engagement's objectives, the company's response, the investor's actions, and the results of the engagement.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making (e.g. company response, ESG issues)</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input checked="" type="checkbox"/> To engage internal ESG advisors</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage: do internal staff</p> <p><input type="checkbox"/> To support investment decision-making (e.g. company response, ESG issues)</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> We do not engage: do collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making (e.g. company response, ESG issues)</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> To support investment decision-making (e.g. company response, ESG issues)</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> We do not engage: do service providers</p> <p><input type="checkbox"/> To support investment decision-making (e.g. company response, ESG issues)</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage: do service providers</p>		

# RI TRANSPARENCY REPORT

2016

EQT

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Additional information about organisation	✓	Public							✓
OO 11	RI activities for listed equities	🔒	n/a							✓
OO 12	RI activities in other asset classes	✓	Public							✓
OO 13	Modules and sections required to complete	✓	Public							✓

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	RI goals and objectives	✓	Public							✓
SG 05	Main goals/objectives this year	✓	Public							✓
SG 06	RI roles and responsibilities	✓	Public							✓
SG 07	RI in performance management, reward and/or personal development	✓	Public							✓
SG 08	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09	Promoting RI independently	✓	Public				✓			
SG 10	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 11	ESG issues in strategic asset allocation	✓	Public	✓						
SG 12	Long term investment risks and opportunity	✓	Public	✓						
SG 13	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 14	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 15	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 16	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
SG 17	Innovative features of approach to RI	✓	Public							✓
SG 18	Internal and external review and assurance of responses	✓	Public							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Public							✓
PE 02	Typical level of ownership	✓	Public							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Public				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Public	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 11	Encouraging improvements in investees	✓	Public	✓	✓					
PE 12	ESG issues impact in selection process	✓	Public	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	-	n/a		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	✓	Public	✓	✓					
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Public							✓

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Breakdown of investments	✓	Public							✓
INF 02	Breakdown of assets by management	✓	Public							✓
INF 03	Largest infrastructure	✓	Public							✓
INF 04	Description of approach to RI	✓	Public	✓						✓
INF 05	Responsible investment policy for infrastructure	✓	Public	✓						✓
INF 06	Fund placement documents and RI	✓	Public	✓			✓			✓
INF 07	Formal commitments to RI	✓	Public				✓			
INF 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
INF 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
INF 12	ESG issues impact in selection process	✓	Public	✓						
INF 13	ESG issues in selection, appointment and monitoring of third-party operators	🔒	n/a				✓			
INF 14	ESG issues in post-investment activities	✓	Public		✓					
INF 15	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 16	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 17	Type and frequency of reports received from investees	✓	Public		✓	✓				
INF 18	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 19	Proportion of stakeholders that were engaged with on ESG issues	-	n/a		✓					
INF 20	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
INF 21	Examples of ESG issues that affected your infrastructure investments	✓	Public	✓		✓				
INF 22	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
INF 23	Approach to disclosing ESG incidents	✓	Public							✓

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Reported Information

Public version

Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

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

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

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Sweden

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

370

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2015

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

	trillions	billions	millions	thousands	hundreds
Total AUM		18	700	000	000
Currency	EUR				
Assets in USD		20	386	848	850

**OO 04.5** Additional information. [Optional]

Total AUM has been defined as a) total fund commitments for funds still investing in new opportunities and b) for funds with closed commitment period, the sum of (i) remaining investment cost and (ii) remaining commitments to support existing portfolio companies.

**OO 06**

**Mandatory**

**Descriptive**

**General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	<10%	0
Private equity	>50%	0
Property	0	0
Infrastructure	10-50%	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish our asset class mix as per attached image [Optional].

**OO 06.3** Additional information. [Optional]

Note that AUM for listed equities have this year been reported as private equity following further clarification and guidance from the PRI.

EQT funds do not typically make investments in listed equities, but may under certain circumstances, such as during an entry via a public to private transaction or as a step towards an exit via an initial public offering, own listed equities for a limited period of time. EQT's approach to responsible investment, as described in the Responsible Investment Policy for EQT, is applicable to both listed and non-listed investments.

**OO 07** **Mandatory to Report Voluntary to Disclose** **Gateway** **General**

**OO 07.1** Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

<b>Internally managed</b>	SSA	0
	Corporate (financial)	0
	Corporate (non-financial)	100
	Securitised	0
	Total	100%

OO 09	Mandatory to Report Voluntary to Disclose	Peering	General
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 10	Voluntary	Descriptive	General
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**OO 10.1** Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

EQT funds invest in good companies across the world with a mission to help them develop into great and sustainable companies. By providing access to ownership skills and operational expertise, acquired companies can grow and prosper, both under the EQT funds' ownership and with future owners. EQT has four investment strategies - Equity, Mid Market, Infrastructure and Credit - guided by a responsible ownership approach and an industrial growth strategy.

Approximately EUR 29 billion has been raised from over 350 global institutional and professional investors, of which approximately EUR 18 billion has been invested in over 145 companies. Today, EQT funds own around 70 companies in a variety of industries across the world.

EQT applies a transparent corporate governance model with clear roles and responsibilities. EQT's corporate governance model, which has its roots in the Nordic culture, has been an integral part of EQT's strategy since inception and has been continually refined for more than 20 years. Once a new portfolio company is acquired, a board of directors is appointed with a chairman, generally an independent Industrial Advisor from EQT's Industrial Network, supported by other sector/industry specialists from the EQT Industrial Network and the EQT partner responsible for monitoring the portfolio company. The board of directors defines and monitors strategic plans in the portfolio company and ensures that management gets the relevant support and resources to implement these in an efficient, responsible and accountable manner. Portfolio companies are also monitored by around 170 investment advisory professionals from EQT Partners, the Investment Advisor to the general partners and managers of the EQT funds.

### Gateway asset class implementation indicators

OO 12	Mandatory	Gateway	General
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OO 12.1

Select internally managed asset classes where you implemented responsible investment into your investment decisions and/or your active ownership practices (during the reporting year)

- Fixed income – corporate (non-financial)
- Private equity
- Infrastructure
- None of the above

OO 13

Mandatory

Gateway

General

**You will need to make a selection in OO 13.1 only if you have any voluntary modules that you can choose to report on.**

OO 13.1

You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list below.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

- Private Equity
- Infrastructure

Closing module

- Closing module

OO 13.2

Additional information. [Optional]

Please refer to the 'Strategy and Governance' module and indicator SG 14.1 for additional information.

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Strategy and Governance

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## Responsible investment policy

SG 01

Mandatory

Core Assessed

General

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate what norms have you used to develop your RI policy.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

<b>SG 01.4</b>	Provide a brief description of the key elements of your investment policy that covers your responsible investment approach [Optional].
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EQT has adopted a Responsible Investment Policy ("RI Policy") according to which EQT undertakes to a) act at all times as a responsible owner promoting appropriate environmental, labor and human rights and ethical standards ("RI Factors") in portfolio companies; and b) when assessing potential investments, to consider RI Factors as part of due diligence. The RI Policy explicitly gives the boards of directors of EQT funds' portfolio companies the mandate to define, address and monitor relevant RI Factors during the ownership period and sets a requirement that the board of every portfolio company discuss their company's compliance with RI Factors at least once a year. Those EQT funds which do not typically have control or co-control have adapted an appropriate governance model and their influence on RI Factors may be limited.

