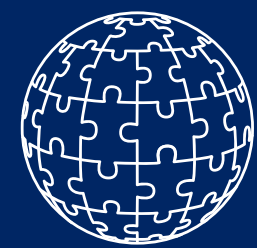


Corporate Sustainability Report 2022



Partners Group





Report purpose

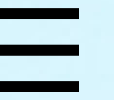
This Corporate Sustainability Report reviews Partners Group’s environmental, social, and governance (ESG) actions and achievements over the 2022 calendar year in the context of our Sustainability Strategy. It is structured around the material ESG topics that result from our business activities as a leading private markets investment firm, at both portfolio and corporate level. It explains our approach to and governance of these topics and reports on our ESG performance against a range of metrics, supported by both qualitative insights and quantitative data. It also provides an overview of our planned activities for 2023.

Alignment to frameworks and standards

In order to further advance reporting transparency, we have aligned our reporting with two leading sustainability frameworks and standards. We invite our readers to refer to the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Index ([pp.68-70](#)). The inclusion of these standards supports the navigation of our Sustainability Report and enables readers to quickly identify relevant content at a glance.

Third-party assurance

KPMG has performed a limited assurance engagement ([pp.71-72](#)) on selected Sustainability Information in our Corporate Sustainability Report for the year ended 31 December 2022. This Corporate Sustainability Report is prepared in reference with the GRI Sustainability Standards and the PRI Investment and Stewardship Policy. KPMG’s assurance is conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000. The limited assurance covers the disclosures that are indicated by the following symbol: .



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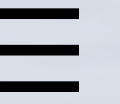


WELCOME



5 min. read

Partners Group at a Glance
Chairman & Chairman of Sustainability's Introduction



Partners Group at a Glance

Key figures for 2022

798

total
institutional
investors

135

USD billion
assets under management

1'872

CHF
million revenues

> 200

million
client beneficiaries

1'856

employees

1'132

CHF
million EBIT

> 250

thousand
employees in our
direct investment
portfolio

20

offices
around the world

1'005

CHF
million profit

26

USD billion
deployed in transformative
investments

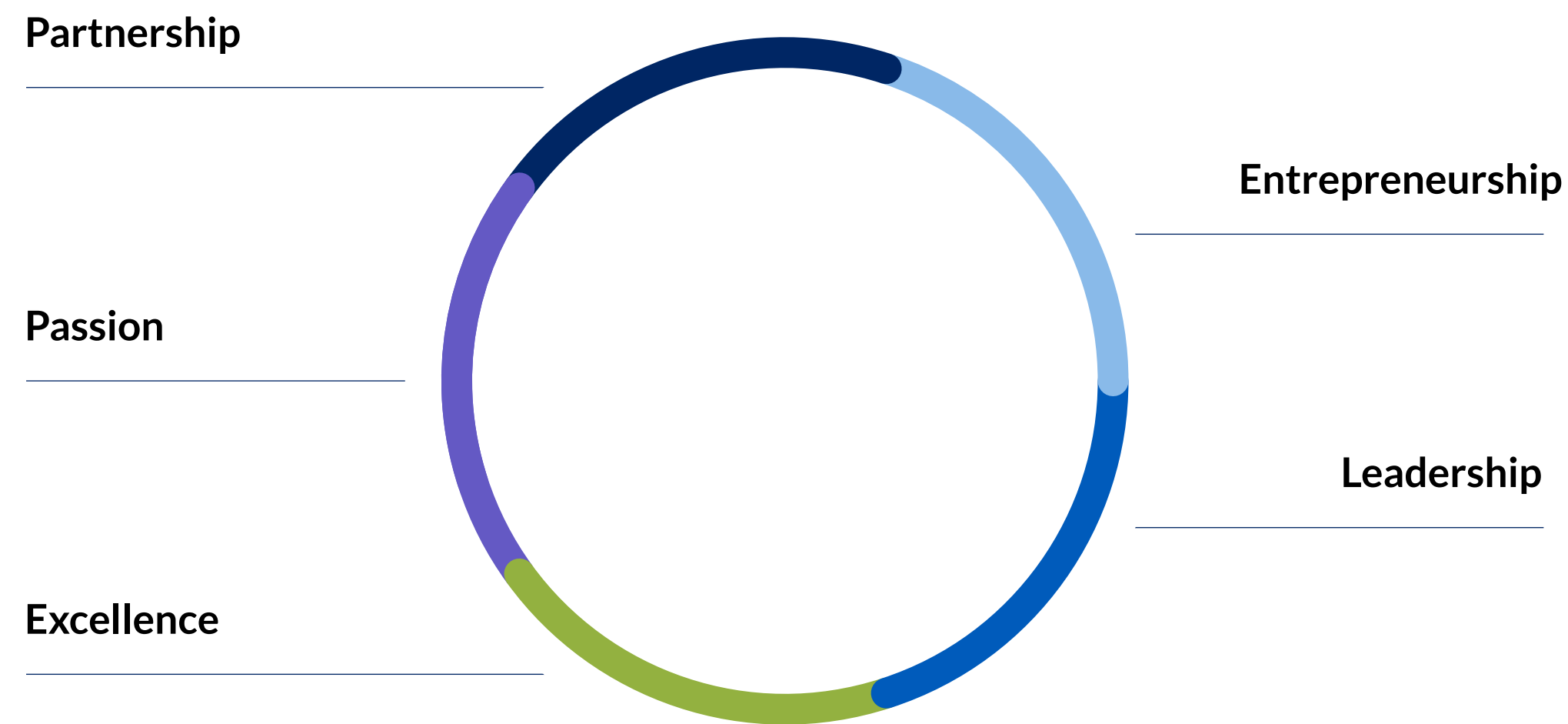
4

asset classes
private debt
private equity
private infrastructure
private real estate



Partners Group is a leading global private markets firm. Since 1996, we have invested over USD 195 billion in private equity, private infrastructure, private real estate, and private debt on behalf of our clients globally. We seek to deliver sustainable performance across economic cycles through three key approaches: transformational investing, bespoke client solutions and stakeholder impact.

Our values



Our three key approaches:

1

Transformational Investing

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

2

Bespoke Client Solutions

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

3

Stakeholder Impact

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



Chairman & Chairman of Sustainability's Introduction



Steffen Meister
Executive Chairman



André Frei
Chairman of Sustainability

In May 2022, following more than 15 years of sustainability leadership, we consolidated our efforts into one overarching Sustainability Strategy that articulates our firm's commitment to creating positive and lasting impact.

The Strategy sets out our key ESG focus areas at both corporate and portfolio level. These include tackling climate change, realizing employees' potential, and achieving ownership excellence and sustainability at scale. Each of these areas has related targets and projects attached to enable us to focus on impact and track progress over time.

The launch of the Strategy coincided with an increasingly challenging macro environment. Beginning with the invasion of Ukraine in February 2022, the world faced a rapidly changing set of circumstances as concerns about inflation, higher interest rates, and energy and supply chain constraints led to significant volatility in financial markets. While these challenges did not take the wind out of our sails, they did focus attention on what matters most in terms of people, prosperity, and planet.

In this introduction to our 2022 Corporate Sustainability Report, we reflect on these areas of focus and share some of the year's ESG achievements at portfolio and corporate level. Relevant to both is the inclusion of Partners Group in the S&P Global Sustainability Yearbook 2023; and in the Dow Jones Sustainability Indices (DJSI) for a second year running. This industry recognition of our sustainability efforts serves as a valuable benchmark of our impact.

Developing and measuring ESG Journeys in our portfolio

At our controlled assets, we strive to find the right balance between guiding 'top down' on ESG, through the targets set out in our Sustainability Strategy, and letting boards and executives decide what is going to be most impactful for their business and stakeholders. After formalizing our Strategy, our aim in 2022 was to align expectations and build on existing initiatives in order to develop meaningful multi-year ESG Journeys for each company.

One example of our collaborative approach is our Stakeholder Benefits Program, which aims

to build better companies by having a more motivated and resilient, and therefore more effective and committed, workforce. While it is a target in our Strategy to initiate a Stakeholder Benefits Program within two years of ownership of controlled assets, boards are invited to design a tailored program specific for their business. This can draw on range of elements, including non-monetary benefits (such as training to upskill employees) and financial participation (e.g. a broad-based equity participation program). The resulting programs have already proven relevant and successful for many portfolio companies (see [p.22](#)), and we look forward to expanding the Stakeholder Benefits Program to further assets in 2023 and beyond.

We continue to allocate significant resources to keep up with the tightening of ESG regulations globally. We strongly believe that transparency and data are key to reaching our ESG targets. In particular, we ramped up our ESG data collection for our portfolio of controlled assets in 2022, which also helps us to meet regulatory requirements and increase transparency to our investors. While ESG reporting is not a proxy



for progress, data is a prerequisite to measure and manage ESG improvements.

For our controlled companies, we work directly with the CFOs of our assets, and we made good progress in terms of ESG data comprehension and quality. For the remainder of our portfolio, we have intensified the collaboration with service providers and General Partners to collect relevant data, as required by regulation such as the SFDR (see [p.34](#) for a deep-dive on ESG data).

Progress on our corporate ESG objectives

Notable environmental and governance milestones in Partners Group’s own ESG Journey in 2022 included publishing our first Task Force on Climate-Related Financial Disclosures (TCFD) report and the development of a 13-year Direct Air Capture (DAC) agreement to contribute to our goal of achieving net zero corporate greenhouse gas emissions by 2030.

The DAC agreement was signed with Climeworks, a leading Swiss designer, developer, and operator of DAC plants, which sells carbon dioxide removal services to businesses and individuals. Climeworks is a Partners Group portfolio asset – we invested in the company on behalf of our clients in April 2022 as part of our thematic focus on the giga theme of Decarbonization & Sustainability. The agreement, which was announced in April 2023, commits Climeworks to remove over 7’000 metric tons of CO₂ from the atmosphere on Partners Group’s behalf and

permanently store it underground. It is our first adoption of a technology-based solution to address GHG emissions and sits alongside our growing portfolio of nature-based solutions, such as reforestation, which also contribute to enhancing biodiversity (see [p.40](#)).

On the social side, our aim is to attract and retain skilled professionals by offering them a great place to work and the opportunity to grow, both professionally and personally. That is one of the many reasons why we support our five employee networks: The Black Network, The Women’s Network, The Pride Network, The Parents’ Network, and The Boots & Rucks Network. Through their work, they help to increase the diversity of hiring and create a sense of inclusion at Partners Group. In 2022, we expanded our platform to more than 1’800 employees; in the same timeframe, our employee networks grew to more than 600 members, an increase of 50% since 2021.

Our focus on people extends to the world outside private markets, reflecting the cares and concerns of our employees. Shortly after the war broke out in Ukraine in February 2022, Partners Group established an internal taskforce to coordinate donations via PG Impact, our employee foundation, with the firm matching all funds received. The proceeds have been used to finance initiatives such as the establishment of a shelter in Lviv for war refugees and the transportation of food and medicines into the country. We closely collaborated with several of our portfolio companies and business

partners in these actions. Our efforts will continue in 2023, alongside other commitments to social and humanitarian impact.

Outlook

As we move further into 2023, the focus of our Sustainability Strategy will continue to shift from alignment to action and achievement. We believe we have laid a solid foundation that will result in the development of meaningful ESG Journeys, at portfolio and corporate level, to meet the expectations of clients, investors, regulators, and all our stakeholders.

We remain committed to reporting on our sustainability performance in a transparent manner and to maintaining an open dialogue with our stakeholders. We hope you find our report relevant and insightful, and welcome your feedback.



Steffen Meister
Executive Chairman



André Frei
Chairman of Sustainability



Our Commitment to Sustainability

Partners Group has a longstanding commitment to sustainability. **Creating lasting positive impact** is one of our core purposes, as described in our [Charter](#). It applies to all our activities as a firm, guiding our investment activities, our corporate activities, and our daily interactions with all our stakeholders.



2006

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



2008

- We are one of the first private markets investors to sign the **UN-backed Principles for Responsible Investment** (UN PRI).
- We begin our participation in the **CDP** (formerly known as the Carbon Disclosure Project) climate change questionnaire.



2014/2015

- Establishment of our annual **ESG KPI survey** for all controlled assets and companies.
- Publication of the **Partners Group Charter**, which defines our purpose, vision, and values.



2016

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



2018

- Launch of the **Partners Group LIFE Strategy**, which follows a dual mission of combining market-rate financial returns with a measurable contribution to the **UN Sustainable Development Goals**.
- We become a constituent of the **FTSE4Good Index Series**.



2019

- We are a founding signatory of the **IFC's** (International Finance Corporation) **Operating Principles for Impact Management**.
- Establishment of our **Diversity & Inclusion Committee**.
- We begin to contribute to nature-based solutions that address our key corporate GHG emissions.
- Launch of our first annual **employee engagement survey**.
- Establishment of our **Summer Internship Program**, aimed at attracting diverse talent.



2020

- Development of our **Climate Change Strategy**, which is aligned with the **Task-Force on Climate-Related Financial Disclosures** (TCFD).
- We commit to the **Paris Agreement** as an organization, and to managing our controlled investment portfolio towards the Paris Agreement objectives.



2021

- We become the first global private markets firm to be included in the **Dow Jones Sustainability Indices** (DJSI).
- We join the **Initiative Climat International** (iCI), a global climate initiative for the private equity industry that is supported by the UN PRI.



2022

- Launch of our **Sustainability Strategy**, consolidating our existing frameworks around ESG to sustainability.
- We publish our first **TCFD report**.
- We are **included in the DJSI for a second year running**, underlining our position as a corporate sustainability leader in private markets.



Our Sustainability Governance

Partners Group drives ESG progress through a clear and dedicated governance structure

Board of Directors



Steffen Meister
Executive Chairman

- The Board of Directors is responsible for the Sustainability Strategy.
- It oversees ESG and sustainability topics at portfolio and corporate level, and sets ESG targets.

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

Executive Team

Portfolio level



Wolf-Henning Scheider
Partner, Co-Head Investments

- The Executive Team is responsible for implementing and driving the Sustainability Strategy.
- It defines and controls sustainability-related roles and goals.
- It mandates the Investment and Group Finance & Corporate Development teams to execute the Sustainability Strategy at portfolio and corporate level.

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

Corporate level



Hans Ploos
Partner, CFO



André Frei
Chairman of Sustainability

Operational level



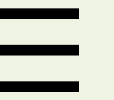
Lindsay Luth
Chief Operating Officer,
Private Equity



Carmela Mondino
Head of ESG &
Sustainability

- The Investment Team works with boards of portfolio companies to develop their ESG strategies, and assists with strategy implementation and reporting needs.
- The ESG & Sustainability Team develops operational governance and control frameworks, advises investment teams and portfolio companies on ESG initiatives, and drives progress.
- The Group Finance & Corporate Development Team executes the Sustainability Strategy targets at corporate level, and drives sustainability initiatives throughout the firm.

“We realize sustainability at scale”



At Partners Group, oversight of ESG & Sustainability lies with the most senior levels of our organization. The Board of Directors is responsible for the overall strategy and direction, at portfolio and corporate level. It also sets ESG targets. Implementation is then delegated to the Executive Team, led by the Co-Head Investments for portfolio-level and the CFO for corporate-level activities.

The Executive Team mandates the Investment and Group Finance & Corporate Development teams to execute the Sustainability Strategy at portfolio and firm level, with oversight from the Chairman of Sustainability, who acts as a bridge between the Executive Team and the operational teams.

To maintain high levels of risk management, value creation, and reporting standards across the platform, Partners Group's Sustainability governance and control framework integrates ESG into the investment process and our

Enterprise Risk Management framework, and assures independent monitoring of risks.

Sustainability incentive schemes

Partners Group's compensation framework aims to support the company's sustained success while adhering to its purpose, vision, and values. The Board of Directors is globally responsible for the firm's compensation philosophy and framework, which is governed via a Nomination & Compensation Committee (NCC). The NCC advises and supports the Board of Directors on the nomination and compensation of members of the Board. It also proposes total compensation for the Executive Team for Board approval.

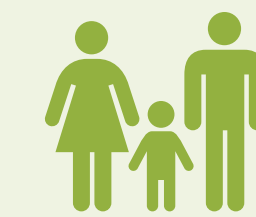
The allocation of long-term incentives to the Board of Directors and Executive Team is linked to weighted annual performance assessments. Quantitative achievements are measured to assess financial performance and investment development. Meanwhile,

qualitative assessments consider whether strategic objectives, including the portfolio- and firm-level sustainability goals set for the year, were met.

These quantitative and qualitative assessments are each given a 50% weighting in calculating long-term incentives, with ESG targets representing 20% of the qualitative share. Our Sustainability Strategy, with portfolio- and corporate-level ESG targets, was used as the basis upon which the Executive Team was assessed in 2022. The NCC deemed the Executive Team's progress on ESG to be substantial given the highly ambitious goals, but marginally below target. See the [Annual Report 2022](#), p.140, for a detailed summary of the annual ESG assessment conducted by the NCC.

Sustainability: a three-dimensional concept

At Partners Group, we define sustainability as a balanced and long-term focus on:



people,

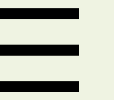


prosperity,



and planet.

Sustainability is critical for realizing upside potential and mitigating downside risks in our investment business. We broaden our focus from profitability to also include sustainability considerations in order to create value for all stakeholders, whilst always striving for long-term success and resilience to benefit our clients.



Our Sustainability Strategy

Partners Group’s vision is to create positive and lasting impact for all stakeholders, including our clients, employees, society, and the environment.

We aim to lead by example as a firm, and to be an active owner for our controlled investments with the goal to build better and more sustainable businesses. This includes supporting assets on their path to net zero and creating companies that employees aspire to work for.

After many years of leading manifold sustainability initiatives at both the corporate and portfolio level, in May 2022 we launched a comprehensive Sustainability Strategy, which articulates our commitment to improving business performance by addressing material ESG topics. Initially, at the portfolio level, our Strategy focused on our controlled Private Equity and Private Infrastructure assets. We are adapting this to include Private Real Estate.

Our Sustainability Strategy was built on a solid foundation: our Board of Directors and Executive Team considered the perspectives and priorities

of the boards of our portfolio companies, investment teams, clients, employees, prospects, and external consultants.

At corporate level, the Strategy articulates a set of key ESG ambitions, which include a decarbonization program to reach net negative emissions, realizing employees’ potential, and achieving ownership excellence and sustainability at scale. Each of these ambitions has a series of associated sustainability targets and related projects attached that can be tracked over time. As a global firm with more than 1’800 employees across 20 offices, we believe our corporate strategy is achievable through a multi-year effort. We are motivated to launch the required initiatives to help achieve our articulated goals and commit to report annually on our challenges and achievements. This report outlines developments in our carbon-reduction program, key initiatives taken to develop our talent, and how we continue to prepare for a maturing ESG regulatory landscape.

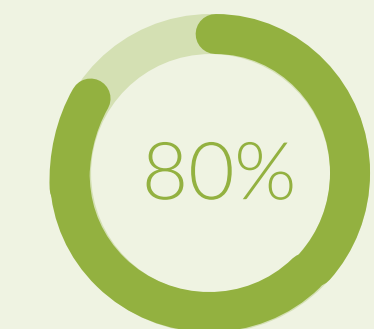
As an investor in mid-market companies across a range of regions and industries, we actively

work together with our controlled assets on increasing their ESG performance. While we have companies with high ESG credentials as a result of existing long-standing dedication to ESG, others are considering their ESG priorities for the first time when we partner with them during our ownership. It is therefore essential that we find the right balance between guiding our assets through the Sustainability Strategy, but also letting the boards of these companies develop their own meaningful ESG Journey. This is a process that requires our investment teams and portfolio company boards to set ESG priorities that are relevant to them. In order to track the progress across our portfolio and to identify any opportunities for improvement, we set a strong emphasis on data collection and measurement.

Our Select ESG Indicators, [pp.66-67](#), provide an overview of select Principal Adverse Impact (PAI) indicators as outlined by the Sustainable Finance Disclosure Regulation (SFDR), as well as Sustainability Strategy targets across our controlled private equity and infrastructure portfolio.

Data assurance across our controlled portfolio companies

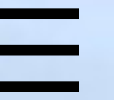
Partners Group has collected ESG indicators from its portfolio companies since 2014 and has continuously built out and extended its ESG data governance to increase the data coverage and quality across our portfolio. In 2022, we took another step forward and began to seek external assurance for our portfolio data. In total, 80% of our controlled portfolio companies had the majority of their key ESG data indicators assured in this reporting year (total GHG emissions for Scope 1 and 2; average board diversity; and employee turnover).¹



80% data assurance across our controlled assets (after two years of ownership)

¹ ‘Having assured KPIs’ means that Partners Group has obtained an external limited negative assurance report for some or all of the requested indicators. Note that three of the indicators that Partners Group asked companies to assure are displayed in Our Select ESG Indicators on [pp.66-67](#).

= externally assured



Our Sustainability Strategy: Corporate Sustainability Focus Areas¹

Environmental

CARBON REDUCTION PROGRAM

Achieve net zero emissions for our Scope 1, Scope 2 and Scope 3² GHG emissions.

Social

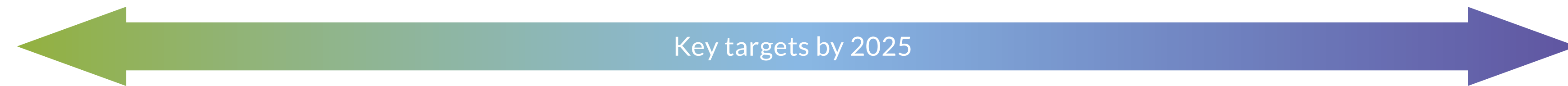
REALIZING EMPLOYEES' POTENTIAL

Become an impact leader in corporate responsibility to the benefit of our employees and other stakeholders.

