

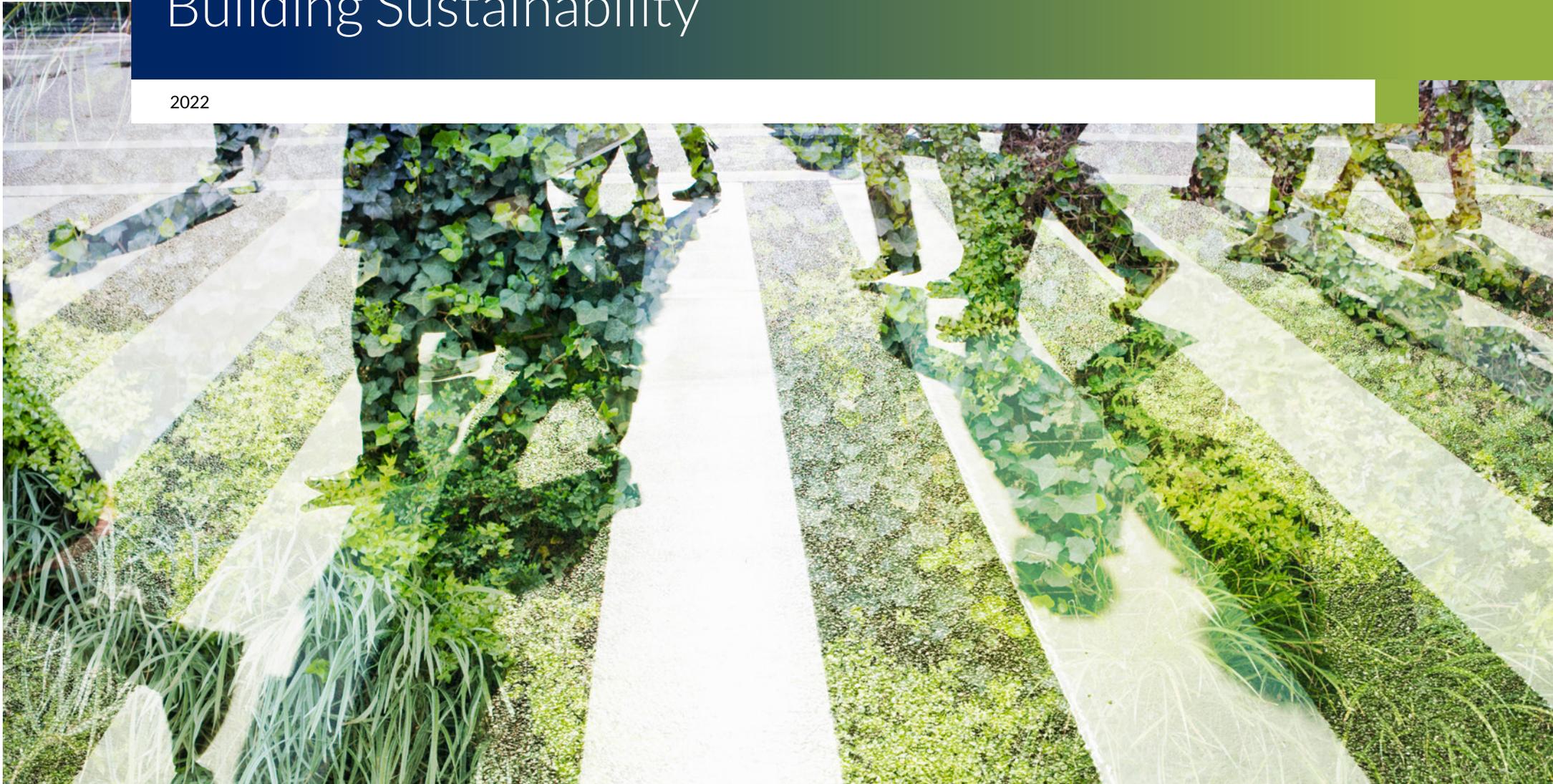


Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Partners Group Sustainability Strategy Building Sustainability

2022



Partners Group has a longstanding commitment to sustainability. Creating lasting positive impact is one of the core principles of our Charter and one that applies to all our activities as a firm.