No

<b>SG 01.5</b>	Additional information [Optional].
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EQT's mission is to support the development of portfolio companies to build long-term sustainable value and generate attractive risk-adjusted returns for investors. As a significant owner, EQT believes it also has a responsibility towards society and an opportunity to influence portfolio companies to act in a responsible and sustainable manner. By considering environmental, social and governance ("ESG") aspects as an integral part of the investment process and ownership model, EQT and portfolio companies can mitigate risks and capture opportunities for long-term value creation and competitiveness. EQT is convinced that the best interests of the investors are aligned with those of the companies that the EQT funds own, their customers, their employees and the communities in which they operate. Therefore, while remaining resolutely commercial, EQT always aims to act in a socially responsible manner.

To reflect this, the RI Policy for EQT was adopted in March 2010 to further articulate and formalize what was already implicitly part of both EQT's investment process and ownership model. The RI Policy considers RI Factors, formulated to be in line with international conventions and standards, more specifically with the UN Global Compact's ten principles in mind. The most recent version of the RI Policy was released in April 2012 following EQT's decision to manage future funds onshore. A review of the RI Policy is conducted on a yearly basis by EQT's RI team in liaison with the EQT Executive Committee. Any changes to the RI Policy require the approval of the general partners and managers of the respective EQT funds.

<b>SG 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide URL and an attachment of the document.
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Policy setting out your overall approach

URL
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<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

Formalised guidelines on environmental factors

URL
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<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

Formalised guidelines on social factors

URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

Formalised guidelines on corporate governance factors

URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

Asset class-specific guidelines

URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

Screening / exclusions policy

URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

We do not publicly disclose our investment policy documents

**SG 02.2** Additional information [Optional].

EQT applies an integrated approach to responsible investment. Hence, the consideration of ESG factors, either explicitly or implicitly, permeates all relevant EQT policies or guidance documents such as EQT's Code of Business Conduct, fund procedures manuals, fund investment advisory agreements, investment recommendation and portfolio company periodic review templates, appraisal systems, etc. These documents are often of a commercially sensitive nature and therefore not publicly disclosed.

**SG 03** **Mandatory** **Core Assessed** **General**

**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**SG 03.2** Describe your policy on managing potential conflicts of interest in the investment process.

EQT is deeply committed to avoiding conflicts of interest and there are clear policies in place to mitigate any potential conflict that may arise during the course of business. Furthermore, each EQT fund has a clearly differentiated investment strategy and its own investor/limited partner advisory committee to whom conflict questions are presented. Finally, EQT has established a committee to carefully consider any potential conflicts that may arise and which EQT is unable to resolve on its own.

No



## Objectives and strategies

SG 04	Mandatory	Gateway/Core Assessed	General
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SG 04.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 04.2	Additional information. [Optional]
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Even though objectives for EQT's sustainability/RI activities primarily are set annually, performance within this area is still reviewed and monitored more frequently during the year in various forums.

SG 05	Voluntary	Descriptive	General
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SG 05.1	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes
- Other, specify (1)

Analysis of RI Factors included in 100% of applicable investment recommendation materials

	Key performance indicator
--	---------------------------

% of applicable investment recommendations

	Progress achieved
--	-------------------

100%

- Other, specify (2)

	other description (2)
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RI Factors raised in 100% of applicable portfolio company boards of directors

Key performance indicator

% of applicable portfolio company boards of directors

Progress achieved

≥85%

Other, specify (3)

other description (3)

100% of applicable portfolio companies to have a CSR/ESG/sustainability-related code or policy (or similar guidelines)

Key performance indicator

% of applicable portfolio companies

Progress achieved

≥95%

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities
------------------

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

<b>SG 05.2</b>	Additional information.
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The responsible investment objectives with key performance indicators ("KPIs") and progress achieved, noted in indicator SG 05.1 above, were set in 2010, at the time of adoption of the RI Policy for EQT. In addition, EQT continuously strives to improve the depth and quality of its RI analysis and ongoing monitoring of RI Factors within the EQT funds' portfolio companies. This is achieved through various activities such as raising RI awareness during EQT conferences and offering RI training for employees, including basic training for all new employees during their introductory days.

Furthermore, during 2014 EQT developed a Sustainability Ownership Engagement Blueprint ("SOEB"), which was introduced and piloted during 2015, and will be further rolled-out during 2016. The document is designed with the boards of portfolio companies as the primary target group, to support this group's needs for inspiration and information on what sustainability is, why it is important and how to engage on sustainability issues.

One key element of the SOEB is the introduction of a set of EQT core KPIs related to ESG, which portfolio companies will be required to report progress on annually, on a report or explain basis. Additionally, portfolio companies are also asked to report on so called portfolio company specific KPIs, which should be reflective of the sector/industry and nature of their businesses. The introduction of these sustainability KPIs are aimed at stimulating increasing levels of sustainability maturity and value creation to the benefit of all stakeholders.

<b>Governance and human resources</b>
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<b>SG 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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<b>SG 06.1</b>	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation
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- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
EQT Executive Committee

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

**Legal and Compliance**

Other description (1)

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

**SG 06.2** For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

An essential part of EQT's value creation model is the governance and management structure that is put in place for each portfolio company. The EQT funds usually make control and co-control equity investments in portfolio companies. This allows EQT to put in place a governance framework and structure that enable alignment of interests of the portfolio company management with the interests of EQT. This framework inherently provides the EQT funds with the ability to exercise ownership and to assist, primarily through a board of directors which is appointed by EQT, portfolio companies as they address ESG factors. The board of directors of each of EQT's portfolio companies is responsible for defining strategy and policies, and EQT expects their role to include the setting of sound environmental, labor and human rights and ethical standards. The RI Policy explicitly gives the board of directors of every portfolio company the mandate to define, address and monitor relevant RI Factors and it is required that the board of directors discusses its company's compliance with RI Factors at least once a year. Each portfolio company's CEO and management team are responsible for executing the strategy and running the daily operations of the company according to the policies established by the board.

The general partners and managers of the EQT funds engage their Investment Advisor, EQT Partners, to support EQT in the evaluation and monitoring of RI Factors in accordance with the RI Governance model as described in the RI Policy for EQT. It is the EQT Partners investment advisory teams' responsibility to make sure that RI Factors are considered and assessed during investment screening and due diligence. The general partner and/or manager of the relevant EQT fund typically engages various experts during the investment process including, when necessary,

but not limited to commercial, legal, technical and sustainability (including environmental) advisors and the investment advisory teams should ensure that any due diligence advisor involved is aware of EQT's RI Policy. The outcome of the RI analysis will be documented in the investment recommendation materials presented, enabling the boards of the general partners and/or managers to take RI Factors into account when making investment decisions.

It is also the investment advisory teams' responsibility to assist the respective general partners and managers of the EQT funds with monitoring and evaluation of RI Factors during the funds' ownership period. As part of these processes, EQT portfolio companies' boards of directors and management are made aware of EQT's RI Policy and hence, can comply with its standards. The EQT SOEB, which was introduced and piloted during 2015, and which will be further rolled-out during 2016, is a valuable tool to further guide this group on what EQT's expectations of portfolio companies are in practice as well as inspire them how to engage on sustainability issues strategically.

To further support the organization in these processes, EQT has a dedicated RI team that works in close liaison with all other parts of the organization, not least the general partners and managers together with the investment advisory teams. The RI team promotes RI awareness internally, follows up on the EQT RI Policy as well as engages with external stakeholders on RI/ESG matters. The activities are led by the Head of Responsible Investment who reports to the CEO/Managing Partner. The RI team further reports to the EQT Executive Committee on a monthly basis or when needed, and semi-annually to the respective general partners and managers of the EQT funds.

<b>SG 06.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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<b>Number</b>
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4

<b>SG 06.4</b>	Additional information. [Optional]
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It should be noted that the number above in indicator SG 06.3 refers to the number of people in the EQT RI team as described in indicator SG 06.2.

