Coller Capital

22 December 2022

SUSTAINABILITY-RELATED DISCLOSURES

Coller International Partners IX

Comprised of:

- Coller International Partners IX - C, SLP;
- Coller GP-led and Direct Secondaries - C, SLP; and
- Coller LP Secondaries - C, SLP,

(each a "**Partnership**").

a) Summary

The Partnership promotes environmental and social characteristics within the meaning of Article 8 of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "**SFDR**") but does not have as its objective sustainable investments.

The Partnership has been formed primarily to pursue privately negotiated secondaries and will seek to achieve long-term capital appreciation through investing primarily, either directly or indirectly, in secondary interests in funds.

The Partnership will focus on influencing the approach taken to ESG-related factors by third-party portfolio GPs where it is considered that this can be achieved in a meaningful manner. As an investor in funds managed by portfolio GPs, the Partnership will not be in control of the management of such funds and less so their portfolio companies/assets. It is therefore not possible to provide binding, specific targets applicable to all investments made by the Partnership. Such portfolio companies/assets similarly are subject to management and governance arrangements that are independent of the Partnership. However, Coller Capital considers that given its expertise in ESG related matters and long track record as a secondary investor that works closely with portfolio GPs, it will be possible to exert influence in promoting environmental and/or social characteristics.

There is no guarantee that this objective will be achieved in all circumstances. Nonetheless, Coller Capital considers that the Partnership is well placed to achieve its objective on a consistent basis in respect of each investment made by the Partnership (i) by applying a principled approach to pre-investment screening and throughout the investment decision making process, (ii) where relevant and practical, by negotiating appropriate contractual arrangements to influence or contribute to the manner in which portfolio GPs operate and/or underlying assets are managed and (iii) through on-going monitoring of investments and active engagement with all relevant counterparties and stakeholders.

The Partnership takes the following approach to promote environmental and/or social characteristics:

1. A commitment to avoid making investments in sectors, industries and/or activities (or in investments that generate significant revenue from such sectors, industries and/or activities) (i) that Coller Capital believes would have an unacceptable negative environmental and/or social impact or (ii) that are contained in a sector avoidance list.
2. Solely in relation to an investment made by the Partnership where it is considered that the terms and/or nature of the investment provide scope to implement the commitments made below in a meaningful way:
   (a) A commitment to implement the recommendations and good practices outlined for secondary investing in the Science Based Targets Initiative; and
   (b) A commitment to engage with portfolio GPs in respect of their ESG policy development and enhancement.
3. In relation to all investments made by the Partnership:

(a) A commitment to maintain a proprietary ESG Policy and to apply it on a continuous basis, in order to evaluate each prospective investment made by the Partnership in light of the potential environmental and/or social impact; and

(b) A commitment to seek to collect enhanced ESG data from the portfolio GPs responsible for the top 50 largest asset level exposures on an annual basis.

4. A commitment to monitor and review the commitments listed above to the extent applicable to a particular investment, and to report on the outcome and impact of these commitments in an annual ESG report.

The following sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by the Partnership:

- The number of prospective investments that the Partnership has declined to make pursuant the application of negative screening.
- The number of portfolio GPs subject to Coller Capital's ESG engagement activities.
- Evaluating all prospective investments for the Partnership in light of their potential environmental or social impact against the ESG Policy.
- In respect of all prospective secondary investments in underlying funds that have no categorisation under SFDR, monitoring whether such funds' investment strategies and track records indicate that they could, in principle, be categorised as Article 8 or Article 9 financial products for the purposes of SFDR, and thereafter monitoring the manner in which such funds adhere to ESG principles on an-going basis.
- In respect of all prospective secondary investments in funds for which a categorisation under SFDR is disclosed to investors, monitoring whether such funds comply with their SFDR related commitments under Article 8 or Article 9 (as applicable).

Coller Capital will also pose bespoke ESG due diligence questions in respect of both portfolio GPs and underlying portfolio companies and other assets.

