

# Climate-related Financial Disclosure

PERMIRA ADVISERS LLP AND  
PERMIRA CREDIT LIMITED

2023

# Contents

## 01. Executive summary

|                                                                        |    |
|------------------------------------------------------------------------|----|
| About Permira                                                          | 05 |
| Message from Permira's Managing Partner and Co-Heads of Permira Credit | 07 |

## 02. Governance

|                                      |    |
|--------------------------------------|----|
| Climate-related governance structure | 11 |
|--------------------------------------|----|

## 03. Strategy

|                                           |    |
|-------------------------------------------|----|
| Permira's climate strategy                | 17 |
| Screening climate risks and opportunities | 19 |
| Permira's carbon pathway                  | 31 |
| Science-Based Targets                     | 33 |
| Exploring transition opportunities        | 35 |

## 04. Risk management

|                                                    |    |
|----------------------------------------------------|----|
| Climate considerations in the investment lifecycle | 39 |
| Values-based Investing Framework                   | 40 |
| Valuing carbon during the investment lifecycle     | 41 |
| Climate data collection                            | 42 |
| Integration into Permira's overall risk management | 43 |

## 05. Metrics and targets

|                                 |    |
|---------------------------------|----|
| Overview of metrics and targets | 47 |
| Permira's carbon footprint      | 51 |

## 06. Appendix

|                                                                    |    |
|--------------------------------------------------------------------|----|
| Summary of alignment with TCFD recommended disclosures             | 57 |
| Timeframes considered with climate-related risks and opportunities | 59 |
| Disclaimer                                                         | 61 |



# 01.

# EXECUTIVE SUMMARY

---

5

About Permira

---

7

Message from Permira's  
Managing Partner and  
Co-Heads of Permira Credit

# About Permira

The Permira group ('Permira') is a global investment firm with more than 500 people in 15 offices spanning Europe, the United States and Asia.

We apply a thematic approach across two core asset classes - Private Equity ('PE') and Credit ('Permira Credit') - with a focus on growth in our four key sectors of expertise: Technology, Consumer, Healthcare and Services. Operating as Permira since 2001, our funds have total committed capital of approximately €80bn, having backed hundreds of businesses around the world.



**Permira PE seeks to transform businesses into global market leaders** by supporting management teams to deliver performance, growth and long-term value creation, and partner with visionary management teams to help businesses accelerate growth. The PE business operates two core strategies: Buyout and Growth.



**Permira Credit is one of the leading specialist credit platforms in Europe.** Founded in 2007, the team today comprises more than 90 professionals. Permira Credit operates four core strategies: Direct Lending, CLO Management, Structured Credit and Strategic Opportunities. It has worked with more than 300 companies as well as a significant number of private equity sponsors, management teams and advisors since its establishment. Permira Credit is deeply embedded in the European credit market and has established what we believe is a strong reputation as a trusted and supportive partner to businesses and private equity sponsors seeking debt financing.

## Message from Permira's Managing Partner and Co-Heads of Permira Credit

**We believe the world is transitioning towards a low carbon economy and successful investors will be proactive in responding to the transition.**

We see opportunities for new products and services, markets, technologies and partnerships. We believe these changes can bring secular growth opportunities in our private equity investments and resiliency across the Permira Credit portfolio.

We believe setting robust and credible Science-Based Targets will position portfolio companies to grow while navigating stakeholder expectations, fast-evolving climate-related regulations and the physical impacts of climate change.

In seeking to be a responsible investor, Permira is committed to the integration of climate-related risks and opportunities into its business and investment lifecycle, where relevant and/or material. We believe this enables us to deliver long-term value to our investors.

We are pleased to share the progress we are making, including on our Science-Based Targets, valuing carbon during the private equity investment lifecycle and ESG margin ratchets.

This is our inaugural climate disclosure, covering the period 1 January 2023 to 31 December 2023, which seeks to align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

The report is also published in satisfaction of the TCFD entity-level disclosure obligations applicable to Permira Advisers LLP (PALLP) and Permira Credit Limited (PCL) under chapter 2 of the FCA's ESG Sourcebook. The disclosures herein cover PALLP and PCL's TCFD in-scope business. References herein to Permira include the Permira group as a whole. References to Permira PE relate to PALLP and references herein to Permira Credit relate to PCL, noting the differences in approach to climate related risks and opportunities taken in respect of the different strategies. In the reasonable view of the boards of PALLP and PCL, the disclosures in this report, comply with the TCFD recommendations, and entity-level reporting requirements set out in chapter 2 of the FCA's ESG sourcebook.

We remain committed to evolving and enhancing our practices and reporting as we continue to learn, alongside the wider industry.

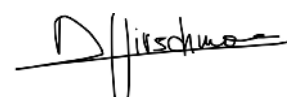
**Kurt Björklund.**

Managing Partner



**David Hirschmann.**

Co-Head of Permira Credit



**Ariadna Stefanescu.**

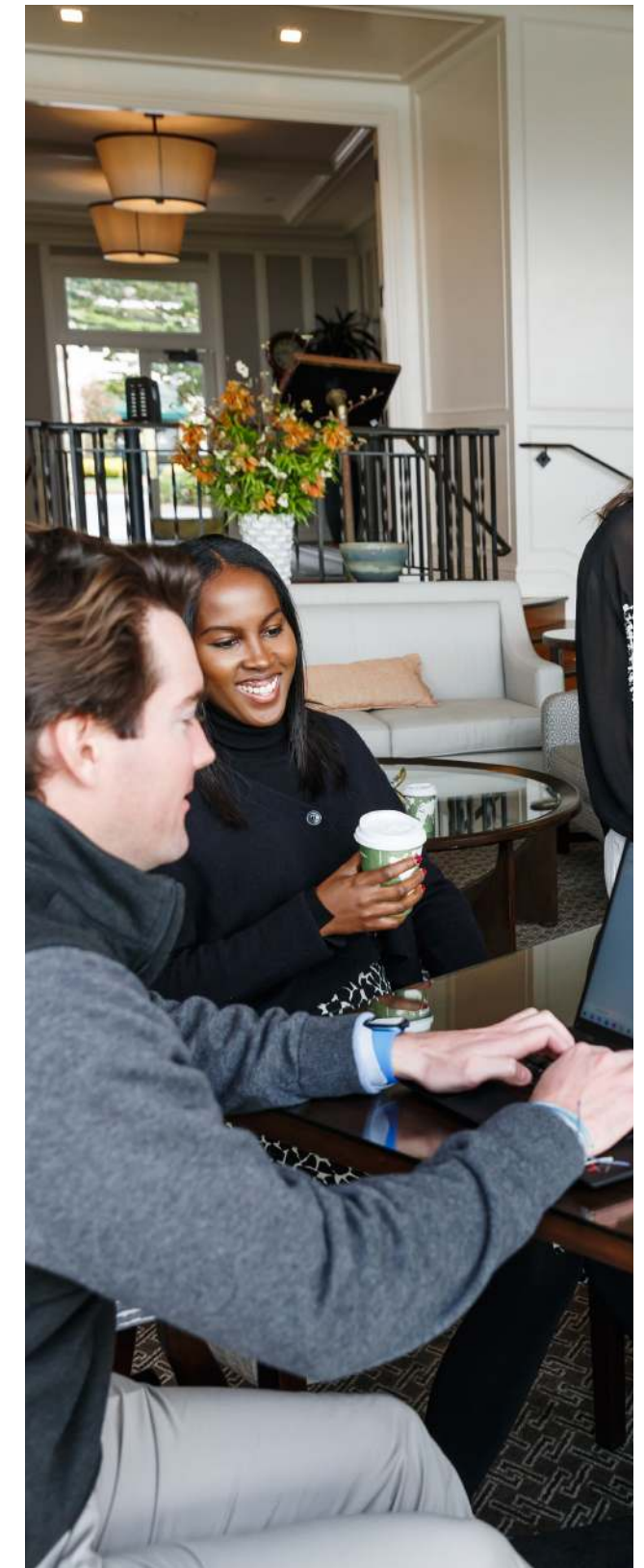
Co-Head of Permira Credit



## Industry engagement

Permira actively participates in industry dialogue on the role of investors in the low carbon economy. It contributes to a number of climate-related industry initiatives, enabling Permira colleagues to access the latest insights and contribute to industry good practice.

- Member of the Sustainable Markets Initiative CEO-level PE Taskforce, and co-lead for the climate working group.
- Founding signatory of the UK Initiative Climat International (ICI). Contributor to working groups including net zero, private credit and GHG accounting for tech and software companies.
- Permira's Head of ESG is a member of the Invest Europe ESG Steering Committee, BVCA Responsible Investment Advisory Group, and represents Permira as a founding member of the ESG Data Convergence Initiative (EDCI) Steering Committee.
- Signatory of the UN-supported Principles for Responsible Investment.
- Founding member of the Credit working group in the Institutional Investors Group on Climate Change (IIGCC).



# 02.

# GOVERNANCE

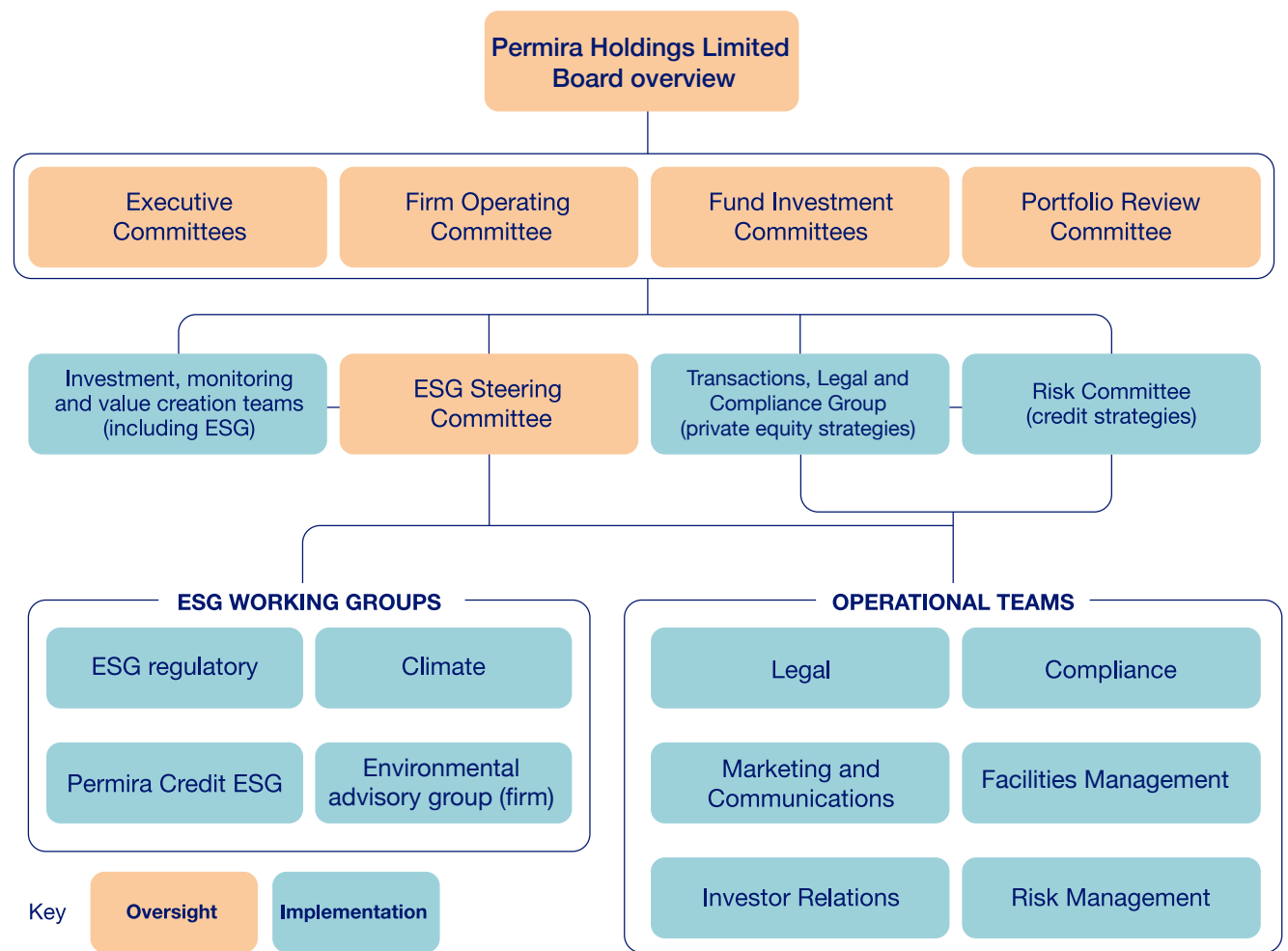
---

11

Climate-related  
governance  
structure

# Climate-related governance structure

## Governance structure for oversight and implementation of climate-related matters



## Oversight

The Permira group operates under the supervision of the Permira Holdings Limited's Board ('the Board'), the ultimate parent of Permira Advisers LLP and Permira Credit Limited. The Board meets quarterly and is updated on relevant climate matters. Climate risks are included in PHL's risk register, see p.43. Oversight of specific risks and opportunities may be delegated to Board committees.