Furthermore, and as also described in indicator SG 06.2, EQT applies an integrated approach to responsible investment and it is the EQT Partners investment advisory teams' responsibility to make sure that RI Factors are considered and assessed during investment screening and due diligence. It is also the investment advisory teams' responsibility to assist the respective general partners and managers of the EQT funds with monitoring and evaluation of RI Factors along with the overall development and performance of the portfolio companies during the funds' ownership period.

<b>SG 07</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>SG 07.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan

During 2015, EQT continued to attend the 'SNS Sustainability Roundtable', which is a series of roundtable discussions and seminars hosted by the Centre for Business and Policy Studies ("SNS") in Sweden. The roundtable discussions are reserved for CEO, deputy CEO and members of the board of directors of the participating companies, whereas the seminars are for senior executives in charge of sustainability issues in the participating companies. The purpose of the program is to offer a platform for discussion of corporate sustainability with participation of leading international experts, who present the evolving trends and provide examples of concrete tools for management of different corporate sustainability issues. In addition, the Head of Responsible Investment provides an annual update to the board of directors including market developments and ongoing/planned initiatives. Both these activities are expected to contribute to the development of board members' skills and knowledge in relation to responsible investment/ownership and sustainability matters.

None of the above

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

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

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

##### **EQT Executive Committee**

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

#### **Portfolio managers**

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

#### **Investment analysts**

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

#### **Dedicated responsible investment staff**

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

**Investor relations**

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

**Other role**

**Legal and Compliance**

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

<b>SG 07.3</b>	Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.
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All EQT staff are reviewed in a 360° review system on an annual basis. With this tool, career paths are developed and every employee has a high quality feedback system at hand that helps him or her develop within the organization. Adherence to EQT’s values (being: ambitious, high performing, respectful, industrial, entrepreneurial, informal and transparent) is a key component in this feedback system for all employees and forms an integral part of ensuring a responsible and sustainable approach to investment and ownership.

In addition, on a portfolio company level, the performance of the chairman, the overall board of directors and the respective investment advisory professional is assessed once a year in a comprehensive appraisal process, where RI/sustainability is one of the components evaluated.

**Promoting responsible investment**

<b>SG 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 08.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

Actively responding to the PRI's consultations as well as participating in and supporting various conferences and meetings organized by the PRI, including the PRI in Person Event 2015 where Thomas von Koch, CEO/Managing Partner, participated in the panel discussion 'Using ESG criteria to improve operations and create value: perspectives from private equity investors'. Furthermore, engaged in the Private Equity Implementation Support work stream, more specifically during 2015 the review of the PRI Limited Partners' RI Due Diligence Questionnaire which was released in November 2015. During 2015, EQT, through CEO/Managing Partner Thomas von Koch, also supported a company-investor letter campaign, urging stock exchanges globally to adopt sustainability/ESG guidelines and enhance transparency.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable

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

- Basic
- Moderate
- Advanced



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

Active member of Invest Europe (formerly EVCA) with two representatives on the Invest Europe Responsible Investment Roundtable. Specific activities and engagements within Invest Europe during 2015 include for example review of the Invest Europe Investor Reporting Guidelines, creation of the RI Bibliography and continued review (including, and specifically, RI/ESG elements) of the Invest Europe Handbook of Professional Standards for the Private Equity and Venture Capital Industry as well as involvement in the Invest Europe Academy Integrating Responsible Investment course.

- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action for the 21st Century
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Business for Peace

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

- Basic
- Moderate
- Advanced

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

EQT sponsors the foundation Business for Peace and is actively involved in setting the agenda for its annual conference.

- Other collaborative organisation/initiative, specify

Other

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

- Basic
- Moderate
- Advanced

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

National Private Equity and Venture Capital Associations, e.g. DVCA (Denmark), FVCA (Finland), NVCA (Norway) and SVCA (Sweden).

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09

Mandatory

Core Assessed

PRI 4

SG 09.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 09.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

- No

SG 09.3

Additional information. [Optional]

EQT is a strong promoter of responsible investment/ownership practices and increased transparency in the private equity and financial industry. In line with EQT's integrated approach to RI, not only EQT's dedicated RI team, but also employees from different parts of the organization, promote sustainability/ESG aspects both internally and externally. During 2015, EQT spoke at a number of external events including the PSIK/EVCA Responsible Investment Seminar in Warsaw (February), Sweden's largest business newspaper Dagens Industri's Sustainability conference in Stockholm (April), ecoDa 10th Anniversary in Brussels (April), the Creating Shared Value Roundtable at the Business for Peace Summit in Oslo (May), the unquote Nordic Private Equity Forum in Stockholm (May) and the PRI in Person Event 2015 in London (September), addressing good corporate governance, responsible investment/ownership and transparency.

Moreover, EQT frequently engages in discussions with investors, peers and advisors, sharing views regarding the implementation of responsible investment principles and practices as well as helps organize and/or participates in various conferences and seminars related to RI/ESG matters. EQT is also a sponsor of the Research Institute of Industrial Economics ("IFN") and Centre for Business and Policy Studies ("SNS") and their joint research

program, 'From Welfare State to Welfare Society', which studies how the Swedish system for the production of welfare services can be improved.

All of these activities seek to promote awareness and greater effectiveness in implementing responsible investment and ownership practices within the private equity and financial industry and society.

<b>SG 10</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>SG 10.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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- Yes
  - Yes, individually
  - Yes, in collaboration with others

<b>SG 10.2</b>	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy developed by others
- Drafted your own written submissions to governments, regulators or public policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

<b>SG 10.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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- Yes, publicly available
- No
- No

### Implementation not in other modules

<b>SG 11</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 11.1</b>	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- Yes
- No

<b>SG 11.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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- Yes
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Sector weightings
  - Other, specify
- No

<b>SG 11.3</b>	Additional information.
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EQT funds invest in companies, sectors and regions where there is an opportunity to make a genuine difference through a consistent application of an industrial approach, access to specialist expertise and a strategy geared towards growth and development. The ownership mission is to invest to allow companies to develop into strong and sustainable businesses under EQT funds' ownership, bringing great companies to future owners. This investment approach requires strong acceptance by all stakeholders. Since inception, EQT has had a "local with locals" mindset and always pursued strong local networks to be able to thoroughly analyze companies, their value chains and the markets in which they operate. When evaluating new business opportunities, EQT considers various factors, including ESG issues, to avoid markets or sectors with for example expected commodity or political risks.

<b>SG 12</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 12.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you consider.
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- Changing demographics
- Climate change

<b>SG 12.2</b>	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 12.3** | Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
  - Scenario testing
  - Disclosure on emissions risk to clients/trustees/management/beneficiaries
  - Target setting for emissions risk reduction
  - Encourage internal and/or external portfolio managers to monitor emissions risk
  - Emissions risk monitoring and reporting are formalised into contracts when appointing managers
  - Other, specify
  - None of the above
- Resource scarcity
  - Technology developments
  - Other, specify(1)
  - Other, specify(2)
  - None of the above

<b>SG 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 13.1** | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

**SG 13.4** | Additional information [Optional].

There is currently no EQT fund with an explicit environmental and/or social theme or defined target allocation to these areas. Nevertheless, within the various EQT funds there are many examples of specific investments that fall within the thematic areas listed in indicator SG 13.3 (not visible above as the response to indicator SG 13.1 is 'No') such as clean technology, education and global health.

<b>SG 14</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>General</b>
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**SG 14.1** | Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Corporate (non-financial)	The EQT Credit funds do not typically have control or co-control and are thus usually neither able to appoint the board of directors nor able to influence the board of directors during ordinary course of business. The EQT Credit funds' ability to have influence on RI Factors is thus typically limited. Nonetheless, EQT considers and identifies performance on relevant RI Factors as part of the investment analysis for debt investments and also aims at adapting an appropriate governance model to manage and monitor RI Factors throughout the investment period.

