

LEA 02	Monetary	Gateway
<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via internal staff</li> </ul>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via collaborative engagements</li> </ul>
	<p>Collaborative engagements</p>	<p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage via service providers</li> </ul>
	<p>Service provider engagements</p>	

# RI TRANSPARENCY REPORT

## 2018

Truffle Capital

## About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

### Understanding the Principles Index

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

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

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

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

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

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	🔒	n/a							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership	✓	Public							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	-	n/a							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

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

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public						✓	
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public						✓	
CM 1 01.4, 10-12	Other confidence building measures	✓	Public						✓	
CM 1 01.5	External assurance	🔒	n/a						✓	
CM 1 01.6	Assurance or internal audit	🔒	n/a						✓	
CM 1 01.7	Internal verification	✓	Public						✓	
CM 1 01 End	Module confirmation page	✓	-							

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

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

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

Further options for investment managers (may be selected in addition to the above)

- Execution and advisory services
- Hedge funds
- Fund of hedge funds

OO 01.3

Additional information. [Optional]

**As a major and independant player of the European innovative capital market with 700,5 millions euros of assets under management, Truffe Capital aims at building and supporting companies with a high potential for developing disruptive technologies, mainly in Life sciences and Information and Digital Technologies, 2 business sectors within which it has accompanied more than 80 companies since its creation in 2001. Truffe Capital operates exclusively in the field of the "deep tech", companies built around a highly innovative technology, capable of changing people life and the world of tomorrow.**

Truffe Capital specialises in making the best possible use of its sector knowledge, its extensive network and experience to identify growth opportunities for each company given the latent needs of its market, with an end goal of generating high returns for investors.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

France

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

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

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

FTE

23

**OO 02.4** Additional information. [Optional]

Located in Paris, Truffle Capital is run by **three Partners with decades of proven experience in investments and entrepreneurship in Europe and the United States, including Silicon Valley** : Patrick Kron, the chairman, Philippe Pouletty and Bernard-Louis Roques, co-founders and Managing directors. The company comprises a total workforce of **23 employees, including 9 senior professionals dedicated to the investment activity**. The investment team is underpinned by **an international network composed of prominent figures with a highly experienced background in the fields of entrepreneurship, investment, finance, regulation, as well as an international network of high-level experts, notably in the Life sciences sector** (scientists, R&D, clinics, market access, business, industrialization and Intellectual property).

**OO 03** **Mandatory** **Public** **Descriptive** **General**

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

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2017

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

	trillions	billions	millions	thousands	hundreds
Total AUM			700	584	543
Currency	EUR				
Assets in USD			831	241	295



OO 04.5

Additional information. [Optional]

At December 31, 2017, Truffle Capital directly managed 700,5 million euros through retail funds (22 FCPI, 6 incubator holdings, 3 mandates) as well as institutional funds (4 FPCI).

OO 06

Mandatory

Public

Descriptive

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

OO 06.1

Select how you would like to disclose your asset class mix.

- as percentage breakdown  
 as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	>50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish asset class mix as per attached image [Optional].



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

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	100%

OO 09.2 Additional information. [Optional]

Truffle Capital **mainly invests in France and Continental Europe** (Germany, BENELUX,...). Due to its DNA of Entrepreneur-Investor, its involvement with its portfolio companies and its "hands-on" approach (see explanation in the indicator OO PE 02.2.), Truffle Capital prioritizes the geographical proximity with companies.

### Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
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Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

Private Equity

RI implementation via external managers

Closing module

Closing module

**Peering questions**

<b>OO PE 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>OO PE 01.1</b>	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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DRAFT

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

Other investment strategy, specify

Investments in listed equities due to the IPOs of a previously unlisted company held in our direct private equity portfolios

**At Truffle Capital, we identify companies whose business or projects contribute to meeting a demand that has yet to be satisfied in their market and that have the potential to develop into high added value companies. Truffle Capital aims at discovering future successes and accompanying them in their development and financial strategy.** On several occasions, we have demonstrated our ability to seize unique investment opportunities throughout Europe and to apply financial planning solutions that allow companies to strategically position themselves within their market.

=> Focus on our investments in listed equities due to the IPOs

**Although our Funds have for purpose to invest in non listed companies, some of them can be listed after its investment. Thus the Funds may hold securities that are listed on a securities market.**

This specific case represents at end 2017 nearly 17% of AUM in listed equity firms and is **due to the IPOs. This proportion of listed equity in our portfolios is not the consequence of an active management strategy on the equity markets but has occurred automatically following to a successful development** of a not listed company which becomes listed to meet its new financing and development needs.

At Truffle Capital, we associate healthy growth with a low failure rate, as well as a risk management approach with a balanced portfolio and a clear exit strategy. Thanks to an extensive network of contacts and a targeted investment strategy, we have successfully listed several companies on stock exchanges and completed industrial sales of many others.

**IPOs play an important role in our Exit strategy:** all investments are made with an exit plan in mind. On-going monitoring of the companies allows the Investment Team to determine along the way if the portfolio company is on track for an exit as previously determined. **This exit strategy through IPOs is one of the components of our Private equity management and not an investment strategy on the stock exchange markets.** Drawing on its close relationship with corporate partners, and in-depth understanding of global public markets, Truffle Capital seeks to understand at an early stage how best to position each portfolio company in order to attract maximum interest at exit. In most cases, the Investment Team follows a dual track for exit: IPO and sale (or a combination of both), so as to be able to seize the right exit opportunity and optimize the return on investment. Truffle Capital Investment Team has performed so far **40 exits, including 15 IPOs since its creation. In 2017, we performed 4 exits (trade sales) and 1 IPO.**

**In the case of IPOs, we have to stay invested for statutory reasons for a specified period: during this period, we prepare a smooth exit in order to maintain the stability of the share on the stock exchange but we progressively resign from the governance bodies (eg, Board). Consequently, in this context, it is not relevant to implement our new 2017 ESG process with listed companies already in our funds portfolio.**

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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Indicate the level of ownership you typically hold in your private equity investments.

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

Truffle Capital systematically takes **significant and/or majority equity stakes in the investee companies and systematically negotiate at least one seat at the company board**. Consequently, **Truffle Capital is a majority investor in more than 50% of its portfolio companies**.

This approach allows the investment team to secure **1 or 2 seats on the investee company Board for Truffle Capital**, recruit 1 or 2 independent Board members, and to adopt a business-building management strategy with an active involvement in strategic and operational decisions in order to fully realize the company's potential for growth. As a matter of fact, the Truffle Capital's investment team has demonstrated **a truly "hands-on" approach, providing strategic and operational support to its portfolio companies**. Truffle Capital is a true strategic partner for companies it invests in, and the Team will support and grow portfolio companies from inception to exit.

Beyond their expertise in the fields of Life Sciences and Information and Digital Technologies, **the investment team members' background is rich and complementary, and includes an extensive expertise** in domains such as Strategic Consulting, Entrepreneurship, M&A and Corporate Finance. These skills allow the Team to support the investee companies in each key aspect of their development, such as recruiting top management and board members, preparing strong business plans, making strategic decisions, securing intellectual property, defining fundraising strategy, developing strategic partnerships, assuring compliance with local regulations and many others.

**The Investment Team closely monitors and challenges the management** on recent business developments, financial performance versus investment thesis, key near term initiatives, exploiting new strategic opportunities and gets the company on track to deliver the optimal business plan.

Moreover, **Truffle Capital is able to co-create a start-up from scratch alongside the management team at a very early stage**, managing the whole process of transformation from idea to implementation and cash generation. **This particular approach allows Truffle Capital funds to benefit from a proprietary deal-flow** generated through a dual process of screening existing start-ups and creation of new companies.

Throughout the whole life cycle of the investment, there is a progressive dilution of Truffle participation until becoming a minority shareholder, following the successive rounds of funding.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

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

 Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Engagement approach <input checked="" type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<div style="background-color: #0070C0; color: white; padding: 2px;">other (2) description</div>	
Collaborative approach / major ESG issues	

**SG 01.3** Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change and related issues
- Other RI considerations, specify (1)  
 Collaborative approach with our institutional clients and the private equity industry (e.g. within France Invest / French Private Equity association) on major ESG issues, such as climate change
- Other RI considerations, specify (2)

**SG 01.4** Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

As a renowned private equity player in France, Truffle Capital has a 15-year experience in supporting innovative technologies in **two main investment sectors**:

- **Life Sciences;**
- **Information Technology.**

By targeting disruptive technologies in these specific investment areas, **Truffle Capital seeks to maximize returns for its investors but also to generate positive social and environmental impacts (mostly social).**

As a real partner-investor, Truffle Capital not only finances companies but also provides them with **strategic and close-knit support over the long run, thanks to its average investment period of 8 years.** This support covers both companies' regular economic activities (legal structuring, extra funding, recruitment and

talent identification, etc.) but also new emerging topics such as ESG issues. As a consequence, Truffle Capital has defined and applies an ESG approach that includes:

- **On the one hand, norms-based and sectorial exclusions**, which consist in avoiding investing in companies pertaining or evolving in activities that could lead to reputation risks.
- **On the other hand, the incorporation of ESG criteria** in the selection and the monitoring of portfolio companies.