Our Sustainability Strategy takes this commitment one step further. Built around the environmental, social and governance topics that are most material to Partners Group and its stakeholders, it consolidates our existing efforts around ESG and sustainability and outlines the way forward.

Our sustainability vision is to lead by example in creating real ESG impact, both as a firm and within the companies and assets we own on behalf of our clients.

Partners Group Sustainability Strategy

Building Sustainability

Our Sustainability Strategy is built on a solid foundation: sustainability is an integral part of our thematic sourcing and transformational investing approach

Traditional ESG through stewardship

Strategic ESG through active ownership

Integrate

- Apply **ESG avoidance** list (e.g. tobacco, child labour) to reduce risks
- **Source thematically** (e.g. decarbonization to steer capital)
- **Integrate ESG in due diligence** based on SASB 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 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 fund and debt investments.

² This description focuses on controlled assets in Partners Group's private equity and infrastructure business. A similar approach will be adopted for private real estate.

Partners Group's strategic ESG approach is transformative and focuses on value creation

Partners Group Sustainability Strategy

Building Sustainability

Partners Group Sustainability Vision

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

Corporate Vision

Creating positive and lasting impact for all our stakeholders

Corporate Sustainability Ambition



Environment

CARBON REDUCTION PROGRAM
Achieve net zero emissions for our Scope 1, Scope 2 and Scope 3¹ greenhouse gas (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.

Portfolio Vision (Controlled Assets)²

Building better and more sustainable assets and companies

Portfolio Sustainability Ambition



Environment

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.

¹ Corporate level Scope 3 emissions exclude Scope 3 emissions from category 15: investments (GHG Protocol), which are addressed at the portfolio level.

² The description of this Sustainability Strategy focuses on controlled assets in Partners Group's private equity and infrastructure business. A similar approach will be adopted for private real estate. Our engagement approach for private debt, integrated investments and listed private markets is covered in our ESG & Sustainability Directive.

Partners Group Sustainability Strategy

Corporate Sustainability Focus Areas



Environmental Focus

CARBON REDUCTION PROGRAM

Achieve net zero emissions for our Scope 1, Scope 2 and Scope 3¹ greenhouse gas (GHG) emissions.



Social Focus

REALIZING EMPLOYEES' POTENTIAL

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



Governance Focus

OWNERSHIP EXCELLENCE

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

Key targets by 2025

- 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 resort²
- We contribute to nature- and technology-based solutions that address biodiversity and GHG emissions³
- We develop a decarbonization program to achieve net negative emissions by 2030

- 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

- 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 underrepresented 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

Key projects starting in 2022

- Continue to execute our **Climate Change Strategy**
- Re-organize how we **gather, store, process and assure nonfinancial ESG data**, with a particular focus on carbon
- Define a staggered approach to measure and assure more than 95% of our **detailed Scope 3 emissions**
- **Establish an internal carbon price of USD 50 / tCO₂e³** to incentivize reductions and fund carbon removal of residual emissions through nature-based solutions
- **Develop a technology-based decarbonization program** leveraging the expertise of Partners Group as well as our investment portfolio

- Conduct our annual **employee engagement survey**. Continue to develop employees through **PG Academy**
- Incorporate actions identified through the employee engagement survey into cell leaders' **P&D goals³**, assessment and compensation
- Engage a reputable external party to **verify equal pay for equal work** (i.e. no material deviations globally)⁴
- **Update the D&I Strategy**. We define and explore local talent pools and pursue **targeted recruitment campaigns** (e.g. summer internships; university ambassadors) to increase diversity
- Relaunch the PG Stakeholder Impact effort. Further encourage employees to support **local communities through impact / ESG projects** that create lasting positive impact, providing their time, expertise or financial resources