The methodologies used to measure how the characteristics promoted by the Partnership are met are those we believe best suit our mandate as investors in the private assets secondary market. These are necessarily risk-adjusted and represent an efforts-based approach for certain elements of our compliance with SFDR.

With regards to data sources and processing, we will continue to evaluate applicable tools and methodologies over time. In general, we expect to draw upon in-house data collection, annual GP ESG surveys (including enhanced ESG data requests to portfolio GPs responsible for the largest asset level (portfolio company) exposures), and third-party databases. Additional data sources may be used from time to time for enhanced due diligence or post transaction analysis and data gathering. Data limitations are expected to be associated with our mandate as an investor in the global private secondary market meaning, amongst other things, we are removed from the level of the portfolio company assets and do not have direct contact with portfolio company management. Access to data in the private markets remains a challenge, particularly for secondary investors, and so is undertaken on a best efforts and risk-adjusted basis.

It is expected that the majority of the Partnership's investments will be aligned with environmental and/or social characteristics, however no assurance is given that the Partnership will make sustainable investments within the meaning of SFDR. The Partnership has not designated a reference benchmark or committed to make sustainable investments within the meaning of SFDR, for these purposes.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investments.

c) Environmental or social characteristics of the financial product

The Partnership is permitted to invest in a wide range of different assets and investment structures. It is expected that in the majority of cases, such investments will be primarily managed by third-party "portfolio GPs". Across that spectrum of investments, the ability to obtain insights into, and to influence, the approach taken by third-party portfolio GPs towards managing their funds and the assets held by such funds with regard to achieving positive environmental and/or social outcomes will inevitably vary to a significant extent. The answers provided in this document should, therefore, be understood in that context.

Throughout the life of the Partnership, the objective will be to focus on influencing the approach taken to ESG-related factors by third-party portfolio GPs where it is considered that this can be achieved in a meaningful manner. As an investor in funds managed by portfolio GPs, the Partnership will not be in control of the management of such funds, and much less so of their portfolio companies or other assets. It is therefore not possible to provide binding, specific targets applicable to all investments made by the Partnership relating to, for example, reduced carbon emissions or greater board diversity. However, Coller Capital considers that given its expertise in ESG related matters and long track record as a secondary investor that works closely with portfolio GPs, it will be possible to exert influence in promoting environmental and/or social characteristics. This will be achieved either through contractual arrangements with portfolio GPs that the Partnership benefits from as an investor, or, more generally, through on-going active engagement with portfolio GPs. This should, indirectly, impact the manner in which underlying assets are themselves operated by portfolio GPs from an ESG perspective.

Notwithstanding the application of the "Negative Screen" (as more fully described below), the Partnership is likely to gain indirect exposures through its investments in various third-party funds to a wide range of companies or assets, operating in a variety of commercial sectors. Coller Capital will deploy a flexible approach regarding the specific outcomes it seeks to achieve through its engagement with portfolio GPs. This will include engagement with portfolio GPs to determine the issues of particular relevance to them and those which can most likely be successfully pursued as part of their investment strategy. Coller Capital believes that each portfolio GP will be best positioned to make such determinations in respect of the assets it manages, and the intention is to establish a collaborative and supportive approach to assist and encourage each portfolio GP to achieve its specific ESG-related outcomes.

The environmental and/or social characteristics being promoted by the Partnership will be monitored on an on-going basis throughout the life of the Partnership, taking into account prevailing market circumstances, the specifics of the assets managed by each portfolio GP, together with other factors considered to be relevant. As the Partnership continues to make investments, this will provide greater visibility as to the respective ESG-related approaches taken by portfolio GPs and the ESG-related impact of the assets managed by them. By deploying in-house expertise, based on wide-ranging data analysis, Coller Capital believes the Partnership's investments will generally remain aligned to the Partnership's core ESG strategy.

