



RI TRANSPARENCY REPORT

2020

CIC Private Debt

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

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

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

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

CIC Private Debt

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

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

- ☐ Hedge funds
- ☐ Fund of hedge funds

OO 01.2

Additional information. [Optional]

CIC Private Debt is a subsidiary of Crédit Mutuel Alliance Fédérale. The company was created in 2003. It is dedicated to mezzanine and senior financing for French and European SMEs and larger groups. The company is considered as a major player in the sector.

CIC Private Debt manages 8 active funds (of which one is currently fundraising) and €1.4 bn of total assets under management (€2.2 bn of total liabilities) : CIC Mezzanine 3, CIC Mezzanine 4, CIC Mezzanine & Unitranche Financing 5, CM-CIC Debt Fund 1, CM-CIC Debt Fund 2, CM-CIC Debt Fund 3, CM-CIC ELCF 1, CM-CIC Infra Debt Fund. Its team is composed of twenty-four experienced employees.

Crédit Mutuel Alliance Fédérale is systematically engaged in the funds of its subsidiary, along with institutional investors, private investors and French funds of funds.

Since its inception, CIC Private Debt has financed more than 280 companies.

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
---------	--

France

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- ☐ 1
☒ 2-5
☐ 6-10
☐ >10

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

	FTE
--	-----

24

OO 02.4	Additional information. [Optional]
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The team consists in 24 employees, among which 5 are located in London and 19 in the company's headquarters in Paris.

CAUTION - London's office is a **branch** and not a subsidiary. Both operational and strategic decisions are taken at Paris' office.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
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- ☐ Yes
☒ No

OO 03.3	Additional information. [Optional]
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N/A

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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31/12/2019

OO 04.2	Indicate your total AUM at the end of your reporting year.
---------	--

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		1	444	612	926
Currency	EUR				
Assets in USD		1	592	398	702

☐ Not applicable as we are in the fund-raising process

OO 04.4

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

☒ Not applicable as we do not have any assets under execution and/or advisory approach

OO 04.5

Additional information. [Optional]

As of December 31st 2019, the company had € 1,445 M in total net AuM and € 2,200 M in total liabilities.

OO 06
Mandatory
Public
Descriptive
General
OO 06.1

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

☒ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	100	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

☐ as broad ranges

OO 06.2

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

OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- ☐ Yes
☒ No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
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- ☐ Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
☒ No, we do not use fiduciary managers.

OO 09	Mandatory	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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	Developed Markets
--	-------------------

100

	Emerging Markets
--	------------------

0

	Frontier Markets
--	------------------

0

	Other Markets
--	---------------

0

	Total 100%
--	------------

100%

OO 09.2	Additional information. [Optional]
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The company only invests in France and European developed markets.

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Fixed income - corporate (non-financial)

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

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

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- ☒ Fixed income - Corporate (non-financial)

Closing module

- ☒ Closing module

Peering questions

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Corporate (non-financial)		Passive
	0	
		Active - quantitative (quant)
	0	
		Active - fundamental and active - other
	100	
		Total
	100%	

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.3	Additional information. [Optional]
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CIC Private debt provides private debt financing to SMEs and larger groups in France and Europe.

	If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below
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☒ OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

CIC Private Debt

Reported Information

Public version

Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- ☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- ☐ Your investment objectives that take ESG factors/real economy influence into account
- ☐ Time horizon of your investment
- ☒ Governance structure of organisational ESG responsibilities
- ☒ ESG incorporation approaches
- ☒ Active ownership approaches
- ☒ Reporting
- ☐ Climate change
- ☐ Understanding and incorporating client / beneficiary sustainability preferences
- ☐ Other RI considerations, specify (1)
- ☐ Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

CIC Private Debt offers mezzanine et senior debt financing services.

CIC Mezzanine funds invest in tranches between € 5 and € 100m in various types of operations (see below). Target companies are mainly unlisted profitable French SMEs with a potential for growth.

- Buy-out capital
- Internal or external growth financing
- Capital reorganisation
- Capital development
- Equity strengthening

Senior financing funds operate in capital reorganisation, acquisition, mergers, external growth or refinancing of larger companies. These funds may be split in two between (i) French Mid-Cap, that services companies with an EBITDA comprised between €10 and €100 m, and (ii) European Large Cap, servicing companies with an EBITDA comprised between €100 and €500 m. Target companies are profitable French or European SMEs and larger groups, with a strong visibility on their activity and cash generation.

Funds have no sectoral specialisation, except those listed in its Responsible Investment Charter as incompatible / conflicting. In 2014, the company has adopted a specific Charter covering environmental, social and governance (ESG) pillars.