*For further details, please refer to SG.01.5 hereafter.*

#### SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Truffle Capital acknowledges that the generation of long-term sustainable returns depends on stable, well-functioning and well-governed social, environmental and economic systems. Its goal is the creation of sustainable, long-term investment returns, not just short-term returns. Responsible investment therefore requires that investors pay attention to the wider contextual factors, including the stability and health of economic, social and environmental systems. As a consequence, **Truffle Capital strongly believes that an appropriate consideration of environmental, social and governance criteria can contribute to enhance companies' competitiveness, to better manage the whole myriad of potential risks and, as a consequence, to optimize portfolios' returns over the long run. In other words, taking into account ESG criteria in its investment activities forms an integral part of its fiduciary duty.**

Thanks to these acknowledgements, **Truffle Capital signed up to the Principles for Responsible Investment (PRI) in January 2012** and was among the first GPs in the French private equity market to commit to **comply with the 6 Principles of the international initiative:**

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

These commitments took the form of a Responsible Investment (RI) Policy :

- **Published in 2014 in its initial version and strengthened in 2017**
- **Publicly available** on Truffle Capital's website: <http://truffle.com/overview/>
- Suited to the specific features of private equity,
- **Describing the governance set up to oversee and monitor Truffle Capital's RI-ESG activities**, notably through its in-house RI-ESG Steering Committee launched in 2017
- **Covering the various steps of its investment process:** the ESG analysis carried out during the pre-investment step; the monitoring and dialogue conducted during the post-investment phase as part of its active ownership practices, etc.
- **Summarizing Truffle Capital's commitment as regards transparency**, notably its objectives in terms of disclosure of portfolios' ESG performance through the realization of annual ESG reports for its LPs from 2018 onwards.

Truffle Capital's approach to responsible investing takes two main forms:

=> Norms-based and sectorial exclusions, applied upstream in the investment process while sourcing investment ideas:



- Truffle Capital avoids investing in companies pertaining or evolving in activities that could lead to reputation risks, among which: **gambling, prostitution, pornography, alcohol, GMOs (genetically modified organism) and Weapon technologies** (including the use, storage, production and transfer of **antipersonnel landmines and cluster bombs** in accordance with the Ottawa Convention and the Oslo Treaty signed by the French government).
- **As regards biotechnologies, scientific progress can lead to human modification that Truffle Capital is committed not to exploit or support research and solutions**, particularly in the fields of unethical procreation, modification of cerebral functions not to treat a pathology but to modify performances, potentially addictive molecules, or viral vectors exploitable for terrorist purposes. On these topics, and more widely on health issues, Truffle Capital monitors the conclusions of the ethics committees of various countries.
- In addition, **Truffle Capital decided in 2017 to add Coal and more widely fossils fuels to its exclusion policy**, given the growing climate-related risks and their potential financial impacts.

=> The analysis of ESG general criteria: beyond exclusions applied upstream, Truffle Capital takes into account a common core of ESG criteria while applying its investment process (due diligence and/or investment monitoring):

**Environmental criteria:**

- Sustainable use of natural resources
- Environmental awareness

**Social criteria:**

- Human resources considered as the most important asset of any company
- Labor and working conditions
- The creation and/or preservation of jobs
- Enhancing training and professional development
- Gender equality
- Fair trade practices

**Governance criteria:**

- Loyal management accountable for stakeholder interests
- Business integrity and good corporate governance
- Accurate reporting and transparency

Until 2017, these ESG criteria were taken into account on an 'unformal' and qualitative basis, whenever deemed relevant considering the activity of companies' activities (due-diligence / pre-investment phase) and/or monitored (post-investment phase). In addition to this common core of ESG criteria, Truffle Capital complies with its PRI commitment to permanently improve its ESG incorporation practices: in 2017, Truffle Capital decided to go a step further and to strengthen its RI-ESG approach with the support of Efires, a consulting firm specialized in Responsible Investing (RI) and Corporate Social Responsibility (CSR). Efires actively took part in the **definition of an ambitious RI-ESG roadmap 2017-2020 that notably includes:**

1. **The improvement of the ESG incorporation into the various steps of its investment process** (due diligence during pre-investment, active ownership during post-investment, etc.), with an enhanced traceability.
2. **The identification of ESG sectorial key issues**, so as to focus analysis and monitoring effort on the main sources of risks and opportunities arising from sustainable development challenges ;
3. **At a later stage of the roadmap:**
  - **the consideration of ESG criteria during the exit phase,**
  - **the incorporation of Climate Change issues**
  - **the measurement of the impact of ESG integration on financial and ESG performances of investments.**

Further details about the above-mentioned projects of the roadmap are provided in the module "Direct - Private equity".

No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that: Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
- 

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact [reporting@unpri.org](mailto:reporting@unpri.org) or call on + 44 (0) 203 714 3187.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

<http://truffle.com/overview/>

Attachment (will be made public)

Formalised guidelines on environmental factors

	URL/Attachment
--	----------------

URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)
- Sector specific RI guidelines

URL/Attachment

URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)  
 Other, specify (1)

Other, specify (1) description

Engagement approach

URL/Attachment

- URL

URL

<http://truffle.com/overview/>

- Attachment (will be made public)  
 Other, specify (2)

Other, specify (2) description

Collaborative approach with our institutional clients and the private equity industry (e.g. within France Invest) on major ESG issues, such as climate change

URL/Attachment

- URL

URL

[http://www.truffle.com/wp-content/uploads/2015/09/Déclaration-Art.-173-Truffle-Capital\\_300617.pdf](http://www.truffle.com/wp-content/uploads/2015/09/Déclaration-Art.-173-Truffle-Capital_300617.pdf)

- Attachment (will be made public)  
 We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<http://truffle.com/overview/>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

Reporting

URL/Attachment

URL

URL

<http://truffle.com/overview/>

Attachment

Climate-related issues

Other RI considerations, specify (1)

We do not publicly disclose any investment policy components

**SG 02.3**

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

[http://www.truffle.com/wp-content/uploads/2015/09/Déclaration-Art.-173-Truffle-Capital\\_300617.pdf](http://www.truffle.com/wp-content/uploads/2015/09/Déclaration-Art.-173-Truffle-Capital_300617.pdf)

No

**SG 02.4**

Additional information [Optional].

Please refer to:

- SG.01. 5 for more information about the content of Truffle Capital's RI-ESG policy
- SG.19 for further details about Truffle Capital's commitment to transparency which takes the form several publications.

## SG 03.1

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

Yes

## SG 03.2

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

As a member of France Invest (<http://www.franceinvest.eu/>), Truffle Capital is committed to respect the Code of Ethics approved by the AMF. Truffle Capital also complies with the guide to good practices in Venture Capital issued by France Invest.

As a result, **Truffle Capital has defined a specific procedure describing how the company should handle all possible situations of conflicts of interests in order to find solutions that would guarantee the interest of its clients/funds owners (please refer to SG.03.3 for further details). As regards investments**, the allocation of investment opportunities among the various investment vehicles managed by Truffle Capital may generate potential conflicts of interest. These potential conflicts are linked to the fact that Truffle Capital could favour one investment vehicle over another. To avoid this kind of situation, **Truffle Capital's investment process rules mention that if a new fund managed by Truffle Capital invests in a portfolio company already held by older funds also managed or advised by Truffle, the valuation must be subject to an appraisal report carried out by an independent external firm (or even 2 sometimes). Furthermore, investment decisions are taken unanimously by the managing partners so as to reduce the risk of conflict of interest.**

No

## SG 03.3

Additional information. [Optional]

Some extracts from Truffle Capital's policy on managing conflicts of interests are provided below. **This policy, which is available in full version on its website: <http://truffle.com/regulatory-information> covers either the investment management business or other parts of the business.**

=> Definition of conflicts of interest:

Truffle Capital defines a conflict of interest as **a situation in which the interests of Truffle Capital or its employees compete with the interests of its clients or the UCITS for which it is responsible for the financial management.** Conflicts of interest affecting them may cast doubt on our company's integrity and professional approach. Therefore, a potential conflict of interest must be identified at the earliest possible opportunity. If they cannot be avoided, any conflictual situation must be managed fairly and in the interests of the client.

In this regard, identifying potential or actual conflicts of interest which may cause harm to the interests of its clients, managing and limiting the impact of these conflicts of interest form an integral part of Truffle Capital's duties and obligations. The conflict of interest may be actual (effectively recorded) or potential (possible).

The concept of a conflict of interest covers a wide range of elements such as:

- Rules relating to personal transactions, remuneration and flow of information, etc.
- Employee code of conduct,
- Use of sensitive and/or privileged information, market abuse, professional confidentiality,
- Compliance with clients' interests,
- Compliance with professional obligations applicable to the market and those specific to the management company.