Firmwide climate-related risks and opportunities are overseen and monitored by Permira's Executive Committees and Firm Operating Committee. Permira's Science-Based Targets were iterated with, and approved by, Permira's PE Executive Committee, which will also monitor progress against the SBTs going forward. These committees meet quarterly and consider relevant and/or material risks and opportunities, including climate-related, on a regular basis.

Fund- and investment-level climate-related risks and opportunities are overseen by the Investment Committees and Portfolio Review Committee. This includes their consideration during the investment lifecycle, as relevant and/or material.

The ESG Steering Committee is a cross-functional committee that oversees climate and broader ESG strategy, risks and opportunities. It meets quarterly and reports to the Board committees. It includes the Chief Financial Officer & Chief Operating Officer, Head of Investor Relations, Chief Compliance Officer, General Counsel, an Operating Partner, Head of ESG, ESG lead for Credit, two investment team representatives and a marketing representative.

## Implementation

Investment, monitoring and value creation teams (including ESG professionals) assess and manage climate-related risks and opportunities, aligned with the strategic direction which is set by the oversight committees. The ESG team leads the development and coordination of the firmwide climate strategy. ESG professionals engage directly with portfolio company management teams to identify and manage climate risks and opportunities, as appropriate, with a particular focus on the buyout funds. Permira Credit's engagement with portfolio companies on climate-related topics is largely focused on reporting.

There are three working groups that consider climate-related topics, supporting implementation:

- ESG regulatory working group – responsible for ESG-related legal and compliance matters, including climate-related regulations. Attendance includes Fund Legal, Compliance and ESG professionals.
- Credit ESG working group – cross-functional working group to support

Permira Credit's implementation of ESG- and climate-related considerations during the investment lifecycle.

- Climate working group – including an Operating Partner, Head of ESG and Climate Specialist. In 2023, the group focused on developing and implementing an approach to valuing carbon within the investment lifecycle, see p.41.

The Risk Management team supports risk identification and management across the firm, including the private equity and credit businesses and the funds. This includes climate-related risks, see p.43.

The Transactions, Legal and Compliance Group meets weekly to identify and mitigate potential risks related to private equity funds' investments, including relevant climate-related risks. Attendance includes Fund Legal, Compliance, Tax and ESG professionals.

Implementation of climate-related matters is further supported by operational teams from across the business, including Legal, Compliance, Marketing and Communications, Facilities Management and Investor Relations.



# 03. STRATEGY

---

17  
Permira's climate  
strategy

---

19  
Screening climate  
risks and  
opportunities

---

31  
Permira's carbon  
pathway

---

33  
Science-Based  
Targets

---

35  
Exploring  
transition  
opportunities

# Permira's climate strategy

We believe the world is transitioning towards a low carbon economy

More than 140 countries – representing over 90% of global GDP – have net zero commitments.<sup>1</sup> Permira and its portfolio companies operate in a number of jurisdictions with such commitments in law or policy, including the EU, US, UK, India and China.<sup>2</sup> We believe successful investors will be proactive in responding to the transition to a low carbon economy.

With respect to the portfolio management activities, neither PALLP nor PCL rely on delegated managers and do not outsource certain operational activities, e.g. with respect to Permira's London office.

## Permira's climate strategy

### Screening climate risks and opportunities



Assessing physical and transition risks and opportunities

### Carbon pathway



Supporting progress, from measurement to decarbonisation

### Science-Based Targets



Setting robust SBTs at Permira and portfolio company level

### Exploring transition opportunities



Exploring climate-related investment opportunities and margin ratchets

<sup>1</sup> <https://zerotracker.net/>

<https://www.un.org/en/climatechange/net-zero-coalition>

<sup>2</sup> <https://eciu.net/netzerotracker>



# Screening climate risks and opportunities

Permira recognises that climate change presents potential risks and opportunities for investors and businesses. In seeking to be a responsible investor, we aim to identify, assess and manage those risks and opportunities



## Transition opportunities

Resource efficiency, products and services, markets, business resilience and energy sourcing options



## Transition risks

Policy and legal, technology, market and reputational risks

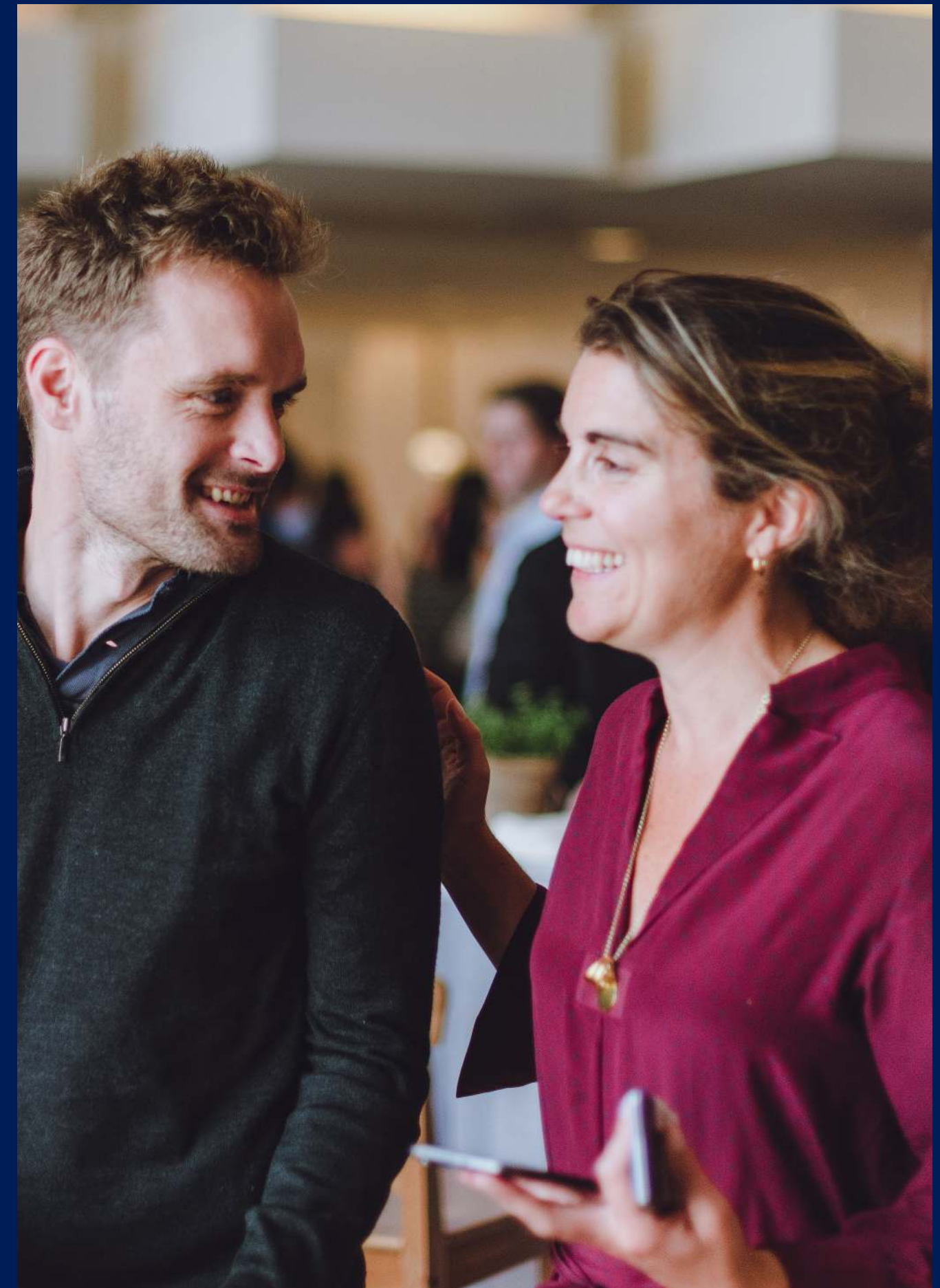


## Physical risks

The potential business impacts from physical climate change, either acute (e.g. cyclones, floods) or chronic (e.g. long-term rising mean temperature, rising sea level)

Climate-related risks and opportunities can impact Permira from two perspectives: directly as a business or indirectly by impacting underlying investments and the Permira funds' investment returns. Permira has considered both and acknowledges the latter is likely to present far greater exposure, given the scale of investment activities relative to the size of direct business operations.

Permira has identified climate-related risks and opportunities that may be relevant to its private equity and credit strategies, using a combination of internal and external specialists, portfolio data collection and analysis. Permira considered short- (0-5 years), medium- (5-15 years) and long-term (2050 horizon) timeframes. Further details on the rationale for these timeframes is included on p.59.



Examples of climate risks and opportunities:  
private equity strategies

|                                        |                                                                                                                                                                                                                              | Potential impact on Permira |                                                                                                                         |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Category                               | Risk / Opportunity                                                                                                                                                                                                           | Time horizon¹               | Potential business impacts                                                                                              |
| Transition opportunities               |                                                                                                                                                                                                                              |                             |                                                                                                                         |
| Products and services                  | Enhanced, new and/or diversified investment strategies to meet investor expectations on climate-related topics, e.g. climate mitigation, adaptation                                                                          | S                           | Enhanced reputation and track record                                                                                    |
|                                        | Portfolio companies enhance/expand products and services to cater for climate-related trends and customer demand                                                                                                             | S                           | Reduced operating costs                                                                                                 |
| Markets                                | Enhanced valuation performance of private equity investments that are well-positioned for a transition to a low carbon economy                                                                                               | S/M                         | Higher valuations                                                                                                       |
|                                        | Potential access to lower interest financing for private equity investments via climate-related margin ratchets                                                                                                              | S/M                         | Higher AUM and revenue due to customer attraction and retention                                                         |
| Resource efficiency and energy sources | Increased energy and resource efficiency at portfolio companies and/or Permira                                                                                                                                               | S                           |                                                                                                                         |
|                                        | Reduced exposure to fossil fuel-dependent energy sources to mitigate price or volatility risks at portfolio companies and Permira                                                                                            | S/M                         |                                                                                                                         |
| Transition risks                       |                                                                                                                                                                                                                              |                             |                                                                                                                         |
| Policy and legal                       | Increased climate-related policies and regulation related to investment funds, Permira operations, portfolio companies and underlying suppliers. This may include reporting obligations, regulated carbon pricing, or others | S/M                         | Increased operating costs, e.g. compliance, litigation                                                                  |
|                                        | Exposure to climate-related litigation                                                                                                                                                                                       | M                           | Lower AUM and revenue due to changing investor demand                                                                   |
|                                        | Investors' allocation shaped by laws and regulations targeting ESG integration in investment processes                                                                                                                       | S/M                         | Lower valuations                                                                                                        |
| Market                                 | Investors' preferences shift to alternative products and services, with different climate credentials, e.g. specific climate ambitions, or set allocations to climate-related funds                                          | S/M                         |                                                                                                                         |
|                                        | Displacement of existing portfolio company products and services related to climate-related trends and/or innovation                                                                                                         | M                           |                                                                                                                         |
| Reputation                             | Stakeholder concerns relating to materialised or perceived climate issues within portfolio companies or Permira                                                                                                              | S                           |                                                                                                                         |
|                                        | Differing investor views on the extent to which climate-related topics should be considered within investment decisions, potentially leading to reputational harm                                                            | S/M                         |                                                                                                                         |
| Physical risks                         |                                                                                                                                                                                                                              |                             |                                                                                                                         |
| Acute                                  | Increased frequency and/or severity of extreme weather events (e.g. storms, floods and wildfires) impacting portfolio companies, e.g. workforce disruption, asset or inventory damage                                        | M                           | Increased operating expenses, e.g. insurance premiums, losses from uninsurable events, and disruptions to supply chains |
| Chronic                                | Changes in long-term mean temperature, sea levels and weather patterns impacting portfolio companies, e.g. workforce disruption, asset or inventory damage                                                                   | M/L                         | Lower valuations                                                                                                        |