Last, the company is a member of France Invest and has signed the Principles for Responsible Investment.

SG 01.5

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

At an internal level, CIC Private Debt deployed a Responsible Investment Charter. This Charter relies on both :

1. exclusion sectors. More specifically, CIC Private Debt excludes weapons, munitions, tobacco and associated products, gambling activities, pornography from its investments.

2. a pre-investment ESG assessment which main criteria are the following :

- Does the target company (partly or entirely) operate in an exclusion sector ?
- Does the company offer products and/or services with social or environmental positive impacts ?
- What are the strengths and weaknesses, possible issues, and key areas of improvement in terms of ESG ?

To fill the document, CIC Private Debt uses external sources (sell side, sponsor, issuer, etc.). The ESG assessment is then integrated into the Investment Memo. If necessary, the company may define specific objectives for the company based on this preliminary assessment.

In addition to its internal commitments, the company has decided to only work with partners (both banks and asset managers) also engaged in a responsible investment approach. Their ESG commitments are assessed previously to any financing to ensure they share the same values. CIC Private Debt encourages its partners to further integrate consistent ESG criteria in the objectives of their portfolio companies, as well as to communicate on their progress on an annual basis.

Social and environmental due diligences are usually conducted by sponsors; CIC Private Debt is provided with the reports. ESG data are also gathered through sponsor documents (e.g. annual report, budget, reporting tools, etc.).

☐ No

SG 01.6

Additional information [Optional].

The Responsible Investment Charter also encompasses other commitments, such as a seat in Advisory Boards (when applicable) and systematic ESG reporting to all CIC Private Debt's investors on an annual basis. However, to date these initiatives are not implemented.

It is key to understand that, as a private debt investor and not a shareholder, the influence of CIC Private Debt on portfolio companies' activities, especially on ESG, is limited. The company must rely on its partners (e.g. sponsor) to

gather data. Therefore, CIC Private Debt's position has historically been passive, and mostly relied on its partners' initiatives.
Last, the effectiveness of the Responsible Investment Charter has never been assessed.

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

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

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

☐ URL

☒ Attachment (will be made public)

	Attachment
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[File 1:CIC-Private Debt-Charte d investisseur-responsable-ESG.pdf](#)

☐ Formalised guidelines on environmental factors

☐ Formalised guidelines on social factors

☒ Formalised guidelines on corporate governance factors

	URL/Attachment
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☐ URL

☒ Attachment (will be made public)

	Attachment
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[File 1:CIC-Private Debt-Charte d investisseur-responsable-ESG.pdf](#)

☒ Screening / exclusions policy

	URL/Attachment
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☐ URL

☒ Attachment (will be made public)

	Attachment
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[File 1:CIC-Private Debt-Charte d investisseur-responsable-ESG.pdf](#)

☐ We do not publicly disclose our investment policy documents

SG 02.2

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

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

URL/Attachment

- ☒ URL

URL

https://www.cic-privatebt.com/partage/fr/CC/CIC-PRIVATE-DEBT/pdf/CIC-Private_Debt-Charte_d_investisseur-responsable-ESG.pdf

- ☐ Attachment

- ☐ Governance structure of organisational ESG responsibilities

- ☒ ESG incorporation approaches

URL/Attachment

- ☒ URL

URL

https://www.cic-privatebt.com/partage/fr/CC/CIC-PRIVATE-DEBT/pdf/CIC-Private_Debt-Charte_d_investisseur-responsable-ESG.pdf

- ☐ Attachment

- ☒ Active ownership approaches

URL/Attachment

- ☒ URL

URL

https://www.cic-privatebt.com/partage/fr/CC/CIC-PRIVATE-DEBT/pdf/CIC-Private_Debt-Charte_d_investisseur-responsable-ESG.pdf

- ☐ Attachment

- ☒ Reporting

URL/Attachment

- ☒ URL

	URL
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https://www.cic-privatedebt.com/partage/fr/CC/CIC-PRIVATE-DEBT/pdf/CIC-Private_Debt-Charte_d_investisseur-responsable-ESG.pdf

☐ Attachment

☐ We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
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CIC Private Debt's Responsible Investment Charter is available on the Company's website.

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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CIC Private Debt has a Consultative Committee for each of its funds, which consists of major investors. Its role is to take decisions with regards to potential conflicts of interest.

☐ No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☒ It is not set/reviewed

SG 05.2	Additional information. [Optional]
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Beside the systematic ESG pre-investment assessment and ad hoc specific objectives based on this preliminary assessment (if necessary), CIC Private Debt does not set nor review objectives for its responsible investment activities.