=> Different situations of conflicts of interest:

**Situations of conflict of interest which may be detrimental to a client may take varied forms, where Truffle Capital incurs or does not incur a financial loss and regardless of the intentional nature of the acts carried out or motives of the employees involved.**

**Five types of situation must be at least envisaged by Truffle Capital in order to assess whether a potential situation of conflict of interest is likely to arise:**

- The management company or an employee makes a financial gain or avoids a potential loss at the expense of the client,
- The interest of the management company or an employee may be different from the interest of the client,
- The management company or an employee performs the same professional activity as the client,
- The management company or an employee is encouraged to favour one client as opposed to another (regardless of financial or other reasons),
- The management company or an employee receives a financial benefit or a benefit in kind granted by a third party for the service carried out on behalf of the client.

=> Measures aimed at preventing conflicts of interest

**Truffle Capital has implemented a strategy aiming at best preventing conflicts of interest which may arise in the performance of its various regulated activities. These measures are structured around five points:**

**- Compliance measures:**

The Head of Compliance and Internal Audit is responsible for the control over the conflict of interest management policy, through legal and regulatory provisions, professional standards in addition to standards laid down by the management company. In second position is the Head of Operations and Risk Management, whose role involves supervising all risk and compliance aspects relating to the management company in the scope of providing the investment services.

**- Training measures:**

The management company informs employees and increases their awareness regarding the conflict of interest management policy implemented in the management company. In addition, each employee must pass the Financial Market Authority certification examination within six (6) months of joining the company, in order to become familiar with the code of conduct implemented in the management company, comply with resulting obligations (compulsory training courses, compulsory declarations to the Compliance Department of external activities and corporate offices, gifts and benefits received, personal transactions) and declare any situation placing him in a situation of conflict of interest.

**- Conflict of interest identification measures:**

The management company has carried out an inventory of actual or potential situations of internal conflicts, using a conflict of interest map identifying (i) types of situations generating conflicts, associated risks and (ii) related procedures to handle them.

**- Incident monitoring measures:**

The Head of Compliance and Internal Audit is empowered to manage all reporting on conflicts of interest. The Head of Compliance and Internal Audit may notify the General Management of the management company at any time and using any means regarding the occurrence of any incident. The Head of Compliance and Internal Audit may demand that action is taken to put an end to any incident. Therefore, employees who identify a situation which is analysed as constituting a situation of conflict of interest, are obliged to promptly notify the Head of Compliance and Internal Audit. The file relating to the generating events of the conflict of interest situation, the controls carried out, the Head of Compliance and Internal Audit's recommendation and the decision taken are recorded on file. In addition, in accordance with Articles 13 to 15 of Directive 2006/73/EC, Truffle Capital will ensure that its external service providers apply, where applicable, equivalent rules to the conflict of interest management policy laid down in this document. Said rules must be stipulated in the agreement governing said service.

**- Client information:**

When the risk of causing harm to the client's interest cannot be overcome in spite of the conflict of interest procedures and measures, which were implemented, Truffle Capital will inform the latter regarding the existence of a conflict of interest. However, before informing a client as a last resort, it is absolutely necessary to first attempt to take all preventative measures to resolve the conflict. Any information provided to the client must be laid down on a durable medium which is stored for at least five years. It must also be sufficiently precise and

detailed to enable the client to take an informed decision regarding the provision of the product or investment service offered.

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
---------	---------------------------------------------------------------------------------------------------------------------------

- Yes
- No

SG 04.2	Describe your process on managing incidents
---------	---------------------------------------------

Thanks to its RI/ESG roadmap defined in 2017 and which covers several years (2017-2020), Truffle Capital strengthened the incorporation of ESG criteria into its investment decision making. It consists in taking into account relevant sustainability and ethical factors in a tangible and traceable way across the various steps of its investment process (for further details, please refer to the section « Direct Private Equity »). This ESG incorporation takes the form of an analysis of ESG issues during the pre-investment phase (sourcing, initial analysis and in-depth due diligence) but also the form of an active monitoring during the post-investment phase. As a consequence:

=> The ESG analysis carried out upstream during the pre-investment phase enables the identification of relevant ESG issues as well as possible sensitive topics specific to the sector (ESG impacts identified, potential sources of risks, reputational issues, etc.). These issues and sensitive topics deserve a particular attention all along the investment period.

=> Truffle Capital supports the companies held in its portfolios as an investor but also as a partner with a strong entrepreneurial spirit and shareholding. This partnership approach helps Truffle Capital identify and manage reactively any incident that may occur during the investment, whether these incidents be ESG-related or not. As its investment managers are deeply involved in investee companies' corporate governance, Truffle Capital is well positioned to address ESG incidents:

- 1) on the one hand with companies' top management during the ongoing dialogue carried out with them;
- 2) on the other hand, through companies' governance bodies, by addressing these potential incidents during boards of directors / supervisory boards if it is considered as significant and relevant.

In addition to the appropriate management of potential ESG incidents, Truffle Capital is committed to transparency. Its investment managers are therefore responsible for informing Truffle's Limited Partners of any major incident that would occur and that would impact their investment (company impacted, nature of the incident, corrective measures, etc.)

Moreover, as part of the ongoing and open dialogue with its LPs, Truffle Capital can address any relevant ESG topic (including potential incidents) during Advisory / Monitoring boards upon client request.

You may want to describe how you define, identify and respond to ESG incidents in your portfolio, how do you report on these to your clients/beneficiaries and what policies you have in place to manage the incidents.

This indicator is not capturing information on incidents in your own operations. You can also provide detail on the incidents that took place in the reporting year, the type of the incidents and provide examples of your management, mitigation and reporting strategies.

For example, an incident would be a bribery scandal, a safety accident etc. in the portfolio company.

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

After a first launch of an ESG approach several years ago, notably with the signing up of the PRI in January 2012, **Truffle Capital decided in December 2016 to strengthen its RI / ESG strategy according the highest market standards by:**

- **reshaping the governance of its RI / ESG activities ;**
- **defining and implementing an ambitious RI/ESG roadmap 2017-2020 that matches the market standards and meets LPs' expectations.**

Since 2017, Truffle Capital's RI-ESG approach **is therefore overseen by a Steering Committee** chaired by the GP's top management and made up of the representatives of the main business lines:

- Truffle Capital's Chairman
- The co-founders and Managing Directors Life Sciences& Information Technology
- The Head of Investor Relations& Marketing
- The Chief Financial Officer
- Two senior consultants from EFIREs, a consulting firm specialized in Responsible Investing (RI) and Corporate Social Responsibility (CSR)

**The committee meets on a half-yearly basis to establish, review and update a clear roadmap, including:**

- **A long-term vision:** This consists in defining and regularly strengthening the cornerstones of its RI-ESG policy as well as its long-term objectives (2017-2020), based on the conclusions of its internal discussions on the various themes (ESG integration, active ownership, etc.), while taking into account the changes in market standards..
- **A medium-term vision:** Annual objectives, ambitious but attainable, are set for each policy area in order to ensure efficient implementation and to track the progress achieved.
- **A Short-term monitoring:** The RI Steering committee meets every six months to maintain a dynamic implementation of the RI-ESG policy, to monitor the rate of achievement of annual goals, and to adjust actions for progress if necessary.

**SG 06**

Voluntary

Public

Descriptive

General

**SG 06.1**

List the main responsible investment objectives that your organisation set for the reporting year.

### Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes

### Key performance indicator

ESG enhancement of the various steps of the investment process

### Progress achieved

**A formal ESG integration process approved by the RI / ESG Steering Committee**

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

### Financial performance of investments

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

### ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio

### Key performance indicator

Launch of an in-house project aiming at professionalizing and refining the ESG analysis of investee companies

Progress achieved

**Decision of the RI / ESG Steering Committee to include analysis-related objectives in the RI-ESG Roadmap 2017-2020:** from 2018 onwards, any new investment will be assessed from an ESG perspective that will take into account ESG sectorial issues (+ a selection of companies already held in portfolios, if they are exposed to significant ESG issues).

- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

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

other description (1)

Active oversight and monitoring of the RI / ESG strategy

Key performance indicator

Definition of a multiannual roadmap dedicated to these topics

Progress achieved

**Validation of an ambitious RI/ESG roadmap 2017-2020 that matches the market standards and meets LPs' expectations.**

- Other, specify (2)

other description (2)

Reshaping of the RI / ESG governance

Key performance indicator

Setting up of Steering Committee dedicated to RI – ESG topics (for more information about this Committee, please refer to SG.07)

Progress achieved

- **Holding of the first RI-ESG Committee in November 2017**
- **From November 2017 onwards, this Committee will meet on a half-yearly basis**

Other, specify (3)

**SG 06.2**

Additional information.

As mentioned previously, **Truffle Capital has defined an ambitious RI-ESG roadmap that outlines its vision and objectives over a long time period (2017-2020) on the main areas (ESG Integration, active ownership, transparency, etc.), but that also includes annual underlying targets.** This combination of long term objectives and short term milestones enable to seek concrete ambitions while monitoring efficiently and regularly their achievement.