<sup>1</sup> S = short-term, M = medium-term, L = long-term

Examples of climate risks and opportunities:  
credit strategies

|                                        |                                                                                                                                                                                                                              | Potential impact on Permira |                                                                               |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------|
| Category                               | Risk / Opportunity                                                                                                                                                                                                           | Time horizon¹               | Potential business impacts                                                    |
| Transition opportunities               |                                                                                                                                                                                                                              |                             |                                                                               |
| Products and services                  | Enhanced, new and/or diversified investment strategies to meet investor expectations on climate-related topics, e.g. climate mitigation, adaptation                                                                          | S                           | Enhanced reputation and track record                                          |
|                                        | Greater uptake of climate-related KPIs in ESG margin ratchets in direct lending strategy                                                                                                                                     | S                           | Higher AUM and revenue due to customer attraction and retention               |
| Markets                                | Enhanced resilience of credit investments that are well-positioned for a transition to a low carbon economy                                                                                                                  | S/M                         |                                                                               |
| Resource efficiency and energy sources | Increased energy and resource efficiency at portfolio companies and/or Permira                                                                                                                                               | S                           |                                                                               |
|                                        | Reduced exposure to fossil fuel-dependent energy sources to mitigate price or volatility risks at portfolio companies and Permira                                                                                            | S/M                         |                                                                               |
| Transition risks                       |                                                                                                                                                                                                                              |                             |                                                                               |
| Policy and legal                       | Increased climate-related policies and regulation related to investment funds, Permira operations, portfolio companies and underlying suppliers. This may include reporting obligations, regulated carbon pricing, or others | S/M                         | Potential risk of breached covenants, missed interest payments or impairments |
|                                        | Exposure to climate-related litigation                                                                                                                                                                                       | M                           | Lower AUM due to investors' allocation limitations                            |
|                                        | Investors' allocation shaped by laws and regulations targeting ESG integration in investment processes                                                                                                                       | S/M                         |                                                                               |
| Market                                 | Investors' preferences shift to alternative products and services, with different climate credentials, e.g. specific climate ambitions, or set allocations to climate-related funds                                          | S/M                         |                                                                               |
|                                        | Displacement of existing portfolio company products and services related to climate-related trends and/or innovation                                                                                                         | M                           |                                                                               |
| Reputation                             | Stakeholder concerns relating to materialised or perceived climate issues within portfolio companies or Permira                                                                                                              | S                           |                                                                               |
|                                        | Differing investor views on the extent to which climate-related topics should be considered within investment decisions, potentially leading to reputational harm                                                            | S/M                         |                                                                               |
| Physical risks                         |                                                                                                                                                                                                                              |                             |                                                                               |
| Acute                                  | Increased frequency and/or severity of extreme weather events (e.g. storms, floods and wildfires) impacting portfolio companies, e.g. workforce disruption, asset or inventory damage                                        | M                           | Potential risk of breached covenants, missed interest payments or impairments |
| Chronic                                | Changes in long-term mean temperature, sea levels and weather patterns impacting portfolio companies, e.g. workforce disruption, asset or inventory damage                                                                   | M/L                         |                                                                               |

<sup>1</sup> S = short-term, M = medium-term, L = long-term

## Assessing climate risk using scenario analysis

Portfolio companies may be impacted by physical and transition climate risks, in turn potentially affecting the Permira funds’ investment returns. Permira has carried out climate scenario analysis at a portfolio company level for selected strategies, where Permira has greater influence relative to its full portfolio and where the climate-related risks were considered to be most relevant, with the aim to better understand potential business impacts and inform engagement with portfolio companies. Physical risk scenario analysis was carried out for the buyout, growth and direct lending strategies, and transition risk scenario analysis was carried out for the buyout and growth strategies.

## Physical risks across the portfolio

A physical climate risk assessment was carried out for the private equity (buyout and growth) and credit (direct lending) portfolios, as at 31 December 2023, using Jupiter Intelligence, a tech-enabled specialist in climate risk analytics. It considered physical location (latitude, longitude) of portfolio company operating locations, various timeframes (see p.59) and three climate scenarios defined in the IPCC Sixth Assessment Report,<sup>1</sup> intentionally covering a range of potential global outlooks and macroeconomic, social and emissions assumptions. The outputs include qualitative scores that are supported by quantitative climate event exposure data.<sup>2</sup> Climate scenarios considered for physical risk analysis:

| CLIMATE SCENARIO                                  | TEMPERATURE INCREASE BY 2100, RELATIVE TO PRE-INDUSTRIAL LEVELS <sup>3</sup> | DESCRIPTION                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SSP1-2.6</b><br>(‘Sustainability’)             | 1.8°C                                                                        | This scenario represents long-term sustainability that is implemented in a timely manner, resulting in global warming limited to within the ‘well below 2°C’ ambition of the Paris Agreement. Population growth and inequality reduce over time. There is international cooperation on mitigating and adapting to the impacts of climate change. |
| <b>SSP2-4.5</b><br>(‘Middle of the road’)         | 2.7°C                                                                        | This scenario represents moderate efforts to mitigate and adapt to climate change yet falls short of the ambition set out by the Paris Agreement. Population growth is moderate. Economic development is supported by both fossil fuels and renewables.                                                                                          |
| <b>SSP5-8.5</b><br>(‘Fossil-fuelled development’) | 4.4°C                                                                        | This scenario represents a future where limited action is taken on mitigating climate change. Economic growth is driven by fossil fuel use, and population growth is high.                                                                                                                                                                       |

# High-level insights from physical risk scenario analysis

## Eight climate perils were considered



**1. Aggregated portfolio exposure to acute and chronic climate events is higher in scenarios with greater global warming,** driven by increased severity and/or frequency. Exposure is highly dependent on location, e.g. fire risk in the portfolio is primarily concentrated along the US West Coast and in southern Europe, whereas wind-related risk is concentrated in southern and eastern Asia.

**2. Drought was found to be the greatest peril exposure** for buyout, growth and direct lending strategies, and flood and hail exposure was the lowest. The buyout strategy was found to have marginally higher physical risk exposure than the growth and direct lending strategies, when aggregating exposure across underlying investments.

**3. Unmitigated exposure may affect the Permira funds’ investment returns.** For example, portfolio companies may experience higher operating costs (e.g. greater demand on cooling systems), physical damage (e.g. from storms) and/or revenue disruption (e.g. flooding that affects BAU operations). There is potentially greater vulnerability at locations with material assets, e.g. manufacturing sites (typically in Consumer and Healthcare sector investments) or owned data centres (typically Technology).

**4. Permira aims to identify potential material exposure to physical risks at portfolio company level and engage with portfolio companies** pre-investment and during the hold period, as appropriate, to consider risks and/or mitigation actions. This may initially consist of a discussion to validate or update findings and better understand the perceived risk from the portfolio company perspective.

<sup>1</sup> [https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_LongerReport.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf). Permira applied scenarios from the IPCC Sixth Assessment Report in its physical risk analysis and scenarios from the Network for Greening Financial Services (NGFS) in its transition risk analysis, see p.27. This reflects its view of which scenarios are relevant for each type of analysis.

<sup>2</sup> Permira recognises there are limitations in the outputs of its climate risk scenario analysis owing to data gaps and methodological challenges, e.g. collecting comprehensive location data for portfolio company assets and related information (occupancy type, number of floors, existing mitigation measures, etc.) to assess the potential financial impacts of climate peril exposure. Permira is committed to evolving and enhancing its practices and reporting as it continues to learn, alongside the wider industry.

<sup>3</sup> <https://www.climateneutralgroup.com/en/news/five-future-scenarios-ar6-ipcc/>

## Transition risks across the portfolio

A transition climate risk assessment was carried out for the private equity (buyout and growth) portfolio, as at 31 December 2023, using in-house analysis. The analysis was carried out at portfolio company level using emissions data (reported or estimated), financial data (EBITDA and enterprise value) and NGFS<sup>1</sup> climate scenario data. It considered three climate scenarios published by NGFS, intentionally covering a range of potential global outlooks in terms of macroeconomic, social and emissions assumptions. In the NGFS scenarios there is an implicit, inverse relationship between policy and global warming; with greater

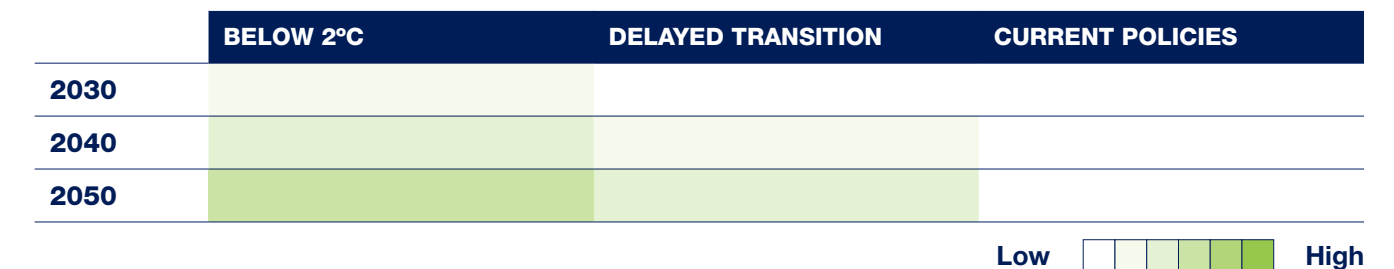
climate policy ambition and effectiveness comes reduced global warming. Permira applied the NGFS ‘carbon pricing’ variable across various scenarios and timeframes. The variable is defined as, “a proxy for overall climate policy and effectiveness, accounting for a variety of real-world climate policies (carbon tax, subsidies, environmental standards, etc.”<sup>2</sup> and it is applied as a cost per tonne of GHG emissions (tCO<sub>2</sub>e). The output included quantitative estimations of carbon value at risk, presented qualitatively in this report.<sup>3</sup> Climate scenarios considered for transition risk analysis:

| CLIMATE SCENARIO CATEGORY    | CLIMATE SCENARIO NAME <sup>4</sup> | TEMPERATURE INCREASE BY 2100, RELATIVE TO PRE-INDUSTRIAL LEVELS | DESCRIPTION                                                                                                                                                                                                                                                                                                                               |
|------------------------------|------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Orderly transition</b>    | Below 2°C                          | Below 2°C                                                       | This scenario assumes policies are introduced early and effectively, supporting material emissions reductions and reducing physical climate risks over time.                                                                                                                                                                              |
| <b>Disorderly transition</b> | Delayed transition                 | Below 2°C                                                       | This scenario assumes that policies are delayed or divergent across countries and sectors, with global emissions not peaking before 2030. Global warming is limited to below 2°C, however policies are implemented later and in shorter timeframes than the orderly transition, likely causing greater disruption to market participants. |
| <b>Hot house world</b>       | Current policies                   | 2.9°C                                                           | This scenario assumes that only current climate policies are implemented and preserved, leading to global warming in excess of the ambition agreed in the Paris Agreement. Physical climate risks are most severe in this scenario.                                                                                                       |

1 Richters, O., Kriegler, E., Al Khouardjaj, A., et al. (2023). NGFS Climate Scenarios Data Set (4.1). Zenodo. <https://doi.org/10.5281/zenodo.10079020>. Permira applied scenarios from the Network for Greening Financial Services (NGFS) in its transition risk analysis and scenarios from the IPCC Sixth Assessment Report in its physical risk analysis, see p.25. This reflects its view of which scenarios are relevant for each type of analysis.