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- ☐ Board members or trustees
- ☒ Internal Roles (triggers other options)

Select from the below internal roles

- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Dedicated responsible investment staff
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)
- ☐ External managers or service providers

SG 07.2

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

The Responsible Investment Charter was defined with Top Management / Investment Committee in 2014. They are in charge of its oversight.

On a more operational level, both the portfolio manager and investment analysts are in charge of making sure investments are compatible with the Responsible Investment Charter, e.g. in terms of exclusionary sectors. The portfolio manager will be responsible for the ESG assessment that is included in the Investment Memo.

SG 07.3

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

	Number
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0

SG 07.4	Additional information. [Optional]
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The responsible investment process is not mature enough to have a dedicated staff on ESG issues. This is however an option the company may consider in the years to come.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

Select all that apply

☒ Principles for Responsible Investment

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

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

CIC Private Debt is involved on a basic level with the PRI as it has no active part in the initiative.

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AVCA: Sustainability Committee
- ☒ France Invest – La Commission ESG

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

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

As the PRI, the level of involvement of CIC Private Debt in France Invest is limited to the annual ESG data collection.

- ☐ BVCA – Responsible Investment Advisory Board
- ☐ CDP Climate Change
- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Climate Action 100+
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ Invest Europe Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ HKVCA: ESG Committee
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Financial Action in the 21st Century
- ☐ Principles for Sustainable Insurance
- ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify
- ☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1

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

☒ Yes

SG 10.2

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

- ☐ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- ☐ Provided financial support for academic or industry research on responsible investment
- ☐ Provided input and/or collaborated with academia on RI related work
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

According to the Charter, the company encourages its partners to further integrate consistent ESG criteria in the objectives they give to their portfolio companies, as well as to communicate on their progress on an annual basis or more frequently.

Furthermore, CIC Private Debt encourages its partners to take into account ESG issues in their due diligences during the acquisition phase (social due diligence a minima, environmental due diligence where there are factories, or comprehensive ESG due diligence).

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Spoke publicly at events and conferences to promote responsible investment
- ☐ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI

Description

As a member of the initiative, CIC Private Debt encourages its peers and investors to sign the initiative and adopt the PRI.

Frequency of contribution

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

- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☐ Wrote and published articles on responsible investment in the media
- ☐ A member of PRI advisory committees/ working groups, specify
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☐ Other, specify

☐ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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N/A

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate whether your organisation uses investment consultants.
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- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- ☐ Yes, in order to assess future ESG factors
- ☐ Yes, in order to assess future climate-related risks and opportunities
- ☒ No, our organisation does not currently carry out scenario analysis and/or modelling

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

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

Fixed income

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- ☐ Yes
- ☒ No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p>Disclosure to public and URL</p> <p><input checked="" type="radio"/> Broad approach to RI incorporation</p> <p><input type="radio"/> Detailed explanation of RI incorporation strategy used</p>	<p>Disclosure to clients/beneficiaries</p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
<p>Frequency</p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input checked="" type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>	<p>Frequency</p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad hoc/when requested</p>
<p>URL</p> <p>https://www.cic-privatedebt.com/partage/fr/CC/CIC-PRIVATE-DEBT/pdf/CIC-Private_Debt-Charte_d_investisseur-responsable-ESG.pdf</p>	

The biannual reportings of CIC Private Debt's funds provide broad ESG information about the company's commitments and main approach to responsible investment.

Upon request, the company may also provide detailed ESG reporting to its clients/beneficiaries.

The company is conscious its commitment to ESG is rather limited to date and needs to be structured at global level. A redefinition of its ESG strategy, encompassing new initiatives and market best practices, is expected in 2020.

CIC Private Debt

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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FI 01.1

Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

To date, the company has chosen to apply a mixed strategy based on (i) screening / exclusions and (ii) integration (pre-investment ESG analysis).

Thematic investments are based on "best-in-class" or "best-in-universe" investments. This type of strategy is considered relevant for the company on a longer view but has not yet been applied at CIC Private Debt.

FI 03**Mandatory****Public****Additional Assessed****PRI 1****FI 03.1**

Indicate how you ensure that your ESG research process is robust:

- ☐ Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- ☐ A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- ☒ Other, specify

specify description

CIC Private Debt relies on its partners to ensure the robustness of ESG research processes

- ☐ None of the above

FI 03.2

Describe how your ESG information or analysis is shared among your investment team.