## Innovation

SG 17	Voluntary	Descriptive	General
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**SG 17.1** Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 17.2** Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Having a long-term, responsible and sustainable approach to ownership is EQT's way of creating value, for investors, in portfolio companies and society at large. Hence, it is important to EQT that knowledge and understanding of the sustainability and responsible investment agenda is not only firmly integrated within the own organizations, but also within portfolio companies, starting with the boards of directors. As such, and as described in the response to indicator SG 05.2, during 2014 EQT developed the SOEB. The document, which was introduced and piloted during 2015 and which will be further rolled-out during 2016, is designed with the boards of portfolio companies as the primary target group, to support this group's needs for inspiration and information on what sustainability is, why it is important and how to engage on sustainability issues. It also sets out what EQT's expectations of portfolio companies are in practice, including for example adherence to the ten principles of the United Nations Global Compact.

Furthermore, in order to validate and show further examples of how EQT and private equity ownership creates value, beyond financial fund returns, in the long-term, a study was conducted in 2015 covering the Swedish portfolio companies that the EQT funds have owned and sold since EQT's inception in 1994. The study investigates how those portfolio companies, 22 in total, performed during a five year period after divestment. The study showed that the previous portfolio companies continued to improve post exit, adding value to society in the form of jobs and prosperity. On average, portfolio companies' sales had increased by 9%, EBITDA by 6% and the number of staff by 8%, annually. The results validate an important part of what EQT's business model is about - "future-proofing" companies to be strong and sustainable for the long-term. Please visit EQT's website for further information (<https://www.eqt.se/Newsroom/EQT-Updates/2015/New-Study-EQT-companies-keep-growing-after-exit/>).

No

## Assurance of responses

SG 18	Voluntary	Additional Assessed	General
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**SG 18.1** Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

Yes

**SG 18.2** Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name
- Other, specify

**SG 18.3**

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The preparation of EQT's response to the PRI Reporting Framework 2015/16 has involved various parties within EQT. The work has been led by the RI team with input from the general partners/managers of the EQT funds, members of EQT's Executive Committee, for example the CEO/Managing Partner and investment strategy heads, and other corporate functions such as communications, investor relations and legal.

The complete final report submitted by EQT has also been subject to validation by EQT's Chief Compliance Officer. The validation process included verification of statements through the request of back-up information to ensure accuracy and completeness.

Review and sign-off has been obtained from the CEO/Managing Partner and the general partners/managers of the EQT funds. The boards of directors of EQT have been informed.

No

EQT

Reported Information

Public version

Direct – Private Equity

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Overview

PE 01	Mandatory to Report Voluntary to Disclose	Descriptive	General
PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.		

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)	
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Other investment strategy, specify		<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify		<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
<b>Total</b>	<b>100%</b>	

PE 02	Mandatory to Report Voluntary to Disclose	Descriptive	General
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**PE 02.1**

Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

**PE 03****Voluntary****Descriptive****PRI 1-6****PE 03.1**

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

EQT strives to be the most successful investment organization in the markets in which the EQT funds invest by supporting entrepreneurship, an industrial approach and financial discipline. As a growth-oriented investor, EQT's goal is to support the development of good companies into great and sustainable companies through professional ownership, industrial acceleration, implementation of growth initiatives, strategic repositioning, participation in industry consolidation and trust-building stakeholder management.

Genuine management of environmental, social and governance ("ESG") factors is fundamental to business success and strong investment performance. The integration and analysis of ESG factors in the investment process and during the ownership period is equally as important as managing any other material financial or non-financial aspects of a business. By considering ESG management as an integral part of its business model, and by aspiring to apply best practice, EQT, as well as the EQT funds' portfolio companies, can mitigate risks and capture opportunities for long-term value creation and competitiveness.

**PE 04****Mandatory****Core Assessed****PRI 2****PE 04.1**

Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

**PE 04.2**

Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

EQT aims to promote sound ethical and sustainable practices in the portfolio companies that the EQT funds own or in which such EQT funds have an interest, including: (i) promoting awareness and compliance with relevant laws and regulations; (ii) avoiding corruption and unethical business practices; and (iii) seeking positive involvement with stakeholders and community. In 2010, to formalize what was already implicitly part of both EQT's investment process and ownership model, EQT adopted a Responsible Investment Policy ("RI Policy") according to which EQT undertakes to a) act at all times as a responsible owner promoting appropriate environmental, labor and human rights and ethical standards ("RI Factors") in portfolio companies; and b) when assessing potential investments, to consider RI Factors as part of due diligence. The RI Policy explicitly gives the boards of directors of EQT's portfolio companies the mandate to define, address and monitor relevant RI Factors during the EQT funds' ownership period and sets a requirement that the board of every portfolio company discuss their company's compliance with RI Factors at least once a year.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

<b>PE 04.3</b>	Additional information. [Optional]
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The general partners and managers of the EQT funds engage their Investment Advisor, EQT Partners, to support EQT in the monitoring and evaluation of RI Factors in accordance with the RI Governance model as described in the RI Policy.

In those investments where the EQT funds do not have control or co-control, an appropriate governance model is adapted and influence on RI Factors may be limited.

## Fundraising of private equity funds

<b>PE 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
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<b>PE 05.1</b>	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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Yes

<b>PE 05.2</b>	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
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- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

<b>PE 05.3</b>	Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]
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Responsible investment and ESG matters are integrated in various materials which EQT makes available for prospective investors when it is attempting to raise capital through a fund offering. For example, a section dedicated to responsible investment is typically included in a due diligence questionnaire that forms part of the data room available to all prospective investors. This section usually covers answers to frequently asked questions on the topic, such as a high-level summary of EQT's RI Policy, where the RI Policy can be found on EQT's website, if EQT is a signatory to the PRI, how ESG factors are assessed and managed pre-investment and throughout the ownership period as well as how information regarding ESG matters is disclosed to investors. Furthermore, RI case studies describing how selected portfolio companies have developed under the EQT funds' ownership in terms of sustainability, are typically also made available in the respective data rooms alongside the RI Policy for EQT and EQT's RI Transparency Reports.

- No
- Not applicable as our organisation does not fundraise

<b>PE 06</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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<b>PE 06.1</b>	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment when requested by clients.
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- We always make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so.

## Pre-investment (selection)

<b>PE 07</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>PE 07.1</b>	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
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- Yes

<b>PE 07.2</b>	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.
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A comprehensive investment analysis is conducted when considering the attractiveness and value creation potential of any investment opportunity. As part of that analysis, performance on relevant RI Factors is identified and considered. The approach is not simply to assess the potential to mitigate risk, but also to find opportunities to support value creation by enhanced management, such as reducing waste, controlling energy usage or sustainable product development.

The outcome of the RI analysis will be documented in the investment recommendation materials presented to the general partners and managers of the various EQT funds, which then considers the analysis in its overall review of the investment opportunity.

- No

<b>PE 08</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>PE 08.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.
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- Internal staff

	Specify role
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Firm management

Specify role

RI team

Specify role

Investor relations

- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles

For example commercial and financial advisors

- No use of internal or external advice on ESG issues

**PE 08.2** Additional information.

EQT seeks to evaluate all material risks and opportunities associated with a potential investment opportunity. To support EQT in these processes, EQT relies on a combination of the experience of members of the boards of the general partners and managers of the EQT funds, investment advisory professional experience, input from EQT's independent Industrial Advisors and transaction advisors, including, when necessary, but not limited to commercial, legal, technical and sustainability (including environmental) advisors.

