PAI Partners

6 February 2025

Scope 1 and 2: PAI Partners commits to reduce absolute scope 1 and 2 GHG emissions 40% by 2029 from a 2022 base year.

Scope 3 Portfolio Targets

Headline target: PAI Partners' portfolio targets cover 94% of its total investment and lending by invested capital as of 2022. As of that year, required activities made up 94% of PAI Partners' total investment and lending by invested capital while optional activities made up 4% and out of scope activities made up 2%.

Scope 3 asset class level targets

Asset class	Method	Target language
Private and listed equity	Portfolio Coverage	PAI Partners commits to 42% of its eligible private equity and listed equity portfolio by invested value setting SBTi-validated targets by 2029, and 100% by 2040, from a 2022 base year.

Summary

PAI Partners will implement the following strategy and actions to achieve its targets:

In recognizing that it is crucial that businesses, as major contributors to society, take the initiative in reducing carbon emissions, PAI Partners is committed to supporting its portfolio companies to advance on their decarbonization journey. PAI Partners believe that by setting science-based targets (SBTs), portfolio companies can effectively manage their carbon footprints and transition towards a low-carbon economy. This will not only align with PAI Partners' commitment but also enhance the long-term value of these companies.

In this vein and towards meeting PAI Partners scope 3 targets, PAI Partners will endeavour to implement the following strategy and actions to achieve its scope 3 portfolio targets:

- Regularly engage with portfolio companies on their decarbonisation journey and assist them in measuring their emissions as well as establishing targets and decarbonization roadmaps.
- Facilitate dedicated events throughout the year focused on climate change and sustainability to foster engagement and best practice sharing amongst portfolio companies.
- Assess and collect carbon footprint data (scopes 1 to 3) for each portfolio company on an annual basis.
- Monitor and track portfolio Science Based Target initiative (SBTi) coverage using an in-house tool and evaluate the impact of any new acquisition on the portfolio coverage at Investment Committee level pre-acquisition.
- Engage with peers and industry initiatives to drive market consensus on an appropriate decarbonization approach for the industry.
- Continue to apply the exclusions detailed in PAI Partners' exclusion policy, which is a fundamental part of PAI Partners' responsible investment approach.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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