There is no guarantee that this objective will be achieved in all circumstances. Nonetheless, Coller Capital considers that the Partnership is well placed to achieve its objective on a consistent basis in respect of each investment made by the Partnership (i) by applying a principled approach to pre-investment screening and throughout the investment decision making process, (ii) where relevant and practical, by negotiating appropriate contractual arrangements to influence or contribute to the manner in which portfolio GPs operate and/or underlying assets are managed and (iii) through on-going monitoring of investments and active engagement with all relevant counterparties and stakeholders.

The approach taken by the Partnership to promote environmental and/or social characteristics is set out below.

1. A commitment to avoid making investments in sectors, industries and/or activities (or in investments that generate significant revenue from such sectors, industries and/or activities) (i) that Coller Capital believes would have an unacceptable negative environmental and/or social impact or (ii) that are contained in a sector avoidance list covering the following (the application of (i) and (ii) together being the "**Negative Screen**"):

    (a) intensive factory farming of meat, fish and dairy;

    (b) thermal coal mining and power generation;

    (c) oil and gas exploration and production in the Polar regions and Canadian oil sands;

    (d) production of alcohol;

    (e) production of tobacco, e-cigarettes and vaping;

    (f) casinos and gambling;

    (g) production of weapons and weapon components;

    (h) pornography; and

    (i) predatory lending.

    Where the Partnership acquires a secondary interest in another fund, such fund may have within its own portfolio of investments one or more such companies and/or assets (as applicable) that would not be a permitted (direct) investment for the Partnership pursuant to the application of the Negative Screen. Accordingly, the Partnership may from time to time obtain indirect exposure(s) to such companies and/or assets through its secondary interest in a fund.

    Nonetheless, there is no intention to proactively seek to obtain such exposures, and it is anticipated this would only arise as a consequence of investing in funds in the secondary market. Coller Capital anticipates that to the extent the Partnership does obtain exposure to one or more companies and/or assets that would otherwise be excluded pursuant to the application of the Negative Screen, this will at all times constitute a small minority of the Partnership's overall portfolio of investments (this being the "**Minority Portfolio Exception**").

2. Solely in relation to an investment made by the Partnership where it is considered that the terms and/or nature of the investment provide scope to implement the commitments made below in a meaningful way:

(a) A commitment to implement the recommendations and good practices outlined for secondary investing in the SBTi (The Science Based Targets Initiative) Private Equity Sector Science Based Target Setting Guidance, 2021 (section 6.5.2.2 of the 'Guidance' specifically).

(b) A commitment to engage with portfolio GPs in respect of their ESG policy development and enhancement. This involves working with portfolio GPs that do not have a formal ESG policy to adopt one and working with portfolio GPs where an assessment is made that existing approaches to ESG require enhancement. Such engagements can be wide-ranging and include policy development, the issue of 'ESG prompts' and other 'ESG welcome pack' materials for new portfolio GPs, as well as ESG workshops and asset-level engagement/visits with portfolio GPs.

3. In relation to all investments made by the Partnership:

(a) a commitment to maintain a proprietary ESG Policy (the "**ESG Policy**") and to apply it on a continuous basis, in order to evaluate each prospective investment made by the Partnership in light of the potential environmental and/or social impact; and

(b) a commitment to seek to collect enhanced ESG data from the portfolio GPs responsible for the top 50 largest asset level exposures on an annual basis. This will principally focus on obtaining data collected by portfolio GPs relating to the principal adverse impacts of the investments made by the relevant underlying funds.

4. A commitment to monitor and review the commitments listed above to the extent applicable to a particular investment, and to report on the outcome and impact of these commitments in an annual ESG report (the "**ESG Report**").

d) Investment strategy

The Partnership has been formed primarily to pursue privately negotiated secondaries and will seek to achieve long-term capital appreciation through investing primarily, either directly or indirectly, in secondary interests in funds. The Partnership may also, subject to certain limitations, make 'strategic' primary investments in new funds, participate in private placements by public or private companies and purchase shares in public companies.

