

Environmental, Social and Governance Report 2021



17Capital

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A message from our managing partners



17Capital is delighted to share its 2021 ESG report, which details our commitment to ESG and the progress we have made over the past year embedding sustainability across our firm.

We live and operate in a rapidly changing world underpinned by the urgent need for climate action and inclusive economic growth that benefits all society. Looking back on 2021, the COVID-19 crisis and the responses by governments, non-profit organisations and the private sector highlighted the extreme difficulties that many people are facing and the need for ESG engagement.

We believe businesses that proactively manage ESG considerations will be better positioned to protect economic value, leading to future success and longevity. 17Capital is committed to playing our part in achieving a better and more sustainable future for all. To guide our approach, we have defined three core ESG objectives: to reduce the impact of our activities on the environment, contribute positively to wider society and lead with high standards of corporate governance and disclosure.

As a provider of finance solutions to the private equity industry, our investment approach focuses on ensuring the managers we partner with maintain appropriate ESG standards, in line with our own objectives. We are increasingly engaging with managers on climate strategy, social factors such as diversity as well as governance best practice.

Throughout 2021, we demonstrated progress in our responsible investment journey through several important milestones:

- We became a signatory to the United Nations Principles for Responsible Investment (UN PRI) in April 2021, a significant demonstration of our commitment to responsible investing
- We reviewed and updated our ESG policy to define responsible investment more clearly for 17Capital and to better serve our stakeholders, including employees and investors. We also formalised our ESG governance and oversight through our ESG committee

- Significant progress was made in our approach to incorporating ESG into the investment process and ongoing monitoring, including an ESG questionnaire for managers, ESG risk assessment on underlying companies and the deployment of new tools such as RepRisk
- We further developed our ESG reporting through the publication of this report and rolled out internal ESG learning opportunities for the whole team on topics including ESG market trends and initiatives such as UN PRI and TCFD
- Notable improvement was made on the diversity, equity and inclusion (DEI) agenda at 17Capital, including becoming a signatory of ILPA Diversity in Action in July 2021
- 17Capital became carbon neutral in our operations through a combination of reducing and offsetting our GHG emissions
- 17Capital was the first private equity firm in the US & UK to sign the Epic Sharing Pledge and as a core part of our contribution to society and the wider community, we continued to provide support to Epic, a non-profit supporting social impact initiatives through pledging 1% of the carried interest from our recently closed 17Capital Fund 5 and Credit Fund. Our team has also dedicated their time and skills to support Epic's charities through participation in several events. For example, we participate in a mentoring program with young people who face challenges on their path to success to get them ready for the world of work, through charity partner ThinkForward

As our business grows and evolves, ESG remains central and critically important to all that we do; we are delighted to have hired Claire Hedley as our ESG Director in June 2022 to drive our future ESG priorities and strategy. We are excited for what lies ahead and we will continue to share our progress with you.

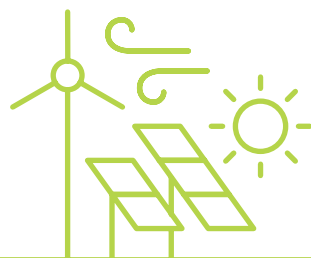
Augustin Duhamel, Managing Partner

17Capital is committed to integrating sustainability across our firm

As we have grown to be the leading provider of Net Asset Value (NAV) financing for private equity investors across North America and Europe, we have expanded our focus on sustainability and doing our part to support the transition to a sustainable global financial system.

We have defined three ESG objectives at 17Capital, outlined below. This report details how we seek to meet these objectives and incorporate ESG across our organisation and our investment process. We also show our alignment to the UN Sustainable Development Goals 'SDGs', the UN Principles for Responsible Investment as well as our own ESG initiatives and progress.

17Capital's ESG objectives



ENVIRONMENT

Reduce the impact of our activities on the environment



SOCIAL

Contribute positively to wider society



GOVERNANCE

Lead with high standards of corporate governance and disclosure

Environment

We monitor the impact we have on the environment and aim to reduce it through a combination of reducing and offsetting our GHG emissions, reducing the waste we generate and increasing our energy efficiency.

In 2021, we began reporting our Scope 1, 2 and 3 emissions from our operations. We also purchased carbon credits to offset our company GHG emissions from a leading offset and climate neutrality platform, Natural Capital Partners.

Social

17Capital strives to contribute positively to wider society through supporting non-profit organisations, investing in our employees' development, and promoting a diverse workplace.

Over the past year, we continued to support Epic, a movement that finds, funds and scales high impact social organisations and engaged in several partnerships to support our wider communities including ThinkForward and Haven House Children's Hospice.

As part of our 17Academy programme, we provided a range of learning and development opportunities to staff.

Reflective of our commitment to diversity and inclusion, we also focused on implementing the ILPA Diversity in Action principles within our organisation and operations.

Governance

In line with our commitment to excellence in corporate governance and disclosure, we have outlined the various governance bodies – including the 17Capital Supervisory Board and supporting committees – that contribute to sound governance.



We have a range of policies in place spanning business conduct, ethics, transparency and reporting and human rights



Within our investments, our ESG approach focuses on ensuring the managers we partner with maintain appropriate standards

To read more about ESG in our investments, go to **page 36**.