*Please note that the objectives and related-KPIs mentioned above in SG 06.1 do not represent the comprehensive scope of Truffle Capital's RI-ESG ambitions. This section focuses on those specifically defined for the 2017 reporting year.*

## Governance and human resources

**SG 07**

**Mandatory**

**Public**

**Core Assessed**

**General**

**SG 07.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
**Chief Financial Officer**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
- Dedicated responsible investment staff
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)
- Other role, specify (2)

#### SG 07.2

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

The significant recent progress achieved by Truffle Capital as regards its RI-ESG approach is a result from a balanced combination of oversight and implementation responsibilities at the appropriate levels.

As mentioned previously, **Truffle Capital's RI-ESG approach is overseen at the highest level, by a dedicated RI Steering Committee. Chaired by the top management, this half-yearly committee is made up of the heads of the main business lines:**

- Truffle Capital's Chairman
- The co-founders and Managing Directors Life Sciences& Information Technology
- The Head of Investor Relations& Marketing
- The Chief Financial Officer
- Two senior consultants from EFIREs.

**Except for Truffle's Chairman, who has only accountability responsibilities, all the members of this steering committee are involved in both oversight and implementation of RI-ESG activities.** The committee meets on a half-yearly basis to establish, review and update the RI-ESG strategy. Each member of the committee provides appropriate and valuable inputs arising from their respective field of expertise. They also ensure that the actions for progress decided by the RI-ESG Steering Committee are effectively applied by their respective teams.

**The RI-ESG Steering Committee also relies strongly on EFIREs, a consulting firm specialized in Responsible Investing (RI) and Corporate Social Responsibility (CSR).** With €450 billion under advisory since its creation, EFIREs provides or provided renowned asset managers and asset owners with state-of-the art and custom consulting services (e.g. Edmond de Rothschild Asset Management, Préfon Retraite, Natixis Asset Management, Mirova, Idivest Partners, Seventure Partners, TOBAM, etc.). **EFIREs is a reliable partner to support Truffle Capital in the definition and the setting up of an ambitious RI/ESG roadmap 2017-2020 that matches the market standards and meets LPs' expectations.**

**To foster an efficient implementation of the RI-ESG roadmap, the RI Steering Committee also decided in 2017 to appoint three RI-ESG project managers:**

- The CFO, the RI project leader, as regards general matters, controls and coordination ;



- Two investment managers as regards ESG Integration and active ownership matters.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

0.3

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment: Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
  - This can be an internal staff or an external role;
  - They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
  - They do not have to be allocating the majority of their time to RI/ESG activities.
  -
- Senior level oversight and accountability for RI implementation: Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
  - "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
  -

If you have any questions or need support please contact [reporting@unpri.org](mailto:reporting@unpri.org) or call on + 44 (0) 203 714 3187.

**Promoting responsible investment**

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

Truffle Capital signed up to the PRI in January 2012, and therefore takes part in the annual reporting & assessment cycle since 2014.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG

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

- Basic
- Moderate
- Advanced

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

As a permanent member of France Invest ESG Commission, Truffle Capital's Chief Financial Officer attended 3 meetings in 2017.

- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
**France Biotech (focus social / health issues)**

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

- Basic
- Moderate
- Advanced

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

**Dr Philippe Pouletty, Truffle Capital's co-founder and Managing Director Life Science, is the Founder and Honorary Chairman of France Biotech, an association dedicated to French business people in the life-science fields. Focused on social issues related to health,** France Biotech aims at supporting the development of medical innovation, notably through initiatives related to taxation and regulatory framework.

Since 1997, France Biotech supports the best entrepreneurs in health area and therefore helps in creating a new innovative industry which foster economic growth, value creation and job opportunities in France.

Other collaborative organisation/initiative, specify

Société Française d'Immunologie (SFI)

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

- Basic
- Moderate
- Advanced

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

**Dr Philippe Pouletty, Truffle Capital's co-founder and Managing Director Life Science, is a member of the « Société française d'immunologie (SFI)» since 1982.** Like "France Biotech", **the SFI is focused on social issues, notably those related to health.** The association gathers scientists involved in immunological research (applied, fundamental or clinical). The SFI has over 1,000 members from the INSERM, the CNRS, the INRA or other research institutes: universities, hospitals or private laboratories. Its purpose is to encourage and to promote any initiative that would foster the development of this expertise.

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1**

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

Yes

**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment

Description

Truffle Capital has built strong partnerships with academic institutions, with a particular focus on social / health issues (CNRS, CEA, Institut Pasteur, Centre Hospitalier Universitaire Vaudois, Université de Stanford, Institut de Recherche Scripps, Centre chirurgical Marie Lannelongue, MIT, UCSF, UCLA, UCSD,

Columbia).

For example, through its new BioMedTech fund which raised \$102 million and targets \$240 million in 2018, Truffle Capital recently funded an innovative medical technology that enables to repair tissues of the heart and other parts of the body thanks to soft and flexible material. This new technology has been developed:

=> within the Harvard laboratory under the oversight of Dr. Conor Walsh, Professor at John A. Paulson Harvard School of Engineering and Applied Sciences and at Wyss Institute for Biologically Inspired Engineering,

=> in cooperation with partners at the Boston Children's Hospital, at the MIT and at the Brigham & Women's Hospital.

Thanks to an exclusive license agreement between Harvard University and HoliStick Medical SAS (Truffle's Capital start up), many patients requiring major surgeries will benefit from this innovative technology. Through this kind of partnership with academic institution, Truffle Capital takes part in solving an overriding social issue: improving the life quality of patients.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify

No

#### Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

**ESG issues in asset allocation****SG 13****Mandatory****Public****Descriptive****PRI 1**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13.3**

Additional information. [OPTIONAL]

Truffle Capital invests in innovative business models that develop disruptive technologies in two main investment areas: The Life Sciences sector and The Information Technology sector. These sectors take part in addressing major long-term challenges and therefore contribute to shape a more sustainable world.

**Certain environmental and social trends are therefore taken into account in its investments process.** These trends are not incorporated through modelling or other quantitative methods, but they are taken into account in the selection of business models and therefore **influence the investment decision making.**

For example, the selection of companies (bottom up) within **the Life Sciences sector** (BioTEch/MedTech) is based on a preliminary step that consists in identifying unmet medical needs with a particular focus on major diseases affecting a large number of patients.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
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**As mentioned previously,** Truffle Capital's investment process is based on:

- fundamental trends that determine and shape the market needs over the long run **in the Life Science and Information Technology investment areas** ;
- investment opportunities arising from these trends, and that can be seized in the short or medium term.

For example, the investment process in the Life Science sector (BioMedTech) includes both:

- **A top-down approach**, which consists in identifying unmet medical needs with a particular focus on major diseases affecting a large number of patients.
- **A bottom-up approach** that consists in identifying disruptive innovations addressing unmet medical needs, with an emphasis on severe and complex pathologies requiring advanced medical research. Conversely, Truffle Capital avoids investments on soft therapeutic solutions which are already covered and therefore only require a marginal added-value.

SG 14.2	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
---------	----------------------------------------------------------------------------------------------------------------------------

- Changing demographics
- Climate change and related issues
- Resource scarcity
- Technology developments
- Other, specify(1)

other description (1)

Long term health issues

- Other, specify(2)
- None of the above

SG 14.6	Additional information [Optional]
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**Additional information to 14.2 :**

=> Changing demographics and LT Health issues: Please refer to the example provided in 14.1 about the top down approach applied by the BioMedTech investment process.

=> Technology development: Digital technologies are one of truffle Capital's main investment areas. These technologies have revolutionized various industries and definitely transformed our consumption patterns, communication and interaction. As one of the most innovative sectors, information technology has invaded all industries and helped increase productivity and efficiency, opening up new horizons, changing our way of life and creating endless possibilities. Though its Information Technology investment area, Truffle Capital also takes part in addressing the growing needs for digitization notably arising from environmental issues (climate change, resource scarcity, etc.).



SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	----------------------------------------------------------------------------------------------

	%
--	---

65

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
---------	--------------------------------------------------------------------------------------------------------------------------------------------------

	Area
--	------

Clean technology (including renewable energy)

	Asset class invested
--	----------------------

Private equity

	% of AUM
--	----------

20

Brief description and measures of investment

**Until 2017, Truffle Capital invested in several companies in the cleantech field.** Truffle Capital continues to support these promising companies and assists them in their growth. More information about the investee companies is available on Truffle Capital's website: <http://truffle.com/portfolio/sector/cleantech/>

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Private equity

% of AUM

45

Brief description and measures of investment

Many factors have allowed a highly favourable environment for investments in the Life Sciences sector, factors such as the ageing population, a better understanding of the mechanisms of disease following the "biotechnological revolution", a cost management policy in the health field, the need for pharmaceutical and medical equipment manufacturers to renew their product catalogues, **Truffle Capital therefore focuses on several areas: vaccines and therapeutic drugs, medical devices and bioprosthetic implants.**

*More information about the investee companies is available on Truffle Capital's website: <http://truffle.com/portfolio/sector/bio-medtech/>*

- Water
- Other area, specify

Digital technologies

Asset class invested

- Private equity

% of AUM

35

Brief description and measures of investment

Digital technologies are revolutionising current industries and are deeply transforming our consumption patterns, communication and interaction.