## High-level insights from transition risk scenario analysis

### Value at risk from climate policies (transition risk), by scenario and timeframe



Note that this transition scenario analysis does not consider the physical risks of climate change, e.g. extreme weather events. See p.26 for physical risk scenario analysis.

**1. The private equity buyout and growth strategies were found to be largely resilient to transition risks** in the ‘current policies’ scenario and ‘delayed transition’ scenarios. There was a minor but visible impact in the ‘Below 2°C’ scenario’ after 2040.

**2. The value at risk is concentrated in portfolio companies with greater emissions intensity**, e.g. those with manufacturing sites (typically in Consumer and Healthcare sector investments). High exposure may also apply to companies with material use of owned or third-party data centres, typically Technology sector investments. Data centres using a high proportion of renewable energy will likely be less impacted by fossil fuel-related policies but may still be subject to energy efficiency policies.

**3. As policies and stakeholder expectations evolve, companies will need to adapt, e.g.** innovation of alternative products and services, greater transparency in reporting. These changes may also present investment opportunities, see p.35.

**4. Permira aims to identify potential material exposure to transition risks at portfolio company level and engage with portfolio companies** pre-investment and during the hold period, as appropriate, to consider risks and/or mitigation actions. Indicative mitigation actions may include the portfolio company: enhancing governance and data systems, setting Science-Based Targets, and commissioning energy efficiency audits.

2 [www.ngfs.net/sites/default/files/medias/documents/ngfs\\_climate\\_scenarios\\_for\\_central\\_banks\\_and\\_supervisors\\_phase\\_iv.pdf](http://www.ngfs.net/sites/default/files/medias/documents/ngfs_climate_scenarios_for_central_banks_and_supervisors_phase_iv.pdf)

**3** Permira recognises there are limitations in the outputs of its climate risk scenario analysis owing to data gaps and methodological challenges. This includes collecting emissions data, see p.54. Permira is committed to evolving and enhancing its practices and reporting as it continues to learn, alongside the wider industry.

4 Category and scenario names as defined by in the NGFS Phase IV scenarios. Data sourced from the 'REMIND-MAGPIE 3.2-4.6' integrated assessment model.

## Assessing climate risks for Permira's own operations

Permira assessed the physical and transition climate risks related to its own operations using the same approaches outlined for its portfolio analyses, with a business overlay to reflect the asset location, occupation type and business continuity plans in place.



### Physical risks

While there is potentially material exposure to drought (six offices) and precipitation events (three offices), residual risk is considered low based on existing and potential mitigation measures. All sites are asset-light office spaces, all leased with the exception of two London locations. Permira has business continuity plans and retains flexibility to move to full remote working and/or office relocations as required in the case of any physical climate event presenting disruption.



### Transition risks

Evolving climate-related disclosure requirements were identified as a potential climate-related risk, specifically the cost of compliance. Permira complies with its current obligations related to its own operations including: UK Streamlined Energy and Carbon Reporting (SECR), European Energy Efficiency Directive (EED) and UK Energy Savings Opportunities Scheme (ESOS), as required. It continues to assess emerging regulations, including the Corporate Sustainability Reporting Directive (CSRD) and California's climate disclosure bills SB 253 and SB 261. A cross-functional team is in place to support compliance with current and emerging climate-related regulations, see p.11. Permira periodically reviews its resourcing and capabilities to support future obligations. We include ESG-related criteria in the supplier selection process, including for business travel, events, hotels, restaurants and consultancy services, where relevant. This may include climate-related criteria e.g. carbon footprint data or a commitment to validated Science-Based Targets.



# Permira's carbon pathway

## Increasing carbon maturity



Permira's carbon pathway<sup>1</sup> is intended to support portfolio companies to align with a low-carbon economy, as appropriate. It is predominantly applied in the context of portfolio companies in the buyout strategy. It was developed in 2021 and updated in 2023 to reflect Permira's engagement and contribution to the Private Markets Decarbonisation Roadmap (PMDR),<sup>2</sup> an initiative that Permira supported through our roles in Initiative Climat International (iCI) and Sustainable Markets Initiative's Private

Equity Taskforce. The objective of the PMDR is to help asset managers communicate where portfolios are on their decarbonisation progress, using a common language and focusing on actions that can improve operations, increase valuations and mitigate risk. Permira contributed to the development of PMDR through a number of workshops and interviews and piloted the draft framework. Climate-related data is a key enabler to progress through the carbon pathway.

<sup>1</sup> Permira's carbon pathway was updated in 2023 following the publication of the iCI's [Private Markets Decarbonisation Roadmap](#). Permira's category definitions are broadly aligned to the PMDR definitions to support interpretation by external stakeholders, with minor adaptations to reflect Permira's climate ambition and objectives.

<sup>2</sup> [Private Markets Decarbonisation Roadmap](#)

<sup>3</sup> Permira VIII ("P8") targets are aspirational. There can be no assurance that Permira or any portfolio company will be able to reach its targets.

## Energy efficiency plan target and guidance

We believe the financial performance of Permira and the funds' portfolio companies may be enhanced through the responsible management of energy at company level, leading to recurring operating cost reductions in the near-term and thereafter.

In recognition of this value creation lever, we have set fund-level targets applicable to Permira VIII companies<sup>3</sup>, including a target for the proportion of Permira VIII companies that develop a board-approved energy efficiency plan. To support portfolio companies in

achieving this target, we have developed guidance to highlight good practice for energy efficiency – or broader decarbonisation – plans.

Permira is currently piloting and iterating this with portfolio companies in the buyout strategy. The guidance encourages dual consideration of energy efficiency and emissions, where appropriate, reflecting the inherent synergies. This can support companies to progress beyond 'Capturing data' on Permira's carbon pathway, see left.



# Science-Based Targets

Permira has set greenhouse gas (GHG) emissions reductions targets, aligned with a 1.5°C pathway and considered in alignment with net zero commitments made by jurisdictions that Permira and its portfolio companies operate in, see p.17. This is a key pillar of the climate strategy, ensuring Permira’s climate activities are robust and credible. The targets were iterated with, and approved by, Permira’s PE Executive Committee and validated by the Science-Based Targets initiative (SBTi).

The targets apply to Permira's firm operations (scope 1 and 2) and its eligible private equity and listed equity portfolio (scope 3, category 15).<sup>1</sup>

| PERMIRA'S SCIENCE-BASED TARGETS                                                                                                                                                                                        | STATUS   | PROGRESS                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Permira commits to reduce its absolute scope 1 and 2 GHG emissions 70% by 2030, from a 2022 base year.                                                                                                                 | On track | In 2023, Permira reduced its absolute scope 1 and 2 GHG emissions by 77%, from a 2022 base year. By the end of 2023, eight Permira offices directly procured 100% clean electricity.                                                                                                                                                                                                                                                                     |
| Permira commits to 35% of its eligible <sup>1</sup> private equity and listed equity portfolio setting SBTi validated targets by 2027, and 100% by 2040. Measured by invested capital and using 2022 as the base year. | On track | <p>In 2023, the percentage of Permira's eligible portfolio setting SBTi-validated targets increased to 13% (measured by invested capital), from a baseline of 6.6% in 2022. As at 31 December 2023, this included five eligible portfolio companies.</p> <p>An additional four eligible companies were formally committed to set SBTs as at 31 December 2023, representing an additional 13% of eligible investments (measured by invested capital).</p> |

**14**  
companies with validated or publicly-committed Science-Based Targets

\*includes eligible<sup>1</sup> and non-eligible companies under SBT

**13%**  
of invested capital covered by an SBTi-validated target and a further 13% formally committed

\*includes eligible companies only

**19%**  
of equity value covered by an SBTi-validated target and a further 7% formally committed

\*includes eligible companies only

<sup>1</sup> Includes all listed equity investments and unlisted private equity investments where Permira has a Board seat and the funds have ≥25% equity. Companies that have been held for less than two years may be excluded. Based on the nature of the investments held by the Permira Credit funds, the credit portfolio is not currently within scope of the SBTi-validated target.

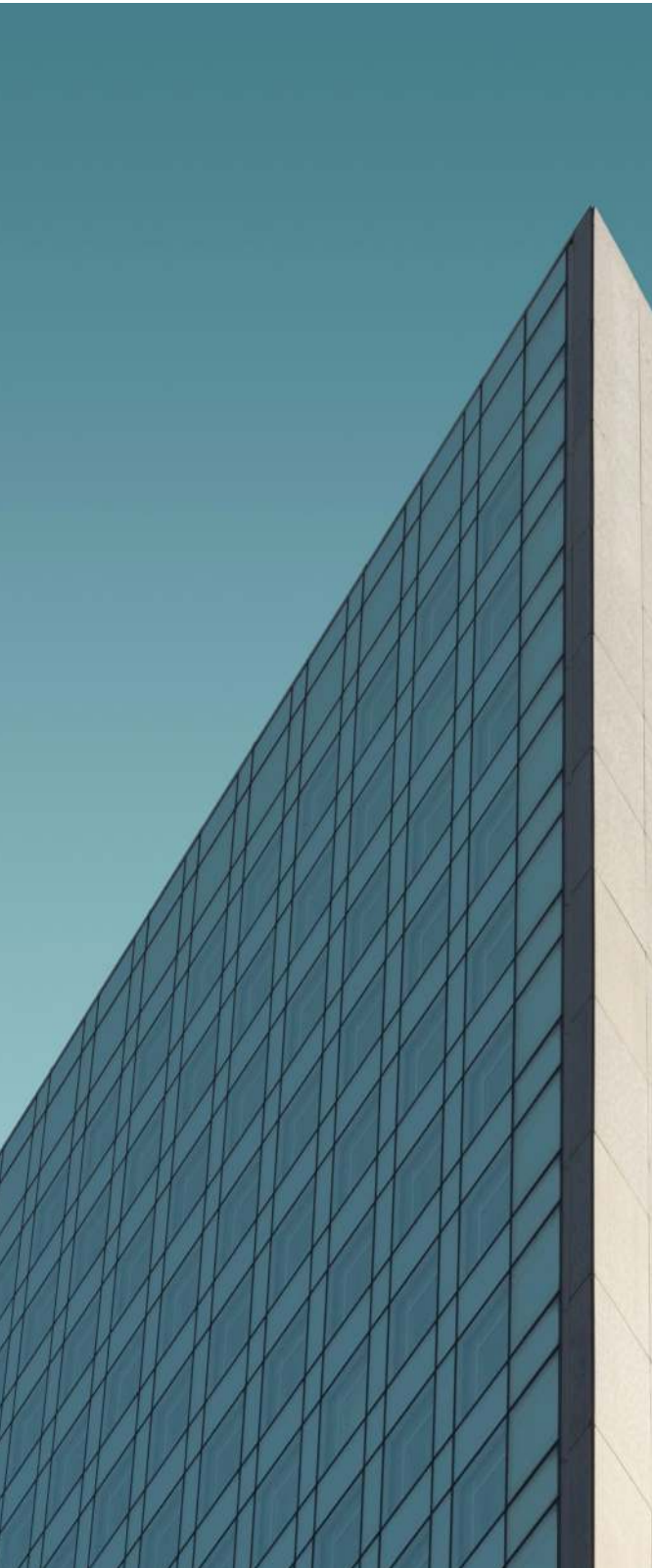
<sup>2</sup> <https://sciencebasedtargets.org/resources/files/SBTi-Private-Equity-Sector-Guidance.pdf>

Permira has proactively engaged its employees in understanding and contributing to these targets. In 2023, Permira hosted a number of internal climate sessions targeted at firmwide level, and further private equity strategy sessions at geography and sector level.