ESG in 17Capital investments

We continue to monitor our underlying fund managers on ESG issues across the portfolio investments they manage via our questionnaire, risk assessment and RepRisk screening. Across the board, we have seen positive trends in:

- the number of our managers becoming UN PRI signatories
- the number of our managers adopting ESG Policies
- hiring dedicated sustainability professionals
- the prevalence of sustainability themes in learning and development programmes

Looking forward

Over the next year, we will continue monitoring emerging sustainability related regulation, meeting the demand for transparent reporting, and implementing the PRI's responsible investment principles.

We are also looking forward to implementing our 2022 ESG roadmap, expanding the team with a permanent Director of ESG, and delivering on our commitments under environmental, social and governance areas.



As sustainability continues to gain momentum, we will continue to identify ways in which we can strengthen our own approach

A scenic landscape photograph of a mountain lake, likely Moraine Lake in Banff National Park. The lake's surface is calm, reflecting the surrounding snow-capped mountains and dense evergreen forests. In the foreground, large grey rocks are scattered along the shoreline, with some small yellow wildflowers visible on the left. A dark, semi-transparent triangular overlay covers the left side of the image, providing a background for the text.

About 17Capital

17Capital at a glance



14 years of experience



63 employees



\$11bn raised



\$9bn deployed



82 investments

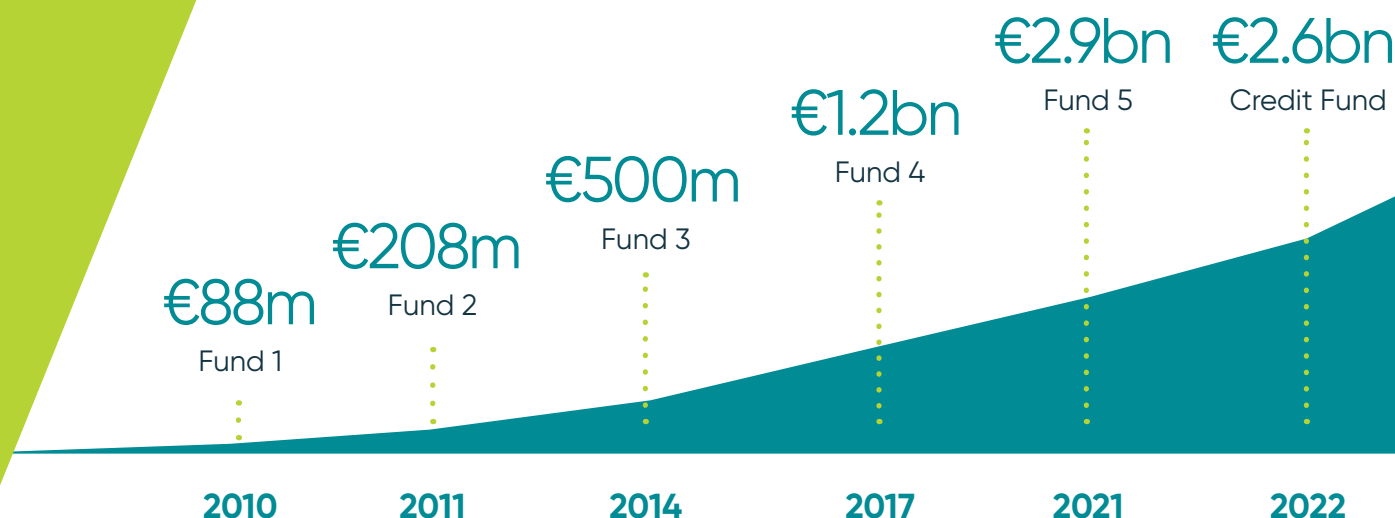


36 exits



533 underlying companies
(live deals only)

17Capital was launched in 2008 to provide strategic financing to investors in private equity



17Capital pioneered the use of portfolio financing in the private equity industry. Since our founding and over 80 investments later, we have helped high quality private equity management companies, funds, and institutional investors in their value creation and portfolio management.

Today, we are the leading provider of Net Asset Value (NAV)-based portfolio finance for private equity investors across North America and Europe.

17Capital offers a broad range of financing across the capital structure in the form of preferred equity and NAV lending and enables private equity firms to raise capital against the NAV of the assets in their funds or management companies.

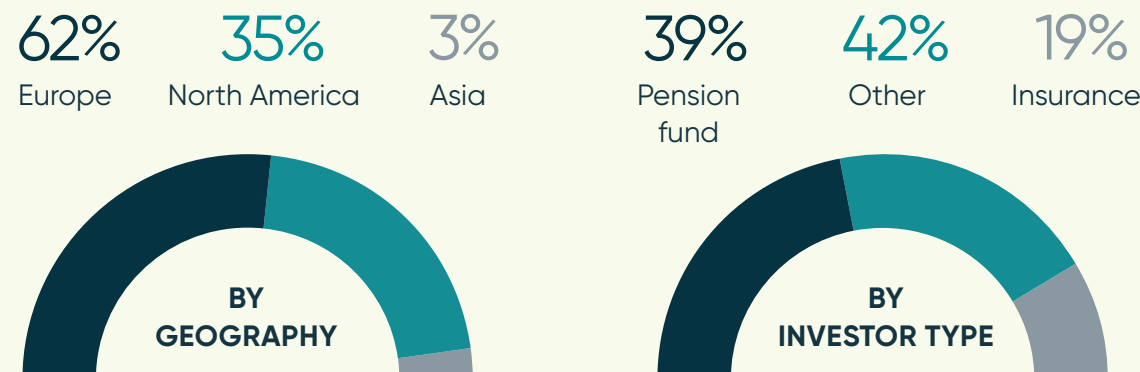
In March 2022, 17Capital announced a strategic partnership with Oaktree in which Oaktree will acquire a majority stake in 17Capital. The partnership will give 17Capital access to Oaktree's deep global network.