Truffle Capital has a **strong focus on FinTech /InsurTech, and invest in technologies that will profoundly disrupt sectors** such as: Big Data, Mobile & Cloud, Payments, Blockchain, Crowdfunding, Digital Marketing, Internet of Things, and Cybersecurity.

More information about the investee companies is available on Truffle Capital's website:  
<http://truffle.com/portfolio/sector/it-digital/>

No

## Communication

SG 19

Mandatory

Public

Core Assessed

PRI 6

SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Private equity

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other	
<b>Frequency</b>	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
<b>URL</b>	
<a href="http://truffle.com/overview/">http://truffle.com/overview/</a>	
<b>URL</b>	
<a href="http://www.truffle.com/wp-content/uploads/2015/09/De%CC%81claration-Art.-173-Truffle-Capital_300617.pdf">http://www.truffle.com/wp-content/uploads/2015/09/De%CC%81claration-Art.-173-Truffle-Capital_300617.pdf</a>	

<b>SG 19.2</b>	Additional information [Optional]
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Truffle Capital is committed to transparency and provides investors with full visibility as to how their assets are being managed. As a result, **several public documents describe the way in which ESG issues are incorporated into the various steps of its investment process (ESG analysis during the pre-investment phase; monitoring and dialogue carried out during the post-investment phase, etc):**

- **Its RI / ESG policy**, which is available on its website, in the section "Overview / ESG Criteria":  
*http://truffle.com/overview/*
- **Its annual PRI Transparency Report**, which is available on PRI website:  
*https://www.unpri.org/signatories/truffle-capital/1894.article*
- **A specific report published by Truffle capital on its website in June 2017 to comply with the Article 173-VI of France's Law on Energy Transition for Green Growth (LTECV):**  
*http://www.truffle.com/wp-content/uploads/2015/09/De%CC%81claration-Art.-173-Truffle-Capital\_300617.pdf*

<b>Overview</b>				
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PE 01	Voluntary	Public	Descriptive	PRI 1-6
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Truffle Capital is a renowned private equity firm that invests in companies developing disruptive innovative technologies in **two main sectors\***:

- **Life sciences**, which an emphasis on vaccines and therapeutic drugs, medical devices and bioprosthetic implants.
- **Information technologies**, with a strong focus on FinTech/InsurTech, as well as investment in Big Data, Mobile & Cloud, Payments, Blockchain, Crowdfunding, Digital Marketing, Internet of Things, and Cybersecurity.

*\*Truffle Capital has also invested in several companies in the cleantech field.*

By targeting these sectors, Truffle Capital aims at achieving high returns for its investors while generating positive social and/or environmental impacts (e.g. the strong social benefits provided by its Medtech companies; the environmental issues addressed by the its Biotech companies positioned on green chemistry).

**Beyond this sectorial bias towards sustainability, Truffle Capital have been committed to responsible investment for more than five 5 years, with the signing up of the PRI in January 2012. Since then, Truffle Capital seeks permanent progress in the application of each PRI principle:**

=> Principle 1: "*We will incorporate ESG issues into investment analysis and decision-making processes*"

Truffle Capital applies **an exclusion policy** while selecting its investments, and **takes into account a common core of ESG criteria** while applying its investment process (due diligence and/or investment monitoring). These criteria are taken into account in an appropriate way by investment teams, depending on their relevance for each sector. This experimental ESG integration process, which until then was applied on a qualitative and informal basis, is currently being improved. **From 2018 onwards, an ESG analysis based on sectorial key issues will be performed, and traceability of the ESG incorporation into the various steps of the investment process will be enhanced**, as part of Truffle Capital's RI-ESG roadmap 2017-2020.

*Further details about ESG incorporation into Truffle Capital's post-investment process are provided in PE.05 and PE.06).*

=> Principle 2: "*We will be active owners and incorporate ESG issues into our ownership policies and practices.*" & **Principle 3: "*We will seek appropriate disclosure on ESG issues by the entities in which we invest.*"**

Truffle Capital has an entrepreneurial approach to investment, and therefore provides not only financial backing to its companies but also strategic assistance with a threefold purpose:

- transforming companies into leaders in their sector;
- generating higher potential returns for investors,
- encourage companies towards a responsible and sustainable business conduct.

Positioned as a real investor-partner alongside its portfolio companies, Truffle Capital often supports companies well upstream during their creation and throughout their development. This support covers both companies' regular economic activities (develop their business plan and legal structuring; recruit qualified and skilled individuals for key positions; create powerful boards of directors with successful entrepreneurs / top leaders in the sector / potential strategic partners; find additional financing from new shareholders and public bodies, etc.) and new emerging topics such as ESG issues. Thanks to its « Hands-on » approach, Truffle Capital is actively involved in investee companies' daily operations: its investment teams sit on the main governance bodies and meet (at least) monthly with company executive management. **This close-knit partnership between Truffle Capital and its portfolio companies enables an accurate monitoring of companies' practices, included ESG-related ones, and makes it possible to effectively encourage on-going improvement as well as an appropriate disclosure on ESG issues, as part of its active ownership approach (informally through dialogue and/or formally through written requirements, in particular as regards governance criteria).**

*Further details about ESG incorporation into Truffle Capital's post-investment process are provided in PE.07 to PE.11).*

=> Principle 4: "*We will promote acceptance and implementation of the Principles within the investment industry*" & **Principle 5: "*We will work together to enhance our effectiveness in implementing the Principles.*"**

As a PRI signatory since 2012, Truffle Capital is committed to the promotion and the co-construction of responsible investment principles. This commitment notably takes the form of an active **involvement in several ESG-related**

**professional bodies** (e.g. France Invest ESG Commission, France Biotech and Société Française d'Immunologie) and **strong partnerships with academic institutions, with a particular focus on social / health issues** (CNRS, CEA, Institut Pasteur, Centre Hospitalier Universitaire Vaudois, Université de Stanford, Institut de Recherche Scripps, Centre chirurgical Marie Lannelongue, MIT, UCSF, UCLA, UCSD, Columbia). *Further details about these initiatives are provided in the module "Strategy & Governance, questions SG.09 and SG.10.*

As part of its RI-ESG roadmap 2017-2020, Truffle Capital is currently further improving its promotion and co-construction of ESG standards with additional upcoming initiatives.

=> Principle 6: "We will each report on our activities and progress towards implementing the Principles."

Truffle Capital adheres to the highest standards of transparency and provides investors with full visibility as to how their assets are being managed. As a result, **several public documents describe the way in which ESG issues are incorporated into the various steps of its investment process** (its RI / ESG policy, Its annual PRI Transparency Report, a specific report published by Truffle capital on its website in June 2017 to comply with the Article 173-VI of France's Law on Energy Transition for Green Growth). Moreover, **the ESG / RI Roadmap 2017-2020 approved by the ESG / RI Steering Committee in November 2017 notably includes a project that aims to measure the ESG impact / performance of investments and to define a new ESG annual report framework of its funds.**

*Further details about Truffle Capital's transparency approach are provided in the module "Strategy & Governance, questions SG.02 and SG.19.*

PE 02	Mandatory	Public	Core Assessed	PRI 2
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PE 02.1	Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.
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Our investment activities are guided by a responsible investment policy

PE 02.2	Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.
---------	----------------------------------------------------------------------------------------------------------------------------------------------

**As part of its responsible investment approach, Truffle Capital incorporates ESG criteria all along its investment process. Its investment teams therefore apply the following investment guidelines:**

- **Pre-investment:** Truffle Capital applies an **exclusion policy** while selecting its investments, and **incorporates ESG criteria into its investment decision-making.** *Further details about the exclusion policy, the ESG criteria taken into account and the ESG analysis carried out are provided in PE.05 and PE.06.*
- **Post-investment:** as a **real investor-partner with an entrepreneurial spirit**, Truffle Capital monitors portfolio companies' ESG practices and guide them towards permanent improvement. *Further details about this active ownership approach are provided in PE.07 to PE.11.*

**This ESG incorporation into the various steps of Truffle Capital's investment process is currently being improved thanks to:**

- **its RI/ESG roadmap** defined in 2017 and which covers several years (2017-2020),
- **the recent appointment of three in-house RI-ESG project managers, among which two investment managers**, so as to foster an effective and traceable application of the above-mentioned responsible investment guidelines.

Our investment activities are not guided by a responsible investment policy

We do not have a responsible investment policy

## Fundraising of private equity funds

PE 03	Mandatory	Public	Core Assessed	PRI 1,4,6
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PE 03.1

Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

Yes

PE 03.2

Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

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

PE 03.3

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

Transparency is one of Truffle Capital's core values. Moreover, as a PRI signatory, Truffle Capital is committed to promote responsible investment. This transparency and promotion notably take the form of **a general presentation of its RI-ESG approach incorporated into its fund placement documents** (PPMs and other marketing material). This short presentation explains the **overall approach** and briefly describes in which way ESG criteria are taken into account in the main steps of the investment process (**pre-investment; post-investment**).