As an investor in fund secondaries, the Partnership has no control over underlying funds or the portfolio companies or other assets held by them. Such funds are independently managed by third-party portfolio GPs, and such portfolio companies and other assets similarly are subject to management and governance arrangements that are independent of the Partnership. Coller Capital believes, however, that ESG factors can give rise to risks and opportunities that may have a material impact on investment performance. Coller Capital therefore questions and challenges, and through its engagement may be able to influence, the approach portfolio GPs are taking to managing their funds and assets held by them to achieve positive environmental and/or social outcomes. This engagement with portfolio GPs facilitates a wider dialogue that Coller Capital believes can help in a GP's evaluation of prospective investments, leading to more informed investment decisions. The expected outcome of such engagement will vary depending on the particular strategy being pursued by a portfolio GP.

In some instances, Coller Capital assesses ESG performance at the level of both the portfolio GP and underlying assets. Coller Capital's intention may be to seek to influence approaches and outcomes. However, given the inherent limitations of being a secondary investor, Coller Capital necessarily relies on a 'soft' approach to driving behaviours – whether of a general or specific nature – at the level of portfolio GPs. Coller Capital's intention is for this to have a positive ESG-related impact on underlying portfolio companies and other assets.

e) Proportion of investments

The Partnership does not commit to making sustainable or EU Taxonomy-aligned investments and as such, no assurance is given that the Partnership will make sustainable investments within the meaning of SFDR or the EU Taxonomy Regulation. Sustainable investments may, however, be made as an indirect consequence of the Partnership pursuing its objective to promote environmental and/or social characteristics as part of its investment strategy.

It is expected that the majority of the Partnership's investments will be aligned with environmental and/or social characteristics.

f) Monitoring of environmental or social characteristics

In order to attain the environmental or social characteristics promoted by the Partnership, the following binding measures will apply. Given the wide scope of investments that the Partnership may make, in certain circumstances one or more of the elements listed below may not be applied and the items listed below therefore should not be understood as all applying in respect of every investment the Partnership makes. This will be assessed on a case-by-case basis.

In respect of the pre-investment process:

1. Assess whether a particular investment is prohibited pursuant to the application of the Negative Screen or may be permitted in accordance with the Minority Portfolio Exception.

2. Screen investments against all relevant limited partner excuse rights.

3. Undertake a risk-adjusted ESG assessment of portfolio GPs (through desk-based research, using outputs from the RepRisk database). This may include consideration of factors such as a portfolio GP's ESG policy, historical and current approach to ESG and any initiatives or ESG-related targets.

4. For all private equity secondary investments, undertake an ESG assessment of the underlying portfolio companies and other assets (through desk-based research, using outputs from the RepRisk database). This assessment may include consideration of factors such as the geographic and industry exposure of the portfolio, historical and current ESG performance of the portfolio (e.g. any material ESG incidents) and any initiatives or ESG-related targets at portfolio level, and will be conducted on an appropriate and proportionate basis. For example, it is noted that for larger 'fund book' investments, Coller Capital may assess a sample of underlying portfolio companies, and that an assessment of the portfolio is typically not possible for 'strategic' primary investments in new funds.

5. Pose bespoke ESG due diligence questions (in respect of both portfolio GPs and underlying portfolio companies and other assets) informed by the ESG assessments described above,

as well as other materials (e.g. SASB sector guides) and the expertise of Coller Capital's ESG function. In this process, each deal team is responsible for liaising with relevant portfolio GPs in order to obtain responses to relevant questions. As with the ESG assessments described above, such due diligence will be conducted on an appropriate and proportionate basis; for example, in the case of larger 'fund book' investments, with multiple portfolio GPs, Coller Capital may not always raise specific questions.

6. Ensure that deal teams liaise with Coller Capital's ESG function on each relevant portfolio GP's responses to due diligence questions. Depending on the responses, the ESG function may pose further bespoke questions or interact directly with the portfolio GP or underlying portfolio companies. This process may continue until Coller Capital's ESG function and the deal team are comfortable with the portfolio GP and the investment.

7. Ensure that express commentary on ESG aspects is included in each deal team memorandum to Coller Capital's Investment Committee.