<b>PE 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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**PE 09.1** Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

**ESG issues**

- Environmental

List up to three typical examples of environmental issues

Environmental liabilities/exposure

Regulation

Resource efficiency

- Social

List up to three typical examples of social issues

Human and labor rights

Health and safety

Relationship with labor/trade unions

- Governance

List up to three typical examples of governance issues

Corporate culture  
 Policy and standards  
 Anti-corruption and bribery

<b>PE 10</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,3</b>
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<b>PE 10.1</b>	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
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- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

<b>PE 10.2</b>	Additional information.
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EQT follows a thorough due diligence process in order to identify opportunities and any potential risks that could be deemed material to the success of an investment. As part of that analysis, EQT considers and identifies performance on relevant RI Factors. EQT supports universally recognized human and labor rights and is considerate of ethical and environmental issues within the businesses. For example, portfolio companies are expected to adhere to the ten principles of the United Nations Global Compact. However, the more detailed, specific RI Factors considered will often vary between potential investments based on the target company's operations, sector and market(s). The types of ESG information listed in indicator PE 10.1 above should therefore not be seen as a checklist applicable to every potential investment, but rather as examples of types of information used by EQT from time to time.

<b>PE 11</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>PE 11.1</b>	During deal structuring, indicate if your organisation typically encourages continuous improvements from potential investees with regard to their management of ESG issues.
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- Yes
  - In writing
  - Verbally/through dialogue
  - Other, specify

PE 11.2

Describe the nature of these improvements and their ESG coverage.

The board of directors of each of EQT's portfolio companies is responsible for defining strategy and policies, and EQT expects their role to include the setting of sound environmental, labor and human rights and ethical standards. The RI Policy explicitly gives the board of directors of every portfolio company the mandate to define, address and monitor relevant RI Factors and it is required that the board of directors discusses its company's compliance with RI Factors at least once a year. Each portfolio company's CEO and management team are responsible for executing the strategy and running the daily operations of the company according to the policies established by the board. Management are supported in promoting a culture of compliance with the EQT RI Policy through access to best practice information and tools. Please refer to the 'Strategy and Governance' module and indicator SG 06.2 for more information.

No

PE 12	Voluntary	Additional Assessed	PRI 1
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PE 12.1

Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

PE 12.2

Indicate how ESG issues impacted your private equity investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

PE 12.3

Additional information.

ESG issues typically impact the terms in the shareholder/purchase agreements and as such impact the price offered and/or paid.

### Post-investment (monitoring and active ownership)

PE 13	Mandatory	Gateway/Core Assessed	PRI 2
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PE 13.1

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

Yes



**PE 13.2**

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

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

(in terms of total number of portfolio companies)

**PE 13.3**

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

**ESG issues**

- Environmental

List up to three example targets of environmental issues

Greenhouse gas emissions

- Social

List up to three example targets of social issues

Employee satisfaction

- Governance

List up to three example targets of governance issues

RI Factors raised in 100% of applicable portfolio company boards of directors

Annual appraisal of chairman, the overall board of directors and the responsible investment advisory professional

Periodic review of portfolio company policies and standards (including anti-bribery and corruption)

- We do not set and/or monitor against targets

- No

**PE 13.4**

Additional information. [Optional]

A key element of the EQT Sustainability Ownership Engagement Blueprint ("SOEB"), which is currently being rolled-out, is the introduction of a set of EQT core key performance indicators ("KPIs") related to ESG. Portfolio companies should report progress on these KPIs annually, on a report or explain basis. Additionally, the boards of directors and management of EQT funds' portfolio companies are expected to define, address and monitor other relevant RI Factors under EQT's value creation/corporate governance model and hence, report on additional portfolio company specific KPIs. Examples of such KPIs include energy consumption, health and safety, staff turnover and service quality. Please refer to the 'Strategy and Governance' module, indicator SG 05.2, and indicator PE 18.2 below for more information.

Furthermore, continuous performance evaluation is a crucial part of EQT's corporate governance model. The performance of the chairman, the overall board of directors and the responsible investment advisory professional is assessed once a year in a comprehensive appraisal process. This process ensures that relevant competencies are represented on the board and that the governance works in accordance with EQT's objectives and principles. The results of this evaluation can lead to changes in the board composition of EQT funds' portfolio companies.

PE 14	Mandatory	Core Assessed	PRI 2
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PE 14.1	Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).
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Yes

PE 14.2	Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).
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- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 14.3	Additional information. [Optional]
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EQT conducts a follow-up on its RI Policy once a year. Integrated with this follow-up is a collection of relevant ESG/sustainability policies for each portfolio company. As relevant ESG/sustainability policies or guidelines can vary in their nature dependent on the respective portfolio company's operations, sector and market(s), a rather broad definition is applied in this assessment.

For new investments, if a formal code of conduct, ESG/sustainability policy or similar guidelines is not in place at acquisition, it is expected and encouraged that such policies or guidelines are developed, typically during the first year of ownership.

PE 16	Voluntary	Descriptive	PRI 2,3
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PE 16.1	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
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#### Type of reporting

Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

#### Typical reporting frequency

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 16.2</b>	Additional information.
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EQT applies an integrated approach to responsible investment and as such is in favor of integrating material ESG information into the regular reporting cycle. Hence, information on ESG matters, either explicitly or implicitly, is gathered through regular monitoring or reporting activities. Certain information is collected on a yearly, quarterly or monthly basis while other information is gathered on a more ad-hoc basis. In 2015, the collection of certain ESG related portfolio company information was enhanced through migration to EQT's digital data collection platform covering both financial and non-financial data.

<b>PE 17</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PE 17.1</b>	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.
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- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

**Outputs and outcomes**

<b>PE 18</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>PE 18.1</b>	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
<b>Funds' ESG performance</b>	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

<b>PE 18.2</b>	Describe how you are able to determine these outcomes.
----------------	--

KPIs in general are an integral part of any company's management systems as used to measure strategy achievements, to describe and quantify targets and results as well as a tool for compensation of managers and employees. Sustainability, in the same way as other business metrics, should be measured and managed in order to create value and reduce risks.

Therefore, one key element of the EQT SOEB is the introduction of a set of EQT core KPIs relating to ESG, which portfolio companies should report progress on annually, on a report or explain basis. The set of EQT core KPIs covers E, S and G aspects and were selected based on specific criteria including, but not limited to, relevance, measurability and the possibility to aggregate.

The collection of EQT core KPIs aims to give a holistic overview of portfolio companies and the funds' sustainability achievements. Furthermore, portfolio companies are also asked to report on portfolio company specific KPIs, relating to ESG, which should be reflective of the sector/industry and nature of their businesses.

Since several factors affect ESG performance, it is difficult to substantiate how EQT's approach to ESG issues have impacted the funds' overall ESG performance. However, EQT firmly believes that there is a positive impact from increased focus on ESG.

<b>PE 19</b>	Voluntary	Descriptive	PRI 1,2
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<b>PE 19.1</b>	Provide examples of ESG issues that affected your private equity investments during the reporting year.
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Add Example 1

ESG issues	Sustainable materials and labor management
Sector(s)	Industrials
Impact (or potential impact) on the investment	The specific industry in which the potential portfolio company was active in, was identified as being characterized and stigmatized by ESG issues relating to labor management and increasing environmental requirements. Therefore, an ESG due diligence was key in providing comfort in the company's practices and processes for handling these issues prior to an investment. The ESG review also identified several value creation opportunities to meet the increasing sustainability demands from customers and other stakeholders.
Activities undertaken to influence the investment and its response	Decision to invest and support continued growth of the company's product and service offering, including a greener product portfolio, making it available to a broader customer base and improving industry standards.