No

Not applicable as our organisation does not fundraise

PE 04	Voluntary	Public	Additional Assessed	PRI 4
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PE 04.1

Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by clients.

Yes

If yes

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by clients
- In side letter(s)
- Other

No

PE 04.2

Additional information.

Truffle Capital considers that:

- as a key player in French private equity market, the promotion of responsible investment is a part of its duty,

- the content of fund contracts has to be defined in cooperation with its Limited Partners (LPs), who are the effective owners of the managed assets.

**Formal commitments to responsible investment are therefore included in the Limited Partnership Agreements (LPAs) or side letters only when they are requested by clients.** The inclusion of this kind of content depends on the level of LPs commitments as regards ESG issues. For example, pension funds are increasingly committed to RI and therefore often require the inclusion of ESG content within fund formation contracts.

## Pre-investment (selection)

PE 05	Mandatory	Public	Gateway	PRI 1
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PE 05.1	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
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Yes

PE 05.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.
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As mentioned in the module "Strategy and Governance" (SG.01), Truffle Capital's approach to responsible investing takes two main forms:

=> Norms-based and sectorial exclusions, applied upstream in the investment process while sourcing investment ideas: Truffle Capital avoids investing in companies pertaining or evolving in activities that could lead to reputation risks, among which: **gambling, prostitution, pornography, alcohol, GMOs (genetically modified organisms) and Weapon technologies** (including the use, storage, production and transfer of **antipersonnel landmines and cluster bombs** in accordance with the Ottawa Convention and the Oslo Treaty signed by the French government). As regards biotechnologies, scientific progress can lead to human modification that Truffle Capital is committed not to exploit or support, particularly in the fields of:

- unethical procreation,
- modification of cerebral functions not to treat a pathology but to modify performances,
- potentially addictive molecules,
- or viral vectors exploitable for terrorist purposes.

On these topics, and more widely on health issues, Truffle Capital monitors the conclusions of the ethics committees of various countries. In addition, Truffle Capital decided in 2017 to add Coal and more widely fossils fuels to its exclusion policy, given the growing climate-related risks and their potential financial impacts.

=> The incorporation of ESG general criteria: beyond exclusions applied upstream, Truffle Capital takes into account a common core of ESG criteria while applying its investment process (due diligence and/or investment monitoring):

### Environmental criteria:

- Sustainable use of natural resources
- Environmental awareness

### Social criteria:

- Human resources considered as the most important asset of any company
- Labor and working conditions
- The creation and/or preservation of jobs
- Enhancing training and professional development
- Gender equality



- Fair trade practices

**Governance criteria:**

- Loyal management accountable for stakeholder interests
- Business integrity and good corporate governance
- Accurate reporting and transparency

Until 2017, the above-mentioned ESG criteria were taken into account on an 'unformal' and qualitative basis, whenever deemed relevant considering the activity of companies' activities (due-diligence / pre-investment phase) and/or monitored (post-investment phase). In 2017, Truffle Capital decided to go a step further and to strengthen its RI-ESG approach by defining **an ambitious RI-ESG roadmap 2017-2020 that notably includes the improvement of the ESG incorporation into the various steps of its investment process, with an enhanced traceability.**

**A short description of this new ESG integration process, which will be applied from 2018 onwards\*, is provided hereafter:** Truffle Capital pre-investment process comprises 6 steps in which ethical and sustainability factors are incorporated in a traceable way, on a case-by-case basis depending on the relevance of ESG integration according to company's stage of development and its sector's exposure to sustainable development issues.

-> Steps 1 and 2: Sourcing and pre-selection of projects => confirmation that the company is not in the list of sectors prohibited by Truffle Capital's exclusion policy (see the list previously mentioned). To this end, the deal flow monitoring tool used by the investment team includes a tab that **controls whether or not the company belongs to a prohibited sector.**

-> Steps 3 and 4: **Preliminary due-diligence and initial presentation to the Investment Committee** => The initial analysis includes a **short ESG review of the company's profile, focusing on the main risks** in order to identify any major issue that could lead to the company's ineligibility to Truffle Capital's portfolios (or that would require particular caution). This review is based on:

- Caution criteria defined by combining the requirements of major international guidelines, with an emphasis on United Nations Global Compact criteria;
- A review of the company's exposure to these risks;
- A check of the possible controversies / major bad practices on these topics (if the company has more than 2 years of existence).

This short analysis is incorporated into a synthetic tab within the opportunity note, with **3 possible conclusions: " favorable / favorable but with caution / unfavorable opinion".**

-> Steps 5 and 6: Detailed due-diligence and final decision of the Investment Committee => If the investment committee's opinion is favorable during the previous step, **a full ESG analysis** is performed as part of the detailed due diligence. This ESG analysis is **based on key sectorial environmental and social issues, so as to concentrate analysis efforts on the most relevant criteria for each sector** (i.e. main environmental and social externalities creating risks and opportunities). As regards Governance, criteria are the same for all the sectors. This step therefore enables a relevant assessment of the level of ESG risks\*\* and opportunities of companies.

**The traceability of the effective ESG integration across the various steps of the investment process is ensured through the elaboration of specific ESG tools** (a short ESG risk-review grid, a more detailed ESG analysis grid for each sector) **and the inclusion of ESG inputs into several investment tools and documents** (the deal flow monitoring tool, the initial analysis factsheet, the investment memorandum, the investment committee's minutes, ESG sections within deal documentation, etc.).

*\*Applied to any new investment, and to a short-list of companies already held in portfolio*

*\*\*In case of significant ESG risk identified, Truffle Capital can appoint a specialized firm to conduct an in-depth and independent ESG due diligence, in addition to the ESG analysis performed by the investment team.*

○ No

PE 06	Mandatory	Public	Core Assessed	PRI 1,3
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PE 06.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
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- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.
---------	-----------------------------------------------------------------------------------------------------------------

As mentioned previously in PE.05, Truffle Capital has decided to enhance the ESG analysis of its investee companies, as part of its RI-ESG roadmap 2017-2020.

**From 2018 onwards, the ESG assessment will be made up of:**

- **An ESG risk-review** carried out on the basis of **caution criteria defined by combining the requirements of major international guidelines or standards, with an emphasis on United Nations Global Compact criteria.** Particular attention is paid to compliance with fundamental principles: a breach of these principles could therefore lead to an exclusion from Truffle Capital's investments (human rights violations, severe environmental damage, non-compliance with international labour standards -forced labour; child labour, etc.- and corruption).
- **A full ESG analysis based on key sectorial environmental and social issues, so as to concentrate analysis efforts on the most relevant criteria for each sector** (i.e. main environmental and social externalities creating risks and opportunities). To effectively take into account the specific features of business sectors, the ESG key issues are defined by using sector-level data/benchmarks, and companies' practices within a same sector can be compared.

**To prepare these custom ESG analysis tools, in accordance with industry codes, Truffle Capital hired a consulting firm specialized in RI-ESG.**

PE 07	Voluntary	Public	Additional Assessed	PRI 1,2
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PE 07.1

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.

Yes

Formally/through a post-investment action plan or value enhancement plan

Verbally/through dialogue

Other, specify

PE 07.2

Describe the nature of these improvements and provide examples (if any) from the reporting year

First and foremost, it should be highlighted that Truffle Capital is not only an investor, but also a partner-entrepreneur that often supports companies well upstream during their creation and throughout their development. This support covers both companies' regular economic activities (legal structuring, extra funding,...) and new emerging topics such as ESG issues.

Thanks to its « Hands-on » approach, Truffle Capital is actively involved in investee companies' daily operations: its investment teams sit on the main governance bodies and meet (at least) monthly with company executive management. **This close-knit partnership between Truffle Capital and its portfolio companies enables the setting of requirements, including ESG related ones, through on-going dialogue, whether it be during the deal-structuring / initial investment, or all along the investment period as part of its active ownership approach.**

**Certain ESG requirements are also formally stated in side letters and shareholders' agreements and/or in a post-investment action plan:**

- **Governance requirements**
- **Environmental and/or social requirements directly connected to the company's business model** (e.g. the control of the development costs of certain BioMedTech solutions, with the ESG objective (S-pillar) to foster access to healthcare for the greatest number).

*Examples of improvement achieved through this partnership-based approach are provided in PE.15.*

We do not set expectations for portfolio companies on ESG-related considerations

PE 08

Voluntary

Public

Additional Assessed

PRI 1

PE 08.1

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

ESG issues helped identify risks

ESG issues helped identify opportunities for value creation.

ESG issues led to the abandonment of potential investments.

ESG issues were considered but did not have an impact on the investment selection process

Other, specify

We do not track this potential impact

PE 08.2

ESG issues were included in the post-investment action plan /100 day plan

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100 day plan
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

PE 08.3

Additional information.