Governance

OWNERSHIP EXCELLENCE

Become a role model in entrepreneurial ownership and governance for our peers and portfolio assets.



- We measure and externally assure close to 100% of our GHG footprint.
- We reduce our Scope 2 to near zero by switching to renewable energy where possible and offsetting as a last resort³.
- We contribute to nature- and technology-based solutions that address biodiversity and GHG emissions⁴.
- We develop a decarbonization program to achieve net negative emissions by 2030.

¹ Refers to Partners Group Holding AG together with its consolidated subsidiaries.

² Corporate-level Scope 3 emissions exclude Scope 3 emissions from category 15: investments (GHG Protocol), which are addressed at the portfolio level.

³ Using Renewable Energy Certificates and verified carbon credits.

⁴ This is an ambition Partners Group has every year, rather than by a given date.

- We aim for a top-quartile employee engagement score, with 75%+ of employees engaged and less than 12% annual attrition.
- We assure equal pay for equal work globally and equal (promotion) opportunities¹.
- We aim for our teams to reflect the local talent pools in the societies in which we operate.
- We aim for at least 25 female leaders in Senior Management².
- We relaunch our PG Stakeholder Impact effort.

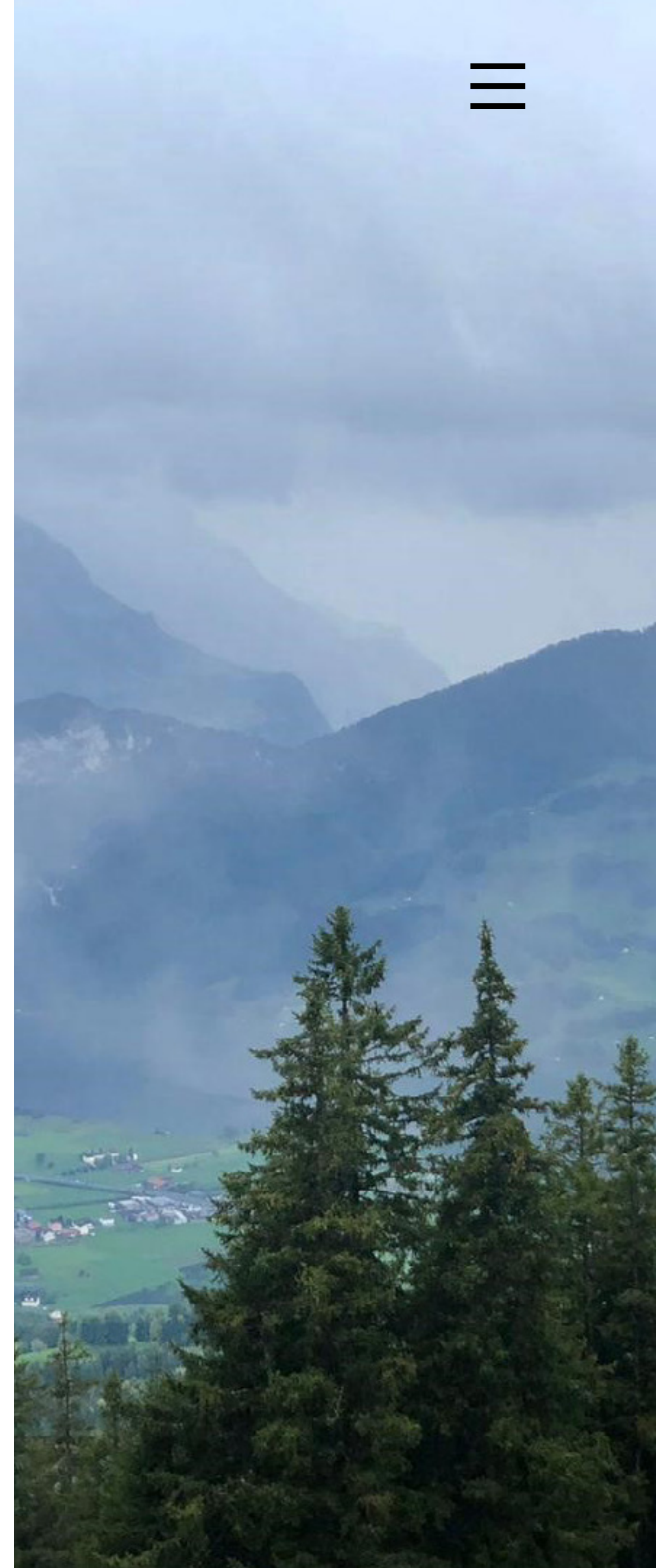
¹ This is an ambition Partners Group has every year, rather than by a given date.

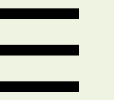
² Partner, Managing Director or Partners Group Board Member.

- We further refine our ESG strategy, governance and control framework and continue to create value and mitigate risks, which should provide the basis for the highest rating by the UN PRI.
- We link a part of our executive compensation to select ESG focus areas and goals¹.
- We aim to hire 50% of new Board Members from under-represented groups², without compromising on merit-based assessments.
- As role models, our Board and Executive Team own and govern the most strategic initiatives at corporate level.

¹ From 2022 onwards, as described in our 2021 Compensation Report.

² From 2021 onwards, measured over a three-year horizon.





Our Sustainability Strategy: Portfolio Sustainability Focus Areas (for controlled assets)

Environmental

CLIMATE CHANGE STRATEGY

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

Social

STAKEHOLDER BENEFITS PROGRAM

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

Governance

SUSTAINABILITY AT SCALE

Develop our assets with an entrepreneur’s mindset, advance sustainability, and focus on positive impact for all stakeholders.



- We measure (Year 1¹) and externally assure (Year 2¹) our GHG footprint.
- We develop a tailored GHG reduction strategy within three years¹ to lower carbon equivalents by 50%+ by 2035².
- We start to meaningfully reduce our GHG emissions, striving for c.20% reduction over our ownership period.
- We act on our environmental footprint³ over our ownership period, based on a materiality assessment within three years¹.

¹ of / during our ownership period.

² Calculated on an average basis, based on carbon emission intensity, with 2019 as the base year (where available). This serves as an interim milestone on the path to net zero.

³ Beyond carbon, e.g. land, water and resources.

- We develop a tailored Employee Engagement Initiative within two years¹, based on regular engagement surveys and target scores.
- We develop and implement a D&I Strategy.
- We aim for our teams to reflect the local talent pools in the societies in which we operate, and we progress towards this goal through targeted recruitment campaign where needed¹.
- We initiate an Stakeholder Benefits Program² within two years, re-investing substantially into relevant employee focus areas.

¹ of / during our ownership period.

² Refers to Partners Group’s strategic program for controlled companies to build better businesses in order to achieve superior returns for stakeholders by setting impact projects, with the goal to generate people impact beyond industry standards through company-specific and customized solutions. It is up to each company’s board to decide if and how to set up this program.

- We appoint ESG Responsibles at board, executive, and leadership level within 100 days¹.
- We develop a meaningful ESG Journey within two years¹, and consider publishing a Corporate Sustainability Report.
- We establish a Risk & Audit Committee and agenda during the first year¹, including cyber security.
- We aim to hire 40% of new board members from under-represented groups, without compromising on merit-based assessments².

¹ of / during our ownership period.

² Measured over a three-year horizon.

Adapting our Sustainability Strategy to Private Real Estate

After establishing the Sustainability Strategy for controlled Private Equity and Infrastructure assets, we are adapting our strategy to include Private Real Estate. We aim to establish a clear ESG governance structure at our Real Estate assets by appointing an ESG Responsible within the leadership team of our operating partners, ensuring the integration of impactful ESG initiatives in their asset management processes. This leader identifies strategic ESG initiatives with meaningful impact in collaboration with Partners Group’s asset managers. We aim to frontload the assessment of critical ESG factors and integrate the ESG roadmap into underwriting and to allocate appropriate resources to deploy the initiatives following the closing of the investment. We also consider initiatives for the benefit of the broader communities, ensuring properties are fit for purpose, and cater to institutional tenants who demand sustainable buildings and who are ready to pay a ‘green premium’.



OUR INVESTMENT PORTFOLIO



18 min. read

ESG Investing Framework
Portfolio Updates
Asset Case Studies
Impact Investing (PG LIFE)
Spotlight Topic: Accessing Private Markets ESG Data



ESG Investing Framework

ESG integration

Partners Group integrates ESG into all stages of the investment process. In our [ESG & Sustainability Directive](#), we have defined ESG avoidance criteria, which outline the sectors and business practices we do not invest in.

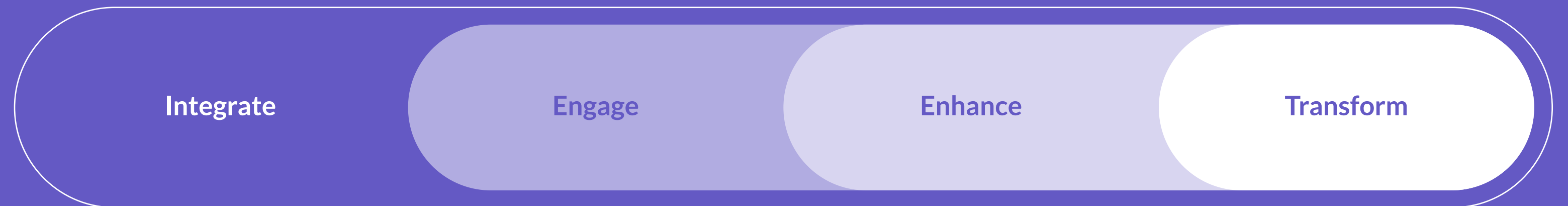
Partners Group has defined Decarbonization & Sustainability, along with New Living and Digitization & Automation, as one of the three giga themes in our thematic investing driving our sourcing efforts. We believe that, just as digitization has driven business transformations over the past two decades, sustainability will shape the industry leaders of tomorrow. This giga theme also forms part of our transformational ownership approach.

100% of our AuM is covered by our [ESG & Sustainability Directive](#)

= externally assured

Traditional ESG through stewardship

Strategic ESG through active ownership



- Integrate**
 - Apply **ESG avoidance list** (e.g. tobacco, coal) to reduce risks
 - **Source thematically** (e.g. decarbonization to steer capital)
 - **Integrate ESG in due diligence** based on SASB (Sustainability Accounting Standards Board) materiality
- Engage**
 - Engage on **ESG value creation opportunities and risks** to protect returns
 - Provide **expertise or incentives** (e.g. through sustainability-linked loans) to support change
 - **Monitor and challenge** ESG implementation
- Enhance**
 - Cautiously invest and consciously **reduce negative externalities**
 - Top-down: impose and implement minimum **ESG standards**
 - Bottom-up: develop tailored **ESG Journeys** to increase sustainability
- Transform**
 - **Transform to be an impact leader** for a specific ESG topic
 - **Launch strategic ESG initiatives**, owned by the board
 - ESG & Sustainability Team **advises on ambition and challenges progress**

Non-controlled investments¹

Controlled investments²



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

² This description focuses on controlled assets in Partners Group's private equity and infrastructure business.



Due to our governance rights, our approach and ambition levels vary between controlled and non-controlled investments. As transformational investors, we actively drive ESG initiatives to build businesses that strive for higher ESG standards, this includes the assessment of downside risks, such as climate change transition risks, and value creation opportunities. These ESG risks and opportunities can be identified during our due diligence process or ownership period, which can be adapted to each asset class and transaction type to identify, track, mitigate, and remediate adverse impacts.

Controlled investments

For controlled investments, we can strategically pursue ESG through active ownership. We have the opportunity and also the responsibility to go beyond engagement by actively driving change within our investments. Our governance rights and expertise, together with our active ownership philosophy and network, provide us with the potential to partner with our portfolio companies to significantly enhance or transform them.

For us, ‘enhancing’ means to intentionally strive for higher ESG standards. Our Sustainability Strategy articulates a number of focus areas, or minimum ESG standards, that we would typically expect our controlled investments to achieve during our ownership period, independent of industry or region. For example, we expect our controlled investments to measure their GHG footprint and implement a Diversity & Inclusion strategy.

The ‘transform’ initiatives are based on the ESG risks and opportunities most material to a portfolio company’s business activities. These actions are defined during the ESG due diligence process and through collaboration with the ESG Responsible established within our portfolio companies. These initiatives form part of the company’s ESG Journey.

The progress of our portfolio companies on the Sustainability Strategy targets (‘enhance’) and the strategic ESG initiatives (‘transform’) are discussed alongside companies’ value creation strategy. Real ESG progress does not happen overnight, but is a multi-year effort that takes time and resources. We expect our boards and executives to design and oversee an ESG Journey that is most fitting and impactful for the business and stakeholders. This typically happens during the second year of our ownership, and our investment teams work closely with the ESG & Sustainability team as well as external resources.

Non-controlled investments

For non-controlled investments, we engage with borrowers on debt investments and with General Partners on partnership and co-investments.

Our ambition is to provide expertise on material ESG topics when interacting with these counterparties. For debt investments, we strive to also structure sustainability-linked loans, which provide an incentive for borrowers to improve on

their ESG profile by setting sustainability performance targets. These loans typically include an interest step-up or step-down mechanism, depending on whether the borrower achieves the defined targets.

Since 2021, Partners Group has invested in 20 sustainability-linked loans to companies representing over USD 39 billion in combined enterprise value. In 2022, more than two-thirds of European direct lending transactions were linked to sustainability performance targets.

For partnership investments, we can go beyond engagement and collaborate with the General Partners’ investment teams on specific ESG projects by, for example, sharing best practices in GHG reduction or human rights topics.



Portfolio Updates: Environment

Through our thematic approach and our Decarbonization & Sustainability giga theme, Partners Group invests in the future leaders of the low carbon economy. As part of our transformational ownership, we create long-term value by leading our assets on their path to net zero.

How we lead our assets on their path to net zero

In our [Climate Change Strategy](#), first published in 2020, we committed to managing our controlled investments towards the Paris Agreement objectives.

While Partners Group is typically a long-term owner of businesses, it is nonetheless realistic to assume that, by 2050, we will not be the owner of most of the companies currently in our portfolio. It is therefore essential that we contribute to long-term targets through concrete actions and plans for intermediate targets.

During our first year of ownership, as a preliminary step, we expect our companies to start measuring their carbon footprint. We observe that, until recently, many public and private markets companies and assets have not sufficiently focused on gathering and assuring ESG data. This applies in particular to companies in the broader middle-market space.

Following the introduction of our Sustainability Strategy, we received consistent feedback from our portfolio assets that carbon

accounting requires significant additional effort. As a result, Partners Group partnered with EY, an industry leader in carbon accounting and services, to support portfolio companies in these efforts and achieve scalability across our platform. A significant share of our controlled assets have used the service, which enabled them to assess their emissions in line with the Greenhouse Gas Protocol. Accurate carbon accounting lays the foundation for our companies and assets to develop and act on their Carbon Reduction Plan.

Going forward, systematic collaboration with external service providers, as well as the development of a carbon accounting playbook, will be particularly relevant for portfolio companies that operate across multiple sites in different jurisdictions, and therefore require additional expertise, processes, and tools.

As a second step, we expect our portfolio companies to develop a decarbonization strategy based on reliable and assured GHG footprint data. Our long-term target is to align with the Paris Agreement, and we ask our portfolio companies to develop a tailored GHG reduction strategy within three years of our holding period to lower carbon equivalents by 50%+ by 2035 (based on carbon emission intensity with 2019 as a base year, where available).

Finally, as a short- to medium-term target, we would like our assets

We invested

>USD 2 bn
in decarbonization-related assets in 2022

Examples of decarbonization-related assets:





to reduce their GHG footprint by c. 20% during our ownership period. While certain portfolio companies can achieve this through simple operational initiatives, other portfolio companies require more strategic and long-term investments to decarbonize their operations, and thus might not achieve this short-term target over the remaining ownership period.

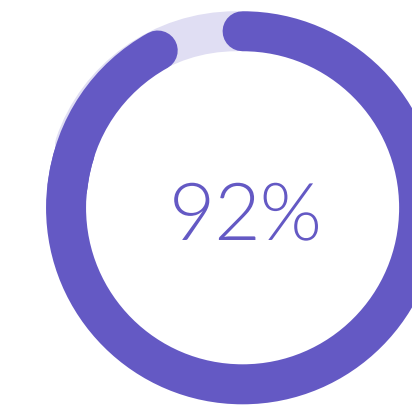
Environmental materiality

With ‘biodiversity loss and ecosystem collapse’ ranked as the fourth-highest environmental risk, behind ‘failure to mitigate climate change’, ‘failure of climate change adaptation’ and ‘natural disaster and extreme weather events’¹, the risks associated with ecosystem disruption can be material to many stakeholders and bring significant financial losses. For that reason, Partners Group’s Sustainability Strategy asks controlled portfolio companies to act

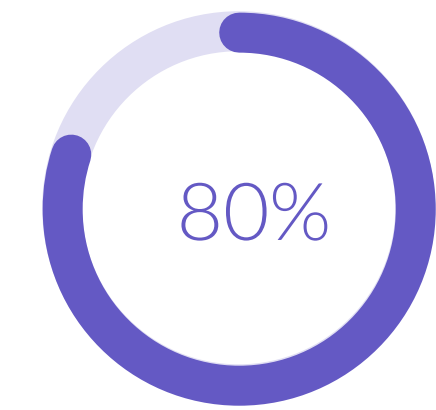
on their own environmental footprint, tackling their respective material topics, such as waste, water, or biodiversity.

We expect our controlled assets to engage in other environmental topics beyond carbon reduction. For example, for our portfolio company Schleich, a leading global producer of toys and figurines, its environmental ambition is not limited to carbon reduction, it is also about reducing the amount of plastic it uses. As such, Schleich is working towards making its products fully circular by 2027.

We ask our portfolio companies to report on these other environmental topics as part of our ESG data collection process, through the SFDR Principle Adverse Impact (PAI) indicators, which helps up to engage on these topics with them. However, no minimum targets are set.

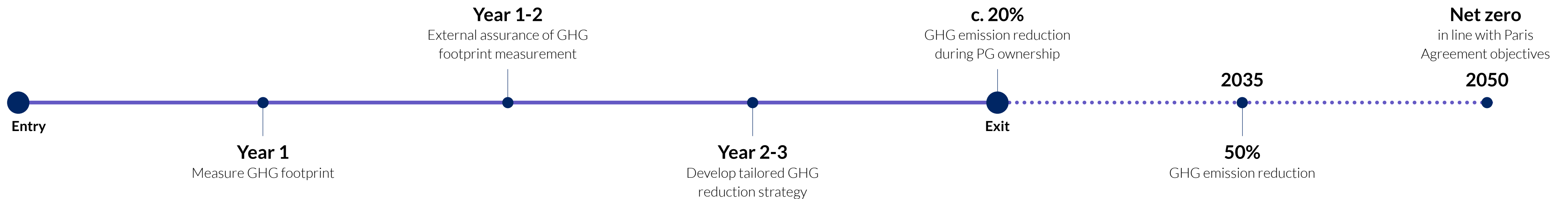


92% of our controlled Private Equity and Private Infrastructure assets measure their GHG footprint



80% of our controlled assets have their GHG footprint assured (after two years of ownership)

Leading our assets on their path to net zero



¹ [WEF Global Risks Report 2023](#).

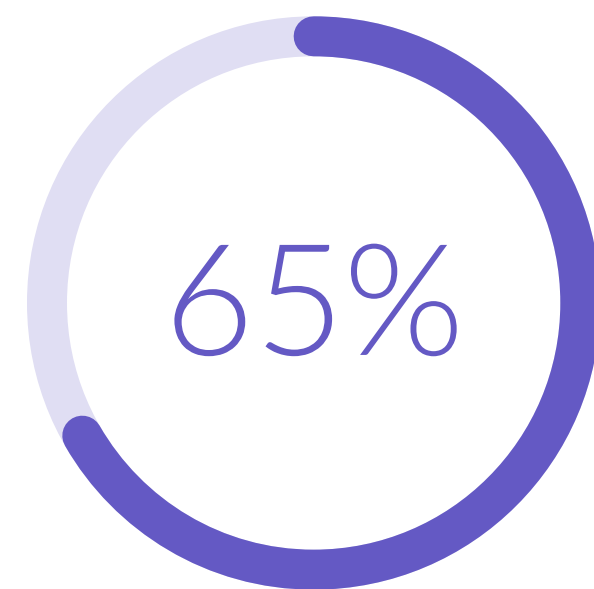


Portfolio Updates: Social

Our social targets aim to build companies that employees desire to work for and to drive company value by having motivated talents and resilient teams. We aim to role model social initiatives as a corporate, and we would like our portfolio companies to work on similar areas that Partners Group aims to improve as well.