Permira’s PE investment, monitoring and value creation teams (including ESG professionals) lead on implementation of the portfolio coverage target, including direct engagement with portfolio companies. Progress is tracked using an in-house tool, developed with an external sustainability consultancy.

Permira’s operational teams lead on implementation of the scope 1 and 2 target. Key measures include purchasing renewable/clean energy at Permira’s offices and considering energy efficiency opportunities in new leases and office refurbishments. While emissions reductions are prioritised, Permira has also contributed to climate action by investing in certified carbon credits from projects that support carbon emissions avoidance and removals, procured from Climate Impact Partners and Cloverly.

As at 31 December 2022 and based on SBTi's private equity sector guidance<sup>2</sup>, Permira's portfolio targets cover 57% of its total investment and lending by invested capital. Required activities made up 57% of Permira’s total investment and lending by invested capital while optional activities made up 41% and out of scope activities made up 2%.



# Exploring transition opportunities

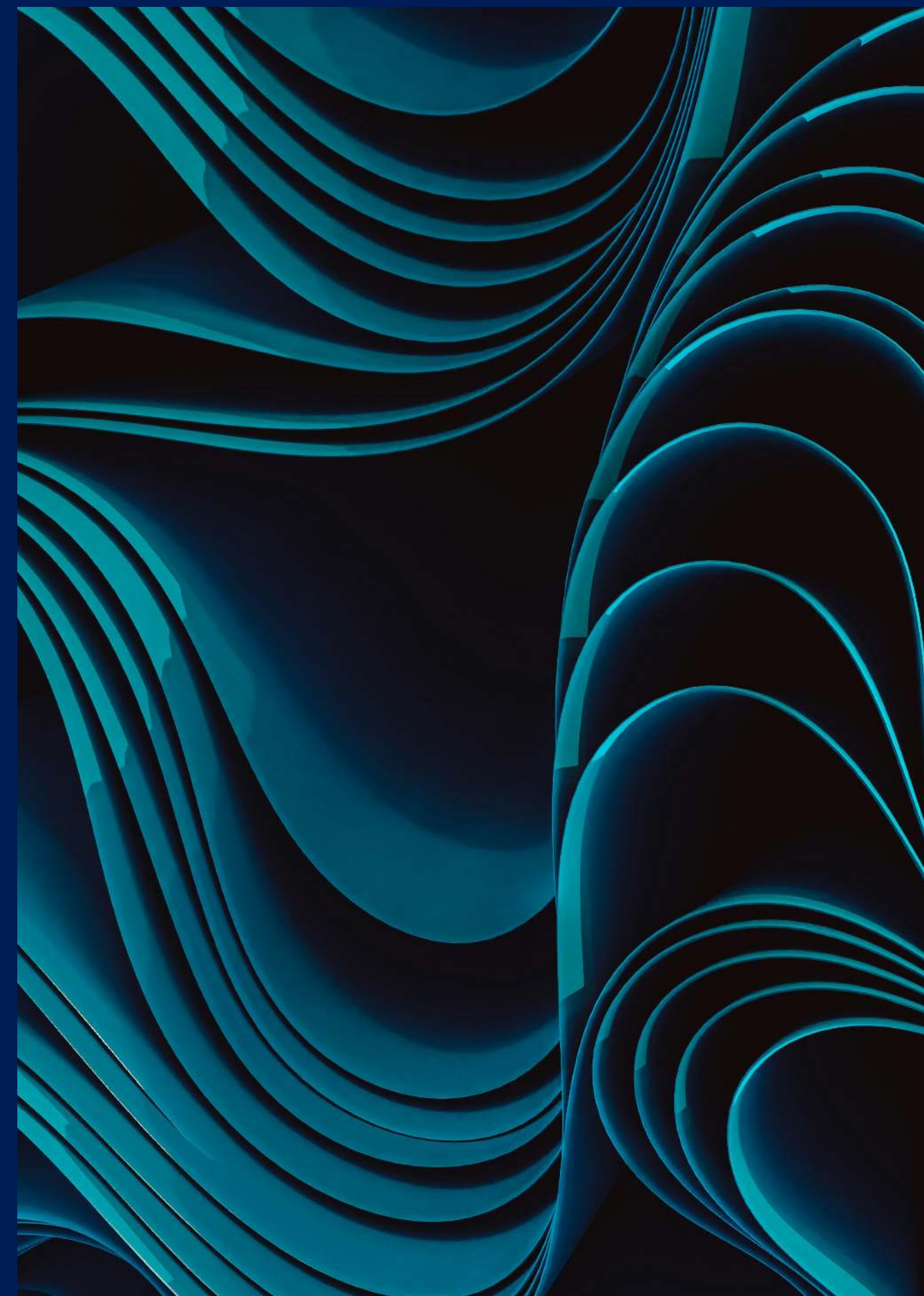
Permira believes there are material investment opportunities in companies that align with, benefit from and/or support the transition to a low carbon economy. The thematic investing area has potential to apply to existing and future investment funds, considering long-term, climate-related macro trends observed in the economy, such as decarbonisation, climate-related regulation and new technology.

## Private equity

Permira has proactively developed its capabilities in the climate investing theme. In 2023, Permira established a dedicated team of private equity investment professionals to explore climate-related opportunities, comprising of new hires and existing Permira professionals. Permira initiated the development of an internal climate investing framework in 2023 with the support of an external consultancy. The framework aims to help investment professionals to identify and assess high-quality climate-related investments.

## Permira Credit

Permira believes that ESG margin ratchets can help to drive engagement with portfolio companies on relevant and/or material sustainability risks and opportunities by identifying relevant KPIs and supporting good practice. As at 31 December 2023, Permira Credit's PCS5 fund had executed eight ESG margin ratchets in total. Climate is embedded within KPIs in different ways including as part of broader assessments for external ESG ratings, GHG emissions reductions (e.g. energy efficiency initiatives or fleet efficiency) or submitting GHG emissions targets to the Science-Based Targets initiative for validation.



# 04.

# RISK MANAGEMENT

---

39  
Climate  
considerations in  
the investment  
lifecycle

37

---

40  
Values-based  
investing  
framework

---

41  
Valuing carbon  
during the  
investment  
lifecycle

---

42  
Climate data  
collection

---

43  
Integration into  
Permira's overall  
risk management

38

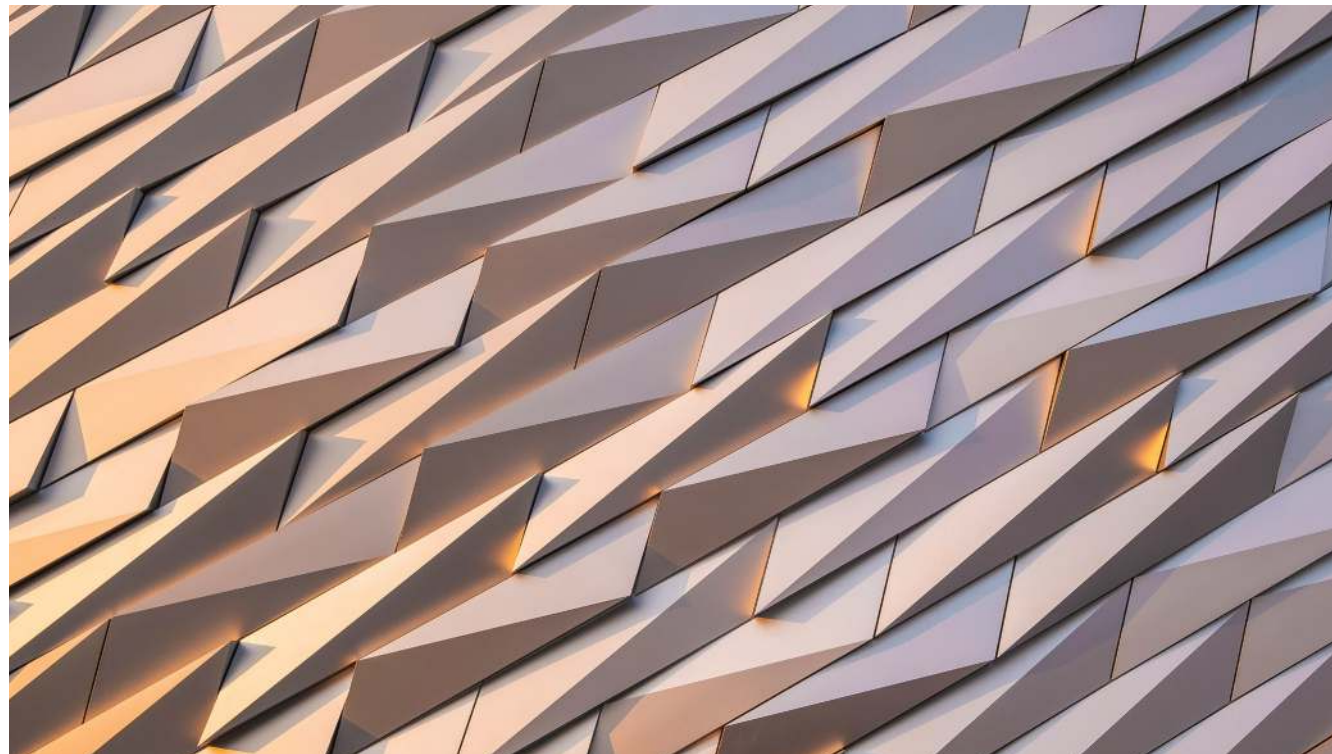
# Climate considerations in the investment lifecycle

Permira believes that consideration of climate risks and opportunities is an important part of building and protecting value in the Permira funds' portfolio companies. Having a long-term, responsible approach is an important part of our funds' investment strategy and delivering a better outcome for our investors, consistent with and subject to any applicable fiduciary duties or legal, contractual or regulatory requirements.

Permira is committed to considering climate-related risks and opportunities during the investment lifecycle where relevant and/or material, and refining its approach as responsible investment practices and the regulatory landscape continue to evolve. We take a tailored approach, focusing on

the issues which are most material to a company. We believe that companies that effectively manage material climate-related risks and opportunities have the potential to demonstrate a stronger financial profile in the longer-term.

The Permira funds have differing strategies which have different priorities in terms of integration and management of climate-related risks. Permira's engagement approach with portfolio companies (or managers in the case of Structured Credit) varies depending on the strategy and the funds' influence and control of the underlying portfolio company. These approaches are set out in Permira's 'ESG in the investment lifecycle'. See Permira's public [ESG policy](#).



# Values-based Investing Framework

Permira has a Values-based Investing (VBI) Framework, which supports investment teams in identifying sub-sectors or activities that are excluded from investment, and sub-sectors or activities which have heightened ESG risk profiles or ESG value creation opportunities, including climate-related.

The purpose of the VBI framework is to protect Permira and the Permira funds from material ESG- and climate-related risks and support value creation initiatives in underlying portfolio companies, aligning with our fiduciary duties.