17Capital presence



17 Capital LLP ("17Capital") is authorised and regulated in the UK by the Financial Conduct Authority ("FCA"). Further information and background on 17Capital can be found at www.17capital.com

17Capital has the largest dedicated fund finance team in the world



17Capital partners with high quality investors in private equity to support their ambition, growth, and performance objectives. Delivering an efficient process and certainty of execution, all our transactions are structured to align General Partner (GP) and Limited Partner (LP) interests to achieve a positive outcome for all parties and build long-term relationships.

17Capital has the largest dedicated fund finance team in the world, bringing together experts in banking, leveraged finance,

secondaries, and fund finance. Our expertise and experience mean we can take a flexible and tailored partnership approach. Investors in 17Capital funds include:

- Public pension funds and corporate pension fund managers
- Insurers
- Family offices
- Investment managers / Institutional investors
- Fund of Fund investors
- Endowment managers

Capital and liquidity options across the private equity industry

FLEXIBLE FINANCING IN THE FORM OF PREFERRED EQUITY AND NAV LOANS



Management company

- ✓ Enabling managers to increase ownership in their management companies
- ✓ Financing fund commitments, growth, succession planning and ownership transition
- ✓ A non-dilutive alternative to GP stakes sales



Fund portfolio

- ✓ Investing for portfolio growth and enhanced returns
- ✓ Generating liquidity without selling performing assets
- ✓ Supporting Continuation Vehicles and end of fund strategies



Investor

- ✓ Generating liquidity as an alternative to selling
- ✓ Optimising private equity allocation and portfolio rebalancing
- ✓ Retain sponsor relationships and future upside

Growing recognition of the broad applications of NAV-based portfolio finance is driving wider adoption, with 80% of 17Capital's transactions in 2021 being completed with top 100 global private equity managers by AUM.

Our ESG objectives



A person is climbing a steep, dark rock face. The climber is positioned on the left side of the frame, reaching up with their right arm. The background is a clear blue sky. The rock face is textured and appears to be part of a larger mountain or cliff.

ESG is an essential part of our business

Long-term sustainable business practices play an important role in delivering 17Capital's investment objectives

By effectively managing ESG issues, we can deliver results for our investors and clients while protecting the value of our investments.

For 17Capital, responsible investment means systematically integrating environmental, social, corporate governance, regulatory compliance, data safety and responsibility, cultural and ethical considerations across all stages of the investment lifecycle, from pre-investment activities through to the post-investment holding period.

Our ESG approach focuses on ensuring that those to whom we provide finance are upholding appropriate ESG standards.

It is important to understand and assess the strength of ESG management processes and systems of the underlying fund managers and counterparties that 17Capital invests in.

We are committed to implementing appropriate management processes and controls to achieve responsible investment. 17Capital believes that doing so will add value to investors and the wider investment community.

17Capital has had an ESG Policy in place since March 2014 which is updated annually to ensure that it evolves in line with market practice and investor expectations.

17Capital ESG objectives for 2021 and beyond

ESG HELPS US TO BETTER SERVE OUR INVESTORS, CLIENTS AND STAKEHOLDERS

OBJECTIVE:

ENVIRONMENT

Reduce the impact of our activities on the environment

- Evolve 17Capital working practises (e.g. travel plans, commuting, printing, waste, etc) to reduce carbon footprint and further reduce 17Capital's impact on the environment
- Offset the 17Capital carbon footprint (including through the use of carbon credits) with the aim of being carbon neutral
- Consider climate risk formally in the investment process



SOCIAL

Contribute positively to wider society

- Positively and financially contribute to ESG projects and social initiatives across the firm
- Expand ways 17Capital contributes to wider social causes
- Consider ESG in procurement activities



GOVERNANCE

Lead with high standards of corporate governance and disclosure

- Undertake greater employee engagement and contribute to the wider ESG agenda
- Apply principles associated with ILPA Diversity in Action and focus on diversity & inclusion across 17Capital
- Continue to reinforce the 17Capital Values as a core part of the 17Capital culture
- Increase ESG transparency and disclosure through annual reporting and corporate communications
- Evolve the 17Capital ESG vision/mission to align with the evolution of ESG market practises



THIS
MEANS
WE:

Our key stakeholders include:



Investors & clients

17Capital partners with high quality investors and clients to support their ambition, growth and performance objectives. We aim to provide investors and clients with high quality, robust service. Understanding their expectations and needs in regard to sustainability enables us to deliver on this promise.



Employees

Our employees are the backbone of our firm. We strive to foster their personal and professional development and to utilise their wide-ranging knowledge and expertise in developing our understanding of ESG risks and opportunities. We do this by undertaking employee engagement.



Communities

17Capital strives to make a positive contribution to communities local to our business as well as wider society. We do this by providing support for social impact initiatives and encouraging our team to take part.