Employee engagement

Partners Group launched its first annual firm-wide employee engagement survey in 2019 (see [p.45](#)). We believe that regular surveys, together with other actions, can help to increase employee engagement. Inspired by our efforts, we invite our

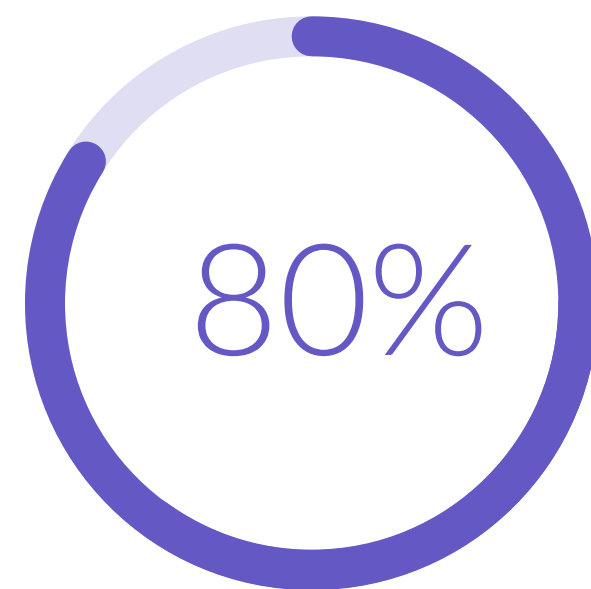


65% of our controlled Private Equity and Private Infrastructure assets have a female board representative

portfolio companies to consider employee engagement surveys to inform or confirm the leadership team’s hypothesis for relevant initiatives that will positively impact the business and its employees.

Diversity & Inclusion

Inclusive workplaces earn deeper trust and more commitment from their employees. This is why Partners Group has itself implemented a Diversity & Inclusion Strategy. Similarly, in our Sustainability Strategy we outlined Diversity & Inclusion focus areas and targets for our portfolio companies’ employees and boards.



80% of our controlled assets have their board representation assured (after two years of ownership)

Stakeholder Benefits Program

Partners Group takes pride and care of the individuals over which it has employment stewardship. In doing so, we introduced the Stakeholder Benefits Program, which aims to build better firms by having a more motivated, resilient, and therefore a more effective and committed, workforce. No two companies are the same so, for that reason, Partners Group typically invites portfolio company board directors and executive members to design a tailored Program specific to their business.

Programs may include non-monetary rewards, e.g. a tailored development program to upskill employees, or financial participation, for example, a broad-based equity participation program. With the launch of the Stakeholder Benefits Program, we aim to improve the professional and personal lives of employees, by triggering initiatives that aim to go above and beyond the traditional benefits already offered by HR or the Management Incentive Plans that are generally allocated to top-level executives only.

While many of our portfolio companies are still in the process of developing their own Program, there are already several initiatives across the globe that illustrate such intentions and goals. Currently, more than ten of our portfolio companies have existing Stakeholder Benefits Programs. Boards will be encouraged to implement new Programs in 2023, and more are expected to do so in 2024, provided there is a business case for it.

Why the Stakeholder Benefits Program matters to EyeCare Partners

EyeCare Partners (ECP) is one of the largest clinically integrated medical vision services providers in the US, with more than 8'000 employees. It has invested more than USD 4.5 million to improve its overall benefits program, which led to a significant reduction in monthly employee premiums and improved affordability for thousands of plan participants. In 2023, it launched a maternity leave program with 100% pay, including a USD 1 million investment to offer competitive benefits and support to its more than 80% female workforce. It also established the ECP Crisis Aid Relief for Employees (CARE) Foundation, which provides grants to employees facing hardship.



George Bernstein
Lead Operating
Director

“To maintain industry leadership in terms of quality of patient care, ECP needs to attract and retain an outsized share of doctors and clinical care providers. This in turn requires that the company retains experienced staff clinicians who support our doctors, strong clinic teams to serve our customers, and efficient support office talent to take friction out of the system so that our doctors can increase their focus on patient care. The benefits package investments move EyeCare Partners to a position of strength in competing for and retaining talent.”



Why the Stakeholder Benefits Program is increasing engagement at Pharmathen

Pharmathen is a leading developer of advanced drug delivery technologies, with over 1'300 employees. Since our ownership began, it has implemented Employee Equity for a large selection of leaders and for all 800 factory workers and introduced tailored benefits for all working mothers at the company. Pharmathen will continue to work on its Stakeholder Benefits Program in 2023. The program is aimed at increasing engagement of all employees who are leading value creation; improving retention of key talent; and aligning monetary incentives for all stakeholders involved in our investment.



Thomas Werner
Chairman

“At the heart of Pharmathen is its R&D scientific talent and the more than 800 employees at its two large production facilities in Greece. In order to retain our staff, service our clients better, drive further employee engagement and attract new talent in the company, we created a Stakeholder Benefits Program for all employees. We are convinced that the alignment on value creation during our investment with all employees of the company will drive significant stakeholder engagement.”



Portfolio Updates: Governance

Establishing an ESG governance structure

For our portfolio companies to achieve long-term ESG progress, even beyond our ownership, it is essential to establish clear ownership on ESG topics at every level of the decision-making process, just as we have done at Partners Group (see our Sustainability Governance, [p.11](#)). This governance structure serves as the backbone for ESG progress within our assets. We therefore expect our portfolio companies to establish ESG Responsibilities at board, executive, and leadership level within the first 100 days of ownership.

Developing an ESG Journey

Led by our appointed ESG Responsibilities, our portfolio companies develop strategic and operational ESG initiatives to 'enhance' and 'transform' the business, in what we

call the 'ESG Journey'. Such a journey aims to address material ESG topics and to align the sustainability performance with the expectations from customers, society, regulators, and Partners Group as an investor. We expect the ESG Journey to be discussed, approved and monitored at board level. As is true for other strategic initiatives, long-term ESG targets should be combined with milestones and KPIs. Meaningful ESG Journeys will require time to plan, drive, measure, and innovate ESG performance and progress.

Systematically managing risks

In order to build better and more sustainable businesses that are resilient for the long term, it is crucial for our portfolio companies to set up a risk governance framework, owned by a Risk & Audit Committee at board level. We ask portfolio companies to establish this during the first year of our ownership. Cyber security is a major source of risk for companies in the mid-market space. The strategy should include risks related to fraud and ensure adherence to any applicable regulatory framework.

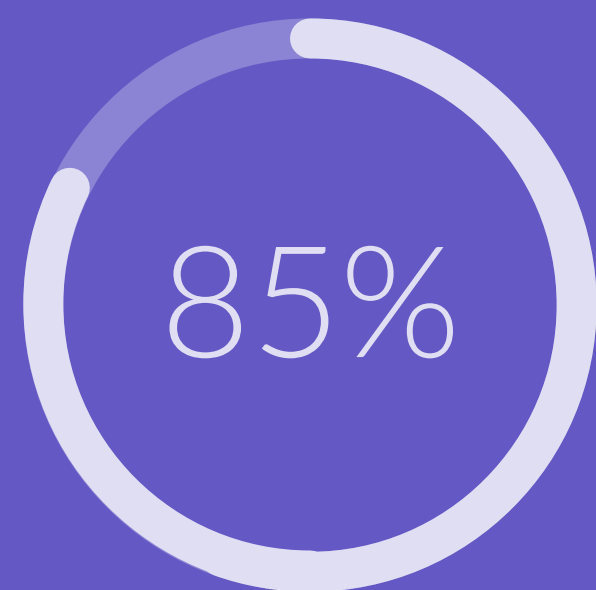


ESG governance at Techem

As a leading service provider for green and smart buildings, our portfolio company Techem has a strong focus on energy efficiency and sustainable technologies. To support its sustainability agenda, it launched an internal Sustainability Office and a Sustainability Council, consisting of stewards (relevant department heads and experts for the further development of ESG issues) and delegates (managing directors of the national companies), who are responsible for embedding sustainability globally. The Sustainability Office serves to record current sustainability topics and developments, implement, and further develop Techem's Sustainability Strategy, collaborate with stakeholders to achieve the ESG goals anchored in Techem's sustainability program and report on sustainability, including improving ESG data management.

Cyber monitoring of the portfolio

Mitigating and monitoring cyber risks in our controlled assets has become a priority for Partners Group due to the heightened prevalence of cyber crime. Cyber hygiene and stringent action plans are now an essential part of the risk governance framework. Last year, with support from AON, the professional services firm, we introduced cyber baselining, a general assessment of where a company is in terms of cyber security, across our direct Private Equity and Infrastructure portfolios. The review process, which includes a vulnerability analysis, is now more standardized and combines outside-in, inside-out, and risk quantification aspects.



85% of our controlled Private Equity and Private Infrastructure assets have implemented a cyber security policy



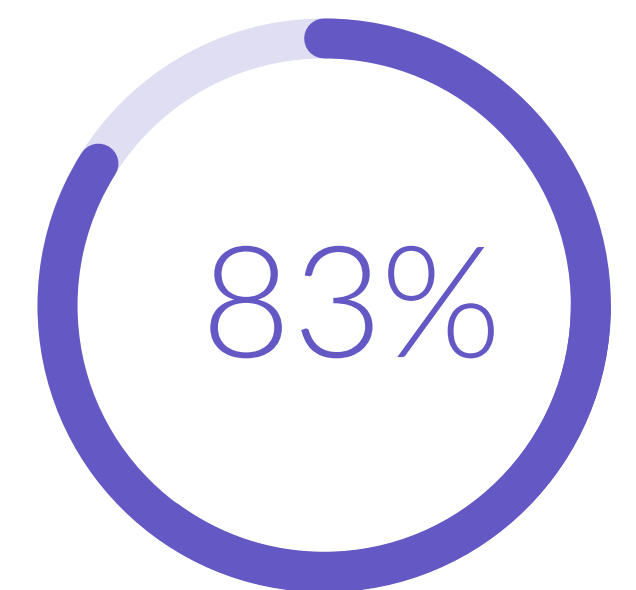
ESG Journey and reporting at Rovensa

Rovensa is a leading provider of differentiated crop lifecycle management solutions with a portfolio of BioNutrition, BioControl and Crop Protection products based in Portugal and Spain. Health & Safety is a key focus area for Rovensa.

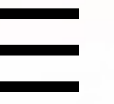
Due to the chemical nature of many of its products, ensuring they are used correctly and do not pose any health risks is critical to its business model. As such, Rovensa is committed to developing high-quality products that are safe for

the environment, its customers, and human health in general. It is launching Safe Team At Rovensa (STAR), a program that aims to help employees feel protected and empowered to grow the safety culture within the firm.

Under Partners Group's ownership, Rovensa published its second annual Sustainability Report in 2022 and committed to becoming net zero by 2050, with established interim reduction targets consistent with limiting global warming to 1.5°C compared to pre-industrial levels.



83% average data maturity across our controlled assets



KinderCare Education

Private Equity



KinderCare Education, which became part of the Partners Group portfolio in 2018, is the largest for-profit provider of early childhood education and care services in the US. The company offers services through three main channels: KinderCare, which provides early childhood education and care services for children from six weeks to twelve years of age; KCE @ Work, an employer-sponsored early childhood education and back-up care services provider; and Champions, which provides before- and after-school educational and recreational programs in partnership with elementary schools.

Environmental

With the support of EY, our strategic partner for carbon accounting, KinderCare Education has conducted a baseline year GHG emissions assessment for Scope 1 and Scope 2 emissions. Data from the assessment helps to inform the company's broader environmental strategy.

Initiatives undertaken to improve energy efficiency include a USD 5.1 million investment in 2022, which updated 161 centers with

>25'000
tCO₂ reduced

>USD 1.8m
energy savings

LED lighting. These enhancements have led to the reduction of 12'229 tons of CO₂ across the updated centers and brought the total number of centers with LED lighting to 315 out of 1'500 (21% of the total).

Meanwhile, following delays to heating, ventilation and air-conditioning (HVAC) upgrades in 2022 due to supply chain limitations, older HVAC units will now be replaced with high-efficiency units that are up to 40% more efficient. This is significant, as HVAC energy usage is the single largest source of energy consumption within the centers. KinderCare Education also invested to install centralized energy management systems in 114 centers in 2022. These enhancements led to the reduction of 13'412 tons of CO₂ annually and increased the total number of centers with energy management systems installed to 315.

Together, all these initiatives brought more than USD 1.8 million in energy savings.





Social

For over a decade, KinderCare Education has conducted an employee engagement survey, which measures the twelve areas most indicative of what employees need to feel successful and engaged at work. The 2022 survey saw 89% of employees sharing their feedback, the highest participation rate in seven years. The company also received the Gallup Exceptional Workplace Award, making it one of only four companies worldwide to win the award six years in a row.

In 2021, Partners Group began working with a specialist consultant to develop a three-year Diversity & Inclusion strategy for KinderCare Education employees. Since then, the company has made two significant hires to support the development and implementation of the strategy. It also launched five employee resource group programs (Black Heritage, Access Ability, Hispanic Organization for Leadership Advancement, LGBTQIA+, and Women), with a combined total of 800 members.

Last year, KinderCare Education earned the WELL Health-Safety Rating from the International WELL Building Institute, making it the largest education provider and only national provider of early childhood education and childcare to receive this distinction. The assessment addressed how well KinderCare had dealt with health threats such as COVID-19.

Finally, KinderCare Education launched a living wage program to increase salaries in critical regions. Indeed, in May 2022, the company made the single biggest wage investment in its 52-year history, increasing remuneration for more than 21'000 teachers who have at least one year of tenure at centers across the US. As a result of these investments, total teacher retention exceeded company targets by 20% last year.

Governance

As outlined in our Sustainability Strategy, the first step at KinderCare Education was to appoint ESG Responsibilities at the board, executive, and operational level.

In 2022, the company conducted an ESG materiality assessment to understand the most salient ESG issues within the business. Results from this assessment identified relevant experts who will serve on the recently launched ESG Steering Committee and shaped its structure.

KinderCare Education assesses enterprise risks annually, the results of which are used to develop a risk-based audit plan. Risk assessment results and the audit plan are shared with management and the Audit Committee for approval. The 2022 audit plan was executed successfully.



CWP Renewables

Private Infrastructure

CWP Renewables, formerly known as Grassroots Renewable Energy, is a large-scale Australian renewable energy platform combining wind, solar, and storage. Its current projects include Sapphire Wind Farm (270MW total capacity), Crudine Ridge Wind Farm (142MW total capacity), and Bango Wind Farm (a late-stage construction project with a total capacity of 244MW). The platform also has a near-term development pipeline of more than 5GW.

Partners Group invested in Sapphire Wind Farm, the first of the CWP assets to be constructed, in 2016. We developed CWP from the ground up in line with our long-term, thematic approach to investing in next-generation infrastructure assets that benefit from decarbonization trends.

In building CWP, Partners Group successfully managed projects towards commercial operation dates, installed best-in-class teams to handle daily operations, arranged long-term power purchase agreements, and implemented a portfolio debt staple to replace

>1.1 GW
renewable energy generation

AUD 750'000

committed to research for the conservation of vulnerable species

individual asset-specific project finance facilities, all with a view to the long-term sustainability of the platform.

Partners Group exited the investment in 2023, after transforming CWP into one of the largest renewable energy platforms in Australia.

Environmental

As a renewable energy asset developer and manager, CWP's vision is to lead Australia's transition to renewable energy for the benefit of current and future generations. The platform is a key contributor to helping corporates and government agencies achieve their net zero emissions targets through the supply of renewable energy by way of long-term power purchase agreements.

In 2022, CWP publicly disclosed its commitment to reduce emissions intensity by 50% by 2030 and to reach net zero emissions intensity by 2040. Going forward, CWP will continue





to focus on building its internal capability to track Scope 3 emissions, to define construction emissions intensity, and to track performance against its committed targets.

CWP has developed and implemented an ISO 14001-certified Environmental Management System, including an annual audit and inspection program, compliance tracking and reporting system, procedural developments, and scenario training in incident management. In addition, the company has committed AUD 250'000 to ecological research and AUD 500'000 to scientific research for the conservation of vulnerable species in partnership with the Australian Government.

Social

To support its target of zero Lost Time Injury Frequency Rate (LTIFR), CWP has a comprehensive set of internal procedures and KPIs in place for preventing, tracking, and reducing accidents. Last year, the company was awarded an ISO 45001 accreditation for its Health & Safety management system. All employees must undertake an annual defensive driver and first aid training session.

Due to the amount of driving employees are required to undertake to reach the remote locations of existing and planned projects, CWP implemented a company-wide, in-vehicle monitoring system in 2022.

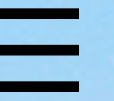
Community impact is also central to CWP's ESG strategy. In particular, the company has demonstrated its commitment to Diversity & Inclusion

of indigenous groups with a 13-point reconciliation action plan. These actions are led by the CFO, with a dedicated working group responsible for execution. Key actions include improving supplier diversity by prioritizing procurement from businesses owned by indigenous people; reviewing HR policies and procedures to execute anti-discrimination strategies; and providing scholarships for the professional development of indigenous people.

Local communities also continue to benefit financially from participation in a community co-investment fund established for the projects. This is structured as a sub-fund loan to Grassroots Trust with a guaranteed return of 6% per annum. Finally, funds are set aside annually for Community Benefit Funds, sponsorships to improve education and training initiatives, community development programs, health and wellbeing, and environmental initiatives.

Governance

As part of our ESG governance and stakeholder transparency efforts, we encourage our portfolio companies to publish their own Corporate Sustainability Report. CWP published its first [ESG Report in 2022](#), highlighting its ESG commitments and progress. Additionally, CWP published its first [reconciliation action plan](#) in February 2022 to demonstrate its commitment to Diversity & Inclusion.



Warsaw Green

Private Real Estate

In 2022, Partners Group invested in Warsaw Green, a 180'000 sqm logistics portfolio in Warsaw, Poland. City Point Targówek, a logistics park built between the 1970s and 2000s in a prime industrial location in Warsaw's district of Targówek, represents around 70% of the portfolio. As the assets in this industrial estate reach the end of their lifecycle, Partners Group plans to redevelop the site to provide new A-grade sustainable logistics space, which will be designed to offer last-mile cross dock buildings, small business units, and big box warehouses. The decision to invest in the project was based on the undersupply of well-located, A-grade last-mile logistics space in the area. Partners Group plans to strengthen the project's ESG credentials by addressing the cost and efficiency of on-site energy production, utilizing modular structures and carbon footprint reporting tools, and optimizing the ReSOLVE framework in the context of circularity and materials management, thereby improving its appeal to both tenants and future investors.

Environmental

At City Point Targówek, Partners Group is installing LED lighting, smart building management and energy-saving control systems,

91%
of our controlled real estate assets' energy consumption is measured

29%
of the renewable energy consumed by our controlled real estate assets was generated on-site

high-quality insulation, heat-recovery measures, and daylight sensors. A rooftop photovoltaic (PV) array will be installed on site aiming to cover the majority of the asset's electric needs, linked to EV charging stations and an energy-storage solution to decrease reliance on the local grid and improve energy efficiency. In addition, Partners Group will improve waste reduction, harvest rainwater, and promote biodiversity.

The high demand for last-mile logistics allows for the prioritization of best-quality tenants and enables the implementation of a strategy that focuses on organic leasing. The first phase aims to develop a build-to-suit cross-dock building for DPD Polska, a leading courier service provider. Designing a green, future-proof logistics space has been a deciding factor in securing DPD and other tenants.

There are challenges. In an EU context, the Polish energy mix remains heavily dominated by coal, and the reliance is only slowly decreasing. On-site renewable generation remains challenging to implement due to licensing difficulties – only a limited





number of parties have the know-how and capacity to install a large photovoltaic plant. However, this creates an opportunity to be an industry leader in this area. Partnering with Techem, a market leading portfolio company in the provision of energy sub-metering services, and involving other local and pan-European advisors helped us to identify the best partners for the implementation of green features.

Social

At Warsaw Green, there is a strong focus on providing a healthy workplace with user-orientated facilities. Priorities include good links to public transport, bike shelters, green areas, and a recreational zone complete with an outdoor gym. The redeveloped buildings will secure BREEAM (Building Research Establishment Environmental Assessment Method) Excellent and LEED (Leadership in Energy and Environmental Design) Gold ratings, as well as WELL Building Standards Health and Safety certification.

In March 2022, some 2'400 sqm of warehouse space was made available for use on a temporary basis by the Polish Red Cross in response to the need for humanitarian aid in Ukraine. The space allowed the Red Cross to accept large amounts of products, which provided long-term assistance to refugees in Warsaw and were also transported to Ukraine.

Governance

For Warsaw Green, governance initiatives aim to address the challenges associated with investing in a country that has no formal commitment to reduce GHG emissions in line with the Paris Agreement. This includes projects to mitigate the risks associated with the limited local know-how for the installation of large PV plants.

Ligentia

Private Debt

20

sustainability-linked loans invested

>USD 39bn

total enterprise value of our sustainability-linked loan transactions

When it comes to sustainability-linked loans (SLLs), setting meaningful KPIs can be a challenge. Our ongoing work with Ligentia, a UK-based provider of tech-enabled supply chain management services to a range of industries, exemplifies how we overcame this hurdle.

In 2022, Partners Group structured an SLL with Ligentia providing a discount of up to ten basis points on their financing depending on their progress on sustainability performance targets (SPTs) that we set.

In line with Partners Group's SLL Operating Principles (see box), we established SPTs that were linked to materiality and the company's core business activity, as well as standard carbon and Diversity & Inclusion targets that we aim to set across our SLLs.

Environmental

From a business materiality perspective, Partners Group found that Ligentia can contribute to reducing its customers' GHG footprint by increasing the utilization rate of its containers. We focused across the company's top 25 customers and asked Ligentia to consistently, i.e. across the life of the loan, improve these metrics by a set percentage each year. On the carbon side, given this was also an area of focus for Ligentia, we asked the company to achieve the targets set out in its recently established carbon-reduction plan.

Social

Where possible, we also aim to include Diversity & Inclusion targets in our SLLs. In Ligentia's case, we are negotiating targets to improve representation of minorities in management positions across the company.



