



Environmental, Social & Governance
Annual Review
2022/2023

Introduction

ESG highlights in 2022 / 2023

Key Performance Indicators

Portfolio company ESG profiles

A message from the Freshstream leadership

We are delighted to present Freshstream's 5th annual ESG report, covering the period 2022-2023. This report presents a detailed account of the work we have been doing with our portfolio companies, and the initiatives we have undertaken across the portfolio.

Freshstream is committed to partnering with entrepreneurs to build successful, future-proof companies. In this context, we believe that ESG should be more than a box-ticking exercise. We think about ESG in terms of the long-term sustainability of the company and the opportunities it has to create strategic value. As such, ESG considerations play a central role in our investment decisions and we actively work with our portfolio companies to make a positive contribution to society, leveraging their unique assets and capabilities.

This starts with investing in the right companies with the right management teams. We continue to screen investment opportunities not only against our formal sector exclusions, but against a much broader set of considerations. As a result of this, we have declined 5 opportunities in this reporting cycle for reasons ranging from reputational risk to exposure to unhealthy or low-quality products.

We increasingly capture our ESG performance in numbers and set targets against those metrics. This report is the second time we have reported KPI's in line with the ESG Data Convergence Project. You will also notice a new fund-level benchmark

against Prequin's independent ESG score, which measures ESG performance on 37 metrics. We are proud to report that we have received the highest score in our fund size bracket and we even outperform some significantly larger funds. We also continue to benchmark ourselves against the UNPRI and ILPA frameworks.

In terms of portfolio companies, this report covers our recent investments in Bella Figura Music, Big Motoring World, Nafinco and MCR Group for the first time. We thank the teams for the significant efforts they have made to provide the required input, including full carbon emission baselines.

Climate change continues to be an area of particular focus for us. During this reporting cycle we have started a new partnership with Reporting21 to capture all carbon data across the portfolio. Portfolio companies representing 90% of emissions are either working on or have completed their carbon reduction strategy. We also continue to work with Rimba Raya to offset our footprints and have committed \$2.5m to the programme thus far.

We hope that this report provides you valuable insight into our ESG approach and that you share our excitement about our progress. As always, we very much welcome your feedback.



Patrick Smulders
Managing Partner



Lodewijk de Graauw
Partner, Head of Portfolio Operations & ESG

We have a comprehensive ESG approach, underpinned by industry standards and third-party benchmarking

Signatory to / member of



Third-party benchmarking



Our mission

We believe that entrepreneurship is the engine of the economy. We seek to support entrepreneurs and ambitious management teams with capital, insight and expertise to build successful, future-proof businesses that positively impact society and people are proud to work for.

Portfolio company overview

avicenna 

Headquarters: **South Croydon, UK**
 Annual Revenue: **£164m**
 Headcount: **1,350**
 Acquired: **September 2017**
 Sector: **Healthcare**



Headquarters: **London, UK**
 Annual Revenue: **£4m**
 Headcount: **8**
 Acquired: **December 2021**
 Sector: **Media**

 **big Motoring World**

Headquarters: **Gillingham, UK**
 Annual Revenue: **£534m**
 Headcount: **621**
 Acquired: **April 2022**
 Sector: **Transportation**

 **DeterTech**

Headquarters: **Telford, UK**
 Annual Revenue: **£43m**
 Headcount: **300**
 Acquired: **March 2021**
 Sector: **Services**

 **EURO CAPS**

Headquarters: **Rotterdam, NL**
 Annual Revenue: **€144m**
 Headcount: **299**
 Acquired: **June 2017**
 Sector: **Food & beverage**



Headquarters: **Walsall, UK**
 Annual Revenue: **£434m**
 Headcount: **494**
 Acquired: **September 2018**
 Sector: **Infrastructure**



Headquarters: **Dublin, IE**
 Annual Revenue: **€134m**
 Headcount: **3,109**
 Acquired: **May 2023**
 Sector: **Services**

 **NAFINCO**

Headquarters: **Bussum, NL**
 Annual Revenue: **€56m**
 Headcount: **23**
 Acquired: **May 2022**
 Sector: **Healthcare**

RADLEY
LONDON

Headquarters: **London, UK**
 Annual Revenue: **£78m**
 Headcount: **436**
 Acquired: **June 2016**
 Sector: **Consumer goods**