Suppliers

We strive to work with service providers and third parties that share a similar commitment to ESG practices and corporate values as ours. ESG considerations are built into the procurement process and we engage with suppliers as part of due diligence and risk assessment of our supply chain.

A year in review



17Capital: Journey to date

2021

- 17Capital goes Carbon Neutral
- Became a signatory of the UNPRI
- Became a member of ILPA Diversity in Action

2020

- Enhanced ESG Monitoring Questionnaire

2017

- Became the first private equity firm in the UK and US to sign the Epic 'sharing pledge'

2014

- First ESG Report to investors
- Enhanced ESG Policy



ESG milestones achieved in 2021



- ESG Roadmap for 2021 / 2022
- Complete process to sign up to UNPRI
- ESG Learning and Development

Q1



- UNPRI Member
- ILPA DIA Member
- Monitoring Questionnaire update and roll out
- Materiality Assessment and ESG strategy development
- TCFD Learning and Development – Deal, IR and Finance team

Q2



- Review of Monitoring Questionnaire responses
- Annual Monitoring Risk Assessment
- TCFD Analysis based on Monitoring Questionnaire responses

Q3



Modern Slavery Act
2015

- Carbon Footprint analysis and data preparation
- Preparation for UK Modern Slavery Statement

Q4

17Capital's contribution to the environment



17Capital achieves carbon neutrality

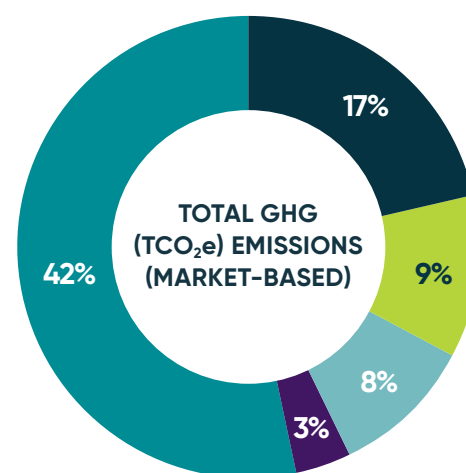
17Capital is committed to reducing the impact of our activities on the environment, through a combination of reducing and offsetting our GHG emissions, reducing the waste we generate and increasing energy efficiency.

17Capital engaged with an environmental consultant in 2021 to establish and report on the GHG emissions that it controls (scopes 1 and 2), as well as the scope 3 emissions associated with air travel undertaken by its employees.

In the coming years, we plan to continue to contract with renewable energy sources where possible.

* The "market-based" scope 2 approach uses emissions factors associated with the contracted electricity supply, for example renewable energy. Market-based Scope 1 and 2 emission intensity is 40kgCO₂e/m².

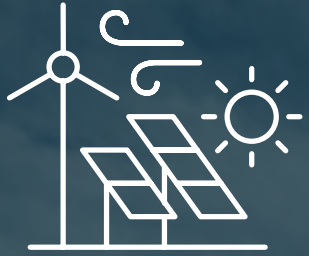
	GHG (tCO ₂ e) emissions	Amount offset
Scope 1 (use of natural gas and vehicle fuels)	26	100%
Scope 2 (market-based) (purchased energy)	11	100%
Total Scope 1 & 2 (market-based)*	37	100%
Scope 3 (Air Travel)	42	100%
Total	79	100%



- Natural Gas (Scope 1)
- Vehicle Fleet (Scope 1)
- Purchased Heat and Steam (Scope 2)
- Electricity (Scope 2)
- Business Air Travel (Scope 3)

17Capital's 2021 footprint covers the period from 1 July 2020 to 30 June 2021 and was calculated in alignment with the GHG Protocol Corporate Accounting and Reporting Standard.

We became carbon neutral by purchasing carbon credits through **Natural Capital Partners**, the leading experts on carbon neutrality and climate finance to offset our GHG emissions outlined on [page 22](#).



70%

of 17Capital's electricity consumption is from renewable sources

In the coming years, we plan to continue to contract with renewable energy sources where possible, improve energy efficiency in our operations and reduce our energy consumption. Using energy more efficiently and opting for renewable energy is essential for combating climate change.

17Capital aims to reduce its energy usage and manage its environmental risks, while maximising efficiency in its global operations. Recognising that 2020 / 2021 was an anomalous period given the various government lockdowns, 17Capital will review and update our footprint in the future to ensure we are accurately tracking our impact and progress.

Beyond our GHG emissions, 17Capital also carries out activities to reduce waste and

We are committed to reducing the level of employee travel

increase energy efficiency. The 17Capital London and New York offices implement a number of initiatives, including, but not limited to:

- Paper reduction exercises and monitoring paper usage: this has resulted in a significant reduction in use
- Enhanced printer capabilities to reduce paper waste and unnecessary printing
- Zero landfill policy
- Zero plastic bottles
- Motion sensor lighting
- iPads used for presentations to reduce printing.