Sustainability-Linked Loans (SLLs): Operating Principles

To remain at the forefront of the trend towards responsible investing, Partners Group aims to have SLLs as an integral part of its direct lending strategy, especially in European transactions. An SLL is any type of loan instrument that incentivizes the borrower's achievement of ambitious SPTs. The goal is to enhance a borrower's accountability on ESG topics by providing an economic incentive (margin ratchet) that rewards commitment to sustainability. Our Private Debt Investment Committee developed SLL Operating Principles with a series of recommendations for our investment teams to consider when engaging with sponsors and presenting the terms to the investment committee. These include focusing on material ESG topics, setting ambitious targets, having an incentive (interest step-down) if targets are met and a penalty (interest step-up) if targets are not met, as well as the use of a third-party assurance to ensure reliability of the KPIs, among others. By applying our recommendations, our debt investment teams can make a meaningful contribution to our investments' sustainability performance, while reducing their risk profile and honoring our fiduciary duty to clients.



Impact Investing: PG LIFE



Launched in March 2018, PG LIFE is a dedicated impact-at-scale investment offering focused on investments that contribute towards achieving the United Nations Sustainable Development Goals (UN SDGs). The blended private markets offering has the dual mandate to achieve attractive risk-adjusted financial returns¹ alongside measurable and positive impact on a social and environmental scale. To achieve this, PG LIFE integrates impact considerations throughout the investment lifecycle. Companies and assets are selected for investment according to their potential to directly contribute to one or more SDGs through their core business activities, on top of their ability to meet Partners Group's requirements for financial risk and return. In 2022, PG LIFE added six new investments to its portfolio, bringing the total number to 21.

Investment examples

Sunsure Energy is a distributed renewable energy company based in India focused on providing renewable power to the Commercial & Industrial (C&I) off-taker segment. Founded in 2015, Sunsure has historically built solar plants for C&I customers and third-party renewable power producers in the region. Under Partners Group's ownership, Sunsure will be transformed into a next-generation independent power producer that will build and own utility-scale solar, wind, solar-wind hybrid, and battery storage renewable energy projects. The platform is targeting over 3GW of operational capacity

and will be focused on selling power directly to C&I customers through Power Purchase Agreements, i.e. long-term contracts under which a business agrees to purchase electricity directly from a renewable energy generator. The platform also plans to help customers meet decarbonization and energy cost-reduction targets by expanding the scope of existing client relationships to provide additional value-added services, such as energy-as-a-service and carbon credit management. India is the third largest electricity market in the world, with C&I customers consuming over 50% of the power generated in the country. This consumption is expected to continue to rise in line with India's real GDP growth. Today, most of this power demand is sourced from non-renewable sources.

The PG LIFE Committee approved the inclusion of Sunsure as part of the PG LIFE strategy as the investment's provision of renewable energy contributes directly to SDG target 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix."



¹ Risk-adjusted returns refer to returns taking into account potential drags to performance.

Pharmathen is a contract development and manufacturing organization headquartered in Amsterdam, Netherlands, with two production facilities in Greece. Pharmathen specializes in advanced drug delivery for complex generic (Gx) pharmaceutical products and has best-in-class R&D capabilities. Pharmathen's products target illnesses such as HIV, cardiovascular disease, and some cancers, and are therefore considered essential to achieving universal health coverage.

It has partnered with more than 215 leading global Gx specialists offering over 85 different products, which are included in the World Health Organization's list of essential medicines. As it expands in the US, Pharmathen's ability to supply complex long-acting injectables to a market whilst other companies can only offer standard generic forms, like oral solid doses, will bring the biggest beneficial impact to patients and purchasers of the medicines. Additionally, Partners Group will draw on its deep sector expertise in healthcare and pharmaceuticals, as well as its experience in state-of-the-art manufacturing, to support the development

of innovative technology platforms that improve patient compliance and lead to better treatment outcomes.

The PG LIFE Committee approved the inclusion of Pharmathen as part of the PG LIFE strategy as the development and provision of both complex and standard generic pharmaceutical products comprises 90% of Pharmathen's revenues and contributes directly to SDG target 3.8: "Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all."



Accessing Private Markets ESG Data ／ Spotlight topic



Partners Group aims to treat ESG data with the same rigor as financial data, both at portfolio and corporate level. We first established an annual ESG KPI survey for all controlled assets and companies in 2014, before such data was widely collected from private companies. In 2018, we started aggregating the data collected via these annual surveys into an ESG Dashboard to further increase the transparency of ESG reporting across our portfolio. Based on the SASB industry standards and our multi-year experience of implementing ESG projects with our assets, our ESG Dashboard aimed to show material ESG metrics that were common across our portfolio. It allowed us to have a portfolio-wide view of ESG performance, including the relative importance of each metric to each portfolio company.

Changes in 2022

In 2022, there were two major developments that influenced the type of ESG data we collect from our controlled companies. These were the launch of our Sustainability Strategy, which sets clear ESG milestones for our portfolio assets at different stages of our ownership, and our adoption of new processes and data requirements to meet the regulatory requirements surrounding the EU's Sustainable Finance Disclosure Regulation (SFDR).

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

In 2022, our focus was on refining our ESG data gathering to capture the new data required by these developments and building a scalable reporting solution to fulfill our revised reporting obligations towards clients and shareholders. We started by creating new ESG survey templates that meet various mandatory and voluntary ESG reporting needs. We included the Principal Adverse Impact (PAI) indicators set out by the SFDR and added other ESG data relevant for our Sustainability Strategy and our clients.

In our ESG data collection and reporting, we differentiate between controlled and non-controlled investments, with a goal to increase transparency and data maturity over time. We also utilize external support for non-controlled investments (listed, partnership, debt, and co-investments). For example, we partnered with BlackRock in 2022 to streamline ESG data collection for partnership investments.

What our stakeholders can expect in the future

For our controlled portfolio companies, Partners Group provides tools and support where needed. We have set up an effective ESG ownership governance structure under which the asset-level 'ESG Responsible' person works together with our investment team and ESG experts to meet reporting challenges and improve their ESG footprint (e.g. sharing of best practices, guidance for the assurance process).

For our European clients and investors, we have committed to report on PAI indicators in line with the SFDR Article 8 disclosure for our funds that had a final closing after March 2021. And for all other stakeholders, we include Select ESG Indicators for our Private Equity and Private Infrastructure assets (see [pp.66-67](#)), which reflect the changes in the ESG data collected.

We aim to remain at the forefront of ESG reporting. For this reason, we will continue to refine the annual ESG survey and how we report on these indicators to keep pace with changing regulation. In doing this, we will also ensure that we are efficiently measuring the improvements in the ESG footprints of our controlled assets brought about by the execution of our Sustainability Strategy.



OUR FIRM



20 min. read

Our Environment

Our People

Spotlight Topic: PG Employee Networks

Ethics and Compliance

Our Environment

Climate change has evolved as a global challenge, with extreme weather events, natural disasters and unmanaged consequences of climate change among the top five global risks both in terms of likelihood and impact, according to the World Economic Forum. If not properly addressed, these risks will have significant negative implications for communities, businesses and investors.

While addressing climate change will require action from governments and society, we believe that private markets investment managers and investors are uniquely positioned to support the transition to a low-carbon economy through

systematic assessment and management of climate risks and opportunities.

To continue acting in the best interests of our clients and in line with our focus on generating long-term sustainable returns and positive impact for all our stakeholders, Partners Group gives significant weight to the environmental dimension, not only at portfolio but also at corporate level. Our aim is to lead by example in terms of actual impact, which is underlined by our ambition to achieve net-zero emissions for our Scope 1, Scope 2 and detailed Scope 3 greenhouse gas (GHG) emissions over time.

Our new global headquarters in Zug will embody high standards of sustainability, with an emphasis on energy efficiency and sustainable automation systems



Sustainability at our new global HQ

In 2021, we broke ground on our new global headquarters in Zug, Switzerland. The campus, which we expect to complete by the end of 2024, will embody high standards of sustainability, with careful consideration of the building materials used, and an emphasis on energy efficiency and sustainable automation systems. The emissions resulting from the construction will be addressed via nature- and technology-based solutions.

Our day-to-day energy needs for heating, cooling, and electricity will be entirely supplied by renewable energy sources. Efficient water use is another key theme: rainwater will be collected on our roof and repurposed to irrigate most of our plants.

We are proud to engage with the world-famous landscape architect, Piet Oudolf, best known for his work on the High Line in New York. His signature will give the campus a unique appearance, which will promote local biodiversity through a generous distribution of green spaces. The above image is an illustration of what the campus will look like upon completion.



Climate Change Strategy

As a firm, we are committed to working towards net zero carbon emissions across our entire organization by 2030 and managing our controlled investment portfolio towards the Paris Agreement Goals. Our [Climate Change Strategy](#) outlines our approach towards achieving these goals, highlighting how we manage climate risks and impacts across our firm and portfolio.

The strategy is built around the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) in terms of disclosures around governance, strategy, and risk management, as well as the use of metrics and targets, which also form key pillars of our approach.

See our [TCFD report](#) for more information.



The six pillars of Partners Group's Climate Change Strategy



Our Corporate GHG Emissions in 2022

Observations of our GHG emissions compared to the prior year: Our overall corporate GHG emissions increased in 2022, driven largely by our Scope 3 emissions. However, our GHG emissions intensity ratio (Scope 1 and 2) per employee decreased.

The global lockdown that occurred as a result of the COVID-19 pandemic resulted in increased work from home, hence a reduced capacity within our offices. While the pandemic was still felt in the first quarter of 2022, we largely returned to the office in April. Our return to the office, with an additional flexibility for work from home, has resulted in an overall increase in consumption from 2021 levels.

Our Scope 3 emissions increased largely due to travel-related emissions. With COVID-19 restrictions lifting throughout the course of 2022, our business travel returned to pre-COVID levels. While travel is an essential element of our business, a significant proportion of our travel-related emissions were due to intra-office travel. Given the global nature of Partners Group, we felt it was important for our employees to reconnect in person. Nevertheless, in 2023, we aim to dial back on intra-office travel and focus on virtual ways to ensure global connectivity.

In 2022, our Sydney office and new Munich office switched to renewable energy. Our office managers will continue to seek energy-saving measures and to limit waste generated across our offices. In 2023, we plan to reduce our Scope 2 emissions to

near zero, as per our Sustainability Strategy, by adopting smart-metering solutions.

Changes in Scope 3 reporting methodology: In previous reports, our Scope 3 business travel emissions followed the UK Department of Environment, Food and Rural Affairs (DEFRA) 'Guidance on Measuring and Reporting GHG Emissions from Freight Transport Operations'. This year, we have adopted the Thrust Carbon methodology, which is a combination methodology, utilizing best practice across various methodologies to supply best-in-class carbon calculations. In addition to the class of travel, flight distance, and radiative forcing that were already tracked through DEFRA, Thrust Carbon furthermore assesses aircraft type, seating layouts, occupancy rate and emissions related to hotel stays, to provide best-in-class accuracy and rigor. Partners Group Scope 3 GHG emissions have decreased by 17% overall when switching to the Thrust Carbon methodology.

Efforts towards consolidating our category 15 portfolio emissions: Recognizing that Partners Group's most material impact is indirect, through our Scope 3 category 15 related emissions, we are actively working on collecting data on a best-effort basis. This implies a combination of data gathering directly from our controlled portfolio companies, as well as leveraging third-party data where accessible on non-controlled assets. For the majority of our controlled portfolio companies, we have



partnered with a third-party service provider to ensure accurate and timely collection of GHG data, as part of our broader ESG data collection exercise. As we further refine this process based on internal and external feedback, we will develop a better understanding of our category 15 GHG emissions, with an aim to disclose this information when we conclude the data is both comprehensive and of high enough quality.

Our Policy Choices and Methodologies

Standard applied: GHG Protocol.

Consolidation approach (Scope 1 and 2): Operational control approach.

Gases included in calculated CO₂ equivalents: CO₂, CH₄, and N₂O.

Most relevant emission factors used are:

Scope 1

- World Resource Institute – GHG Protocol for stationary combustion (Version 4.1, 2015).
- EPA Greenhouse Gas Inventory Guidance – Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases (2020).

Scope 2

- CoM Default Emission Factors for the Member States of the European Union (2017).
- U.S. EPA eGrid 2020.
- The World Bank Group Greenhouse Gas Emissions Inventory Management Plan for Internal Business Operations 2014.

Scope 3

- IEA Statistics OECD/IEA – Electric power transmission and distribution losses (2018).
- Thrust Carbon methodology (2022).
- EPA, Office of Resource Conservation and Recovery Documentation for Greenhouse Gas Emission and Energy Factors used in the Waste Reduction Model (2022).
- Ecoact Homeworking emissions white paper (2021).

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

Base year for the calculation: 2019. While Partners Group has reported to the CDP since 2010, 2019 was chosen as the base year as emissions data was gathered and estimations made for all international offices, while previously only emissions from the Zug office were reported.

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

Scope 1, 2, and 3 GHG emissions

Scope	Unit	2022	2021	2020	2019 ¹
Gross direct (Scope 1) GHG emissions	Metric tCO ₂ e	962	1'210 ²	513	400
Gross indirect (Scope 2) GHG emissions	Metric tCO ₂ e	1'335	1'213	1'364	1'795
Gross other indirect (Scope 3) GHG emissions	Metric tCO ₂ e	10'794	2'741	3'239	15'710
GHG emissions intensity ratio (Scope 1 and 2)	Metric tCO ₂ e/employees	1.23	1.50	1.22	1.50

¹ Only business travel (air travel) included in Scope 3 for 2019.

² Scope 1 emissions were understated in the 2021 GHG emissions table due to a reporting inconsistency (restated from 1'179 tCO₂e).

= externally assured

Contributing to Nature-Based Solutions

In 2022, as part of our ambition to achieve net zero for our Scope 1, 2 and 3 GHG emissions, we established an internal carbon price of USD 50 / tCO₂e. This provides an incentive to reduce emissions and is used to fund carbon removal through nature-based solutions. Throughout the year, we continued to purchase and retire carbon credits, as we have been doing since 2019. We also co-financed a global portfolio of low-carbon sustainable development projects (see below) to support biodiversity and address our GHG emissions at corporate level, in line with the highest international standards.

Kariba REDD+ Forest Protection, Zimbabwe (Verra certified, project ID: 902)

This program protects 785'000 hectares of forests and wildlife on the southern shores of Lake Kariba. One of the largest registered REDD+ projects in the area, it connects four national parks and eight safari reserves, forming a giant biodiversity corridor that protects an expansive forest and numerous vulnerable and endangered species. The project also incorporates several community-focused initiatives.

Alto Huyabamba REDD+ Conservation, Peru (Verra certified, project ID: 1882)

This conservation areas lies in the lowland areas of the Amazonian Andes, where the main drivers of deforestation include clearing land for pasture, industrial crops, illicit coca plantations and mining. Spanning over 53'000 hectares, the project aims to reduce emissions associated with deforestation and land degradation, by working with the local community to implement sustainable initiatives, such as organic honey and quinoa production, effective land management, environmental education and strengthening local governance.

Guanarè Afforestation, Uruguay (Verra certified, project ID: 959)

This initiative involves the rehabilitation of four separate sites that have been grassland for over 300 years by planting primarily eucalyptus tree species (see photos). Over 1'000 seedlings are planted per hectare. This will establish sustainable woodlands throughout the grassland, which will remain pasture for cattle.

Forest Restoration with Teak, Mexico (Verra certified, project ID: 1740)

This project sustainably grows teak trees on degraded land in the states of Tabasco, Chiapas, and Campeche. Part of the project is devoted to sustainable plantations, as teak wood is in high demand due to its durability and water resistance. The project will also in part be left to naturally regenerate, to allow wildlife and biodiversity to thrive.

CarboCert for living soils, Germany (ISO certified, project ID: 2962-2913)

This program empowers farmers to transition from conventional to regenerative agricultural practices by financially rewarding them for changing to farming practices that result in GHG emissions reductions.





Contributing to Technology-Based Solutions

In March 2022, Partners Group invested in Climeworks, a leading Swiss designer, developer, and operator of Direct Air Capture (DAC) plants. Founded in 2009 as a spin-off from ETH Zurich, Climeworks generates revenues through selling carbon dioxide removal services to businesses and individuals. Today, it has 15 DAC plants, including the world's largest DAC and storage plant, which started operations in September 2021 in Iceland. As it does with all portfolio companies, Partners Group is currently working with the Climeworks management team and other investors with a focus on addressing the massive scale-up the industry requires.

Given that our belief in this investment is strong, we signed a separate 13-year partnership with Climeworks to remove more than 7'000 metric tons of CO₂ from the atmosphere on Partners Group's behalf and permanently store it underground. This agreement will make a significant contribution to our goal of achieving net negative corporate GHG emissions by 2030. The removal of CO₂ from the air plays a significant role in achieving these goals; its subsequent storage can be achieved through natural methods, such as reforestation, or through technological solutions such as DAC. This partnership is Partners Group's first adoption of a technological decarbonization solution, which will complement our aforementioned portfolio of nature-based solutions.

Climeworks' DAC technology reduces CO₂ in the atmosphere in a scalable manner, which can then be permanently stored underground. Its renewable energy-powered plants filter CO₂

out of the air, after which it is mixed with water and pumped underground, where, through the Carbfix method, it reacts with basaltic rock formations and mineralizes. Through this accelerated natural process, the CO₂ turns into stone and is removed from the air for thousands of years.

This multi-year agreement also helps to accelerate the scale-up of carbon dioxide removal (CDR) technologies, such as Climeworks' DAC, and the market as a whole. CDR needs to be scaled to gigaton capacity by 2050 to help the world achieve net zero by neutralizing residual emissions. Today, this much-needed scale-up is mainly driven by the private sector, i.e. multinational companies such as Partners Group, who operate on the voluntary carbon market.



Christoph Gebald
Climeworks Co-CEO
and Co-Founder



“We are proud to welcome our investor Partners Group as a client and to support their journey toward net zero. High-quality carbon removal must be scaled to gigaton level by 2050, and multi-year agreements like this one are a crucial lever. Partners Group's commitment to high-quality carbon removals underlines the leading role of the financial services industry in this scale-up.”

Our People

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

Employee information¹

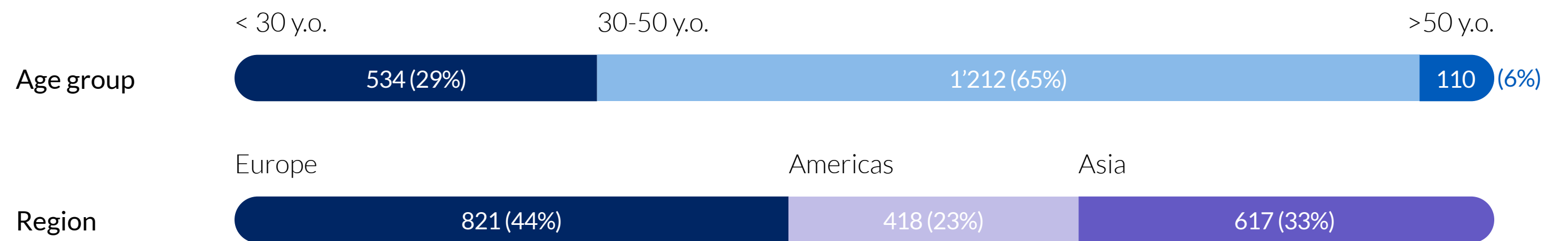
In 2022, we continued to hire talented professionals from across the globe and expanded our platform to 1'856 employees (2021: 1'573). The percentage of female (41.5%) and male (58.5%) employees remained at similar levels to 2021. Similarly, the overall age breakdown of our employees globally remained largely in line with the previous year. Today, our professionals represent around 60 different nationalities and speak more than 30 different languages.



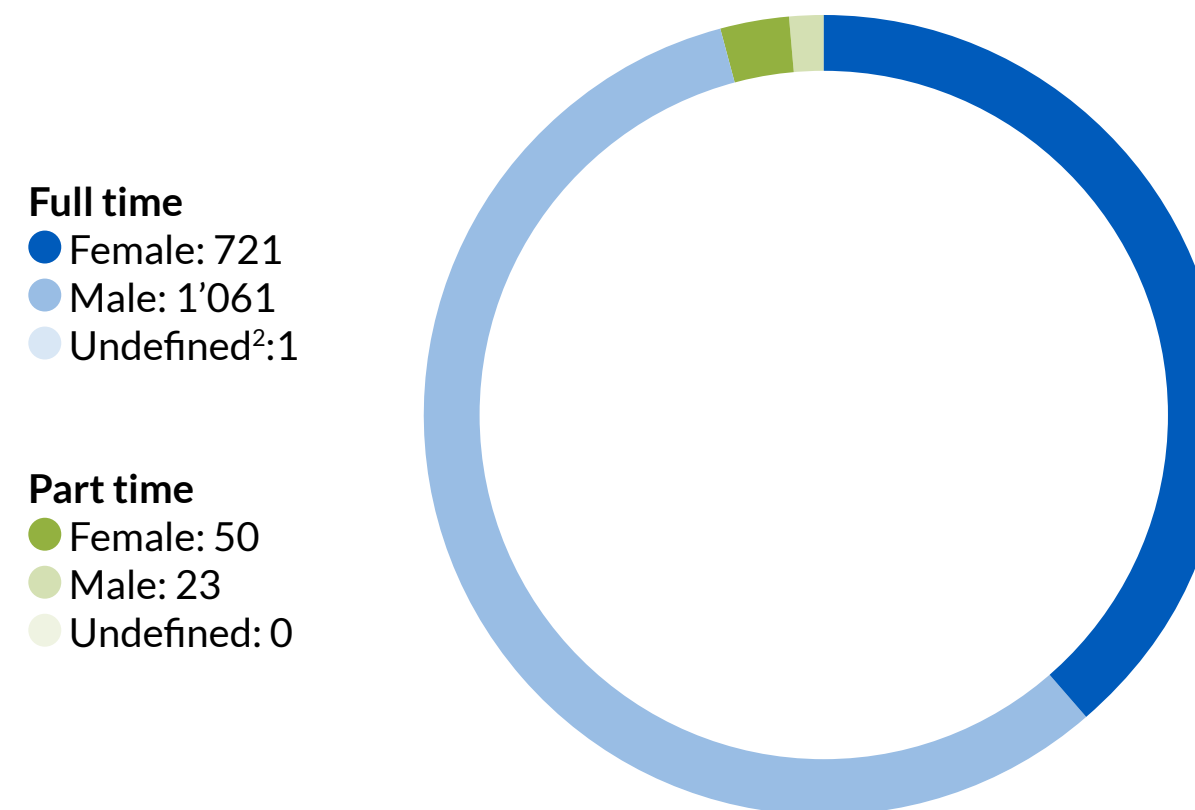
Kirsta Anderson
Chief People Officer

“People at Partners Group are passionate about excellence in everything they do. I am inspired to work with such an extraordinary team of people, and to support them in realising their potential, in service of our clients.”