- ☐ ESG information is held within a centralised database and is accessible to all investment staff
- ☐ ESG information is displayed on front office research platforms
- ☒ ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- ☒ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☐ Records capture how ESG information and research was incorporated into investment decisions
- ☒ Other, specify

An ESG sheet is systematically filled.

The Investment team discusses ESG issues related to deals during weekly meetings.

The Investment Committee eventually validates the deal.

- ☐ None of the above

FI 03.3

Additional information. [Optional]

An ESG assessment is filled for each investment project and used as a basis for work and discussion. During internal discussions, if necessary, ESG issues are raised and discussed (eg : a deal on a company that does animal testing or on defence tools used by armies) by the team.

If needed, due diligences may also be done.

The Investment Committee will eventually validate or not the investment, based on all collected data (including the ESG part).

-> There are several steps before validating a deal : discussions, ESG sheet, due diligences, validation. Each one of the steps helps the team collect valuable ESG data to get a more comprehensive view of the deal and take decisions.

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

			Corporate (non-financial)	
Negative/exclusionary screening		<input checked="" type="checkbox"/>		
Positive/best-in-class screening		<input checked="" type="checkbox"/>		
Norms-based screening		<input checked="" type="checkbox"/>		

FI 04.2	Describe your approach to screening for internally managed active fixed income
---------	--

CIC Private Debt is compliant with international standards and French regulation regarding investment (e.g. Ottawa Treaty, non-cooperative countries French List).

Furthermore, the company applies exclusionary screening : weapons and munitions, tobacco and associated products, gambling activities, pornography.

Based on strong justification and on ad hoc basis (eg : a comprehensive ESG approach that clearly mitigates risks, a low share of revenues exposed to an exclusionary sector), CIC Private Debt might still invest in a deal.

On the other hand, the company has also invested in best-in-class companies (eg : Paprec).

FI 04.3	Additional information. [Optional]
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N/A

FI 06	Mandatory	Public	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div>other description</div> Analysis pre-investment in collaboration with deal sponsors and other partners <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div>other description</div> Analysis pre-investment in collaboration with deal sponsors and other partners <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div>other description</div> Analysis pre-investment in collaboration with deal sponsors and other partners <input type="checkbox"/> None of the above

FI 06.2

Additional information. [Optional]

N/A

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1 Describe your approach to integrating ESG into traditional financial analysis.

In addition to traditional financial analysis, an ESG assessment is conducted by portfolio managers and investment teams.

It is based on three main questions : (i) is the company exposed to an exclusion sector ?, (ii) does the company develop products and/or services that have social or environmental positive impacts ?, (iii) is the target compliant with Groupe Crédit Mutuel Alliance Fédérale (CMAF)'s CSR policy ?

Then, the strengths, weaknesses and possible areas of improvement identified by Management or LBO partners regarding E, S and G issues are listed.

FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

Corporate (non-financial)

Considering CIC Private Debt only invests in private debt financing, its integration approach does not need to be adapted to different asset (or sub-asset) classes.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

			Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis			<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.			<input type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.			<input type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.			<input type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.			<input type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.			<input type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.			<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.			<input type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.			<input type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.			<input type="checkbox"/>	
Other, specify in Additional Information			<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
Corporate (non-financial)	<div>Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div>Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2	Please provide more detail on how you review E, S and/or G factors in your integration process.
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All aspects are systematically included in the ESG assessment.

CIC Private Debt

Reported Information

Public version

Confidence building measures

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Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- ☒ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - ☒ Whole PRI Transparency Report has been internally verified
 - ☐ Selected data has been internally verified
- ☒ Other, specify
The company was supported by INDEFI, ESG strategy consulting office, to answer questions in the PRI Transparency Report.
- ☐ None of the above

CM1 01.2	Additional information [OPTIONAL]
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N/A

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report
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- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report
- ☐ None of the above, we were in our preparation year and did not report last year.

CM1 02.3	Additional information [OPTIONAL]
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Last year's PRI Transparency Report was also reviewed by INDEFI, a strategy and ESG consulting office.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings

☒ Other, specify

CIC Private Debt's Responsible Investment Charter, which is public, has been reviewed and assured by a third party ESG advisor (INDEFI).

☐ None of the above

CM1 03.5	Additional information [OPTIONAL]
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N/A

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 04.3	Additional information [OPTIONAL]
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N/A

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed
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Who has conducted the verification

- ☐ CEO or other Chief-Level staff
- ☐ The Board
- ☐ Investment Committee
- ☐ Compliance Function
- ☐ RI/ESG Team
- ☐ Investment Teams
- ☐ Legal Department
- ☒ Other (specify)

	specify
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Mrs Ménard, Secrétaire Générale de CIC Private Debt