Carbon Offsets Case Study: Darkwoods Forest, Canada



415,000

tonnes of annual
emission reduction



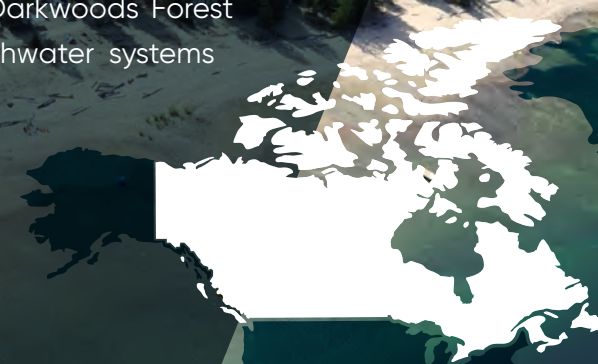
SDG 13

in action combating
climate change

With more than 300 clients in 34 countries, including Microsoft, MetLife, Sky, Logitech and PwC, Natural Capital Partners is harnessing the power of business to create a more sustainable world. Through a global network of projects, the company delivers the highest quality solutions to make real change possible and achieve carbon neutral, 100% renewable energy and net zero goals: reducing carbon emissions, generating renewable energy, conserving, and restoring forests and biodiversity, and improving health and livelihoods.

Our offsetting programme enables us to be carbon neutral for this period and delivers finance to a project that is reducing emissions now, supporting the transition to a low carbon global economy. All the projects are independently verified to assure emission reductions are occurring. This ensures the highest environmental integrity in our commitment to have an immediate, positive impact on the climate. Our offsets support conservation of the Darkwoods Forest in Canada. This old growth forest plays a critical role in preserving freshwater systems throughout the mountainous region in British Columbia.

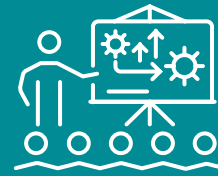
The trees act as natural water filters and purifiers influencing 17 separate watersheds, numerous streams and over 50 lakes used by many animal species and human communities alike. The project delivers approximately 415,000 tonnes of emissions reductions annually to help take urgent action to combat climate change (SDG 13) by avoiding the release of carbon through timber harvesting, road building and other forestry operations.



17Capital's contribution to society



17Capital strives to contribute positively to wider society in several ways



26

HOURS EMPLOYEES SPENT IN
LEARNING & DEVELOPMENT,
MENTORING AND THE
17CAPITAL ACADEMY



151

HOURS IN THE COMMUNITY

17Capital strives to contribute positively to wider society through three main ways:

1) Supporting non-profit organisations

We support non-profit organisations dedicated to partnering with the private sector to achieve social impact.

2) Investing in our employees' development

We actively invest in our employees' personal and professional development.

3) Promoting a diverse workplace

We promote a diverse and inclusive workplace and corporate culture. We also actively encourage our employees to partake in community initiatives.

Several team members contributed to the ThinkForward and Sports dans la Ville mentoring programmes this year. Both initiatives engage priority youth to provide them with opportunities to develop invaluable personal and professional skills and ensure their success in adulthood.

Supporting Epic

Epic finds funds and scales high impact social organisations. This is achieved through an industry-leading due diligence process that covers 45 data points of analysis over social impact, operations, and governance, to assemble a curated portfolio of high impact social organisations around the world.



To learn more about Epic, visit:

epic.foundation



17Capital was the first private equity fund to sign the 'EPIC Sharing Pledge'

100% of the money received by Epic goes to 25 high impact organisations in 11 countries. Epic closely monitors all aspects of portfolio organisations and brings transparency and accountability to social impact reporting.

Contributions can be made through:

- 1) Payroll Giving
- 2) Strategic Giving
- 3) Transactional Giving
- 4) Sharing Pledge

17Capital was the first private equity fund to sign the 'EPIC Sharing Pledge', giving 1% of the carried interest from 17Capital Fund 4 to EPIC's portfolio. 17Capital has again pledged to donate 1% of the carried interest from 17Capital Fund 5 and Credit Fund to Epic.

Since 2017, 17Capital has provided Epic UK:

- Pro bono office space
- Full IT and day-to-day support
- Full integration of our team with Epic's team

17Capital partnerships

17Capital also has several direct partnerships to support our wider communities with a focus on supporting young people.

Some of the
organisations that
we contribute to are:



17Academy

17Capital partners with well-established global educational institutions as part of the 17Academy. For example, we held a series of 17Academy workshops tutored by Tim Jenkinson, Professor of Finance, from the University of Oxford. Tim is one of the leading authorities on private equity, IPOs, and institutional asset management.

You can read his full bio [here](#).



"17Academy is a great platform to deepen your knowledge as well as share key success factors and lessons learnt."

Investments Associate

Our 17Academy is a programme of structured and interactive workshops that is delivered to our employees in London, Paris, New York and San Francisco. It is a forum which gives our people the opportunity to learn and share knowledge from each other as well as draw experience from other members of our team.

17Capital encourages its people to take a proactive approach in their learning and

facilitates one-to-one coaching and tailored individual development programmes where specific development needs arise. In addition, learning and development has also been delivered to all employees in relation to:

- ESG
- Diversity, Equity, and Inclusion (DEI)
- Regulatory requirements

"17Academy is an invaluable tool for understanding the recent deals"

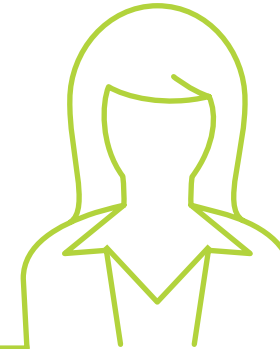
Investments Analyst

Diversity, Equity and Inclusion

17Capital's core culture is one of inclusivity and respect. This creates a more effective and engaging work environment that encompasses a broad range of views. This also allows 17Capital to be more innovative in our problem solving and better at finding solutions, all of which helps us in our mission of delivering financial returns and high quality services to our investors.