In respect of the post-investment process:

1. Request notification by portfolio GPs of any material ESG issues or opportunities and/or track the RepRisk database for any news of such issues.

2. For all investments other than 'strategic' primary investments in new funds, identify targeted and specific opportunities to engage with portfolio GPs and/or underlying portfolio companies on ESG matters (e.g. developing or enhancing an ESG policy, providing ESG training, facilitating ESG workshops and performing ESG screening assessments of portfolio companies). Post-investment engagements are typically a particular focus area in direct secondary transactions. Whether this is viable in relation to credit secondaries will be assessed on a case-by-case basis.

3. Provide major portfolio GPs with Coller Capital's annual GP ESG survey in order to monitor such GPs and gathering data for Coller Capital's annual ESG Report.

4. Provide major portfolio GPs with supporting information and commenting on ESG and sustainability issues that are brought to Coller Capital's attention by portfolio GPs, with a view towards supporting their ESG programmes and stewardship of their companies.

The following sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by the Partnership:

- The number of prospective investments that the Partnership has declined to make pursuant the application of the Negative Screen.

- The number of portfolio GPs subject to Coller Capital's ESG engagement activities, which is reported on in the annual ESG Report (for the relevant reporting period), alongside a brief description of such activities and outcomes.

- Evaluating all prospective investments made by the Partnership in light of their potential environmental or social impact against the ESG Policies.

- In respect of all prospective secondary investments in underlying funds that have no categorisation under SFDR, monitoring whether such funds' investment strategies and track records indicate that they could, in principle, be categorised as Article 8 or Article 9 financial products for the purposes of SFDR and thereafter monitoring the manner in which such funds adhere to ESG principles on an-going basis.

- In respect of all prospective secondary investments in funds for which a categorisation under SFDR is disclosed to investors, monitoring whether such funds comply with their SFDR related commitments under Article 8 or Article 9 (as applicable).

g) Methodologies

The methodologies used to measure how the characteristics promoted by the Partnership are met are those we believe best suit our mandate as investors in the private assets secondary market. These are necessarily risk-adjusted and represent a best-efforts approach for certain elements of our compliance with SFDR.

We will continue to evaluate applicable methodologies and our approach as the SFDR matures as a regulatory regime and as new technologies and/or guidance come to market that enables us to enhance our processes (notably as an investor in the private assets secondary market).

We record the steps taken when screening and undertaking due diligence on prospective investments and we will report accordingly in line with our ESG Policy and SFDR commitments at that stage of the investment process.

Key elements at this stage of the process include:

- For all applicable prospective investments reasonable enquiries are made to determine the fund classification under SFDR (where applicable).

- A standard due diligence question is included in the ESG DD templates.

- Reference to fund classification (including under SFDR) is made in the formal ESG Comment (applicable investments).

- The closing deal checklists include a check on fund classification (applicable investments).

- Bespoke ESG training for deal teams will be developed in-house and delivered by the ESG function to support the implementation of our ESG Policy and the SFDR process.

- Much of this information will be retained on a new sustainability software solution.

We record any applicable post investment engagement steps we might take (deal dependent) and we will record accordingly in line with our ESG Policy and SFDR commitments relevant to that stage of the investment process.

Key elements at this stage of the process include:

- The emphasis is on 'directs' in respect of sector avoidance and GP engagement and reporting, owing to the often-greater visibility (over the assets) and more meaningful influence over portfolio GPs for those types of secondary transactions.

- The annual GP ESG survey includes a section on fund classification.

Climate and net zero

- While we cannot predict the number or type of transactions that may be presented for investment by our funds and cannot predict the sector suitability/deal dynamics, we will implement appropriate good practices from the SBTi Guidance for private equity (good practices for secondaries) commensurate with the risks posed by each transaction.

- This will include questions at due diligence relevant to climate and net zero, some form of suitable side letter language where the circumstances of a deal permit and post deal conversations relevant to climate and net zero.

- We will report on progress annually (including within the annual ESG report).