**PE.08.1: Given Truffle Capital's main investment sectors (Life Sciences and Information Technologies), ESG issues directly helped identify opportunities.** For instance, resource scarcity and climate change are major environmental issues which create some investment opportunities, thanks to strong regulatory and normative drivers towards a more sustainable economic system. For example Truffle Capital holds a **Biotech company specialized in green chemistry**. This company develops disruptive technologies that enable to significantly reduce or even eliminate the use of hazardous or environmentally damaging substances. This can be achieved through new chemical manufacturing methodologies (use of agro-resources, optimization of the existing processes, etc.). The green chemistry therefore enables a significant reduction of the environmental footprint of certain finished goods, for example by producing biodegradable plastics. The increasing production of biosourced plastics helps to provide the market with products made up of renewable resources, as a greener alternative to purely petrochemical-derived products. Other examples of investment opportunities arising from ESG long-term trends are provided in PE.14.

**PE.08.2: Some governance requirements are often included in post-investment action plan and shareholder agreements. From 2018 onwards, a more general ESG section will be incorporated into deal documentation.** Please refer to the explanations previously provided in PE.07.

Post-investment (monitoring)

PE 09

Mandatory

Public

Gateway/Core Assessed

PRI 2

PE 09.1

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

- Yes

PE 09.2

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

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

(in terms of total number of portfolio companies)

PE 09.3

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

### ESG issues

- Environmental
- Social
- Governance

List up to three example targets of governance issues

Setting up of Boards of Directors and/or Supervisory Boards, in accordance with AFEP rules

Proportion of independent directors within the boards to ensure that the interests of all shareholders are protected.

The creation of sub-committees related to the Board: audit committee (for listed companies), remuneration committee, independent scientific/control committee, CSR Committee (from 2018 onwards).

- We do not set and/or monitor against targets

No

PE 09.4

Additional information. [Optional]

Truffle Capital's IR-ESG 2017-2020 roadmap includes an **ESG enrichment of its investment process, including the monitoring of ESG practices and performances of its investee companies during the including post-investment phase.**

**Since many years, Truffle Capital have been closely monitoring the governance practices**, which already form an integral part of the due diligence, contractual formalization and monitoring of its investments. Thus, its investment managers verify or contribute to the setting up of Boards of Directors and/or Supervisory Boards of companies held in the portfolio, in accordance with AFEP rules. They systematically sit on these bodies and are therefore proactive in promoting best practices in this field, in particular through:

- The constitution of an independent scientific/control committee;
- The addition of independent directors to the boards to ensure that the interests of all shareholders are protected;
- The establishment of a remuneration committee;
- The creation of an audit committee for listed companies;
- The creation of a CSR Committee related to the Board (from 2018);

**From 2018 onwards, the monitoring criteria will be extended to the E and S pillars and will be accompanied by KPIs to monitor ESG performance.**

PE 10

Mandatory

Public

Core Assessed

PRI 2

PE 10.1

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 10.2

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

- No

PE 10.3

Additional information. [Optional]

Among the companies held in Truffle Capital's portfolios, **22% are listed and are therefore particularly aware of CSR and ESG issues**, notably considering the increasingly strict regulatory and normative framework for these companies. **These listed companies have therefore set up more or less elaborate ESG / CSR approaches**, depending on their size and business activity.

PE 11	Voluntary	Public	Additional Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PE 11.1

Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.

**Types of actions taken by portfolio companies**

- Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Consider ESG issues in risk management processes
- Define performance targets for applicable ESG issues in operations
- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues
- Developing/implementing an environmental/social management system (ESMS) or similar
- Other actions, specify
- None of the above

## PE 11.2

Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.

**As mentioned previously, Truffle Capital provides portfolio companies with a support that goes far beyond the financial contribution, thanks to its "hands-on approach".** This support covers both companies' regular economic activities (legal structuring, extra funding, recruitment and talent identification, etc.) and new emerging topics such as ESG issues.

To this end, Truffle Capital:

=> Allocates responsibility for ESG issues to board/senior management, through the formal or informal setting of targeted ESG requirements for companies; **when an ESG issue is directly related to companies' business model** (an example is mentioned in PE.07), **or as regards their governance structure.** Indeed, Governance is a key criterion for due diligence, contractual formalisation and monitoring of Truffle Capital's investments, as it constitutes a large part of good corporate management. The investment team is all the more attentive to these aspects of Governance as Truffle Capital :

- holds majority positions in more than 50% of its investments and has a blocking minority in its other investments,
- supports investee companies as an investor-partner with a strong entrepreneurial spirit, very attentive to good governance rules, whether in the context of majority or minority shareholdings
- sits on the Boards of Directors and/or Supervisory Boards of portfolio holdings, and as such, is proactive in promoting best practices in this area.

Its investment teams therefore verify or contribute to the setting up of governance bodies in accordance with AFEP-Medef rules for portfolio companies, such as a Board of Directors or a Supervisory Board. They also ensure a balance of powers and the presence of independent directors, as well the establishment or verification of the existence of specific Committees whenever deemed relevant. These requirements are specified in deal documentation and are reviewed as part of the monitoring of companies held in portfolio.

**Moreover, from 2018 onwards, Truffle Capital will also require the setting up of a CSR committee related to the board for each new investment.**

=> **Fosters a composition of board that ensures ESG expertise, through:**

- **the control of boards independence rate, and the appointment of independent directors** who can provide companies with sectorial expertise (which can also cover certain key sectorial-ESG issues)
- **its systematic sit on the main governance bodies.** Thanks to its 5-year commitment to sustainability combined with its investment teams' high industry skills, Truffle Capital is well-positioned to effectively identify relevant ESG issues for each business model and therefore appropriately raise boards' awareness as regards these issues.



## Outputs and outcomes

PE 14	Voluntary	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

PE 14.1	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts the financial performance of investments
- We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

PE 14.2	Describe how you are able to determine these outcomes.
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**Given Truffle Capital's sector positioning, the ESG performance of its investments is by nature positive, particularly in the life sciences sector, which targets radically innovative technologies that transform the lives of the greatest number of patients.** For example, ABIVAX is developing a revolutionary HIV treatment based on a molecule that reduces patients' daily dependence on treatment and enables patients to take drugs less often without reducing the effects of treatment, making it more affordable and more easily accessible to as many people as possible while maintaining the effectiveness of triple therapy, which was more restrictive (daily intake, rebound of the virus if treatment was stopped, many side effects, etc.). Given the prevalence of the virus in disadvantaged areas such as Africa, this innovation represents a real step forward in access to healthcare. Pharnext, co-founded by Truffle, develops treatments for orphan or severe diseases with the potential to improve treatment effectiveness while reducing costs and enabling a better access to innovative medicines in poor countries. Since Truffle Capital was founded in 2002, **more than 50,000 patients worldwide benefited from health technologies designed and developed by Truffle Capital's portfolio companies.**

**In the digital technology sector, Truffle Capital also holds companies generating positive environmental impacts.** For example, Actility, founded in 2010, is developing ThingPark, a new generation standardized platform dedicated to the "Internet of Things". Actility's ThingPark Wireless network offers innovative technologies that enhance smart building & cities applications, therefore offering **tangible benefits in terms of energy efficiency.**

**As regards corporate governance, Truffle Capital systematically supports its portfolio companies towards best practices** (establishment of appropriate governance bodies, appointment of independent directors, etc.). The G-performance of its investments is therefore also positive, with an usual improving trends over the investment period. Furthermore, as a private equity firm positioned as a partner alongside investee companies, **Truffle Capital supports entrepreneurship and enabled the net creation of 1 000 highly qualified jobs since its creation in 2001.**

**The above-mentioned examples illustrate the good ESG performance of Truffle Capital's funds. However, Truffle Capital acknowledges the need to improve the traceability, calculation and reporting of the ESG**



**impacts of its investments. To this end, Truffle Capital has included a project dedicated to this ESG impact measurement within its IR-ESG 2017-2020 roadmap.** This project includes the following sub-steps:

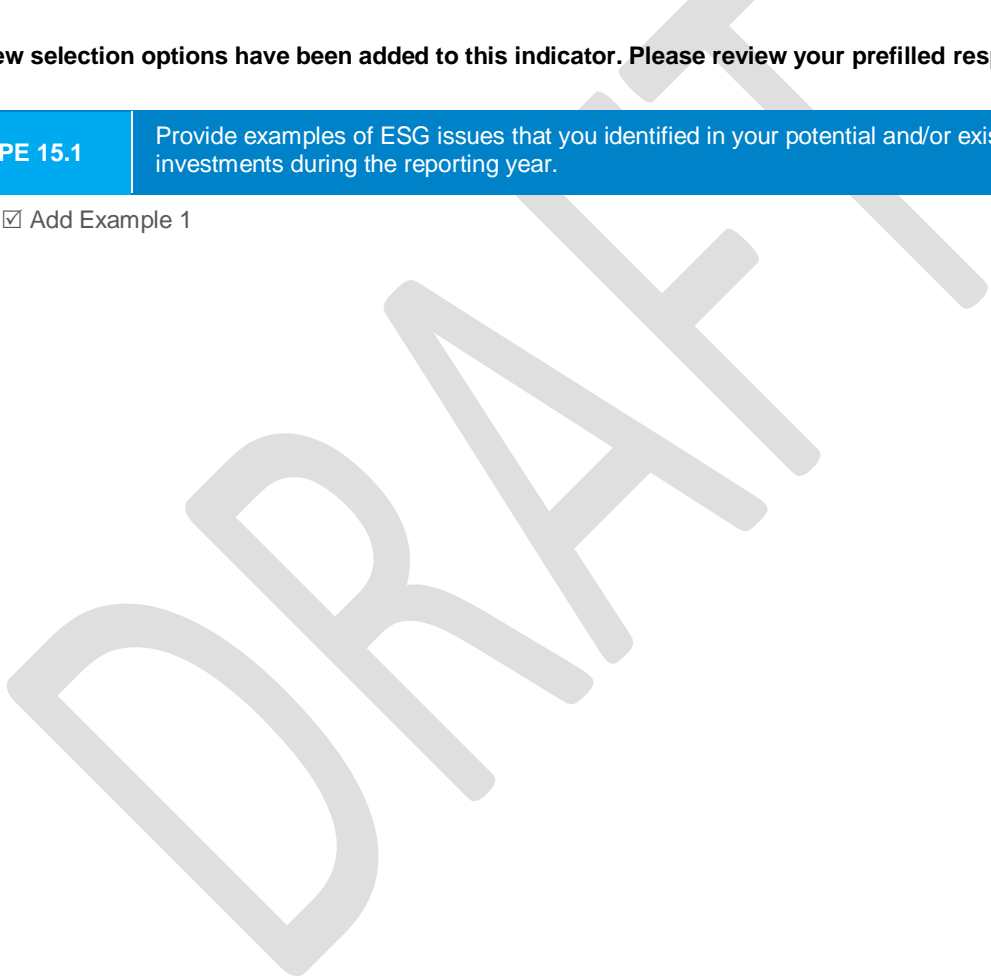
- The definition and formalization of the ESG added value of investments: qualitative description of the business model and identification of measurement indicators.
- The definition of a core set of relevant ESG performance indicators (a common core for all investments and specific KPIs for each investment area)
- The production of annual consolidated ESG reports (global and/or by investment area), that will include a qualitative description and targeted KPIs.

PE 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1,2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

PE 15.1	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.
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Add Example 1



Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <span style="margin-right: 10px;">ESG issues</span> </div> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social Human resources / Attracting and retaining talented staff <input type="checkbox"/> Governance
Sector(s)	Life Sciences (especially companies in development / growth phase)
Impact (or potential impact) on the investment	<p>The life sciences sector strongly relies on the skills of its highly qualified employees. Given the major challenges in terms of research, development &amp; innovation, (RD &amp; I), the attraction and retention of talented people is of central importance.</p> <p>As a consequence, <b>the HR skills of companies founders and their ability to efficiently manage human capital in their development phase (attraction and retention of talented staff, development of skills) are key factors, both in investment decision-making and companies' monitoring.</b></p>
Activities undertaken to influence the investment and its response	<p>Truffle Capital has implemented various initiatives to support its investee companies in this direction, such as :</p> <ul style="list-style-type: none"> <li>• <b>partnerships with academic institutions to identify talented people;</b></li> <li>• <b>the implementation of incentive and employee shareholding mechanisms to foster their loyalty.</b></li> </ul> <p>Given its "hands on" approach, Truffle Capital's investment teams <b>often take part in the recruitment of key employees and systematically sit on boards of directors and compensation committees</b> to effectively manage the most important HR aspects.</p>

Add Example 2

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">ESG issues</div> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance Efficient governance structure / setting up of governance bodies / control of boards' independence rate
Sector(s)	Life Sciences Digital technologies
Impact (or potential impact) on investment	<p><b>Governance is a key criterion for due diligence, contractual formalisation and monitoring of Truffle Capital's investments, as it constitutes a large part of good corporate management.</b> The investment team is all the more attentive to these aspects of Governance as Truffle Capital :</p> <ul style="list-style-type: none"> <li>• holds majority positions in more than 50% of its investments and has a blocking minority in its other investments,</li> <li>• supports investee companies as an investor-partner with a strong entrepreneurial spirit, very attentive to good governance rules, whether in the context of majority or minority shareholdings</li> <li>• sits on the Boards of Directors and/or Supervisory Boards of portfolio holdings, and as such, is proactive in promoting best practices in this area.</li> </ul> <p><b>Its investment teams therefore verify or contribute to the setting up of governance bodies in accordance with AFEP-Medef rules for portfolio companies, such as a Board of Directors or a Supervisory Board. They also ensure a balance of powers and the presence of independent directors, as well the establishment or verification of the existence of specific Committees whenever deemed relevant. These requirements are specified in deal documentation and are reviewed as part of the monitoring of companies held in portfolio.</b></p>
Activities undertaken to influence the investment and its response	In 2017, the average independence rate within the Boards of Truffle Capital's portfolio companies stood at 20%.

- Add Example 3
- Add Example 4
- Add Example 5

**PE 15.2**

Describe how you define and evaluate the materiality of ESG factors.

Since the launch of its RI approach in 2012, with the signing up the PRI, Truffle Capital have been taking into account a common core of ESG criteria in the selection and monitoring of its investments, (please refer to PE.05 for further details). These ESG criteria are taken into account on an 'unformal' and qualitative basis, whenever deemed relevant considering the activity of companies' activities (due-diligence / pre-investment phase) and/or monitored (post-investment phase). Given their strong sector expertise, Investment Managers are well positioned to apply this set of general criteria according to the challenges specific to each activity. For example,

- Human resources are considered as the first asset of any company, and are naturally taken into account in the form of **mechanisms of attraction and retention of talented staff for a Biotech or Medtech company in development / growth phase** (please refer to the example provided above in PE. 15. 1)
- Working conditions are a key focus of the analysis and monitoring of certain companies in the "Information Technology" sector, particularly **when the activity includes a Hardware component, requiring particular caution regarding working conditions in the supply chain.**

The identification and the consideration of the most material ESG issues for each sector are therefore natural, given the sectorial investment approach applied by Truffle Capital. However, Truffle Capital decided to go **a step further in 2017** and to strengthen its RI-ESG approach by defining an ambitious RI-ESG roadmap 2017-2020 that notably includes the improvement of the ESG assessment of investee companies.

**From 2018 onwards, the ESG assessment will include of a full ESG analysis based on key sectorial environmental and social issues, so as to concentrate analysis efforts on the most relevant criteria for each sector** (i.e. main environmental and social externalities creating risks and opportunities).

*For further details, please refer to PE.06*

**Communication**

<b>PE 16</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 6</b>
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**PE 16.1**

Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

Thanks to its RI/ESG roadmap defined in 2017 and which covers several years (2017-2020), Truffle Capital strengthened the incorporation of ESG criteria into its investment decision making. It consists in taking into account relevant sustainability and ethical factors in a tangible and traceable way across the various steps of its investment process (for further details, please refer to questions PE.01 to PE.11). This ESG incorporation takes the form of an analysis of ESG issues during the pre-investment phase (sourcing, initial analysis and in-depth due diligence) but also the form of an active monitoring during the post-investment phase. As a consequence:

=> The ESG analysis carried out upstream during the pre-investment phase enables the identification of relevant ESG issues as well as possible sensitive topics specific to the sector (ESG impacts identified, potential sources of risks, reputational issues, etc.). These issues and sensitive topics deserve a particular attention all along the investment period.

=> Truffle Capital supports the companies held in its portfolios as an investor but also as a partner with a strong entrepreneurial spirit. This partnership approach helps Truffle Capital identify and manage reactively any incident that may occur during the investment, whether these incidents be ESG-related or not. As its investment managers are deeply involved in investee companies' corporate governance, Truffle Capital is well positioned to address ESG incidents:

- on the one hand with companies' top management during the ongoing dialogue carried out with them;
- on the other hand, through companies' governance bodies, by addressing these potential incidents during boards of directors / supervisory boards if it is considered as significant and relevant.

**In addition to the appropriate management of potential ESG incidents, Truffle Capital is Committed to transparency. Its investment managers are therefore responsible for informing Truffle's Limited Partners of**

any major incident that would occur and that would impact their investment (company impacted, nature of the incident, corrective measures, etc.). Moreover, as part of the ongoing and open dialogue with its LPs, Truffle Capital can address any relevant ESG topic (including potential incidents) during Advisory / Monitoring boards upon client request.

## Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM 1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:			
	<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="radio"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="radio"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM 1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM 1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?			
	<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			

CM 1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM 1 01.3	We undertook third party assurance on last year's PRI Transparency Report			
	<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report, or we did not have such a report last year.			

CM 1 01.4, 10-12	Mandatory	Public	Descriptive	General
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**CM 1 01.4** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM 1 01.7	Mandatory	Public	Descriptive	General
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**CM 1 01.7** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board

Sign-off or review of responses

- Sign-off
- Review of responses
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)