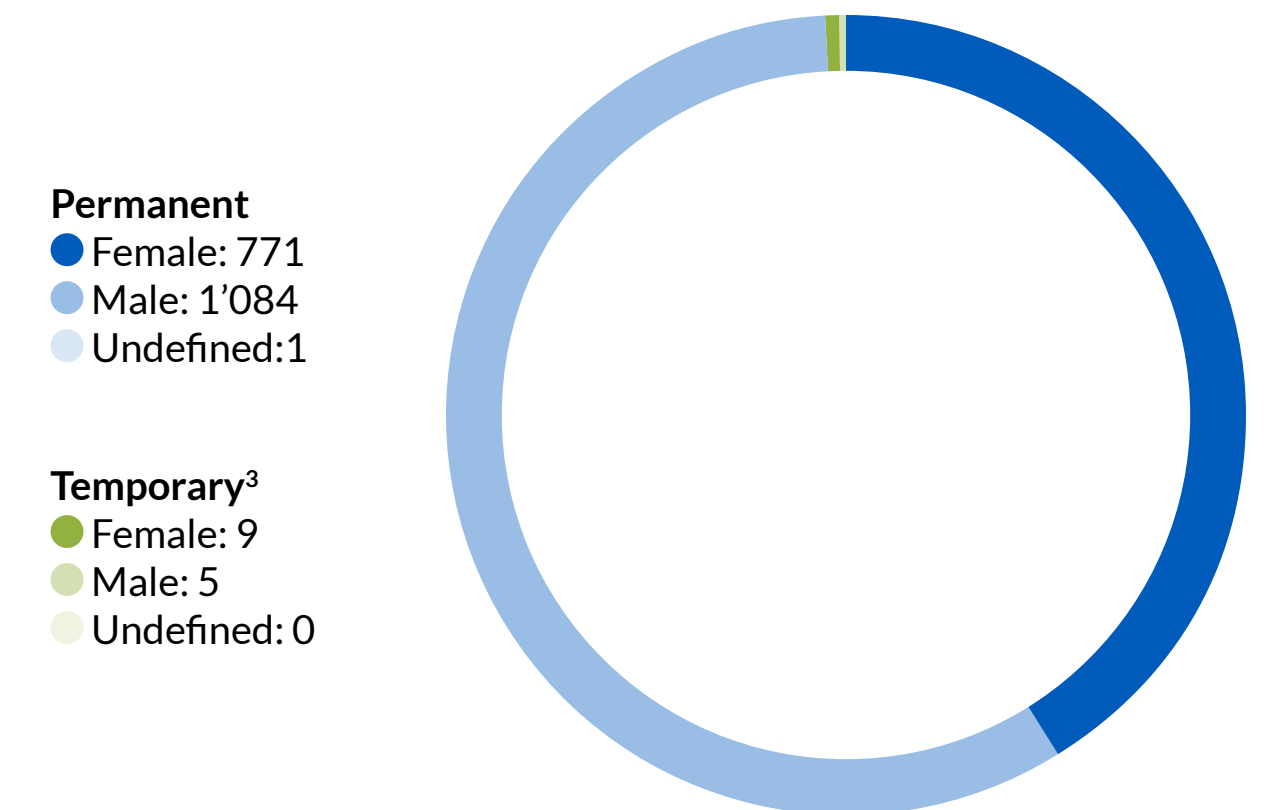
2022 employee information by headcount



Employee type



Employee contract



¹ Numbers as at 31 December 2022.

² Employees who have chosen to declare but not define their gender along the male-female binary.

³ Temporary employees are hired for time-limited requirements (e.g. delivery of projects, for temporary increases in requirements, or requirement of specific skills). We also employ contractors and interns; these are not included in the employee headcount.

✔ = externally assured



Global headcount by seniority level and gender



Seniority Level	Female	Male	Undefined	Total
Professional	668 (49%)	697 (51%)	1 (0%)	1'366 (74%)
Member of Management	91 (25%)	279 (75%)	0 (0%)	370 (20%)
Senior Member of Management	12 (10%)	108 (90%)	0 (0%)	120 (6%)

Global headcount by seniority level and age group



Seniority Level	<30	30-50	>50	Total
Professional	534 (39%)	788 (58%)	44 (3%)	1'366 (74%)
Member of Management	0 (0%)	351 (95%)	19 (5%)	370 (20%)
Senior Member of Management	0 (0%)	73 (61%)	47 (39%)	120 (6%)

New joiners by gender



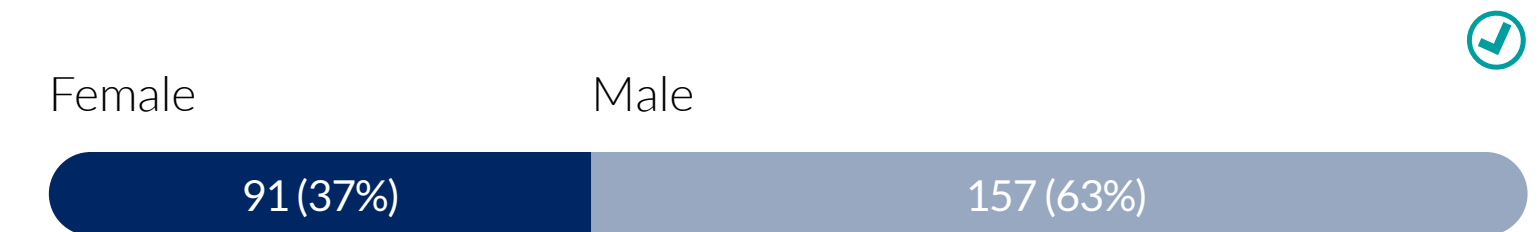
New joiners by age group



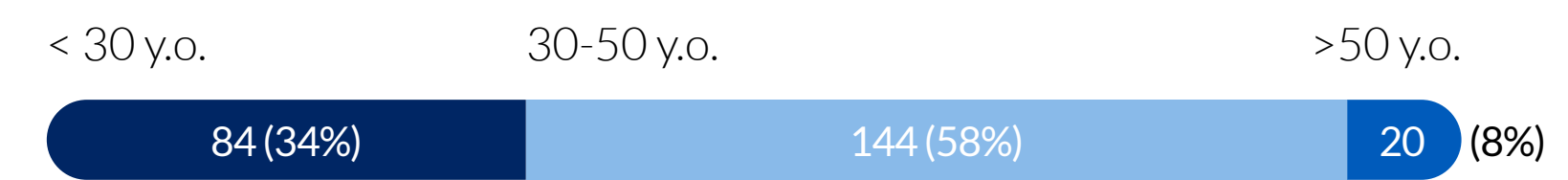
New joiners by region



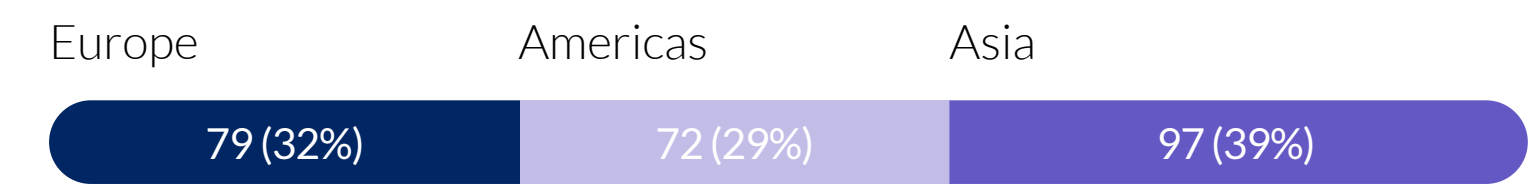
Leavers by gender



Leavers by age group



Leavers by region



= externally assured

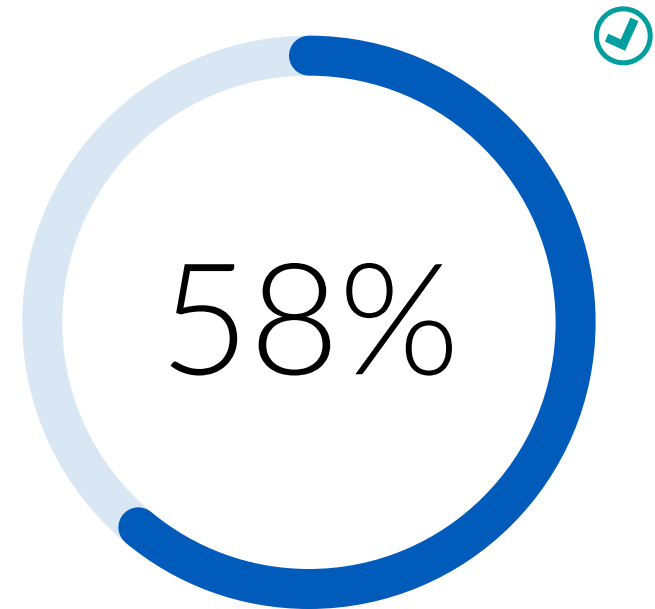
Hiring and onboarding

We have developed a detailed hiring strategy to attract more female talent. Our hiring process is designed to ensure that all candidates are measured and benchmarked against the same criteria, and to avoid any form of discrimination, with all hiring managers required to take unconscious bias training.

Our goal is to successfully attract and hire more female talent by ensuring that women are adequately represented within our initial hiring talent pool. Likewise, during the interview stages, we also ensure that candidates meet with a diverse interview panel.

In summer 2022, we hosted our annual Summer Internship Program in Europe and the US, which aims to build our talent pool, with a high percentage of talent from under-represented groups. After the program, several participants successfully applied to our 2023 Financial Analyst Program. Of the Financial Analysts who started in summer 2022, 58% are from groups commonly understood to be under-represented in financial services, including women.

We continue to work towards our target of substantially increasing the number of female Partners, Managing Directors, and Board Members to at least 25 by 2025. In 2022, by year end, we were at 14 (2021: 12).



58% of our Financial Analyst class of 2022 are members of under-represented groups

2022 status against target of 25 female Partners, Managing Directors, and Board Members by 2025



✔ = externally assured

Wildspitz

In 2022, Partners Group relaunched 'Wildspitz', its flagship onboarding event for new joiners, across the EMEA, Americas and Asia-Pacific regions. Named after a mountain near our global headquarters in Zug, Switzerland, Wildspitz is a two-day offsite in which small groups of new joiners gather to learn about Partners Group's history, strategy, and culture from a handful of its senior leaders. The event has become a rite of passage and gives employees the opportunity to forge new friendships and professional connections. Each region tailors its own version of Wildspitz, adapting to local customs and practices.





Culture and retention

As a growing firm, we want to ensure that we successfully hire new talent while also retaining our existing talent. Thus, we monitor our retention rate closely to assess whether we are maintaining the right balance. In 2022, our turnover rate was 14.6% (2021: 16.9%), which is at the higher end of our target range of 10-15%. However, this relatively high rate was reflective of the overall market conditions, as the ‘the Great Resignation’ that followed the COVID-19 pandemic continued for a second consecutive year.

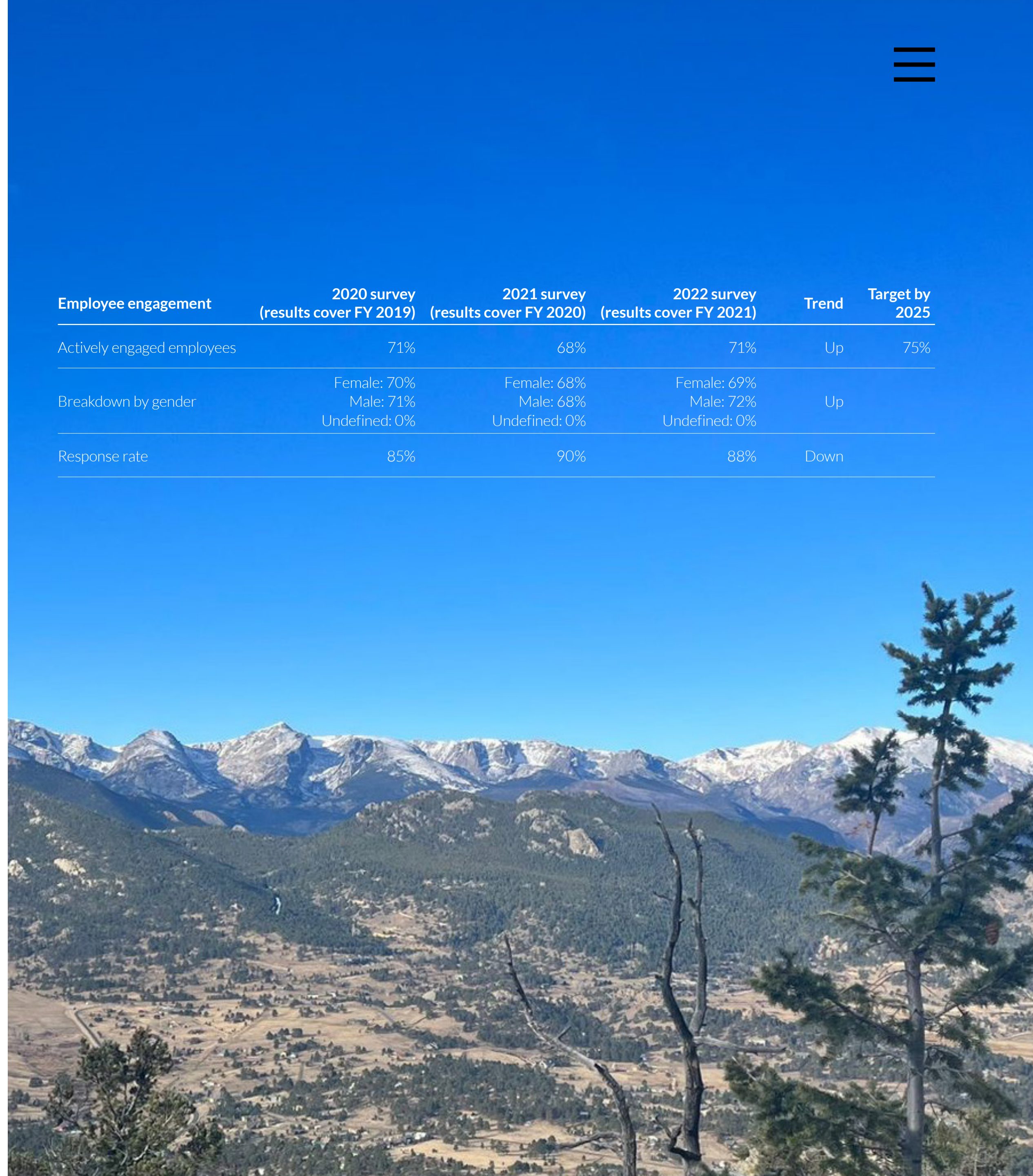
Fostering employee engagement

Every year, we conduct a firm-wide survey to ensure our employees’ voices are heard and to foster increased engagement. These surveys help us to identify potential development areas and provide valuable feedback on ongoing improvement initiatives. As in previous years, the survey highlighted that employees remain actively engaged and motivated by Partners Group’s client focus, the quality of our products and services, and the clarity of our strategy. They also continue to appreciate the benefits of our training platform, PG Academy, and improvements to our performance management process.

However, employee feedback also highlighted a need to further efforts to empower leaders with ownership and decision authority so that all employees can live our entrepreneurship values. Other focus areas included ensuring we achieved the right level of resourcing, and strengthening collaboration across departments. Another major discussion point raised following employee feedback was how to best adjust to new working patterns. To that end, we have been piloting a new Flexible Working Policy since September 2022, which allows for increased work-from-home days.

Partners Group uses diverse measures to ensure employee engagement, including a clear structure with ‘Cells’ at the core, which provide a focal point for employee engagement.

Employee engagement	2020 survey (results cover FY 2019)	2021 survey (results cover FY 2020)	2022 survey (results cover FY 2021)	Trend	Target by 2025
Actively engaged employees	71%	68%	71%	Up	75%
Breakdown by gender	Female: 70% Male: 71% Undefined: 0%	Female: 68% Male: 68% Undefined: 0%	Female: 69% Male: 72% Undefined: 0%	Up	
Response rate	85%	90%	88%	Down	





“I began working as a proposal writer at Partners Group in 2017. Since then, the firm has nurtured me, provided training and mentorship opportunities, and has illuminated multiple pathways forward for my career. I am now the head of the team where I started, and I get to be a part of the firm in bigger and more important ways with each passing year. As an LGBTQ+ woman in finance, it can be difficult to believe in promotions and career advancements when you don’t see someone like yourself represented in the industry. I can proudly say that I now get to be an example for others like me, and I look forward to guiding new professionals on their paths forward at Partners Group.”



Maria Getto
Head of Proposal Management,
Client Solutions

Empowering employees through learning

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

Employee development continued to be a priority for PG Academy, our bespoke learning and development platform. In 2022, 97% of our employees took advantage of further learning opportunities and had some form of supplemental training on top of their usual on-the-job development. PG Academy delivers a flexible and scalable learning offering with targeted business, functional, technical, leadership, and personal development skills training, as well as topics related to Diversity & Inclusion and wellbeing.

In 2021 and 2022, we aimed to expand learning opportunities that are business-specific and to focus on capabilities prioritized by business teams to deliver on strategy. We continued to uphold our commitment to strengthening our leaders and developing our people during the COVID-19 pandemic and beyond, driving a continuous learning culture in a balanced format of in-person and virtual delivery, complemented by self-service online learning offerings. In 2022, we further expanded the PG Academy platform to match Partners Group’s scale,

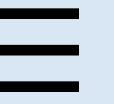
 In 2022, 97% of Partners Group employees took advantage of supplemental learning opportunities

increasing the variety and volume of our offering by 37% and the average training hours per person by 17% compared to 2021, with a balanced approach across gender, seniority level, and geography. Our employees benefited from over 50’600 hours of learning in total, bringing us to an average of 24 hours of training per person.

Overall, 186 training sessions were scheduled and 182 were successfully conducted, with a 2% cancellation rate. As an additional learning benefit, eleven employees made use of our further education policy to enroll in degree programs for higher degrees (such as BA, MA, and MBAs), representing over 5’000 hours of ad-hoc education.

Developing our leaders

Strengthening management skills and accelerating development to build a strong next generation of leaders remains a key focus of our investment in PG Academy. We have built a coaching platform with three levels to act as a development accelerator, with specialist external coaching programs for senior leaders, digital coaching with qualified external business coaches for mid-level leaders and employees, and a strengthened internal Partners Group coaching program for more junior professionals. In total, over 300 individuals benefited from coaching in 2022. Furthermore, 93% of our leaders have attended some form of leadership training in the past two to three years.



New learning and development initiatives


At Partners Group, our employees are always learning, from their initial onboarding training sessions through to their on-the-job development. As a supplement to this ongoing training, PG Academy offers a range of bespoke courses on topics that build tangential skills such as leadership.

Since 2021, PG Academy has run a survey on annual employee training needs to better understand our people’s training requirements. As a direct result of the feedback from the first survey in 2021/22, we added a new learning category, ‘Wellbeing’, to our training catalogue and launched a series of pilot programs aimed at developing the self-awareness and emotional intelligence for our people to become more successful leaders. These pilots enabled us to curate and design the right wellbeing-focused programs to launch to larger groups in 2022. We also expanded our bespoke offering for different areas of the business to include targeted training programs for investment, client-facing, and services teams. To strengthen our leaders to take their teams through business

transformation and change, and to keep a high level of engagement, we designed and delivered programs targeting team performance activation, team engagement, and the leadership change journey.

We also delivered a Lean Training Program for over 400 employees within the Services organization. As part of the Lean training, a program that aims to increase efficiency, our employees learnt eight high-performance practices, through both theoretical and practical sessions with their team and Lean coach. The objective was to implement and institutionalize a culture of continuous improvement including Lean education, ongoing streamlining of end-to-end processes, and performance tracking.

To educate all employees on ESG concepts and Partners Group’s general approach to ESG & Sustainability, we launched a new company-wide, mandatory ESG training module. The training emphasizes that ESG is part of our purpose, and that it impacts our core operations globally. In 2023, we will continue to deliver more tailored ESG training sessions to various business units.