Enhanced ESG data request and Principal Adverse Indicators (PAI)

- We will reach out to the portfolio GPs managing our top 50 largest asset level exposures, on an annual basis to request and report on the SFDR PAIs (mandatory plus 2). While much of this data may not yet exist, we will report on outcomes and track over time and encourage uptake among portfolio GPs (as well as explore proxy estimations via third-party providers).

- The larger asset level exposures we see year on year often vary each year, and some will reside with GP Funds outside the scope of the SFDR. In addition, portfolio GP funds of a certain age and legacy or type sometimes have not received the same level of attention (application of a GP's ESG policy) as new funds, meaning the data is unavailable via the GP.

- Much of this information will be retained on a new sustainability software solution.

The above will provide a record and measure of the characteristics of the Partnership.

Good Governance and Portfolio Companies

- The process we adopt to consider good governance at the asset level reflects the limits of our mandate as an investor in private markets secondaries and is undertaken on an efforts-only basis.

- During our screening and due diligence we make use of an existing third-party database (RepRisk) and a formal component of our approach for many years, using specifically the RepRisk UN Global Compact tab (Principle 10 anti-corruption).

- For entities registered under the RepRisk platform we note whether it is at high risk of violating Principle 10 of the UNGC.

- For 'directs' we also ask the portfolio GP a standard question on asset level good governance. We ask specifically for the GP to describe how it ensures good governance principles are in place at the level of the portfolio assets. We also provide our own thoughts on good governance taken from the ICGN Global Governance Principles 2021.

h) Data sources and processing

As described above the methodologies used to measure how the characteristics promoted by the Partnership are met are those, we believe best suit our mandate as investors in the private secondary market. These are necessarily risk-adjusted and represent an efforts-based approach for certain elements of our compliance with SFDR.

As regards data sources and processing specifically, we will continue to evaluate applicable tools and methodologies as the SFDR matures as a regulatory regime and as new technologies and/or guidance come to market that enable us to enhance our processes (notably as an investor in the private secondary market).

We will draw upon the following, for example:

- As outlined above, we will use our annual enhanced ESG data request process to reach out to the portfolio GP responsible for the largest asset level (portfolio company) exposures to request ESG data. It is envisaged that a proportion of the data will be available through this route, and where not available directly from a portfolio GP, an approximation might be necessary (likely using a third-party service provider).

- We will make use of in-house data collected over several years of analysis and portfolio engagement, as well as our annual GP ESG surveys and third-party databases (notably RepRisk).

- Additional data sources may be used from time to time for enhanced due diligence or post-transaction analysis and data gathering. These may include use of Coller’s fund level carbon accounting tool and fund level carbon risk tool, OSINT-ESG providers for certain large exposures, and other bespoke data providers (as appropriate).

i) Limitations to methodologies and data

As described above, the methodologies used and data sources available to measure how the characteristics promoted by the fund are met are those, we believe best suit our mandate as investors in the private secondary market. These are necessarily risk-adjusted and represent an efforts-based approach for certain elements of our compliance with SFDR. We will continue to evaluate applicable tools and methodologies as SFDR matures as a regulatory regime and as new technologies and/or guidance come to market that enable us to enhance our processes (notably as an investor in the private secondary market).

The limitations that come with our mandate as an investor in the global private secondary market include:

- We are at least one step removed from the level at which portfolio companies or other underlying assets are held.

- We have no management power over, or operational responsibility for, managing the portfolio assets that reside in a portfolio GP’s fund.

- We engage at the level of the portfolio GP responsible for the portfolio company assets.

- We often have limited ability to exert more meaningful influence and our ability to exert influence is dependent on the type of secondary transaction and often various deal by deal.

- We cannot predict what the secondary market will bring to market, so making forward-looking predictions can be challenging.