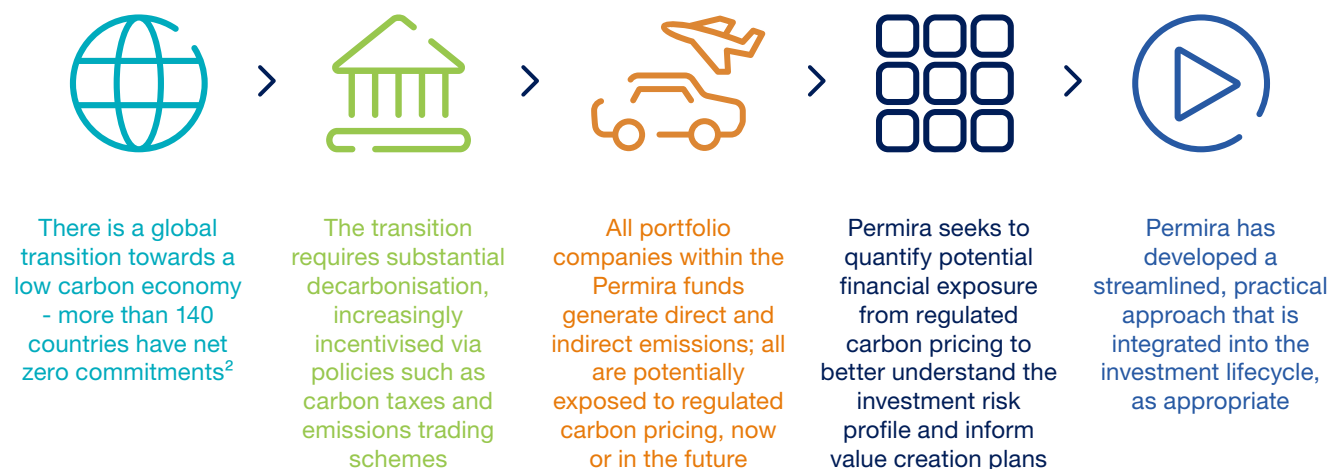


# Valuing carbon during the investment lifecycle

In 2023, Permira's Managing Partner, Kurt Björklund, co-led the Private Equity Taskforce Climate Working Group, within the Sustainable Markets Initiative. The CEO-level group published guidance on how private equity investors can incorporate carbon into the investment decision-making process. The guidance is available online.<sup>1</sup>

Permira has taken steps to integrate the approach into its private equity investment lifecycle, with an initial focus on quantifying

a company's potential exposure to regulated carbon pricing liabilities, and the potential impact this may have on Permira investment returns. This assessment is performed pre-investment, as appropriate, and in periodic portfolio reviews for the buyout and growth strategies. Where the impact is considered material, Permira aims to engage with portfolio companies, as appropriate, on risks and/or mitigation measures.



<sup>1</sup> <https://a.storyblok.com/f/109506/x/477eb3084f/valuing-carbon-in-private-markets.pdf>

<sup>2</sup> <https://zerotracker.net/>

<https://www.un.org/en/climatechange/net-zero-coalition>

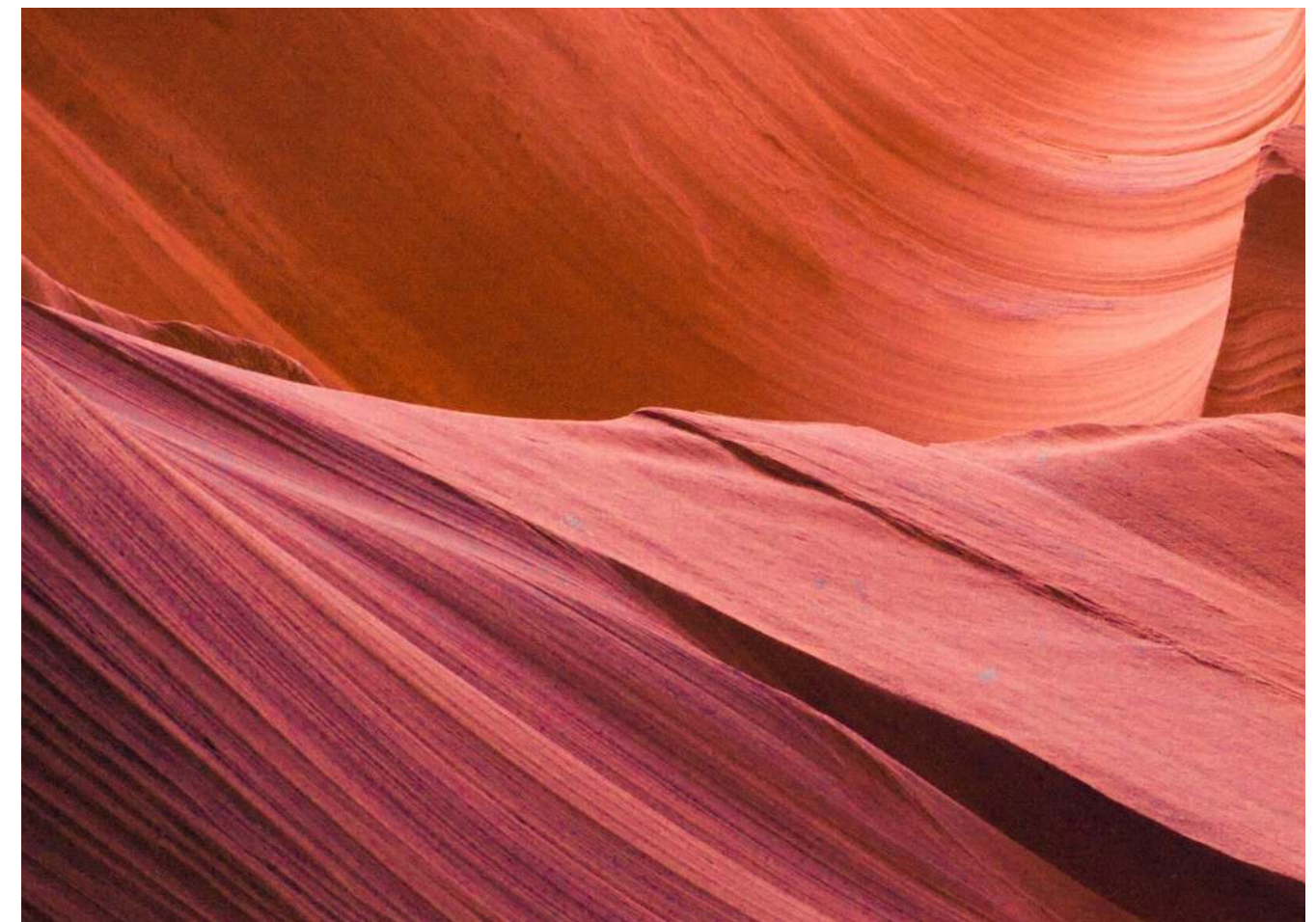
<sup>3</sup> Permira's ability to request data and engage with portfolio companies may differ depending on the nature of Permira's investment. Generally, Permira Credit's ability to engage with portfolio companies may be more limited than where Permira holds a majority private equity stake in a portfolio company.

# Climate data collection

Permira collects or requests climate-related data from portfolio companies in the buyout, growth and direct lending strategies, as part of its wider ESG data collection on an annual basis. This helps Permira to better identify and explore climate-related risks and opportunities related to underlying assets. See further information on p.47. Permira aims to engage with portfolio companies on risks, mitigation actions and opportunities. Portfolio companies are encouraged to use the data internally to inform and develop their own

risk assessments.

Permira supports its portfolio companies through the data collection process to enhance data quality and completion rates, including hosting webinars on the data template and collection process. The data request is updated on an annual basis to reflect recent and emerging changes in regulations and stakeholder expectations.<sup>3</sup>



# Integration into Permira's overall risk management

Overall risk management is embedded within Permira through dedicated risk and compliance functions. This supports the identification, assessment and management of risks identified as most relevant to the Permira group, including the private equity and credit businesses and the funds. These risks are documented within Permira Holdings Limited's (PHL) risk register and periodic risk reporting.

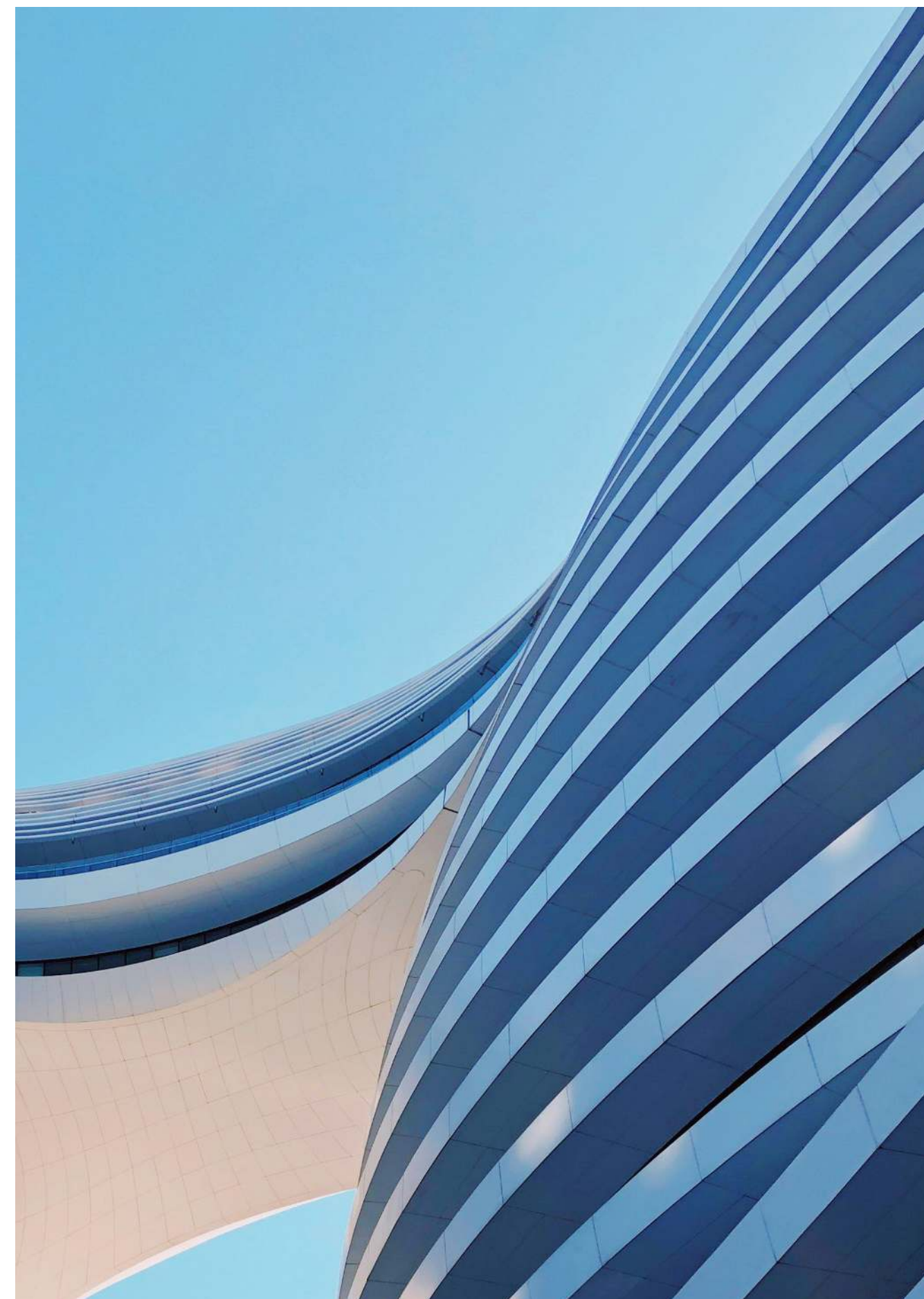
The risk register is an assessment of identified risks, including climate-related. Each is rated from 'low' to 'high', determined through consideration of:

- Impact, from 'minor' (<€1m) to 'severe' (€10m+), and
- Probability, from 'probable' (once a year) to 'rare' (once in 8 years)

Each risk is identified, described, assigned an "owner", assessed on an "inherent basis" (i.e. without considering any mitigants or controls), mitigants and/or controls in place are identified, and finally a "residual basis" assessment is made (i.e. the risk considered

having regard to the mitigants and controls identified). Investment risks from physical climate change and the climate transition are identified as explicit risks in the register, and other climate-related risks can be considered within broader risks (e.g. "Substantial change in business / operating environment"; "Reputational damage to Permira group / arising from a portfolio company"; and "Failure of planning to address business disruption"), as relevant. Permira's overall risk register is reviewed on an annual basis and was last reviewed in Q2 2024. Risk reporting is presented to the PHL Board on a quarterly basis with full risk reports presented annually in Q2 and Q4 and interim risk reports in Q1 and Q3.

Climate-related matters are also considered within firmwide groups with risk management responsibilities, including the Portfolio Review Committee and the Transactions, Legal and Compliance Group, see p.11.