Gender 
Average hours of supplemental training per employee via PG Academy¹



Female



Male

Seniority level 
Average hours of supplemental training per employee via PG Academy¹




Professional



Member of Management



Senior Member of Management and Board of Directors

 = externally assured

¹ Hours reported pertain to training done via PG Academy only.

Employee Health & Safety and wellbeing

We are committed to offering our employees a healthy working environment, free from physical and psychological harm, where safe, ergonomic work practices are observed. As part of this commitment, we have also adopted an array of wellbeing measures recognizing that our employees have reasonable needs for flexibility. In accordance with our Flexible Working Policy, we enable our employees to benefit from flexible working arrangements where possible.

In 2022, 76 employees took advantage of a reduced work quota, representing a 21% increase since 2021. We are also experimenting with increased remote working flexibility to support our employees with their different requirements.

We have a dedicated Employee Assistance Program, which offers counselling, legal and financial consultations, and crisis intervention services by a credentialed professional, to our all employees and their dependents. The service is free of charge and strictly confidential. We have also increased our training catalogue's wellbeing pillar to include a course on resilience.

Our absentee rate in 2022 was 1.2% (2021: 1.6%), which corresponds to an average of three days' absence per employee. This includes sick leave, medical leave, and other paid leave (excluding annual leave).

Respecting human rights and availability of whistleblowing

As a responsible corporate citizen, Partners Group respects internationally recognized human rights, as defined in our [Human Rights Policy](#), and aims to not infringe on human rights, be complicit in, or contribute to human rights abuses.

Our [Speak-up Directive](#) sets out our expectations for employees to speak up if they know of or suspect conduct or occurrences that violate law, regulations, internal instructions, group processes, or the Partners Group Charter. It also outlines to employees how they can raise concerns anonymously, and provides guidance on procedures.

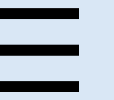
Partners Group does not tolerate misconduct and is committed to preventing and eliminating misconduct within the organization. Speaking up contributes to the enhancement of the organization's risk management, internal controls, and compliance. Partners Group will not tolerate retaliation such as harassment or adverse employment consequence against any employee who reports misconduct in good faith. Reports can be made anonymously, and investigations will be treated with strict confidentiality to the extent permissible by law. Partners Group will investigate any incident it is made aware of and reports to the Risk & Audit Committee, a Board subcommittee, quarterly. Our group internal audit function periodically audits compliance with our Speak-up Directive.

✔ In 2022, there were no incidents confirmed involving human rights or discrimination issues towards our employees. We include a question on the Speak-up tool in our annual employee engagement survey to ensure our employees feel it is fit for purpose.

Our employees have freedom of association. In 2022, 0.9% of our employees exercised this right by joining an independent trade union or being covered by collective bargaining agreements.



✔ = externally assured



Progression and development

We are committed to providing equal employment and advancement opportunities to all employees. All employees are subject to an annual progression and development review. In 2022, 97% of employees completed these reviews, while 3% were not subject to one (e.g. temporary replacement hires for a short tenure, retiring employees or employees who left the company prior to the annual performance review).

Equal progression rates

In 2022, 21% of female employees were progressed versus 24% of male employees. The average progression rates of the past three years show a small gap of 3% (20% female versus 23% male employees). To address this gap, each business department assigned a Diversity & Inclusion responsible by March 2023 to further analyze and address gender imbalance in progression rates. Currently, we are primarily focusing on gender in reviewing equal progression rates; once we have gathered more granular data on the broader diversity of our workforce, we will extend our analysis to other under-represented groups.

Equal pay for equal work

Partners Group is an equal opportunity employer and complies with all applicable fair employment practice laws. In order to provide equal employment and advancement opportunities to all individuals, Partners Group commits to making all employment decisions based on merit, qualifications, and abilities.

In 2022, we performed a global equal pay analysis using the assessment methodology of the Economic Dividends for Gender Equality (EDGE) Certified Foundation, which showed no significant pay inequalities. EDGE is a leading Diversity & Inclusion organization offering a global standard with independent verification. Using EDGE allows Partners Group to run the compensation analysis on our own and have it externally assured thereafter. In addition, Partners Group complied with its legal obligation to perform a separate Swiss equal pay analysis under the requirements of the Gender Equality Act and Ordinance and was awarded the 'We Pay Fair' certificate from the Center of Diversity and Inclusion of the University of St. Gallen last year. Given that the firm performed the analysis in 2021, it was exempt from performing a separate Swiss equal pay analysis again in 2022. From 2022, we will conduct this analysis annually with the University of St. Gallen.

Equal pay analysis results for Partners Group's five largest offices (base salary only)



Country	Total employees	% Female employees	Remuneration difference
Switzerland	568	32.4%	-2%
United States	415	34.2%	-0.3%
Singapore	315	50.8%	-1%
Philippines	257	63.0%	-3.9%
United Kingdom	168	34.5%	1.6%

✔ = externally assured



Partners Group's gender pay gap has been certified as insignificant by a leading global Diversity & Inclusion organization





Taking Diversity & Inclusion to the next level

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

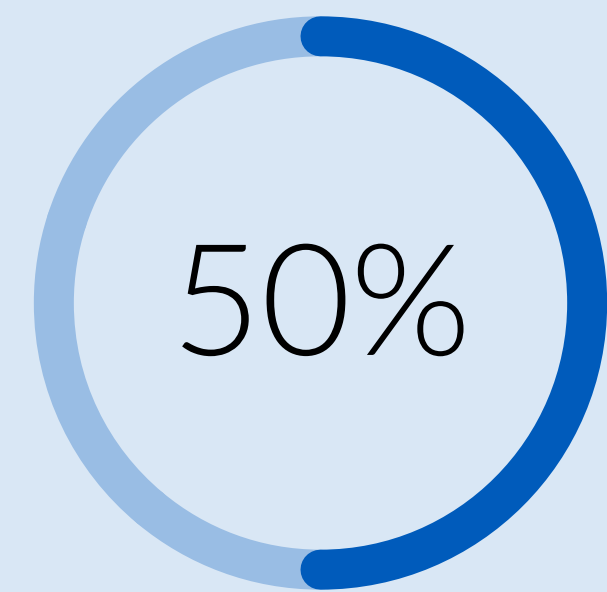
Appointing a Diversity & Inclusion Officer at Partners Group

To further advance Diversity & Inclusion at the firm, Partners Group plans to appoint a part-time Diversity & Inclusion Officer in 2023. Key responsibilities will include shaping the annual Diversity & Inclusion strategy, driving initiatives around hiring under-represented candidates, effectively onboarding and developing all employees, strengthening the firm’s inclusive culture, and increasing talent retention. The firm is assessing internal candidates with a strong understanding of Partners Group’s unique culture.

PG Employee Networks

Spotlight topic

Partners Group supports employee networks that work to help increase the diversity of hiring and create a sense of inclusion at the firm. Our Diversity & Inclusion Working Group was founded in 2019 and elevated to a committee in 2020. Our employee networks have grown stronger in the past year, with many powerful initiatives giving all Partners Group employees a chance to build connections across the firm and understand new perspectives. As of January 2023, our employee networks count more than 600 members, an increase of 50% since 2021.



Employee network member numbers have grown by 50% since 2021



The Women’s Network

- For women and allies
- 180+ members

The Women’s Network aims to create a strong bond among women at the firm to foster mutual support, while bringing awareness to the broader organization of the benefits of a diverse workforce. It also supports women to develop their full potential by creating an environment where they feel equally treated and welcome, supporting new joiners as they integrate into the firm. In 2022, network events included working jointly with the Pride Network, a ‘Leadership of the Future’ panel led by Schleich Board Member Luisa Delgado, and a fireside chat with Partners Group Board Member Anne Lester. The Women’s Network also expanded recruiting practices, leveraging the Partners Group network to support general hiring and junior programs.



The Black Network

- For Black, African, Caribbean, Afro-Latino and allies
- 50+ members

The Black Network is a business resource group that helps to build community and affinity. It consists of black-identifying professionals and other employees with a strong interest in supporting the network’s goals and objectives. It aims to grow representation of black professionals to reflect that of society by focusing on recruitment, retention and advancement, ensuring important dialogue on the topics of racial equality and diversity are being had at Partners Group to support lasting impact. In 2022, it hosted several guest speakers, continued to be heavily involved in recruitment and retention, and held Black History Month events globally.



The Pride Network

- For LGBTQ+ identifying professionals and allies
- 180+ members

The Pride Network’s main goal is to have Partners Group match LGBTQ+ representation of the general population (c. 5-10%) through providing support and education on LGBTQ+ topics. It also helps the firm source LGBTQ+ candidates. Improving Diversity & Inclusion at Partners Group demonstrates the firm’s commitment to better understanding the perspectives of clients, portfolio companies and their employees, nurturing stronger working relationships. In 2022, the network held several global events during Pride Month and launched a joint initiative with the Women’s Network.



The Parents Network

- For working parents and allies
- 160+ members

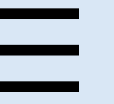
The Parents Network’s mission is to bring parents to the forefront and ensure Partners Group remains an attractive employer for working parents. Network members represent varying types of modern families and parenting formats. Throughout 2022, with the support of senior leadership, the network launched several projects. These included establishing solutions around childcare support, reduced rates at nurseries, and organizing global ‘bring your kid to work’ days, allowing children to learn about private markets and the variety of jobs at Partners Group. It also expanded Partners Group’s internal ‘buddy’ program, which matches new or expectant parents with experienced parents. The program aims to provide peer-to-peer support to empower working parents to thrive in their careers while raising families.



The Boots & Rucks Network

- For Veteran military and service personnel and allies
- 30+ members

Boots & Rucks, Partners Group’s newest network, was launched in 2021. Its aim is to raise awareness, improve representation, and realize the potential of military veterans employed at Partners Group and Partners Group portfolio companies. Throughout 2022, the network’s membership and visibility within the firm materially improved, thanks to initiatives like sponsoring American Corporate Partners, a mentoring program that connects post 9/11 US Veterans with corporate mentors, which Partners Group was the first private markets investment firm to sponsor. The network also launched the Veteran Associate Rotation Program, which places Veterans in front-line investing roles, with the first three veterans starting in summer 2022. It also successfully recruited two Veterans for the 2022 Financial Analyst Program and one for the 2023 class.



Citizenship


PG Impact

Founded in 2006, PG Impact, our employee foundation, aims to create lasting, positive social impact by supporting organizations addressing challenging issues such as poverty, hunger, educational opportunities, and access to healthcare.

PG Impact is run entirely by Partners Group's employees by dedicating their time, expertise, and/or money to contribute to high-impact projects. All of our employees are encouraged to support PG Impact. Through PG Impact, Partners Group also provides a meaningful way for employees to contribute through grants and impact investments. This strategic guidance and expertise, alongside capital and access to the Partners Group

network, can be catalytic for our investees and grantee organizations. Employees are actively engaged through PG Impact in several ways (see illustration on the right).

Since its inception, PG Impact has supported numerous projects across the globe with both grants and seed-stage impact investments, committing to 25 projects in 2022, compared to 18 in the previous 12 months.

Partners Group charity contributions in 2022 (CHF) 

PG Impact	2,239,961
PG Gives Back ¹	22,960
Total	2,262,921

 = externally assured

Additional contributions through associated institutional impact funds

Over the past few years, in addition to donating financially to the employee-driven PG Impact and volunteering personally for charitable activities in their local communities, Partners Group employees and Board Members have **contributed more than CHF 30 million** through associated institutional impact funds including PG LIFE, our dedicated impact-at-scale investment offering focused on investments that contribute towards achieving the UN SDGs. These contributions are not included in the table above.

¹ Volunteering hours have been assigned a monetary value as per each employee's hourly compensation.

PG Impact

Grants and Impact Investments

Provide financial contribution to non-profit organizations and social enterprises

PG Gives Back

Give back personal time by volunteering for charitable activities in our local community

Emergency Assistance

Provide financial relief and support to members of our network affected by material adverse conditions and crises



Grants and Impact Investments

PG Impact makes two types of monetary commitments to organizations:

- **Direct impact investments** into seed-stage social enterprises with a proven business model and demonstrated measurable social impact. Investment structures are flexible and can take the form of low-interest loans, convertible notes, and equity. 100% of any returns from these investments are recycled back into PG Impact Foundation for allocation to future projects.
- **Grants** to non-profit organizations working to address a diverse set of challenging global issues faced by disadvantaged populations. These include organizations promoting education and job skills, health and wellness, and entrepreneurialism. There is a preference for organizations operating in a region where Partners Group has a local footprint. However, any organization doing impactful work will be considered.

For more details, please visit our [website](#).

WasteAid is a UK-based NGO that works with communities and policymakers to implement waste management and recycling programs across Africa and Southeast Asia. In 2022, PG Impact’s contribution of EUR 50’000 was used to help expand an existing plastics recovery facility in Cameroon, as well as training marginalized youth to collect, sort, clean, and process plastic waste for sale to generate income. The project therefore offers an intersection of entrepreneurship and environmental impact.

For more details, please visit <https://wasteaid.org/>

PG Gives Back

PG Impact also gives employees the opportunity to volunteer up to two working days per year in charitable, local activities. For example, in 2022, our Structuring team spent a day supporting Zuwebe, a Baar-based institution that offers work and housing for people with disabilities, helping them find their place in society. It offers various forms of living that are tailored to the needs of the residents and develops a framework for the professional support of people with disabilities.

For more details, please visit <https://www.zuwebe.ch/>



Tobias Gieser
PG Impact
Board Member
/ Global Head
of Structuring

“The Structuring Team spent an afternoon at Zuwebe. The most fulfilling feeling was getting to know individual people and their life stories. We also enjoyed the time together as a team and took the opportunity to share our thoughts after the event. One common denominator was how important it is to respect everyone and how impactful Zuwebe’s work is.”

Emergency Assistance: Ukraine

When the war in Ukraine broke out in February 2022, Partners Group established a corporate taskforce to leverage our global portfolio companies and business networks to deliver a speedy humanitarian response. Simultaneously, Partners Group announced a corporate donation via PG Impact and pledged to match all employee donations. However, employee contributions went beyond the financial: they helped with project ideas, liaised with portfolio companies and other business partners, collected and distributed first-relief and medical supplies, and hosted Ukrainian refugees in their homes.

Partners Group reached out to its portfolio companies and business networks to find practical solutions to help with urgent needs. Many people at Partners Group, including senior stakeholders, activated business and personal contacts to help. This culminated in a highly collaborative, fast-paced, and results-oriented process.



Thanks to our investment in Warsaw Green, 2'400 sqm of warehouse space was made available for use by the Polish Red Cross (see [p.30](#)). This provided space for medical and first-relief supplies for refugees in the area. We also partnered with our Polish portfolio company Zabka to deliver 60 tons of food and hygiene items to Kyiv, Ukraine. Another ongoing project has been our work with a shelter in Lviv, Ukraine. Here, our donations have helped to provide 100 new beds and twelve family rooms. Our donations have also funded a total of 25 tons of first-aid medical supplies, and tuition fees for 50 Ukrainian students. Through these partnerships, Partners Group was able to provide first-response medical equipment and emergency shelter to thousands of people in Ukraine.

Partners Group colleagues also searched for additional sources of funding and joined forces with other philanthropic organizations to scale up and achieve bigger impact. Our efforts will continue into 2023.

= externally assured

“Our goal from day one has been to help the most vulnerable groups, such as patients with chronic diseases and the severely wounded, as well as children and families crossing borders. All our initiatives were targeting either immediate humanitarian response, such as facilitating housing support, or securing medical suppliers and fixing disrupted infrastructure.”



Valeria Hegnauer
Ukrainian Taskforce Ambassador

Member of Management,
Operating Directors & Entrepreneurial Governance



Ethics and Compliance

At Partners Group, we recognize reputation and trust are of utmost importance. Since our inception, we have strived to cultivate a strong culture of ethics and compliance to ensure our clients' interests are always at the forefront of our activities.

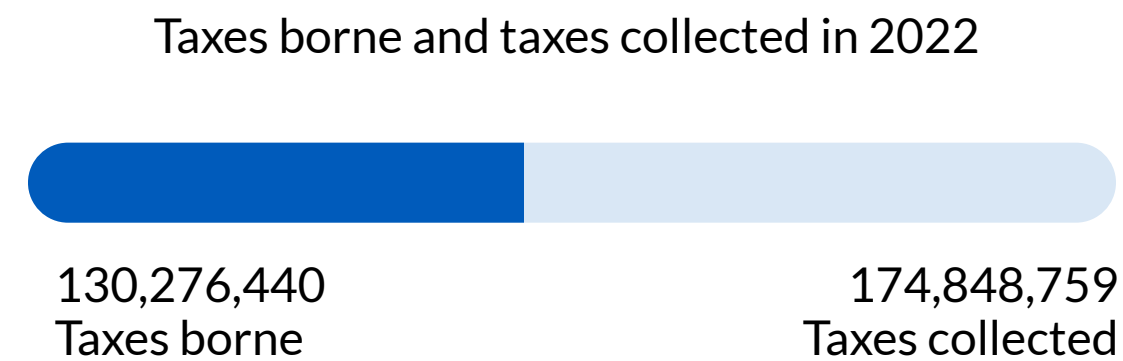
Compliance

Centralizing our compliance tools and obligations:

As an investment firm operating in multiple jurisdictions globally, we are committed to fostering a culture of compliance with local and international laws and regulations, and managing risks that may arise in these areas. As our industry increases in complexity and scale, we have invested substantially in making our platform user-friendly and in supporting our employees in meeting their compliance obligations.

Bespoke compliance training programs:

A requirement for meeting legal and regulatory obligations is to ensure employees are trained to identify, manage, and avoid risks. In 2022, we enhanced the mandatory annual compliance

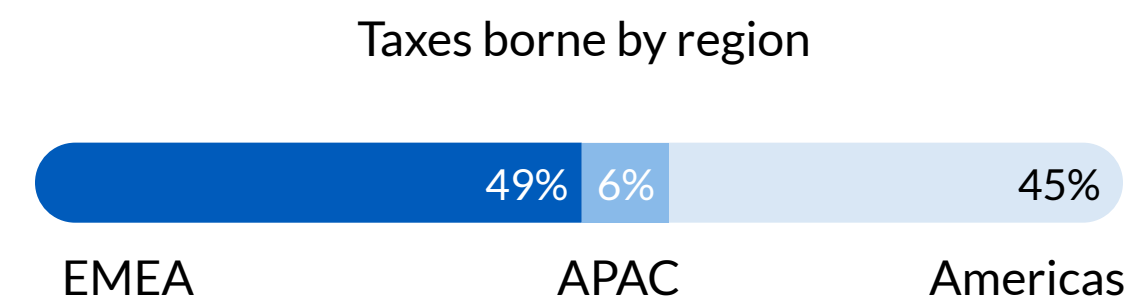


✓ and business ethics training for all employees by making the test adaptive to user input.

Proactively addressing greenwashing risk: As part of our commitment to being transparent on our ESG progress and impact, we have launched initiatives to confirm we adhere to regulatory requirements, ensure relevant client communication, and manage greenwashing risk. In 2022, we launched training for all employees introducing foundational ESG concepts and highlighting regulatory trends. We also continued to train our compliance and marketing teams on ESG and greenwashing, in order to avoid the inclusion of misleading statements in standard marketing materials. Finally, the ESG & Sustainability teams review ESG-related marketing content and product presentations on a quarterly basis to ensure reliability.

Relevant ESG governing policies

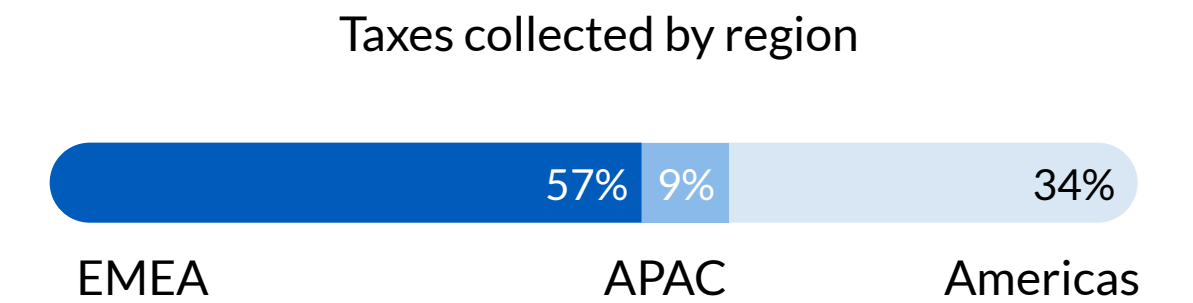
In line with our commitment to reporting transparently, our governing policies are publicly available on our [website](#).



Code of conduct: Partners Group is committed to preserving its high legal, ethical, and moral standards and aims to foster and encourage a culture of compliance. To achieve these aims, we have summarized these standards in a Code of Conduct which, together with our Charter, guides our everyday behavior, activities, and decision-making.

Data protection and privacy: Managing the data we receive from our customers, employees, and business partners around the world is an important part of building the strong relationships that are key to our success. Our global data protection framework is based on internationally recognized data protection and privacy principles and guides our collection, use, transfer, release, disclosure, and security of personal data. It also outlines our expectations of third parties that process data on our behalf.

Anti-bribery and corruption: Partners Group operates a zero-tolerance approach to the offering or receiving of bribes in any form. All employees and service providers



are expected to conduct themselves with integrity, impartiality, and honesty at all times. ✓ In 2022, there were zero confirmed incidents of corruption and no political contributions.

Anti-money laundering: Partners Group has a robust set of Anti-Money Laundering procedures that allow employees to make an informed decision as to whether a transaction with a customer could involve money laundering or finance improper or illegal activities.