- As investors in the private secondary market, we typically gain exposure to older funds that may not have received as much attention from an ESG perspective by a portfolio GP than more recent fund vintages

- Access to data in the private markets remains a challenge, particularly for secondary investors, so is undertaken on an efforts-only and risk-adjusted basis

j) Due diligence

As noted above in respect of the pre-investment due diligence process, where applicable, Coller Capital:

1. Pose bespoke ESG due diligence questions (in respect of both portfolio GPs and underlying portfolio companies and other assets) informed by the ESG assessments described above, as well as other materials (e.g. SASB sector guides) and the expertise of Coller Capital's ESG function. In this process, each deal team is responsible for liaising with relevant portfolio GPs in order to obtain responses to relevant questions. As with the ESG assessments described above, such due diligence will be conducted on an appropriate and proportionate basis; for example, in the case of larger 'fund book' investments with multiple portfolio GPs, Coller Capital may not always raise specific questions.

2. Ensure that deal teams liaise with Coller Capital's ESG function on each relevant portfolio GP's responses to due diligence questions. Depending on the responses, the ESG function may pose further bespoke questions or interact directly with the portfolio GP or underlying portfolio companies. This process may continue until Coller Capital's ESG function and the deal team are comfortable with the portfolio GP and the investment.

The process to support compliance with SFDR and deliver the formal commitments made as well as the additional supporting steps taken to demonstrate a best-efforts approach to addressing those aspects that are currently unworkable or unrealistic in the context of private markets secondaries.

Screening and due diligence

- For all applicable prospective investments, reasonable enquiries are made to determine the fund classification under SFDR (where applicable). A standard due diligence question is included in the ESG DD templates.

- Bespoke ESG training for deal teams will be developed in-house and delivered by the ESG function in order to support the implementation of our ESG Policy and process. This will reinforce those steps in our process expected to be taken by deal teams and emphasise the key components of our wider programme.

- Much of this information will be retained on a new sustainability software solution.

k) Engagement policies

Throughout the life of the Partnership, the objective will be to focus on influencing the approach taken to ESG-related factors by third-party portfolio GPs where it is considered that this can be achieved in a meaningful manner. As an investor in funds managed by portfolio GPs, the Partnership will not be in control of the management of such funds, and much less so of their portfolio companies or other assets. It is therefore not possible to provide binding, specific targets applicable to all investments made by the Partnership relating to, for example, reduced carbon emissions or greater board diversity. However, Coller Capital considers that given its expertise in ESG related matters and long track record as a secondary investor that works closely with portfolio GPs, it will be possible to exert influence in promoting environmental and/or social characteristics. This will be achieved either through contractual arrangements with portfolio GPs that the Partnership benefits from as an investor, or, more generally, through on-going active engagement with portfolio GPs. This should, indirectly, impact the manner in which underlying assets are themselves operated by portfolio GPs from an ESG perspective.

Notwithstanding the application of the “Negative Screen”, the Partnership is likely to gain indirect exposures through its investments in various third-party funds to a wide range of companies or assets, operating in a variety of commercial sectors. Coller Capital will deploy a flexible approach regarding the specific outcomes it seeks to achieve through its engagement with portfolio GPs. This will include engagement with portfolio GPs to determine the issues of particular relevance to them and those which can most likely be successfully pursued as part of their investment strategy. Coller Capital believes that each portfolio GP will be best positioned to make such determinations in respect of the assets it manages, and the intention is to establish a collaborative and supportive approach to assist and encourage each portfolio GP to achieve its specific ESG-related outcomes.

Solely in relation to investments made by the Partnership, where it is considered that the terms and/or nature of the investment provide scope to implement such a commitment, Coller Capital makes a commitment to engage with portfolio GPs in respect of their ESG policy development and enhancement. This involves working with portfolio GPs that do not have a formal ESG policy to adopt one and working with portfolio GPs where an assessment is made that existing approaches to ESG require enhancement. Such engagements can be wide-ranging and include policy development, the issue of ‘ESG prompts’ and other ‘ESG welcome pack’ materials for new portfolio GPs, as well as ESG workshops and asset-level engagement/visits with portfolio GPs.

l) Designated reference benchmark

No specific index is designated as a reference benchmark to determine whether the Partnership is aligned with the environmental and/or social characteristics that it promotes.