- **Formalize our Internal Control System** for ESG processes at corporate level and portfolio level, in line with our ESG & Sustainability Directive
- **Continue to prepare for changing ESG regulation and reporting standards** (e.g. CSRD, SFDR, TCFD) to adhere to regulation and transparently communicate to our stakeholders
- Include ESG and sustainability in the **P&D goals**, assessment and compensation of leaders and employees, beyond investment departments
- **Train all employees on ESG and our Sustainability Strategy** through PG Academy to enable them to create impact in their roles
- Issue a **Remuneration Directive** that links Board and Executive Team compensation to our Six Pillar Strategy and ESG targets

¹ Corporate level Scope 3 emissions exclude Scope 3 emissions from category 15: investments (GHG Protocol), which are addressed at the portfolio level.

² Using Renewable Energy Certificates and verified carbon credits.

³ This is an ambition Partners Group has every year, rather than by a given date.

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

² Partner, Managing Director or PGHN board member.

³ P&D stands for Performance & Development and refers to Partners Group's annual employee goal setting and assessment process.

⁴ Extension of the Swiss We Pay Fair verification.

¹ From 2022 onwards, as described in our 2021 compensation report.

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

Portfolio Sustainability Focus Areas (for controlled assets)



Environmental Focus

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 Focus

STAKEHOLDER BENEFITS PROGRAM

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



Governance Focus

SUSTAINABILITY AT SCALE

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

Key targets during ownership

- **We measure (year one¹) and externally assure (year two¹) 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 around 20% reduction over our ownership period
- **We act on our environmental footprint³** over our ownership period, based on a materiality assessment within three years¹
- **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** over our ownership period
- **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 campaigns where needed¹
- **We initiate a Stakeholder Benefits Program²** within two years, re-investing substantially into relevant employee focus areas
- **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 CSR report
- **We establish a Risk & Audit Committee** and agenda during the first year¹, including cybersecurity
- **We aim to hire 40% of new board members from underrepresented groups**, without compromising on merit-based assessments²

Key projects starting in 2022

- Continue to execute our **Climate Change Strategy** (e.g. systematically assess climate-related risks across our portfolio)
- Support portfolio companies and assets with the provision of **non-financial ESG data** to report in line ESG regulation, with a particular focus on carbon (e.g. through standards, tools and service providers)
- We work towards having **Scope 1 and 2** emissions externally assured and Scope 3 emissions measured for our controlled companies
- Develop and provide lessons learned, best practices, **policies and playbooks** (beyond carbon)
- **Develop a program to enable Partners Group to systematically share best practices and global minimum standards from our own experience and that of our investment portfolio** by:
 - Conducting employee engagement surveys and initiatives
 - Defining a material D&I Strategy
 - Providing best-in-class employee training and development opportunities (PG Academy)
- **Continue to develop an institutionalized approach to our Stakeholder Benefits Program** based on our experience with pilot programs across assets in the areas of education, development, health & safety and financial wellbeing
- Anchor **ESG as a core element of our entrepreneurial ownership approach**: Align ESG engagement & assessment approach with governance model³, leveraging the deep expertise of our portfolio companies and our community of Operating Directors. For each controlled asset:
 - **Define three ESG Responsibles** at asset level (board, executive, leadership) and **one at Partners Group** level
 - Identify **one to three ESG initiatives** with meaningful impact to be implemented throughout our ownership period and reported through PG Alpha⁴
- Ensure ownership and accountability for **cybersecurity** on executive and board level; establish **cyber baseline** and define a risk-based **cyber journey** with regular reporting to the board

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.

¹ of / during our ownership period.

² Refers to Partners Group's strategic program for controlled companies to build better businesses by reinvesting up to 10% of profit growth for stakeholder impact projects, with the goal to generate people impact beyond industry standards through company specific and customized solutions.

¹ of / during our ownership period. ² Measured over a three-year horizon.

³ Governed by Partners Group's Operating Directors & Entrepreneurial Governance team.

⁴ PG Alpha is Partners Group's proprietary governance tool that enables us to track progress on strategic portfolio company initiatives.