42%

Of the 17Capital
employees are female
2020 | 37%



24%

Of the 17Capital
investment team are female
2020 | 11%

17Capital became a signatory to ILPA's Diversity in Action initiative in 2021.

The Diversity in Action initiative brings together LPs and GPs who publicly acknowledge their commitment and take concrete steps to advance DEI both in the workplace and the industry more broadly. The initiative focuses on a foundational set of DEI actions spanning talent management, investment management and industry engagement.

In 2021, we developed a formal DEI policy and objectives to continue to guide our efforts in this area and reflect our commitment.

DEI learning and development has been rolled out across 17Capital during 2021 to increase awareness and educate all employees on this important topic.

We continue to build on our learning and identify new ways of fostering strong team dynamics and ensuring dignity at work.

17Capital is committed to hiring and retaining talented individuals from a diverse set of backgrounds across all of our offices globally. We actively hire and promote a diverse and inclusive workforce that reflects the makeup of local talent pools.



17Capital's governance



17Capital is committed to the highest standards in corporate governance and disclosure

Strong governance underpins our commitment to responsible investing and positions us to deliver on our ESG objectives over the longer-term

On top of ensuring we operate effectively and protect trust and confidence amongst our investors, clients and stakeholders, strong governance also ensures we promote innovation and collaboration between people and teams. In turn, this enables us to make decisions quickly, and maintain our agility to make things happen.

Perhaps most importantly, strong governance underpins our commitment to responsible investing and positions us to deliver on our ESG objectives over the longer-term.

As we move forward, we will continue to enhance our governance practices in line with emerging best practice and regulation. The Managing Partners of 17Capital are responsible for the development and growth of 17Capital's strategy and its activities.

Appointed Board Members are selected to provide support, advice and guidance of that strategy and associated activities.

The members of the 17Capital Supervisory Board are introduced [on the following page](#).

17 PARTNERSHIPS
FOR THE GOALS



Further information on the Appointed Board Members can be found at:

17capital.com/team



The 17Capital Supervisory Board



Pierre-Antoine de Selancy
Managing Partner

Augustin Duhamel
Managing Partner

Robert de Corainville
Managing Partner



Myriam Vander Elst
Chief Engagement Officer, Epic Foundation



Beverly Berman
Supervisory Board member



Dee Dee Sklar
Supervisory Board member



Carsten Eckert
Supervisory Board Member



Andy Moysiuk
Supervisory Board Member



In addition to our Supervisory Board, the following committees meet regularly:

We will continue to enhance our governance practices in line with emerging best practice and regulation

Compliance Committee

Responsible for setting the compliance and operational risk framework, risk appetite and controls

ESG Committee

Responsible for defining and implementing ESG principles and monitoring of ESG activities

Executive Committee

Responsible for the implementation of the overall firm strategy, operational plans, resources, policies, and budgets

Investment Committee

Responsible for the examination and approval of individual investments

Remuneration Committee

Responsible for determining the firm's remuneration policy and individual compensation arrangements for employees

Risk & Portfolio Monitoring Committee

Responsible for setting investment risk framework; oversight and monitoring of risk, controls policies and procedures

ESG Committee members



Augustin Duhamel
Managing Partner



Myriam Vander Elst
Supervisory Board



Fokke Lucas
Investments



Alison Franklin
People and Talent



George Lee
Committee manager



Alex Walker
Marketing

17Capital has an established ESG Committee that meets quarterly and guides the development and implementation of our responsible investment and ESG strategy

The ESG Committee advises 17Capital on embedding ESG considerations across our business and operations by providing a forum for discussion and challenge. ESG Committee input has been instrumental in enhancing the Company's ESG actions and progress.

The ESG committee is responsible for:

- Defining and implementing the ESG policy and principles
- Monitoring ESG and reviewing ESG reporting and disclosures
- Facilitating the integration of ESG in the investment process ([see page 36](#))

- Supporting 17Capital and our team in "making ESG happen"
- Listening to ideas and input on how 17Capital can continue to make a meaningful impact across the ESG agenda

All the 17Capital assets under management are subject to our ESG policies and procedures. Although none of the 17Capital funds are sold or marketed as "Impact" funds, "Sustainable Development Goals" ("SDG") funds, or "ESG themed" funds, we apply the ESG and Responsible Investment framework set out in the ESG and Responsible Investment policy.

17Capital's policies on ethics, transparency and human rights

Ethics and compliance

17Capital maintains high standards for business conduct and integrity. The trust and confidence we earn from our employees, shareholders and other key stakeholders play a fundamental role in our long-term success. Therefore, we ensure that we abide by the highest principles of personal and professional conduct.

Transparency, reporting and disclosing

17Capital is committed to transparency and reporting and disclosing our sustainability performance. We proactively provide information to our key stakeholders through a number of mechanisms, including this annual ESG report and participation in voluntary initiatives such as the UN PRI. This supports our ongoing efforts to monitor, adjust and improve our approach to ESG management.