✓ **Tax strategy:** Partners Group's tax contribution can be split into: (i) taxes borne by the group, which are payments the group bears itself as a taxpayer (e.g. corporate income taxes, non-recoverable VAT, capital, or wealth taxes and stamp taxes); and (ii) taxes collected and passed onto government bodies by the group, which Partners Group is obliged to collect and remit to governmental bodies (e.g. wage taxes including social security contributions and withholding taxes). Our strategy and approach to tax is detailed in our [Tax Report](#). ✓ = externally assured



Global Initiatives Supported

Global Reporting Initiatives (GRI) & Sustainability Accounting Standards Board (SASB)

In developing our annual Corporate Sustainability Report, Partners Group adopted the GRI and SASB standards as guiding frameworks for developing the report content and quality. The report is in reference with the GRI Sustainability Standards and topic-specific disclosures for the period 1 January-31 December 2022. The SASB standards are integrated within our investment process using a proprietary ESG due diligence tool, which guides our investment professionals in their assessment of material ESG factors.

S&P Global Corporate Sustainability Assessment (i.e. the DJSI)

The DJSI are a family of best-in-class benchmarks for investors, which assess the performance of companies against a defined set of economic, environmental, and social criteria. Partners Group's inclusion in the DJSI for the second year running is an important recognition of the firm's position as a corporate sustainability leader in private markets.

CDP

As Partners Group considers the firm and its individual employees directly responsible for protecting the environment, it has voluntarily participated in the CDP since 2008. The CDP is an independent, not-for-profit organization which holds the largest database of corporate climate change information in the world.

Task Force on Climate-Related Financial Disclosures (TCFD)

Partners Group is a public supporter of the TCFD and has issued a TCFD Report since 2021. In 2020, Partners Group launched its platform-wide Climate Change Strategy, which aligns with the TCFD recommended disclosures.

United Nation Principles for Responsible Investment (UN PRI)

Partners Group has been a signatory of the UN PRI since 2008. With the changes to the UN PRI's underlying methodology for the 2021 assessment, Partners Group scored 4 out of 5 stars for Investment and Stewardship Policy. In other categories, Partners Group achieved 5 out of 5 in Direct Private Equity, 4 out of 5 in Direct Private Debt and Direct Private Infrastructure, and 3 out of 5 in Direct Real Estate.

International Finance Corporation (IFC)

In 2018, Partners Group participated in the design and launch of the IFC's impact operating principles and became one of the founding signatories in April 2019. In 2022, we completed an audit of our impact strategy against their principles.

Swiss Sustainable Finance (SSF)

In 2020, Partners Group participated in a report published by the SSF exploring finance solutions to support the transition to a climate-friendly economy. In this report, we elaborated on how active ownership is an opportunity to implement low-carbon initiatives for clean energy and energy efficiency.

Initiative Climate International (iCI)

In line with our commitment to delivering positive stakeholder impact, in 2021 Partners Group joined the iCI, a landmark global climate initiative for the private equity industry that is supported by the UN PRI.



GOVERNANCE



7 min. read

Materiality and Stakeholder Engagement
Our Enterprise Risk Management and Risk Governance
Structure
Our Sustainability Risks



Materiality and Stakeholder Engagement

The identification of materiality topics: This Corporate Sustainability Report covers the topics that we believe matter most to our stakeholders, which comprise clients, employees, shareholders, portfolio companies and their stakeholders, financial partners, and regulatory bodies. Topics include those covered by the GRI’s Economic, Environmental and Social Standards and reflect the SASB standards on materiality for the financials vertical. Due to their relevance to our firm, these are the topics we have chosen to cover in this report as well as in our Sustainability Strategy, Annual Report, and other materials.

Materiality assessment methodology: In developing this report, we have employed the GRI and its Reporting Principles for defining report content and quality. To that end, we considered the needs and expectations of stakeholders, as well as what they consider to be material sustainability topics for Partners Group and the broader private markets industry. Partners Group’s direct stakeholders and the channels through which the firm engages with each group have been mapped. Based on this mapping exercise, we identified material topics for the report, considering the degree to which Partners Group has control over each issue.

Stakeholder engagement: This table (right) illustrates the direct and extended stakeholders identified in our stakeholder assessment process, as well as the engagement channels that are available to each of the stakeholder groups.

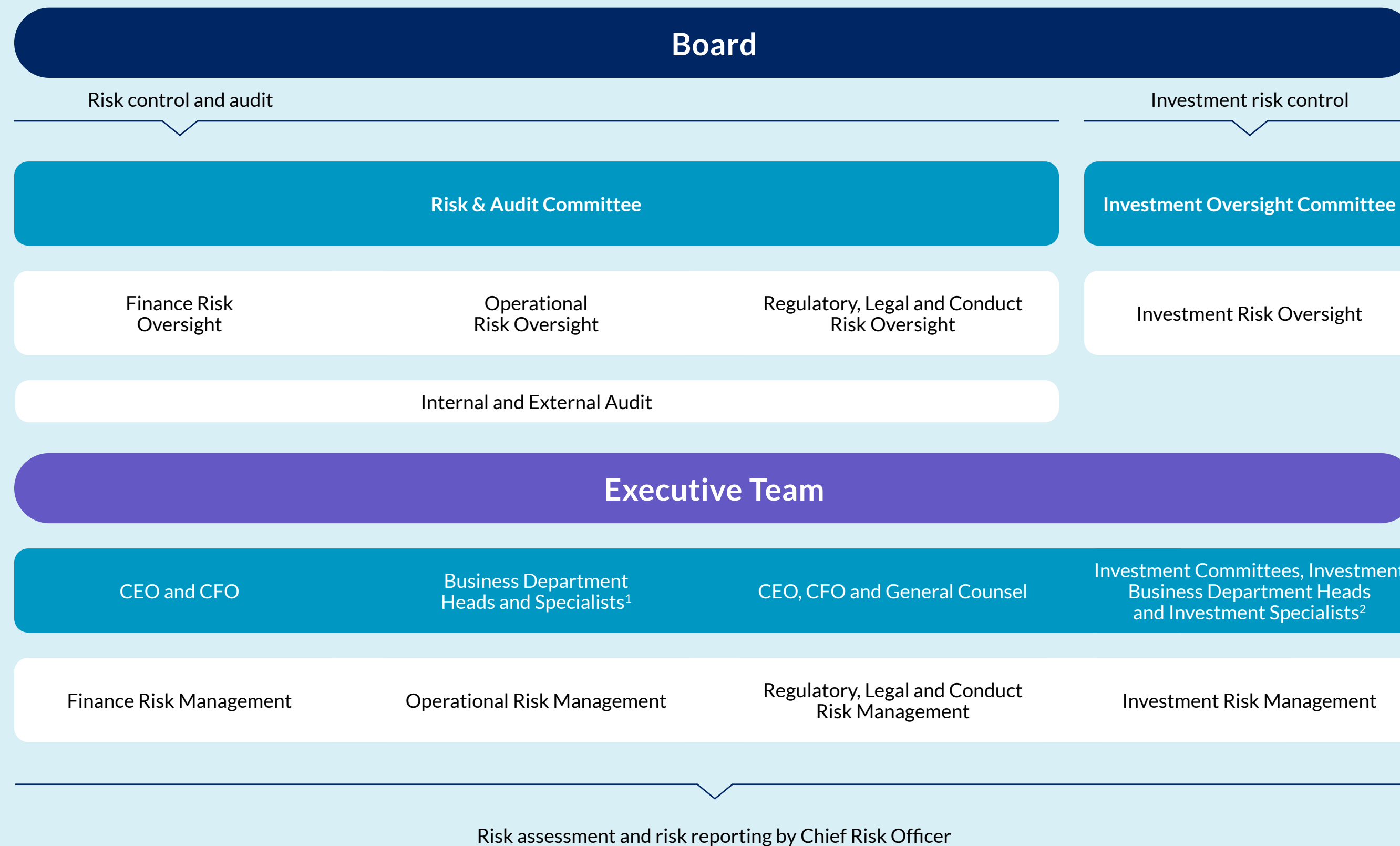
Stakeholder group	Main engagement channel
Clients and beneficiaries	Ongoing client meetings
	Ongoing updates via My Partners Group Portal
	Quarterly client reporting
	Annual General Meeting
	Workshop for investors and ESG webinars
Shareholders	Ongoing shareholder meetings
	Semi-annual reporting
	Annual General Meeting
Employees	Annual employee engagement survey
	Partners Group Intranet
	Partners Group People employee portal
	Global Summits and local Town Hall meetings
	Annual performance and development reviews
	Ongoing training and mentoring programs
	PG Academy

Stakeholder group	Main engagement channel
Portfolio companies	ESG onboarding
	Annual ESG KPI survey
	Ongoing ESG engagements as part of our entrepreneurial governance approach
	ESG workshops
	Incident reporting tool
Financial and business partners	PG Alpha ¹
	Annual Partners Conference
Regulatory bodies	Ongoing due diligence and monitoring meetings
	Ongoing reporting obligations
	Recurring audits
Society and communities	Regulatory examinations and visits
	Partners Group public communication channels
	PG Gives Back
	PG Impact

¹ PG Alpha is Partners Group’s proprietary governance tool that enables us to track progress on strategic portfolio company initiatives.



Our Enterprise Risk Management and Risk Governance Structure



We are committed to meeting high standards of risk management practices. As such, we have developed, and continue to update, strategies and procedures specific to our business for managing the main risk categories identified by our Board of Directors. A sound risk management practice is paramount for Partners Group’s long-term success. We operate an Enterprise Risk Taxonomy that represents hierarchical categorization of relevant risks, organized by the following themes:

- **Finance risks:** related to our balance sheet and income statement.
- **Operational risks:** related to internal processes and operations.
- **Regulatory, legal, and compliance risks:** related to non-adherence to regulations, laws or internal policies.
- **Investment risks:** related to our investment process and platform.

¹ Specialists include Chief Technology Officer, Chief Information Security Officer etc.

² Investment Specialists include Chief Investment Officer, Chairman Global Investment Committee etc.



Our Sustainability Risks

Below is an overview of some of our risks associated with sustainability issues and topics, as well as our response.

	Risk	Response
Environmental	<ul style="list-style-type: none"> Increasing costs of decarbonization. Possible implementation of carbon tax / cap and trade system. 	<ul style="list-style-type: none"> Established an internal carbon price of USD 50/tCO₂e at the Corporate level and are aiming for net zero by 2030. For our controlled assets, we aim to develop a tailored GHG reduction strategy within three years of our ownership, to lower carbon equivalents by 50%+ by 2035 on average. Defined thematic investment approach.
	<ul style="list-style-type: none"> Climate risks (i.e. physical and transition risks) and impacts (e.g. to valuations or cash flows) across our firm and investment portfolio. 	<ul style="list-style-type: none"> Implementation of decarbonization plan and of adaptation and mitigation measures. Recommended environmental materiality analysis.
	<ul style="list-style-type: none"> Misalignment to the Paris Agreement. 	<ul style="list-style-type: none"> Launch of Sustainability Strategy across corporate and controlled assets in Private Equity and Private Infrastructure, with defined GHG targets.
	<ul style="list-style-type: none"> Greenwashing risk. 	<ul style="list-style-type: none"> Mandatory ESG training to all employees, to raise awareness on greenwashing risks. Ensure marketing and product materials are regularly reviewed by the Compliance and ESG & Sustainability Team.

	Risk	Response
Social	<ul style="list-style-type: none"> Attracting and retaining talent. 	<ul style="list-style-type: none"> Conduct regular employee engagement surveys, invest in learning and development, offer competitive packages, piloting more flexible working conditions. Updated Diversity & Inclusion Strategy and pursue targeted recruitment campaigns (across our workforce and Board).
	<ul style="list-style-type: none"> Increasing stakeholder focus on diversity and gender equality. 	<ul style="list-style-type: none"> Implementation of Stakeholder Benefits Program. Stakeholder engagement to show how our Sustainability Strategy drives Diversity & Inclusion.

	Risk	Response
Governance	<ul style="list-style-type: none"> Misconduct in operations or supply chain. 	<ul style="list-style-type: none"> Mandatory e-learning for all employees and leaders covering compliance-related topics. Conducting ESG due diligence using material topics as identified by the SASB.
	<ul style="list-style-type: none"> Non-compliance with legal regulations, code of conduct, and policies. 	<ul style="list-style-type: none"> Ongoing monitoring of evolving regulatory landscape.
	<ul style="list-style-type: none"> Non-compliance with current or regulatory ESG landscape. 	<ul style="list-style-type: none"> Leveraging on regulation as a driver for transparency. Update and introduce policies as needed.
	<ul style="list-style-type: none"> Digital security breaches with adverse effect or substantial loss. 	<ul style="list-style-type: none"> Cyber security training and simulated phishing to increase user awareness at corporate level (see p.62 for more). For our controlled assets, establish a Risk & Audit Committee and agenda, including cyber security.
	<ul style="list-style-type: none"> Breaches in data protection and privacy. 	<ul style="list-style-type: none"> Establishing a global data protection framework based on internationally recognized principles.
	<ul style="list-style-type: none"> Market risk / increasing expectations of the industry by investors and stakeholders. 	<ul style="list-style-type: none"> Engage with stakeholders, and report in CSR about sustainability performance and progress.

Governance Example: Maintaining Cyber Resilience

In 2022, two global events in particular had notable cyber implications. First, severe vulnerabilities in a popular piece of software created risks to companies across all sectors. Second, the war in Ukraine meant that even companies not directly linked to the war have been at a higher risk of cyber threats or supply chain attacks.

Partners Group has not registered any material breaches or acute risks arising from either situation mentioned above. The firm also incurred no incidents to our IT infrastructure that resulted in penalties or for which we suffered revenue losses. However, we remain vigilant. Misinformation campaigns are increasingly using sophisticated artificial intelligence (AI) models. For example, we expect to see more convincing social engineering campaigns via fraudulent activity or automatically executed AI-guided attacks. Further use of AI will also lead to an increasing variety of artificially generated malware with advanced obfuscation mechanisms, making detection and mitigation harder.

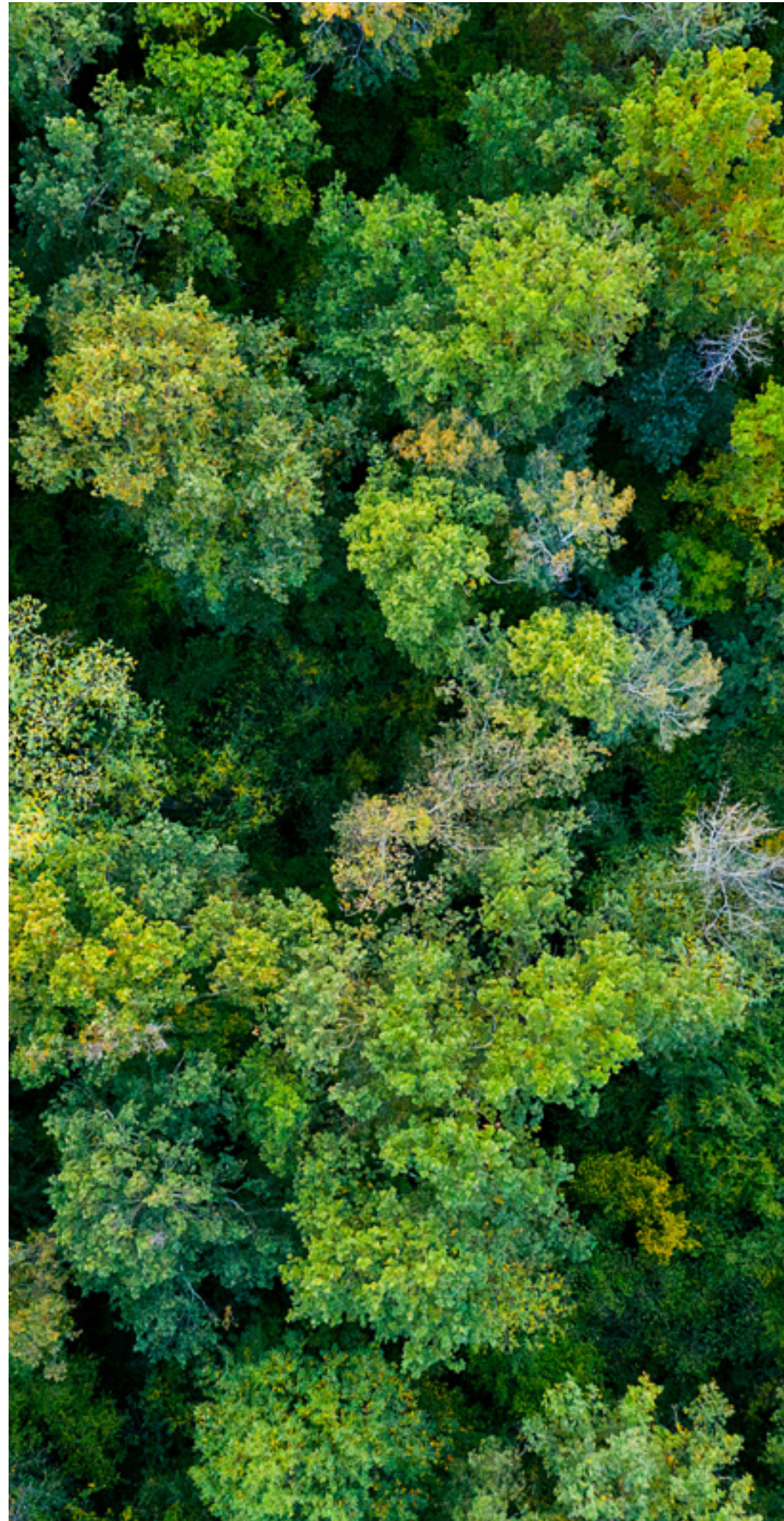
🌐 To counter the increasing supply chain risk, Partners Group has augmented its technology and process capabilities. The firm has updated its service provider management framework and respective tooling for a more transparent overview of its service provider landscape. Furthermore, new capabilities have been introduced for deeper third-party software library and code reviews.

Partners Group operates a framework based on the internationally recognized NIST Cybersecurity framework and our information security policy is based on the ISO 27001 standard.

Noteworthy actions taken in 2022 include:

- Expanding our information security policy landscape and associated controls in line with international regulation and good practice.
- Investing into technical measures and process improvements across all dimensions of the NIST Cybersecurity framework.
- Improving end-point protection to better segment devices and identify anomalies, making it harder for malware to spread.
- Migrating technical workloads onto the hardened Amazon Web Services platform and capturing security-relevant signals in the security operations center.
- Improving risky login detection to tackle potential login abuse.
- Automating vulnerability management.

In addition, Partners Group is engaged in validation measures such as penetration testing, testing of incident response processes (via semi-annual validation, e.g. via simulated cyber attack/red team or table-top exercises), and external audits. End-user awareness and technical training includes: mandatory computer-based learnings; quarterly phishing campaigns; one-on-one trainings for Board Members; attack path demonstrations for technical teams; and firm-wide news posts.



Our Select ESG Indicators

Collecting ESG data is an integral part of our transformational investing and entrepreneurial ownership approach. Data can help us track performance and progress against ESG ambitions, and identify areas of improvement to build better and more sustainable companies. In our Sustainability Strategy, we have defined focus areas and targets for our portfolio companies to strengthen their ESG standards and performance. Additionally, our data strategy enables us to fulfil reporting requirements introduced by regulation such as the Sustainable Finance Disclosure Regulation (SFDR).

The Select ESG Indicators for our controlled Private Infrastructure and Private Equity assets can be found on [pp.66-67](#). The metrics shown in the Select ESG Indicators demonstrate that Partners Group and our portfolio companies continue their journey in the world of sustainability together.

While we have made progress across several ESG dimensions, some indicators have yet to meet our ambitious targets. Even though there are some indicators that are not quite there yet, they

are nevertheless expected to be in line with our Sustainability Strategy over time. We expect to extend the set of metrics in the future to continue reporting to stakeholders in a meaningful way.

How to read our Select ESG Indicators

Indicators: We have chosen to report on a set of ESG metrics that are either key performance indicators (KPIs) or Principle Adverse Impact (PAI) indicators. We believe that the selection for 2022 is material and relevant across our portfolio, and includes certain targets outlined in our Sustainability Strategy.¹

Performance arrows: Where possible, we like to show our portfolio companies' progress on ESG metrics over time by including performance arrows. These arrows indicate whether an asset's performance on the topic improved, declined, or stayed consistent compared to the previous year. Where there are no arrows, the assets are either in their first year of ownership, or there is not a prior year comparative available.

Environmental

On the environmental dimension, we like to

create long-term value by both investing in the low carbon economy and leading assets on their path to net zero.

We seek to measure, assure, and reduce our portfolio companies' carbon footprint, and address other environmental topics material to their respective business. For this reason, our indicators include GHG emissions, energy usage, and waste.

As of year-end 2022, 92% of the portfolio companies included in our Select ESG Indicators² had disclosed their carbon footprint (Scope 1 and 2), and 80% had obtained assurance on these figures. This coverage represents a significant data quality and coverage improvement, which is foundational for the development of future carbon reduction plans.

¹ Although we also collect PAI indicators from our assets in order to fulfil our client reporting obligations under SFDR Article 8, we do not include all of these in our Select ESG Indicators.

² 'Having assured KPIs' means that Partners Group has obtained an external limited negative assurance report for some or all of the requested indicators. Note that three of the indicators that Partners Group asked companies to assure are displayed in Our Select ESG Indicators on [pp.66-67](#): GHG emissions Scope 1 and 2 (tCO₂e), Employee turnover, and Board diversity.