Add Example 2

ESG issues	Supply chain risks
Sector(s)	Consumer Goods and Retail
Impact (or potential impact) on investment	ESG related risks with respect to a portfolio company operating in the consumer goods sector were identified in a materiality assessment as having significant impact on the operations. The associated ESG risks in the supply chain include for example violation of international/universal labor and human rights including children's rights, resource scarcity and product health and safety. If not managed appropriately, these risks could lead to for example a damaged reputation/brand, increased regulation and product recalls with lost revenues and negative impact on company value as a result.
Activities undertaken to influence the investment and its response	Firm support of a responsible and sustainable approach to supply chain management, including sustainable materials, chemical management and social compliance audits. More specifically, the portfolio company has critically reviewed existing social compliance processes, formed a division for social compliance, developed a new Compliance Manual, rolled-out their Code of Conduct to suppliers, sourcing partners and employees and developed a Chemical Management Policy. In order to further advance ESG within the company, corporate responsibility aspects are regularly included in management board meetings.

Add Example 3

ESG issues	Reporting and transparency
Sector(s)	Consumer Goods and Retail, Industrials, Services
Impact (or potential impact) on investment	Accurate disclosure and transparency, including ESG disclosure, during an initial public offering ("IPO") process is of vital importance for potential investors to understand and fully appreciate a company's value proposition including ESG risks and opportunities.
Activities undertaken to influence the investment and its response	Actively engaged in the IPO prospectus drafting and strong promoter of transparency including ESG disclosure.

Add Example 4

Add Example 5

## Communication

PE 20

Mandatory

Core Assessed

PRI 6

PE 20.1

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

Disclose publicly

provide URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

provide URL

<http://www.eqt.se/Portfolio-Companies/Current-Portfolio/>

**PE 20.2**

Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.

- Yes  
 No

**PE 20.3**

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ESG information in relation to our pre-investment activities  
 ESG information in relation to our post-investment monitoring and ownership activities  
 Information on our portfolio companies' ESG performance  
 Other, specify  
EQT Annual Review

**PE 20.4**

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- Quarterly or more frequently  
 Biannually  
 Annually  
 Less frequently than annually  
 Ad-hoc/when requested, specify

**PE 20.5**

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities  
 ESG information in relation to our post-investment monitoring and ownership activities  
 Information on our portfolio companies' ESG performance  
 Other, specify

<b>PE 20.6</b>	Indicate your organisation's typical frequency of disclosing ESG information to your clients (LPs)/beneficiaries.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

<b>PE 20.7</b>	Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]
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EQT aims to promote the acceptance and implementation of responsible investment/ownership principles and practices within the private equity and financial industry. For this purpose, EQT openly publishes its RI Policy as well as its RI Transparency Reports on its website. In EQT's RI Policy and RI Transparency Reports, stakeholders can find information on how EQT has integrated RI in its investment selection activities as well as in its monitoring activities. A dedicated section on EQT's RI activities is typically also included in the EQT Annual Reviews. Other examples of ESG related information, which EQT makes available on its website, is portfolio company data such as employee growth, ownership information and names of the portfolio company board directors and management as well as general news or key events about EQT and EQT funds' portfolio companies.

As part of EQT's transparency approach, EQT also joined Twitter in 2015 to, among other things, provide updates on what EQT is doing in society, such as participating in panel discussions and meeting with politicians and other important stakeholders.

Investors in the EQT funds receive more detailed reporting through quarterly fund reports. Apart from a financial report for the relevant fund, the quarterly fund reports contain narrative and summary information describing the fund's investments, including potential material ESG activities/events.

- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries

<b>PE 21</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 6</b>
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<b>PE 21.1</b>	Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).
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ESG disclosure on a portfolio company level occurs on a case-by-case basis. If information is material and significant to an investment or to EQT, this information will be shared with the investors of that EQT fund. The channels used for this type of reporting depend on the nature and materiality of as well as the urgency the event calls for. For example, EQT encourages investors and other stakeholders to visit EQT's website where articles/updates can be found and subscribed to as well as to follow EQT on Twitter. There have also in the past been cases where a significant/material event has been reported to all investors within a certain EQT fund immediately via email, or where calling programs have been set up executed by the investor relations team supporting the general partners and managers of EQT funds. Otherwise, the EQT funds provide quarterly reports to investors on relevant aspects of investments such as key events, including potential material ESG activities.

EQT

Reported Information

Public version

Direct - Infrastructure

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Overview

INF 01	Mandatory to Report Voluntary to Disclose	Descriptive	General
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**INF 01.1** Indicate the level of ownership you typically hold in your infrastructure investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

INF 02	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General
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**INF 02.1** Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.

Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
<b>Total</b>	<b>100%</b>

INF 03	Voluntary	Descriptive	General
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**INF 03.1** Indicate up to three of your largest infrastructure sectors by AUM.

Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input checked="" type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input checked="" type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input checked="" type="radio"/> Other, specify Route-based infrastructure services

**INF 03.2** | Additional information.

The EQT Infrastructure funds primarily target mid-sized operating infrastructure companies and/or assets. Targeted investments demonstrate a potential to generate long-term, reliable and protected cash flows and should exhibit significant potential for value creation through accelerated growth and operational improvements.

Potential investments include e.g. power generation, electricity and gas networks, airports, rail transportation, ports, storage, waste, sewage and water treatment facilities, telecom towers, social infrastructure and infrastructure-related services.

<b>INF 04</b>	Voluntary	Descriptive	PRI 1-6
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<b>INF 04.1</b>	Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.
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EQT strives to be the most successful investment organization in the markets in which the EQT funds invest by supporting entrepreneurship, an industrial approach and financial discipline. As a growth-oriented investor, EQT's goal is to support the development of good companies into great and sustainable companies through professional ownership, industrial acceleration, implementation of growth initiatives, strategic repositioning, participation in industry consolidation and trust-building stakeholder management.

Genuine management of environmental, social and governance ("ESG") factors is fundamental to business success and strong investment performance. The integration and analysis of ESG factors in the investment process and during the ownership period is equally as important as managing any other material financial or non-financial aspects of a business. By considering ESG management as an integral part of its business model, and by aspiring to apply best practice, EQT, as well as the EQT funds' portfolio companies, can mitigate risks and capture opportunities for long-term value creation and competitiveness.

<b>INF 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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<b>INF 05.1</b>	Indicate if your organisation has a responsible investment policy for infrastructure.
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Yes

<b>INF 05.2</b>	Provide a URL if your policy is publicly available. [Optional]
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<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

No

<b>INF 05.3</b>	Additional information. [Optional]
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EQT aims to promote sound ethical and sustainable practices in the portfolio companies that the EQT funds own or in which such EQT funds have an interest, including: (i) promoting awareness and compliance with relevant laws and regulations; (ii) avoiding corruption and unethical business practices; and (iii) seeking positive involvement with stakeholders and community. In 2010, to formalize what was already implicitly part of both EQT's investment process and ownership model, EQT adopted a Responsible Investment Policy ("RI Policy") according to which EQT undertakes to a) act at all times as a responsible owner promoting appropriate environmental, labor and human rights and ethical standards ("RI Factors") in portfolio companies; and b) when assessing potential investments, to consider RI Factors as part of due diligence. The RI Policy explicitly gives the boards of directors of EQT's portfolio companies the mandate to define, address and monitor relevant RI Factors during the EQT funds' ownership period and sets a requirement that the board of every portfolio company discuss their company's compliance with RI Factors at least once a year.

The general partners and managers of the EQT funds engage their Investment Advisor, EQT Partners, to support EQT in the monitoring and evaluation of RI Factors in accordance with the RI Governance model as described in the RI Policy.