Modern slavery and human trafficking

17Capital is committed to respecting human rights in all its operations and external business interactions. It is the policy of 17Capital not to tolerate slavery and human trafficking practices within its business and supply chains. 17Capital will take appropriate and reasonable measures to minimise the risk of this taking place in line with the nature of services provided. 17Capital has published a Modern Slavery statement, outlining the due diligence and risk assessments that the firm employs to minimise the risk of slave labour. This includes consideration of supply chains and investment portfolios. 17Capital's Modern Slavery statement, including the policy, approach, and status, will be reviewed annually and updated where necessary to reflect changes in circumstances and actual practice.

ESG in 17Capital investments

17 PARTNERSHIPS
FOR THE GOALS



Our ESG approach focuses on ensuring the managers we partner with maintain appropriate ESG standards

17Capital seeks to maximise the management of ESG at the underlying portfolio company level

As a provider of finance solutions, 17Capital's approach to managing ESG differs from those fund managers that make direct investments.

Without significant influence or control over underlying portfolio companies, our key responsibilities lie with ensuring we are providing financial services to underlying managers with strong ESG values and practices.

It is important to understand and assess the strength of ESG management processes and systems of the underlying fund managers and counterparties that 17Capital invests in.

Our ESG policy is geared towards implementing controls to ensure awareness of and appropriately manage significant ESG risks in the investments at the time of acquisition, and on an ongoing basis.



Pre-investment Screening	Pre-investment Due Diligence	Ongoing Monitoring	Reporting
<p>The investment origination process includes formal consideration of ESG risks and opportunities. Potential investments are screened across several steps to ensure that 17Capital does not make direct investments in companies that we consider to be incompatible with the 17Capital corporate values and the responsible investment approach of the firm.</p>	<p>Potential investments undergo a due diligence process that involves an in-depth assessment of ESG risks. The outcomes of the due diligence process are discussed by the Investment Committee, responsible for the examination and approval of individual investments.</p>	<p>Alongside the ESG Committee, the Risk & Portfolio Monitoring Committee is responsible for the oversight and monitoring of risk controls, policies and procedures. Investments (being underlying fund managers) are monitored throughout their life to assess progress on ESG considerations and to identify any issues and develop corresponding mitigation plans.</p>	<p>Ongoing reporting and disclosure is provided to our stakeholders through various mechanisms, including this ESG report. All reporting and disclosure efforts are aligned with emerging best practice and regulation.</p>
Consideration of Exclusion List	ESG Questionnaire	Review of published information	Quarterly Reports
Screening Questions	ESG Risk Assessment	Annual ESG Questionnaire	Annual Reports
Draft Investment Memo	Rep Risk Screening	Annual ESG Risk Assessment	ESG Reports
Investment Committee Review	Investment Committee Discussion	Ongoing Engagement	Internal 17Capital KPIs

Climate risk and impact of climate change

74%

Managers who actively assess their funds exposure to climate change



68%

Managers who have developed or are in the process of developing a climate change strategy

Climate risk and the impact of climate change is an important feature of investment decision making. Wider research reports show that there is more to be done to tackle complexity within ESG, for instance the management of ESG issues within supply chains (e.g., forward-looking climate risk scenario analysis).

In response, our underlying managers have made substantial progress in these areas during 2021.

We also appreciate that there will always be more to do, and that climate risk and climate change will feature on the wider ESG agenda in the long-term.

In 2022, we will be actively assessing the risk, associated potential impact or exposure to climate change and associated opportunities through the development of our Climate Strategy that will allow appropriate responses to sustainability challenges.