# 05.

# METRICS AND TARGETS

---

47

Overview of  
metrics and  
targets

45

---

51

Permira's carbon  
footprint

46

# Overview of metrics and targets

Permira uses metrics and targets to support its climate strategy and risk management processes, including to assess material risks and opportunities for value creation.

| Metric                                                                                                | Metric output                                            | Description                                                                                                                                                                                                                                                                | Strategy/funds                                                           | Related targets                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Portfolio company metrics                                                                             |                                                          |                                                                                                                                                                                                                                                                            |                                                                          |                                                                                                                                                                                                        |
| GHG emissions reductions targets, including targets validated by the Science-Based Targets initiative | Y/N at portfolio company, % of eligible invested capital | Used to identify and monitor if the company's climate targets (where applicable) are aligned with a 1.5°C pathway<br><br>At portfolio level, the proportion of eligible invested capital is measured to monitor progress against Permira's SBTi portfolio coverage targets | Private equity (buyout, growth) and Credit (direct lending)              | See Science-Based Targets, p.33<br><br>For Permira VIII fund portfolio companies, Permira monitors the proportion of companies with Science-Based Targets or other net zero commitments                |
| Absolute emissions (scope 1, 2, 3) and energy consumption (including renewables and total)            | tCO <sub>2</sub> e, kWh                                  | Used to identify the magnitude of emissions and related transition risks or opportunities for decarbonisation and energy efficiency                                                                                                                                        | Private equity (buyout, growth) and Credit (direct lending, CLO VII)     | For Permira VIII fund portfolio companies, Permira has set a target for the proportion of companies that report scope 1, 2 and selected scope 3 emissions within two full calendar years of investment |
| Other climate-related metrics, e.g. TCFD disclosure, board oversight of climate, decarbonisation plan | Y/N                                                      | Used to identify the potential opportunities to improve climate governance, strategy and implementation. Insights used to inform and prioritise portfolio company engagement, as appropriate                                                                               | Private equity (buyout, growth)                                          | For Permira VIII portfolio companies, Permira has set a target for the proportion of companies that develop a board-approved energy efficiency plan within 2 full calendar years of investment         |
| Physical risk exposure                                                                                | Qualitative scores                                       | Qualitative scores calculated using tech-enabled climate risk tool, see p.25. The qualitative scores are supported by quantitative climate event exposure data. Used to prioritise and inform portfolio company engagement, as relevant                                    | Private equity (buyout, growth) and Credit (direct lending), as relevant | NA                                                                                                                                                                                                     |
| Potential carbon pricing exposure                                                                     | €                                                        | Used to assess the magnitude of transition risk, related to climate policy. See p.27 and p.41                                                                                                                                                                              | Private equity (buyout, growth)                                          | NA                                                                                                                                                                                                     |
| Revenue or EBITDA from ESG-related products and services                                              | €, or % of total                                         | ESG-related products and services may present material value creation opportunities. This metric is considered as a bespoke KPI for selected investments in the buyout funds                                                                                               | Selected investments only in the private equity (buyout) funds           | NA                                                                                                                                                                                                     |

| Metric                                                                                     | Metric output                  | Description                                                                                                                                                                                                                             | Strategy/funds                                                                             | Related targets                                                                     |
|--------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Fund and portfolio metrics                                                                 |                                |                                                                                                                                                                                                                                         |                                                                                            |                                                                                     |
| Number of ESG margin ratchets, including climate KPIs                                      | #                              | Used to monitor the number of ESG ratchets agreed between Permira Credit and portfolio companies and the number including climate-related KPIs                                                                                          | Credit (PCS5)                                                                              | Aiming to promote as part of environmental / social characteristics, as appropriate |
| % of portfolio reporting emissions                                                         | %                              | Used when interpreting fund and portfolio metrics. Underlying company data is either reported or estimated by Permira using a tech-enabled carbon accounting platform                                                                   | Private equity (buyout, growth) and Credit (direct lending)                                | NA                                                                                  |
| Financed emissions (referred to as ‘Total Carbon Emissions’ in TCFD guidance) <sup>1</sup> | tCO <sub>2</sub> e             | Aggregated portfolio company emissions, attributed to Permira's funds. Monitoring financed emissions as an input to transition risk scenario analysis, see p.27. This data represents Permira’s scope 3 category 15 emissions. See p.54 | Private equity (buyout, growth) and Credit (direct lending, Providus CLO VII) <sup>2</sup> | NA                                                                                  |
| Carbon footprint (as defined in TCFD guidance) <sup>1</sup>                                | tCO <sub>2</sub> e/€m invested | GHG emissions intensity that can be compared across funds, irrespective of AUM. A low value signals low emissions relative to invested capital. Sensitive to market factors including valuation, sector, year                           | Private equity (buyout, growth) and Credit (direct lending)                                | NA                                                                                  |
| Weighted average carbon intensity (as defined in TCFD guidance) <sup>1</sup>               | tCO <sub>2</sub> e/€m revenue  | GHG emissions intensity that can be compared across funds, irrespective of AUM. A low value signals low exposure to emissions-intensive companies                                                                                       | Private equity (buyout, growth) and Credit (direct lending)                                | NA                                                                                  |
| Firmwide operations                                                                        |                                |                                                                                                                                                                                                                                         |                                                                                            |                                                                                     |
| Absolute emissions (scope 1, 2, 3)                                                         | tCO <sub>2</sub> e             | Permira estimates its full GHG emissions footprint. This includes location-based and market-based approaches                                                                                                                            | NA - own operations                                                                        | See Science-Based Targets, p.33                                                     |
| Low-carbon electricity consumption                                                         | %                              | Increasing the proportion of electricity that is procured from low-carbon sources supports Permira to progress on its scope 1 and 2 target. Low-carbon electricity may include renewables, biomass and nuclear                          | NA - own operations                                                                        | See Science-Based Targets, p.33                                                     |

<sup>1</sup> <https://www.tcfddhub.org/Downloads/pdfs/E09%20-%20Carbon%20footprinting%20-%20metrics.pdf>

<sup>2</sup> GHG emissions reporting included as part of ‘Principle Adverse Impacts (‘PAI’)’ reporting, which Permira Credit has agreed to use commercially reasonable efforts to provide from Providus CLO VII onwards.

# Permira’s carbon footprint

Permira calculated its 2023 emissions in alignment with the GHG Protocol

| GHG emissions <sup>1</sup>                   | Tonnes CO <sub>2</sub> e – 2023 | % of total emissions – 2023 | Change since 2022 (%) |
|----------------------------------------------|---------------------------------|-----------------------------|-----------------------|
| Total – market-based                         | 22,328                          |                             | +25%                  |
| Total – location-based                       | 22,848                          |                             | +28%                  |
| <b>Scope 1</b>                               | <b>102</b>                      | <b>0.5%</b>                 | <b>+19%</b>           |
| Refrigerants                                 | 37                              | 0.2%                        | -5%                   |
| Natural gas                                  | 45                              | 0.2%                        | +25%                  |
| Other fuels                                  | 21                              | 0.1%                        | +110%                 |
| <b>Scope 2 (market-based)</b>                | <b>4</b>                        | <b>0.0%</b>                 | <b>-99%</b>           |
| Electricity                                  | 0                               | 0.0%                        | -100%                 |
| District heat                                | 4                               | 0.0%                        | -60%                  |
| <b>Scope 2 (location-based)</b>              | <b>524</b>                      | <b>2.3%</b>                 | <b>+23%</b>           |
| Electricity                                  | 520                             | 2.3%                        | +25%                  |
| District heat                                | 4                               | 0.0%                        | -60%                  |
| <b>Scope 3<sup>2</sup></b>                   | <b>22,222</b>                   | <b>99.5%</b>                | <b>+28%</b>           |
| 3.1 Purchased goods and services             | 11,091                          | 49.7%                       | +32%                  |
| 3.2 Capital goods                            | 771                             | 3.5%                        | +85%                  |
| 3.3 Fuel and energy-related activities       | 197                             | 0.9%                        | -2%                   |
| 3.4 Upstream transportation and distribution | 3                               | 0.0%                        | +200%                 |
| 3.5 Waste generated in operations            | 47                              | 0.2%                        | +18%                  |
| 3.6 Business travel                          | 9,693                           | 43.4%                       | +22%                  |
| 3.7 Employee commuting                       | 421                             | 1.9%                        | +4%                   |

<sup>1</sup> A market-based approach considers supply-specific conversion factors, where available, whereas a location-based approach considers average country-level emissions factors. This impacts the emissions calculated for scope 2 and scope 3 (categories 3.3 and 3.7).

<sup>2</sup> Calculated using a market-based approach and excluding financed emissions (category 3.15).

| GHG emissions – headcount intensity <sup>2</sup> | Tonnes CO <sub>2</sub> e per employee - 2023 | Change since 2022 (%) |
|--------------------------------------------------|----------------------------------------------|-----------------------|
| Scope 1                                          | 0.2                                          | +9%                   |
| Scope 2                                          | 0.0                                          | -99%                  |
| Scope 3                                          | 43                                           | 18%                   |
| <b>Total (scope 1 and 2)</b>                     | <b>0.2</b>                                   | <b>-79%</b>           |
| <b>Total (scope 1, 2 and 3)</b>                  | <b>44</b>                                    | <b>+15%</b>           |



Measuring and managing our scope 3 emissions

Scope 3 emissions account for greater than 99% of Permira’s total emissions using a market-based approach, not including financed emissions which are considered separately. The main sources of scope 3 emissions were purchased goods and services (50% of total emissions) and business travel (43% of total emissions).

There are two material increases in Permira’s carbon footprint, since 2022:

Purchased goods and services (+32%) and capital goods (+85%)



The increase is primarily due to a change in calculation methodology, switching from global to country-specific spend-based conversion factors (note this approach is only applied where reported supplier data is not available).

Business travel (+22%)



The increase is due to two factors. First, an increase in overall business travel, broadly in line with Permira’s employee growth (+9%). Second, an increase in the underlying conversion factor values, sourced externally (air business travel conversion factors have increased +7% to +51%).

We are exploring opportunities to balance our carbon footprint alongside business activities. Accordingly, we refreshed our internal policies in 2023/4, including the Global Travel and Expenses Policy and Environmental Policy Statement. These encourage minimising travel where it is not deemed necessary and utilising alternative modes such as electric or hybrid vehicles for taxis and rental cars, use of public transportation (e.g. trains) and car sharing. We include ESG-related criteria in the supplier selection process, including for business travel, events, hotels, restaurants and consultancy services, where relevant. This may include climate-related criteria, e.g. carbon footprint data or a commitment to validated Science-Based Targets.

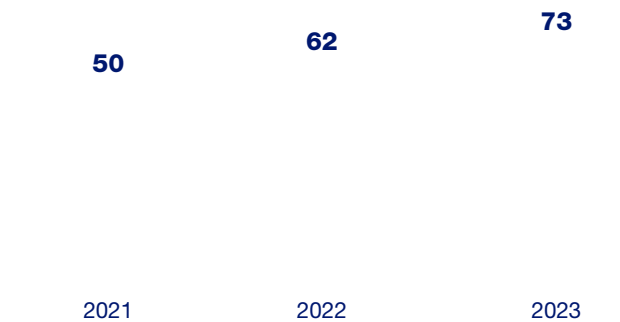
1 <https://ghgprotocol.org/>  
2 <https://carbonaccountingfinancials.com/standard#the-global-ghg-accounting-and-reporting-standard-for-the-financial-industry>  
3 [https://www.unpri.org/download?ac=16265&utm\\_source=ERM&utm\\_medium=block](https://www.unpri.org/download?ac=16265&utm_source=ERM&utm_medium=block)

Collecting financed emissions data

Reported emissions data is an important enabler for Permira’s climate-related risk management processes. As highlighted within the scenario analysis, see p.27, emissions-intensive companies may be more likely to have material transition risks which could affect value and thereby, investment returns. To support Permira’s visibility of relevant risks and opportunities, Permira requests scope 1, 2 and 3 emissions from portfolio companies on an annual basis as part of its wider ESG data collection process, aligned to the GHG Protocol.<sup>1</sup> The proportion of portfolio companies self-reporting emissions data has increased materially over time.