## Fundraising of infrastructure funds

<b>INF 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
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**INF 06.1**

Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

 Yes**INF 06.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

**INF 06.3**

Describe how your organisation refers to responsible investment for infrastructure funds in fund placement documents (PPMs or similar). [Optional]

Responsible investment and ESG matters are integrated in various materials which EQT makes available for prospective investors when it is attempting to raise capital through a fund offering. For example, a section dedicated to responsible investment is typically included in a due diligence questionnaire that forms part of the data room available to all prospective investors. This section usually covers answers to frequently asked questions on the topic, such as a high-level summary of EQT's RI Policy, where the RI Policy can be found on EQT's website, if EQT is a signatory to the PRI, how ESG factors are assessed and managed pre-investment and throughout the ownership period as well as how information regarding ESG matters is disclosed to investors.

- No
- Not applicable as our organisation does not fundraise

**INF 07****Voluntary****Additional Assessed****PRI 4****INF 07.1**

Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in infrastructure when requested by clients.

- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

**Pre-investment (selection)****INF 08****Mandatory****Gateway****PRI 1****INF 08.1**

Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

 Yes

INF 08.2

Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.

A comprehensive investment analysis is conducted when considering the attractiveness and value creation potential of any investment opportunity. As part of that analysis, performance on relevant RI Factors is identified and considered. The approach is not simply to assess the potential to mitigate risk, but also to find opportunities to support value creation by enhanced management, such as reducing waste, controlling energy usage or sustainable product development.

The outcome of the RI analysis will be documented in the investment recommendation materials presented to the general partners and managers of the various EQT funds, which then considers the analysis in its overall review of the investment opportunity.

No

INF 09	Voluntary	Descriptive	PRI 1,4
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INF 09.1	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.
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- Internal staff
  - Specify role
    - Firm management
  - Specify role
    - RI team
  - Specify role
    - Investor relations
- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles
    - For example commercial and financial advisors
- No use of internal or external advice on ESG issues

INF 09.2	Additional information.
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EQT seeks to evaluate all material risks and opportunities associated with a potential investment opportunity. To support EQT in these processes, EQT relies on a combination of the experience of members of the boards of the general partners and managers of the EQT funds, investment advisory professional experience, input from EQT's independent Industrial Advisors and transaction advisors, including, when necessary, but not limited to commercial, legal, technical and sustainability (including environmental) advisors.

INF 10	Mandatory	Core Assessed	PRI 1,3
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INF 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
----------	--

## ESG issues

- Environmental

List up to three typical examples of environmental issues

Environmental liabilities/exposure  
Regulation  
Resource efficiency

- Social

List up to three typical examples of social issues

Human and labor rights  
Health and safety  
Community impact

- Governance

List up to three typical examples of governance issues

Corporate culture  
Policy and standards  
Anti-corruption and bribery

INF 11	Voluntary	Additional Assessed	PRI 1,3
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**INF 11.1** Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.

- Raw data from the target infrastructure asset/company
- Benchmarks/ratings against similar infrastructure asset
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

<b>INF 11.2</b>	Additional information.
-----------------	-------------------------

EQT follows a thorough due diligence process in order to identify opportunities and any potential risks that could be deemed material to the success of an investment. As part of that analysis, EQT considers and identifies performance on relevant RI Factors. EQT supports universally recognized human and labor rights and is considerate of ethical and environmental issues within the businesses. For example, portfolio companies are expected to adhere to the ten principles of the United Nations Global Compact. However, the more detailed, specific RI Factors considered will often vary between potential investments based on the target company's operations, sector and market(s). The types of ESG information listed in indicator INF 11.1 above should therefore not be seen as a checklist applicable to every potential investment, but rather as examples of types of information used by EQT from time to time.

<b>INF 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>INF 12.1</b>	Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- Other, specify
- We do not track this potential impact

<b>INF 12.2</b>	Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.
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- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

<b>INF 12.3</b>	Additional information.
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ESG issues typically impact the terms in the shareholder/purchase agreements and as such impact the price offered and/or paid.

## Post-investment (monitoring and active ownership)

### Overview

<b>INF 14</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>INF 14.1</b>	Indicate if your organisation, and/or operators, consider ESG issues in post-investment activities relating to your infrastructure assets.
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- Yes

**INF 14.2** Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

**INF 14.3** Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

An essential part of EQT's value creation model is the governance and management structure that is put in place for each portfolio company. The EQT funds usually make control and co-control equity investments in portfolio companies. This allows EQT to put in place a governance framework and structure that enable alignment of interests of the portfolio company management with the interests of EQT. This framework inherently provides the EQT funds with the ability to exercise ownership and to assist, primarily through a board of directors which is appointed by EQT, portfolio companies as they address ESG factors.

The board of directors of each of EQT's portfolio companies is responsible for defining strategy and policies, and EQT expects their role to include the setting of sound environmental, labor and human rights and ethical standards. The RI Policy explicitly gives the board of directors of every portfolio company the mandate to define, address and monitor relevant RI Factors and it is required that the board of directors discusses its company's compliance with RI Factors at least once a year. Each portfolio company's CEO and management team are responsible for executing the strategy and running the daily operations of the company according to the policies established by the board. Management are supported in promoting a culture of compliance with the EQT RI Policy through access to best practice information and tools. Please refer to the 'Strategy and Governance' module and indicator SG 06.2 for more information.

No

**Infrastructure monitoring and operations**

<b>INF 15</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**INF 15.1** Indicate the proportion of infrastructure assets where your organisation, and/or operators, included ESG performance in investment monitoring during the reporting year.

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

**INF 15.2** Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

- Environmental

List up to three example targets per issue

Greenhouse gas emissions



Social

List up to three example targets per issue

Employee satisfaction

Governance

List up to three example targets per issue

RI Factors raised in 100% of applicable portfolio company boards of directors

Annual appraisal of chairman, the overall board of directors and the responsible investment advisory professional

Periodic review of portfolio company policies and standards (including anti-bribery and corruption)

We do not set and/or monitor against targets

**INF 15.3** Additional information. [Optional]

A key element of the EQT Sustainability Ownership Engagement Blueprint ("SOEB"), which is currently being rolled-out, is the introduction of a set of EQT core key performance indicators ("KPIs") related to ESG. Portfolio companies should report progress on these KPIs annually, on a report or explain basis. Additionally, the boards of directors and management of EQT funds' portfolio companies are expected to define, address and monitor other relevant RI Factors under EQT's value creation/corporate governance model and hence, report on additional portfolio company specific KPIs. Examples of such KPIs include energy consumption, health and safety, staff turnover and service quality. Please refer to the 'Strategy and Governance' module, indicator SG 05.2, and indicator INF 20.2 below for more information.

Furthermore, continuous performance evaluation is a crucial part of EQT's corporate governance model. The performance of the chairman, the overall board of directors and the responsible investment advisory professional is assessed once a year in a comprehensive appraisal process. This process ensures that relevant competencies are represented on the board and that the governance works in accordance with EQT's objectives and principles. The results of this evaluation can lead to changes in the board composition of EQT funds' portfolio companies.

**INF 16** **Mandatory** **Additional Assessed** **PRI 2**

**INF 16.1** Indicate if you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**INF 16.2** Indicate the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- >90% of infrastructure investees
- 51-90% of infrastructure investees
- 10-50% of infrastructure investees
- <10% of infrastructure investees
- 0% of infrastructure investees

(in terms of number of infrastructure investees)

No

<b>INF 16.4</b>	Additional information. [Optional]
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EQT conducts a follow-up on its RI Policy once a year. Integrated with this follow-up is a collection of relevant ESG/sustainability policies for each portfolio company. As relevant ESG/sustainability policies or guidelines can vary in their nature dependent on the respective portfolio company's operations, sector and market(s), a rather broad definition is applied in this assessment.