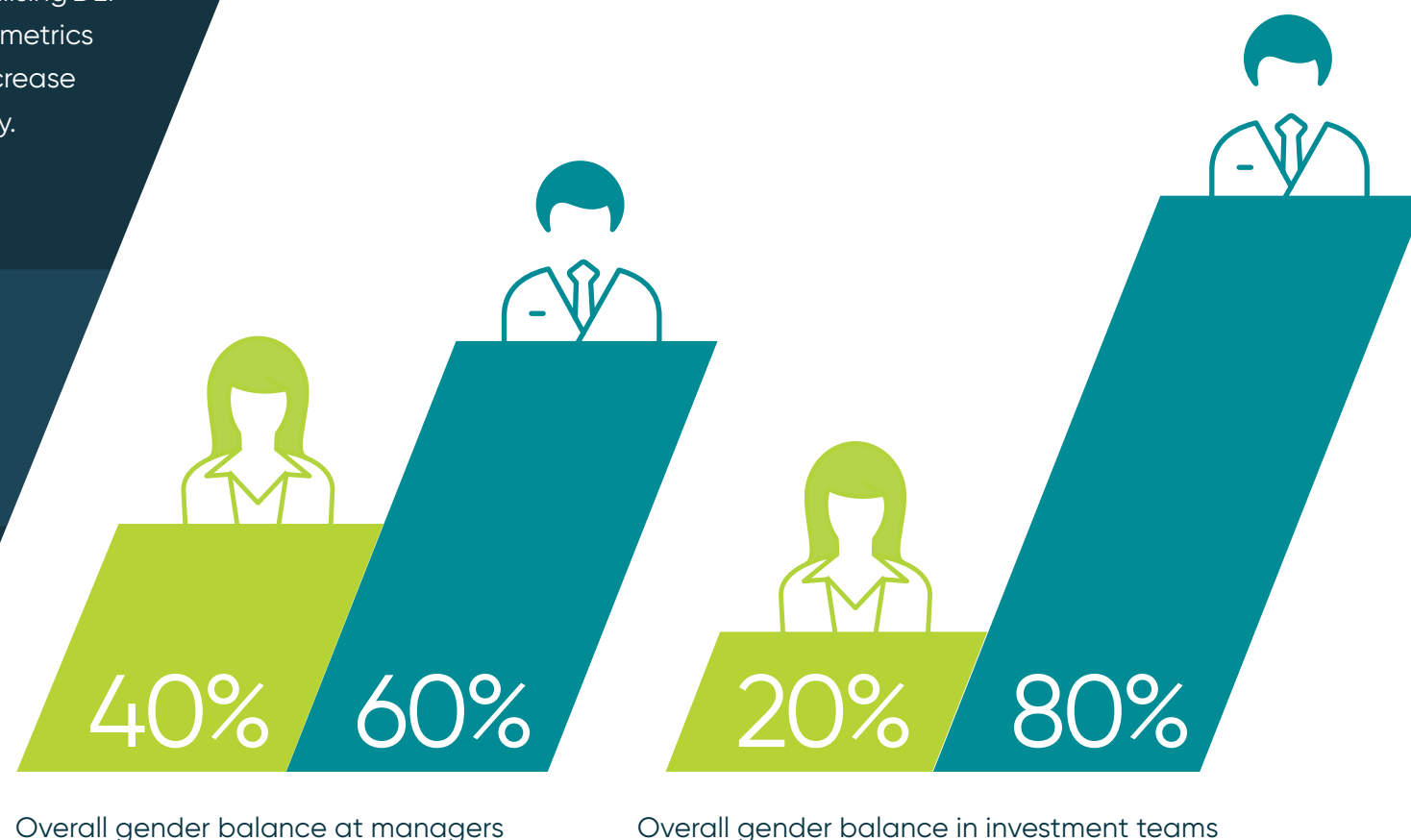


* The data provided on this page has been weighted based on 17Capitals investment exposures.

Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion ("DEI") has been a focal area for a number of managers during 2021. This is evident through the increased focus on DEI, meaning underlying managers are formalising DEI policies, setting hiring goals, tracking metrics and sponsoring DEI programmes to increase diversity in terms of gender and ethnicity.

The average gender balance across all the underlying managers:



ESG governance

As part of our investment due diligence and ongoing ESG monitoring of the underlying managers to whom we provide our finance solutions to, we ask the underlying managers to complete an ESG questionnaire.

Our underlying managers have continued to focus on ESG governance during 2021.

The ESG questionnaire examines matters that pertain to both the underlying managers and the portfolio investments they manage

The output from the ESG questionnaire, alongside the RepRisk monitoring we undertake, informs the internal ESG risks assessments we conduct for each 17Capital investment.

This process shapes the ESG discussion agenda and areas of focus with the underlying managers for the post-investment monitoring period.

The following trends were identified from the data gathered:



An increase in the number of managers becoming UN PRI signatories



Increasing number of managers with ESG Policies in place



ESG becoming a more common feature in learning and development programmes



Increasing number of managers with dedicated ESG professionals



ESG approaches are becoming more formalised as regulatory and market expectations evolve

Managers with ESG policies*

96%

Managers who are UN PRI signatories*

88%

Managers who conduct ESG Learning & Development*

94%

Managers who have dedicated ESG professionals*

84%

LOW MEDIUM HIGH

Underlying Manager RepRisk rating**

86%

8%

6%

LOW MEDIUM HIGH

Underlying Portfolio Company RepRisk rating**

88%

11%

0.3%

YES NO

Underlying Managers who report on ESG to Investors**

89%

11%

* The data provided on this page has been weighted based on 17Capitals investment exposures

** 17Capital seeks to understand the drivers of RepRisk ratings and engages with managers as necessary.



Looking forward

Build trust

Make things happen

Embrace different

Strive for excellence



We are looking forward to progressing several activities, in line with our ESG objectives

With the support of the ESG Committee, we will continue to identify pertinent ESG risks and opportunities and respond accordingly.

- Meaningfully acting on the key recommendations of the Taskforce for Climate-related Financial Disclosures ("TCFD"). In 2022, 17Capital has engaged an ESG advisor to assist in the implementation of TCFD recommendations.
- Monitoring the emerging EU sustainable finance Regulatory Technical Standards as well as reviewing SFDR Article 8 requirements and assessing opportunities for alignment within 17Capital.
- Continuing to implement the UN PRI's six principles for responsible investment.
- Implementing our 2022 ESG roadmap and continuing to focus on climate strategy and further embedding climate risk into the due diligence and monitoring process for investments.
- Expanding the team with further dedicated headcount, including the hiring of a permanent Director of ESG.
- Continuing to deliver on our diversity, equity and inclusion commitments and actively engaging in the Institutional Limited Partners Association's (ILPA) Diversity in Action initiative.



We look forward to providing you with an update on our responsible investment journey in our next ESG report in 2022.

Contacts

We hope you have found this report interesting, if you would like to discuss any of the points raised, or would like to find out more please do not hesitate to contact Martin or Pauline in 17Capital's Investor Relations team.



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