Where emissions data reported by portfolio companies is partial, or is not available, Permira estimates data gaps in the buyout, growth and direct lending strategies using Watershed, a tech-enabled carbon accounting platform. Portfolio companies can also work with Watershed or other providers to measure, track and manage emissions and climate targets. Based on our approach to the collection and, where necessary, the estimation of data, Permira is satisfied that

% of buyout portfolio companies reporting scope 1 & 2 GHG emissions

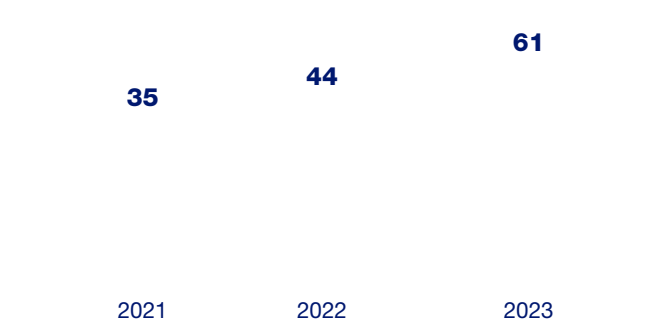


the disclosures set out in this report provide a sufficiently accurate picture as to Permira's and the Permira fund's exposure to climate risks and opportunities, and Permira has not been prevented by data challenges from making any required disclosures under this report.

Emissions data for the CLO Management strategy is sourced from ESGx (a Findox product, part of Reorg). The strategy developed Principle Adverse Impact (‘PAI’) reporting in 2023 for Providus CLO VII, with the first report published in June 2023, and has committed to use commercially reasonable efforts to produce for CLO VII onwards going forward, including relevant climate metrics, e.g. GHG emissions.

Permira’s financed emissions are calculated using portfolio company emissions data (self-reported or estimated by Permira) and attribution factors calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard,<sup>2</sup> and the ICI’s Greenhouse Gas Accounting and Reporting guidance.<sup>3</sup>

% of buyout portfolio companies reporting scope 1, 2 and selected scope 3 GHG emissions



# 06.

# APPENDIX

---

57  
Summary of alignment with  
TCFD recommended  
disclosures

---

59  
Timeframes considered for  
climate-related risks and  
opportunities

---

61  
Disclaimer

# Summary of alignment with TCFD recommended disclosures

| TCFD pillar                                                                                                                                                                                                  | TCFD recommended disclosure                                                                                                                                  | Relevant pages          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Governance</b><br>Disclose the organisation's governance around climate-related risks and opportunities.                                                                                                  | a) Describe the board's oversight of climate-related risks and opportunities.                                                                                | 11-12                   |
|                                                                                                                                                                                                              | b) Describe management's role in assessing and managing climate-related risks and opportunities.                                                             | 11-12, 43               |
| <b>Strategy</b><br>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material. | a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term                                | 19-29, 35, 41, 59       |
|                                                                                                                                                                                                              | b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.                         | 17, 21-29, 31-35        |
|                                                                                                                                                                                                              | c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | 25-29                   |
| <b>Risk management</b><br>Disclose how the organisation identifies, assesses, and manages climate-related risks.                                                                                             | a) Describe the organisation's processes for identifying and assessing climate-related risks.                                                                | 19, 25-29, 39-43, 53-54 |
|                                                                                                                                                                                                              | b) Describe the organisation's processes for managing climate-related risks.                                                                                 | 31-35, 39, 43, 53-54    |
|                                                                                                                                                                                                              | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.     | 43                      |
| <b>Metrics and Targets</b><br>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.                                | a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.    | 47-54                   |
|                                                                                                                                                                                                              | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.                                             | 51-54                   |
|                                                                                                                                                                                                              | c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.                          | 33-34, 47-50            |



# Timeframes considered for climate-related risks and opportunities

| Timeframe                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short-term (0-5 years)   | <p>‘Short-term’ broadly relates to the hold period, noting this varies by investment strategy. Private equity investments typically have a holding period of 4-7 years, while Credit transactions may have a shorter period of 1-3 years.</p> <p><b>For private equity investments,</b> short-term risks could materialise during the hold period, potentially leading to an increase or decrease in the investor’s equity value, and requiring preventative and mitigative actions and expenses.</p> <p><b>For Permira Credit investments,</b> short-term risks could materialise by way of a portfolio company being unable to service its debt or the credit quality may change.</p>                                                                                                                                                                                          |
| Medium-term (5-15 years) | <p>‘Medium-term’ broadly relates to the post-hold period, noting this varies by investment strategy.</p> <p><b>For private equity investments,</b> medium-term risks could materialise at exit valuation if they are factored into exit valuation by the buy-side and/or sell-side parties.</p> <p><b>For Permira Credit investments,</b> supporting ongoing investor—investee relationships beyond the initial loan period may be preferable in some cases, enabling multiple or sequential financing to the benefit of both parties. Understanding medium-term climate risks can identify potential barriers to the feasibility of these relationships and provide opportunities for active engagement to mitigate these risks.</p>                                                                                                                                            |
| Long-term (2050 horizon) | <p>‘Long-term’ makes reference to the widely recognised global climate goal to reach net zero by 2050, supporting the Paris Agreement.</p> <p><b>For private equity investments,</b> long-term business impacts could influence short-term company valuation, similar to those described in the medium-term description. Long-term impacts may also influence investment strategy by helping to identify sector- or region-wide insights on future climate risks and opportunities, e.g. changes in long-term supply and demand that could lead to stranded assets or attractive, secular growth.</p> <p><b>For both private equity and Permira Credit investments,</b> market expectations are increasing and investor alignment with long-term climate goals can be measured by stakeholders using metrics such as an implied temperature rating and sector exposure data.</p> |



# Disclaimer



This Climate-related Financial Disclosure (“the Disclosure”) has been prepared by Permira Holdings Limited and/or its subsidiaries, associates or affiliates (“Permira”) for information purposes only to provide updates with respect to certain environmental, social, and corporate governance (“ESG”) issues.

This Disclosure is based on information provided by Permira and other sources Permira believes are reliable, some of which have been obtained from third party sources. The information provided in this Disclosure has not been audited or verified by Permira, or any of its subsidiaries or affiliates (“Affiliates”) or any of their respective directors, officers, employees, advisers, representatives or other agents (“Agents”) or any third party. Except in the case of fraud, none of Permira or any of its Agents assumes any responsibility nor liability for, nor makes any representation or warranty, express or implied, with respect to (i) the fairness, truth, accuracy, adequacy, completeness, achievability or reasonableness of the information, assumptions, projections, forecasts or any of the opinions contained in this Disclosure or in any other written or oral information provided to the recipient or (ii) any errors or misstatements therein or omissions therefrom to the recipient hereof. The information set forth herein contains only summary information and does not purport to be comprehensive or to contain all the information that a recipient may desire and is subject to change at any time, without

notice. Unless otherwise specified herein, this Disclosure speaks as of the date set forth on the front of this Disclosure (the “Date”). The delivery of this Disclosure shall not, under any circumstances, create any implication that the information contained herein is correct as of any time after the Date. None of Permira, any of its Affiliates or any third party are under any obligation to update the information contained in this Disclosure or to provide the recipient with access to any additional information, and the right is reserved, without giving reason, at any stage and in any respect to amend the proposed timetable or to terminate discussions and negotiations with any prospective purchaser. Without prejudice to the foregoing, if Permira or its Affiliates or Agents provide any further information, whether by way of update or otherwise, to the recipient after the date of this Disclosure, the terms of this disclaimer shall also apply to such further information.

This Disclosure is not intended to and does not constitute an offer, invitation, solicitation or recommendation by Permira or any of its Affiliates or Agents to purchase an interest in any fund or any other security and is not intended to and does not constitute an offer to sell to, or a solicitation of any offer to buy from, nor shall any interest in any fund or any assets of any fund. Any offer or invitation, if made, would be made only by way of a confidential private placement memorandum and/or legal disclosures (or other formal offering document) in respect of any fund and only in jurisdictions in which such an

offer or invitation would be lawful. The information contained herein should not be relied upon by any recipient for any purpose.

Certain information contained in this Disclosure constitutes “forward looking statements” that can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Furthermore, any projections or other estimates in this Disclosure, including estimates of returns or performance, are “forward looking statements” and are based upon certain assumptions that may change. Due to various risks and uncertainties, actual events or results or the actual performance of any fund or other entity managed, advised or controlled by Permira or its Affiliates may differ materially from those reflected or contemplated in such statements. Further, any fund’s portfolio characteristics are subject to change due to, among other things, changes in market conditions, availability of follow-on investment opportunities, availability of financing and other factors. No assurance, representation or warranty is made by any person that any of the results herein can or will be achieved. Nothing contained in this Disclosure may be relied upon as a guarantee, promise, assurance or a representation as to any fund. All projections and forecasts in this Disclosure are illustrative exercises only and are based on the assumptions described herein. There can be no assurances or

# Disclaimer

guarantees that any investment objectives will be realised, that any investment strategy will prove successful, or that investors will not lose all or a portion of their investment in any fund.

None of the information contained herein has been filed with the U.S. Securities and Exchange Commission, any securities administrator under any securities laws of any U.S. or non-U.S. jurisdiction or any other U.S. or non-U.S. governmental or self-regulatory authority. No such governmental or self-regulatory authority will pass on the merits of the offering of interest in any Permira fund or the adequacy of the information contained herein. Any representation to the contrary is unlawful.

## Environmental, social and governance considerations<sup>1</sup>

Permira's intention to integrate climate transition, decarbonisation and broader environmental, social and governance ("ESG") considerations into its investment process is subject to Permira's fiduciary duties and applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material climate transition, decarbonisation and broader ESG factors is subjective by nature, and the criteria utilised or judgment exercised by Permira may not align with the views, internal policies, or preferred practices of any

particular investor or other asset manager or with market trends and such factors may not be applied consistently.

There are a variety of climate transition, decarbonisation and broader ESG-related principles, frameworks, methodologies, and tracking tools and Permira's integration of relevant principles, frameworks, methodologies, and tracking tools is expected to vary over time as its practices evolve.

While Permira intends to include climate transition, decarbonisation and broader ESG-related considerations as a component of its investment process, as described herein, there can be no assurance that Permira's climate transition, decarbonisation and broader ESG-related initiatives, policies, and procedures as described herein will positively affect the performance of any individual investment or a fund as a whole. Permira is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its initiatives, policies, and procedures based on cost, timing, or other considerations; such initiatives, policies, and procedures are not necessarily (and are not purported to be) deployed in connection with each investment. ESG factors are only some of the many factors Permira considers with respect to investments. While Permira seeks to integrate climate transition, decarbonisation and broader ESG-related principles into its investment process, there is no guarantee

that its investments will create, or in any case will seek to create, a positive climate impact or reflect the beliefs or values of any particular investor. There can be no assurance that Permira or its investments will be able to achieve any climate transition, decarbonisation and/or broader ESG-related outcomes as described herein, or that actions will not result in outcomes that could be viewed as having a negative effect, or that any historical trends will continue to occur.

The descriptions of Permira's approach to climate transition, decarbonisation and broader ESG-related considerations presented herein seek to provide illustrative examples of Permira's potential approach. Furthermore, references to any climate transition, decarbonisation and broader ESG-related measures, targets, programs, commitments, initiatives, or otherwise are

not being promoted to investors and do not bind any investment decisions or the management or stewardship of a fund for the purposes of Regulation (EU) 2019/2088 and/or Regulation (EU) 2020/852 other than as specified in the relevant fund documentation or regulatory disclosures. Additionally, unless otherwise stated, terms used in this Disclosure are not defined by reference to Regulation (EU) 2019/2088 and/or Regulation (EU) 2020/852.

The inclusion of any third-party firm and/or company names, brands, and/or logos does not imply any affiliation with these firms or companies. All trademarks and logos displayed in this Disclosure are the property of their respective owners, who may or may not be affiliated with our organization. None of these firms or companies have endorsed Permira or any of its Affiliates.



# Climate-related Financial Disclosure

PERMIRA ADVISERS LLP AND  
PERMIRA CREDIT LIMITED

2023