Partners Group actively contributed to establishing a GHG Accounting Playbook, partnering with EY to guide those companies that needed support in their first GHG accounting in order to drive this improvement in 2022. We expect more companies to reduce their carbon intensity during our ownership period, as stipulated in our Sustainability Strategy, e.g. by strengthening our dialogue about non-renewable energy consumption and production.

Social

On the social dimension, our goal is to build companies that employees desire to work for and increase returns by having an effective workforce with better culture, cooperation, and retention/loyalty.

We encourage our companies to engage with their employees, based on regular engagement surveys and target scores. Relevant measures included in the Select ESG Indicators are employee turnover and accident frequency rate, as well as board diversity.

In the context of the 'Great Resignation' that followed the COVID pandemic, we saw increased

employee turnover across many industries continue into 2022. We encourage our portfolio companies to pursue their employee-centered efforts, and we expect to see positive effects from our Stakeholder Benefit Programs in the future.

At board level, we have an average female representation of 14%. Our aim is to hire 40% of new board members from under-represented groups, a target which is overseen by our Operating Directors & Entrepreneurial Governance team. In 2022, more than 30% of our board appointments were diverse, and more than 60% of new companies had at least one diverse board appointment.

As our portfolio companies develop their Diversity & Inclusion strategies, we expect them to grow the pipeline of female and under-represented talent below board level as well.

Health & Safety is a strategic priority across our portfolio companies and the avoidance of accidents is of the utmost importance. In 2022, 31% of our portfolio companies reported zero incidents. In this year's dashboard, we present this PAI for the first time. Going forward, we will

aim to measure progress over time and start to meaningfully benchmark it to reflect the work and ambition of our portfolio companies, which typically strive to achieve incident rates in line with industry-level benchmarks at a minimum. Partners Group has an incident reporting framework in place so we can stay informed of any incidents at our portfolio companies.

Governance

Finally, on the governance dimension, our Sustainability Strategy aims to develop our assets with an entrepreneur's mindset and to advance sustainability at scale. The indicators we have included in the Select ESG Indicators focus on the management of downside risks (e.g. by implementing a cyber security policy) within our portfolio companies and the companies' ESG transparency and accountability. During the course of 2022, we strategically collaborated with AON ([p.24](#)) to systematically extend cyber baselining and assessment across our portfolio. 85% of portfolio companies have adopted a cyber security policy as of year-end 2022.

The data maturity metric relates to our commitment to improve transparency and

accountability within our portfolio companies. On average, 82% of the questions asked in our annual ESG data collection exercise were completed by our portfolio companies, which shows the importance of understanding and collecting data. We believe this showcases our high commitment to working collaboratively with our portfolio companies, to supporting them with tools and ESG expertise in their ESG footprinting and reporting, and the transparency in our relationship with them.



Our Select ESG Indicators: Private Equity

Company details			Environmental			Social			Governance		
Vertical	Company	Investment year	GHG emissions Scope 1 and 2 (tCO ₂ e)	Non-renewable energy consumption and production	Recycled waste	Employee turnover	Accident frequency rate ratio	Board diversity	Cyber security policy implemented	Data maturity	CSR published
Goods & Products	A	> 2 years	57,505 ▼	99%	-	17% ▼	0.04	0% ►	Yes	76%	Yes
Goods & Products	B	> 2 years	2,937	-	-	16%	0.02	33%	No	72%	No
Goods & Products	C	> 2 years	2,312	-	-	24%	0.03	0%	Yes	76%	No
Goods & Products	D	> 2 years	9,019	100%	0%	37% ▼	0.02	0%	Yes	80%	No
Goods & Products	E	> 2 years	134,397	67%	69%	30%	0.03	0%	Yes	87%	No
Goods & Products	F	> 2 years	12,109 ▼	100%	67%	17% ▼	0.07	0% ►	Yes	89%	No
Goods & Products	G	> 2 years	1,851	25%	-	19% ▲	0.05	17%	Yes	82%	No
Goods & Products	H	> 2 years	85,775	100%	-	97% ▼	0.00	14% ▲	Yes	65%	No
Health & Life	I	> 2 years	2,210	98%	-	29% ►	0.02	29% ▼	Yes	83%	No
Health & Life	J	> 2 years	5,588 ▼	-	17% ▲	41% ▲	0.11	29% ►	No	76%	No
Health & Life	K	> 2 years	7,224	100%	-	35% ▲	0.01	13% ►	Yes	87%	No
Health & Life	L	> 2 years	16,826	90%	-	44% ▼	0.01	15% ►	Yes	83%	No
Health & Life	M	< 2 years	5,571	-	-	37%	0.14	38%	Yes	84%	No
Health & Life	N	< 2 years	13,677 ▼	94%	56% ▲	10%	0.01	36% ▲	Yes	93%	No
Health & Life	O	> 2 years	2,054 ▼	100%	-	35% ▼	0.11	29% ▼	Yes	86%	No
Services	P	< 2 years	39	24%	14%	20%	0.00	10%	Yes	77%	Yes
Services	Q	> 2 years	-	-	-	112%	0.01	27%	Yes	68%	No
Services	R	> 2 years	16,579 ▼	-	-	27%	0.01	0%	Yes	73%	Yes
Services	S	< 2 years	-	-	-	15%	0.01	20%	Yes	72%	No
Services	T	> 2 years	6,659 ▲	100%	15% ▼	39% ▼	0.06	17% ►	Yes	82%	No
Services	U	> 2 years	23,027	82%	-	27% ▼	0.05	13%	Yes	77%	No
Services	V	> 2 years	185 ▼	8%	68% ▼	22% ▲	0.00	14% ►	Yes	87%	Yes
Services	W	> 2 years	67,743	-	22%	72%	0.06	25%	Yes	78%	No
Services	X	> 2 years	14,738	99%	-	35%	0.10	13%	Yes	81%	No
Services	Y	> 2 years	169,198 ▲	93%	98% ►	15% ▼	0.01	18%	Yes	90%	Yes
Technology	Z	> 2 years	0	-	-	19% ▲	0.00	0%	Yes	89%	No
Technology	AA	> 2 years	-	-	35%	30% ▲	0.00	20% ►	Yes	79%	No
Technology	BB	< 2 years	-	-	-	16%	0.00	33%	No	79%	Yes

Legend	
	Externally assured indicator; limited negative assurance letter obtained from the portfolio company
ESG engagement performance ¹ :	
▲	Improvement in performance
►	No change in performance
▼	Decline in performance
¹ An 'Improvement in performance' can mean higher performance (KPI) or lower adverse impact (PAI). No performance indicator signifies there is no YoY comparison available.	



Our Select ESG Indicators: Private Infrastructure

Company details			Environmental			Social			Governance		
Vertical	Company	Investment year	GHG emissions Scope 1 and 2 (tCO ₂ e)	Non-renewable energy consumption and production	Recycled waste	Employee turnover	Accident frequency rate ratio	Board diversity	Cyber security policy implemented	Data maturity	CSR published
Communication	A	< 2 years	7,040	0%	63%	7%	0.04	14%	No	80%	No
Communication	B	> 2 years	6,278	50%	20%	12%	0.01	14%	Yes	84%	No
Communication	C	> 2 years	478	20%	-	16%	0.00	0%	Yes	91%	No
Energy infrastructure	D	> 2 years	35,074	100%	0%	-	0.03	0%	Yes	88%	No
Energy services	E	< 2 years	43	-	-	22%	0.01	29%	Yes	82%	No
Energy infrastructure	F	> 2 years	1	0%	27%	19%	0.00	33%	Yes	100%	Yes
Energy services	G	> 2 years	15	100%	54%	6%	0.00	29%	Yes	79%	No
Energy infrastructure	H	> 2 years	178,290	15%	89%	5%	0.01	17%	Yes	89%	No
Energy infrastructure	I	> 2 years	246,259	100%	-	16%	1.98	9%	Yes	80%	Yes
Energy Services	J	< 2 years	17,698	65%	37%	17%	0.05	0%	Yes	79%	No
Renewable power	K	> 2 years	993	0%	-	0%	0.00	0%	Yes	89%	No
Renewable power	L	> 2 years	0	-	-	13%	0.00	0%	Yes	71%	No
Renewable power	M	> 2 years	2,797	0%	-	18%	0.12	0%	No	75%	Yes
Renewable power	N	> 2 years	42	0%	-	34%	0.00	0%	No	96%	No
Renewable power	O	> 2 years	787	0%	-	0%	0.40	0%	Yes	88%	Yes
Renewable power	P	> 2 years	1,042	0%	-	0%	-	0%	Yes	85%	No
Renewable power	Q	> 2 years	827	0%	57%	14%	0.00	0%	Yes	79%	No
Social infrastructure	R	> 2 years	836	49%	38%	18%	0.07	33%	No	87%	No
Transportation	S	> 2 years	0	-	-	0%	0.00	17%	Yes	76%	No
Water management	T	> 2 years	14,660	2%	17%	0%	0.00	25%	No	96%	No

Legend	
	Externally assured indicator; limited negative assurance letter obtained from the portfolio company
ESG engagement performance ¹ :	
	Improvement in performance
	No change in performance
	Decline in performance
¹ An 'Improvement in performance' can mean higher performance (KPI) or lower adverse impact (PAI). No performance indicator signifies there is no YoY comparison available.	



GRI and SASB Standards

Global Reporting Initiative (GRI) Standards

This table indicates how Partners Group’s Corporate Sustainability Report content cited in this GRI content index for the period 1 January-31 December 2022 has been prepared with reference to the GRI Standards.

✔ = externally assured (assurance for CSR only)

Disclosure	Description	Response / reference
✔ Universal Standard – GRI 2 General Disclosures (2021)		
1. The organization and its reporting practices		
2-1	Organizational details	Partners Group Holding AG CSR, Contacts, p.74
2-2	Entities included in the organization’s sustainability reporting	AR , CGR, p.155
2-3	Reporting period, frequency and contact point	CSR, About this report, p.2 CSR, Contacts, p.74
2-4	Restatements of information	CSR, Our Corporate GHG Emissions, p.39
2-5	External assurance	CSR, Assurance Report, pp.71-72
2. Activities and workers		
2-6	Activities, value chain and other business relationships	CSR, Partners Group at a Glance, p.5 No significant changes to reporting. Find out more: www.partnersgroup.com/businesses
2-7	Employees	CSR, Our People, pp.42-43
2-8	Workers who are not employees	CSR, Our People, p.42
3. Governance		
2-9	Governance structure and composition	AR , CGR, p.159
2-10	Nomination and selection of the highest governance body	AR , CGR, p.159, 166
2-11	Chair of the highest governance body	AR , CGR, p.159, 166
2-12	Role of the highest governance body in overseeing the management of impacts	AR , CGR, p.167
2-13	Delegation of responsibility for managing impacts	AR , CGR, pp.171-172
2-14	Role of the highest governance body in sustainability reporting	CSR, Sustainability Governance, p.11

Disclosure	Description	Response / reference
2-15	Conflicts of interest	No conflicts of interest.
2-16	Communication of critical concerns	No critical concerns.
2-17	Collective knowledge of the highest governance body	AR , CGR, pp.160, 162-165, 167
2-18	Evaluation of the performance of the highest governance body	AR , CGR, p.171
2-19	Remuneration policies	AR , CGR, pp.132-154
2-20	Process to determine remuneration	AR , CGR, pp.133, 140-144
2-21	Annual total compensation ratio	AR , CGR, p.146
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	CSR, Our Sustainability Strategy, pp.14-15
2-23	Policy commitments	CSR, Ethics and Compliance, p.56
2-24	Embedding policy commitments	CSR, Ethics and Compliance, p.56
2-25	Processes to remediate negative impacts	CSR, Whistleblowing, p.48
2-26	Mechanisms for seeking advice and raising concerns	CSR, Whistleblowing, p.48
2-27	Compliance with laws and regulations	CSR, Ethics and Compliance, p.56
2-28	Membership associations	CSR, Global Initiatives Supported, p.57
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	CSR, Materiality and Stakeholder Engagement, p.59
2-30	Collective bargaining agreements	CSR, Respecting Human Rights, p.48



✔ = externally assured
(assurance for CSR only)

Disclosure	Description	Response / reference	Disclosure	Description	Response / reference
Universal Standard – GRI 3 Material Topics (2021)					
GRI 3: Material Topics (2021)					
3-1	Process to determine material topics	CSR, Materiality and Stakeholder Engagement, p.59			
3-2	List of material topics	CSR, Our Sustainability Strategy, pp.14-15			
3-3	Management of material topics	CSR, Materiality and Stakeholder Engagement, p.59			
Topic Standards					
✔	GRI 201: Economic Performance (2016)		✔	GRI 404: Training and Education (2016)	
201-1	Direct economic value generated and distributed	CSR, Contributions, p.53	404-1	Average hours of training per year per employee	CSR, Learning Initiatives, p.47
✔	GRI 203: Indirect Economic Impacts (2016)		404-2	Programs for upgrading employee skill and transition assistance programs	CSR, Learning Initiatives, p.44,46-47 Partners Group has no transitional assistance in cases of retirement. For terminations, Partners Group offers, on a case-by-case basis, formal outplacement support, extended notice periods, CV and Interview coaching, as well as introductions to headhunters.
203-1	Infrastructure investments and services supported	CSR, Investments and Grants, pp.54-55	404-3	Percentage of employees receiving regular performance and career development reviews	CSR, Progression and Development, p.49
✔	GRI 205: Anti-corruption (2016)		✔	GRI 405: Diversity and Equal Opportunity (2016)	
205-2	Communication and training about anti-corruption policies and procedures	CSR, Relevant ESG Governing Policies, p.56	405-1	Diversity of governance bodies and employees	CSR, Our People, p.39 AR, CGR, p.160
205-3	Confirmed incidents of corruption and action taken	CSR, Relevant ESG Governing Policies, p.56	405-2	Ratio of basic salary and remuneration of women to men	CSR, Equal Pay, p.49
✔	GRI 207: Tax (2019)		✔	GRI 406: Non-discrimination (2016)	
207-1	Approach to tax	CSR, Relevant ESG Governing Policies, p.56	406-1	Incidents of discrimination and corrective actions taken	CSR, Humans Rights, p.48
207-2	Tax governance, control, and risk management	CSR, Relevant ESG Governing Policies, p.56	✔	GRI 415: Public Policy (2016)	
✔	GRI 305: Emissions (2016)		415-1	Political contributions	CSR, Anti-Bribery and Corruption, p.56
305-1	Direct (Scope 1) GHG emissions	CSR, Our Corporate GHG Emissions, p.39	✔	GRI 417: Marketing and Labeling (2016)	
305-2	Energy indirect (Scope 2) GHG emissions	CSR, Our Corporate GHG Emissions, p.39	417-3	Incidents of non-compliance concerning marketing communications	During the reporting period, no material instances of noncompliance concerning marketing activities resulting in fines or non-monetary sanctions from competent authorities were identified.
305-3	Other indirect (Scope 3) GHG emissions	CSR, Our Corporate GHG Emissions, p.39	✔	GRI 418: Customer Privacy (2016)	
305-4	GHG emissions intensity	CSR, Our Corporate GHG Emissions, p.39	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, no substantiated complaints regarding breaches of customer privacy and losses of customer data were identified.
✔	GRI 401: Employment (2016)		✔	PRI Investment & Stewardship Policy (ISP)	
401-1	New employee hires and employee turnover	CSR, Our People, p.43	ISP 1.1	Elements of the responsible investment policy	CSR, ESG Investing Framework, p.17
			ISP 3	Percentage of total AuM covered by policy elements on overall approach to responsible investment and/or guidelines on ESG factors	CSR, ESG Investing Framework, p.17



Sustainability Accounting Standards Board (SASB) Index 2022

This table outlines Partners Group’s response to the SASB Asset Management & Custody Activities (Version 2021-12) industry standard. SASB standards are intended for use in communications to investors regarding sustainability issues that are likely to impact corporate ability to create value over the long term.

Disclosure	Description	Response / reference
1. Sustainability Disclosure Topics & Accounting Metrics		
Transparent Information & Fair Advice for Customers		
FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	There were no covered employees with a record of new investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings disclosed during 2022. Partners Group has policies, procedures, trainings and controls to ensure compliance with applicable rules and regulations.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers.	During the reporting period, no instances of non-compliance with regulations or voluntary codes concerning marketing activities resulting in fines or non-monetary sanctions from competent authorities were identified.
FN-AC-270a.3	Description of approach to informing customers about products and services.	All Partners Group clients have a dedicated relationship manager who interacts with them on a regular basis to inform them about products and services. Our clients are invited to events or webinars where updates to existing products and services are provided, or new launches are presented. Furthermore, all Partners Group clients have access to the My Partners Group portal. This is our state-of-the-art investor portal to securely distribute and communicate information to Investors.
Employee Diversity & Inclusion		
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	CSR, Our People, p.43 AR , CGR, p.160

Disclosure	Description	Response / reference
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening.	(1) 100% of Partners Group’s AuM (USD 135 billion) is covered by our ESG & Sustainability Directive. Therefore, all Partners Group products integrate ESG factors into the investment cycle, both from a risk mitigation and a value creation perspective. (2) 9.4% of Partners Group’s AuM (USD 12.8 billion) is classified as sustainability themed investing across our infrastructure (55%, USD 7.1 billion) and private equity (45%, USD 5.7 billion) portfolio. (3) 100% of Partners Group’s AuM (USD 135 billion) includes ESG factors in the screening of the investment process.
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies.	CSR, Our Sustainability Strategy (controlled assets), p.15 , Our ESG Investing Framework, p.17
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures.	AR , CGR, Shareholders’ Participation, p.182
Business Ethics		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	During the reporting period, no instances of non-compliance with laws or regulations associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, or malpractice resulting in fines or non-monetary sanctions from competent authorities were identified.
FN-AC-510a.2	Description of whistleblower policies and procedures.	CSR, Whistleblowing, p.48

Assurance report

Limited assurance report

Independent limited assurance report on selected Sustainability Information of Partners Group Holding AG

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

We have undertaken a limited assurance engagement on Partners Group Holding AG's (hereinafter "Partners Group") selected Sustainability Information in Partners Group's Corporate Sustainability Report for the year ended 31 December 2022:

- GRI 2 General Disclosures (all relevant sub-disclosures) (p. 68)
- GRI 201-1 Direct economic value generated and distributed (p. 53)
- GRI 203-1 Infrastructure investments and services supported (p. 54-55)
- GRI 205-2 Communication and training about anti-corruption policies (p. 56)
- GRI 205-3 Confirmed incidents of corruption and actions taken (p. 56)
- GRI 207-1 Approach to tax (p. 56)
- GRI 305-1 Direct (Scope 1) GHG emissions (p. 39)
- GRI 305-2 Energy indirect (Scope 2) GHG emissions (p. 39)
- GRI 305-3 Other indirect (Scope 3) GHG emissions (p. 39)
- GRI 305-4 GHG emissions intensity (p. 39)
- GRI 401-1 New employee hires and employee turnover (p. 43)
- GRI 404-1 Average hours of training per year per employees (p. 47)
- GRI 404-2 Programs for upgrading employee skills and transition assistance programs (p. 44, 47)
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews (p. 49)
- GRI 405-1 Diversity of governance bodies and employees (p. 43)
- GRI 405-2 Ratio of basic salary and remuneration of women to men (p. 49)
- GRI 406-1 Incidents of discrimination and corrective actions taken (p. 48)
- GRI 415-1 Political contributions (p. 56)
- GRI 417-3 Incidents of non-compliance concerning marketing communications (p. 69)
- GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data (p. 69)
- PRI ISP 1.1 Elements of the responsible investment policy (p. 17)
- PRI ISP 3 Percentage of total AuM covered by policy elements on overall approach to responsible investment and/or guidelines on ESG factors (p. 17)

The sustainability information covered in our independent assurance engagement is also indicated by the tick mark in the report (✔).

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Corporate Sustainability Report or in the Annual Report 2022 or linked to / from the Sustainability Information or from the Annual Report 2022, including any images, audio files or embedded videos.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the 'Summary of the Work we Performed as the Basis for our Assurance Conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Partners Group's Sustainability Information in the above-mentioned sections of the Corporate Sustainability Report 2022 for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the GRI Sustainability Standards (GRI SRS) and the PRI Investment and Stewardship Policy (PRI ISP).

We do not express an assurance conclusion on information in respect of earlier periods or to any other information included in the Annual Report 2022 or linked to / from the Sustainability Information or from the Annual Report 2022, including any images, audio files or embedded videos.

Understanding how Partners Group has Prepared the Sustainability Information

The GRI SRS and PRI ISP, have been used as criteria references for the disclosures. Consequently, the Sustainability Information needs to be read and understood together with the GRI SRS and the PRI ISP.

Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Partners Group's Responsibilities

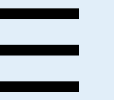
The Board of Directors of Partners Group is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information in accordance with the criteria of the GRI SRS and PRI ISP;
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our opinion to the Board of Directors of Partners Group.



Assurance report

Limited assurance report

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

Our Independence and Quality Control

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

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

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures for the GRI and PRI disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the GRI and PRI disclosures applicable to Partners Group with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Corporate Sustainability Report 2022.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Silvan Jurt
Licensed audit expert

Thomas Dorst
Engagement lead partner

Zurich, 24 April 2023



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In this report, references to “Partners Group”, the “firm”, the “company”, the “entity”, “we”, “us” and “our” are to Partners Group Holding AG together with its consolidated subsidiaries, unless the context requires otherwise.

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