For new investments, if a formal code of conduct, ESG/sustainability policy or similar guidelines is not in place at acquisition, it is expected and encouraged that such policies or guidelines are developed, typically during the first year of ownership.

<b>INF 17</b>	Voluntary	Descriptive	PRI 2,3
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<b>INF 17.1</b>	Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.
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**Type of Reporting**

- Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated

	Typical reporting frequency
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues

	Typical reporting frequency
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Other, specify
- No reporting on ESG issues requested and/or provided by infrastructure investees

<b>INF 17.2</b>	Additional information.
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EQT applies an integrated approach to responsible investment and as such is in favor of integrating material ESG information into the regular reporting cycle. Hence, information on ESG matters, either explicitly or implicitly, is gathered through regular monitoring or reporting activities. Certain information is collected on a yearly, quarterly or monthly basis while other information is gathered on a more ad-hoc basis. In 2015, the collection of certain ESG related portfolio company information was enhanced through migration to EQT's digital data collection platform covering both financial and non-financial data.

## Infrastructure maintenance

INF 18	Mandatory	Core Assessed	PRI 2
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INF 18.1	Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.
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- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

INF 18.2	Describe your approach to ESG considerations for infrastructure maintenance projects. [Optional]
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ESG aspects are considered for all infrastructure portfolio companies and is a relevant and integral element to create value and mitigate risks, throughout the investment cycle, given the industries where these are present. Therefore, ESG considerations are made also for maintenance projects/activities, as applicable. Due to the nature of these activities, as these often form part of the portfolio companies' everyday operations, it is however difficult to provide an exact number of active maintenance projects during the reporting year. Please see the response to indicator INF 21.1 for examples of how ESG issues are considered in portfolio companies.

## Outputs and outcomes

INF 20	Voluntary	Additional Assessed	PRI 1,2
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INF 20.1	Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact
Funds' ESG performance	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

**INF 20.2**

Describe how you are able to determine these outcomes.

KPIs in general are an integral part of any company's management systems as used to measure strategy achievements, to describe and quantify targets and results as well as a tool for compensation of managers and employees. Sustainability, in the same way as other business metrics, should be measured and managed in order to create value and reduce risks.

Therefore, one key element of the EQT SOEB is the introduction of a set of EQT core KPIs relating to ESG, which portfolio companies should report progress on annually, on a report or explain basis. The set of EQT core KPIs covers E, S and G aspects and were selected based on specific criteria including, but not limited to, relevance, measurability and the possibility to aggregate.

The collection of EQT core KPIs aims to give a holistic overview of portfolio companies and the funds' sustainability achievements. Furthermore, portfolio companies are also asked to report on portfolio company specific KPIs, relating to ESG, which should be reflective of the sector/industry and nature of their businesses.

Since several factors affect ESG performance, it is difficult to substantiate how EQT's approach to ESG issues have impacted the funds' overall ESG performance. However, EQT firmly believes that there is a positive impact from increased focus on ESG.

**INF 21**

Voluntary

Descriptive

PRI 1,3

**INF 21.1**

Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

 Add Example 1

ESG issue	Environmental regulation and certifications
Types of infrastructure affected	Transport and Offshore
Impact (or potential impact) on investment	In the due diligence for a new potential investment related to the oil and gas market, several ESG issues were identified. The issues mainly related to environmental responsibilities including regulation, certifications, water management and handling of waste and chemicals.
Activities undertaken to influence the investment and the outcomes	Careful consideration of applicable ESG issues were applied in the deal structuring for this investment and also in the post-acquisition process to develop the company's ESG profile and sustainability maturity.

 Add Example 2

ESG issue	Waste management
Types of infrastructure affected	Energy and Environmental
Impact (or potential impact) on investment	In the wake of society facing limited resources and increased emissions, efficient waste management is a key concern for a sustainable future. This challenge is addressed by a previous portfolio company whose core operation is to provide vital services to society by incinerating hazardous waste and which was successfully exited during 2015 due to its attractive profile.
Activities undertaken to influence the investment and the outcomes	Since acquisition, there was a strong focus on operational excellence and commercialization, which transformed the company into an environmentally advanced and solutions focused organization. The strategy was further to support geographic expansion and on innovating treatment methods, both through organic growth and acquisitions, to enable the sustainability services to be offered to a broader set of customers.

Add Example 3

ESG issue	Reporting and transparency
Types of infrastructure affected	Energy and Environmental
Impact (or potential impact) on investment	Accurate disclosure and transparency, including ESG disclosure, during a sales process is of vital importance for potential strategic and/or private equity buyers to understand and fully appreciate a company's value proposition including ESG risks and opportunities.
Activities undertaken to influence the investment and the outcomes	A portfolio company's developments within ESG formed an important part of the sell-side materials and strengthened the interest from potential buyers as well as their comfort in the asset.

Add Example 4

Add Example 5

## Communication

INF 22	Mandatory	Core Assessed	PRI 6
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INF 22.1	Indicate if your organisation proactively discloses ESG information on your infrastructure investments.
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Disclose publicly

please provide URL

<http://www.eqt.se/Responsibility/Responsible-Investment-Policy/>

please provide URL

<http://www.eqt.se/Portfolio-Companies/Current-Portfolio/>

**INF 22.2**

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes  
 No

**INF 22.3**

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ESG information on how you select infrastructure investments  
 ESG information on how you monitor and manage infrastructure investments  
 Information on your infrastructure investments' ESG performance  
 Other; specify  
EQT Annual Review

**INF 22.4**

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- Quarterly or more frequently  
 Biannually  
 Annually  
 Less frequently than annually  
 Ad-hoc/when requested, specify

**INF 22.5**

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ESG information on how you select infrastructure investments  
 ESG information on how you monitor and manage infrastructure investments  
 Information on your infrastructure investments' ESG performance  
 Other; specify

<b>INF 22.6</b>	Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

<b>INF 22.7</b>	Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]
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EQT aims to promote the acceptance and implementation of responsible investment/ownership principles and practices within the private equity and financial industry. For this purpose, EQT openly publishes its RI Policy as well as its RI Transparency Reports on its website. In EQT's RI Policy and RI Transparency Reports, stakeholders can find information on how EQT has integrated RI in its investment selection activities as well as in its monitoring activities. A dedicated section on EQT's RI activities is typically also included in the EQT Annual Reviews. Other examples of ESG related information, which EQT makes available on its website, is portfolio company data such as employee growth, ownership information and names of the portfolio company board directors and management as well as general news or key events about EQT and EQT funds' portfolio companies.

As part of EQT's transparency approach, EQT also joined Twitter in 2015 to, among other things, provide updates on what EQT is doing in society, such as participating in panel discussions and meeting with politicians and other important stakeholders.

Investors in the EQT funds receive more detailed reporting through quarterly fund reports. Apart from a financial report for the relevant fund, the quarterly fund reports contain narrative and summary information describing the fund's investments, including potential material ESG activities/events.

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries

<b>INF 23</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 6</b>
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<b>INF 23.1</b>	Describe your organisation's approach to disclosing ESG incidents in infrastructure investments to your investor clients.
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ESG disclosure on a portfolio company level occurs on a case-by-case basis. If information is material and significant to an investment or to EQT, this information will be shared with the investors of that EQT fund. The channels used for this type of reporting depend on the nature and materiality of as well as the urgency the event calls for. For example, EQT encourages investors and other stakeholders to visit EQT's website where articles/updates can be found and subscribed to as well as to follow EQT on Twitter. There have also in the past been cases where a significant/material event has been reported to all investors within a certain EQT fund immediately via email, or where calling programs have been set up executed by the investor relations team supporting the general partners and managers of EQT funds. Otherwise, the EQT funds provide quarterly reports to investors on relevant aspects of investments such as key events, including potential material ESG activities.