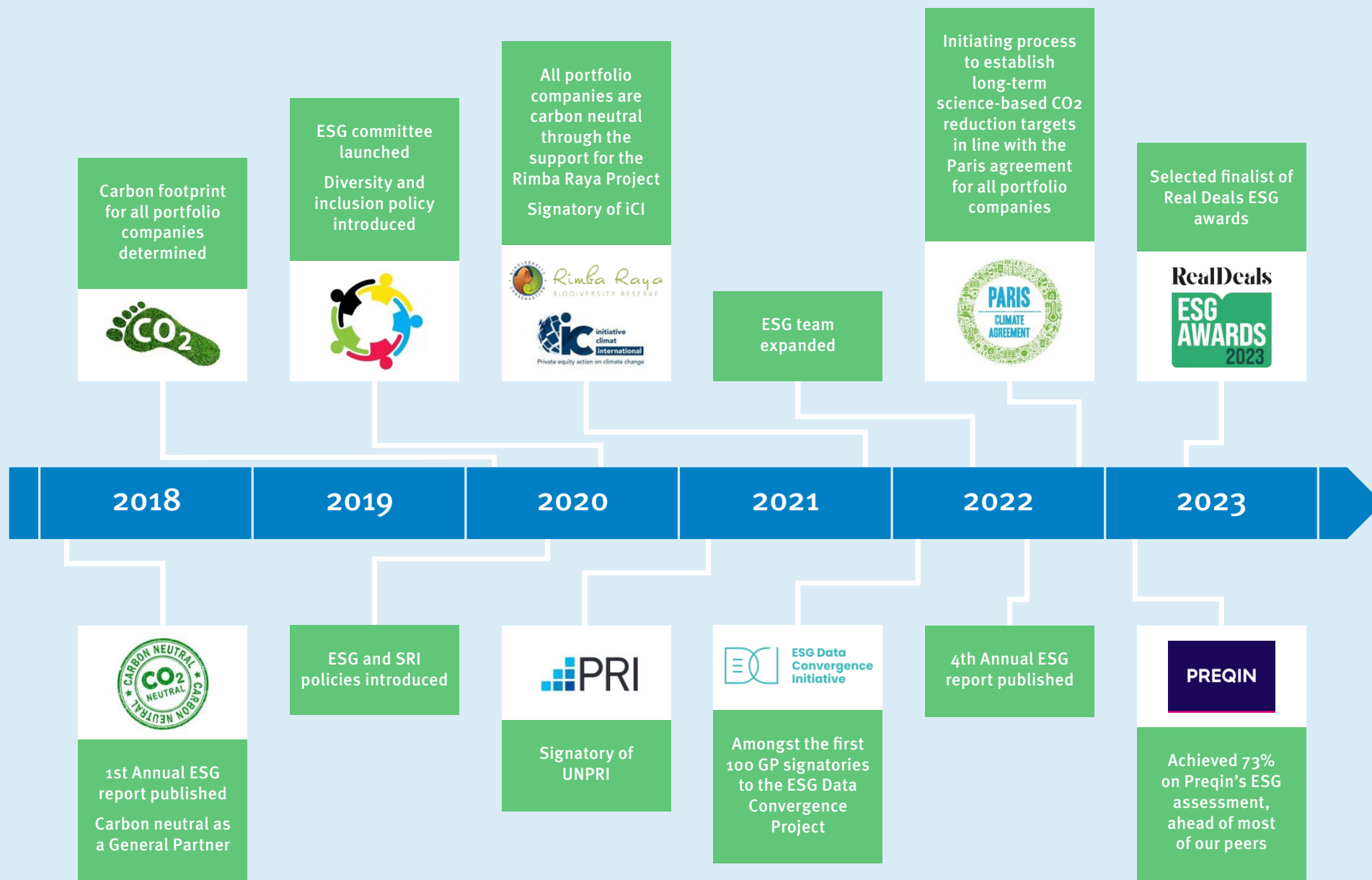
 **TAZIKER**

Headquarters: **Chorley, UK**
 Annual Revenue: **£87m**
 Headcount: **505**
 Acquired: **March 2016**
 Sector: **Infrastructure**

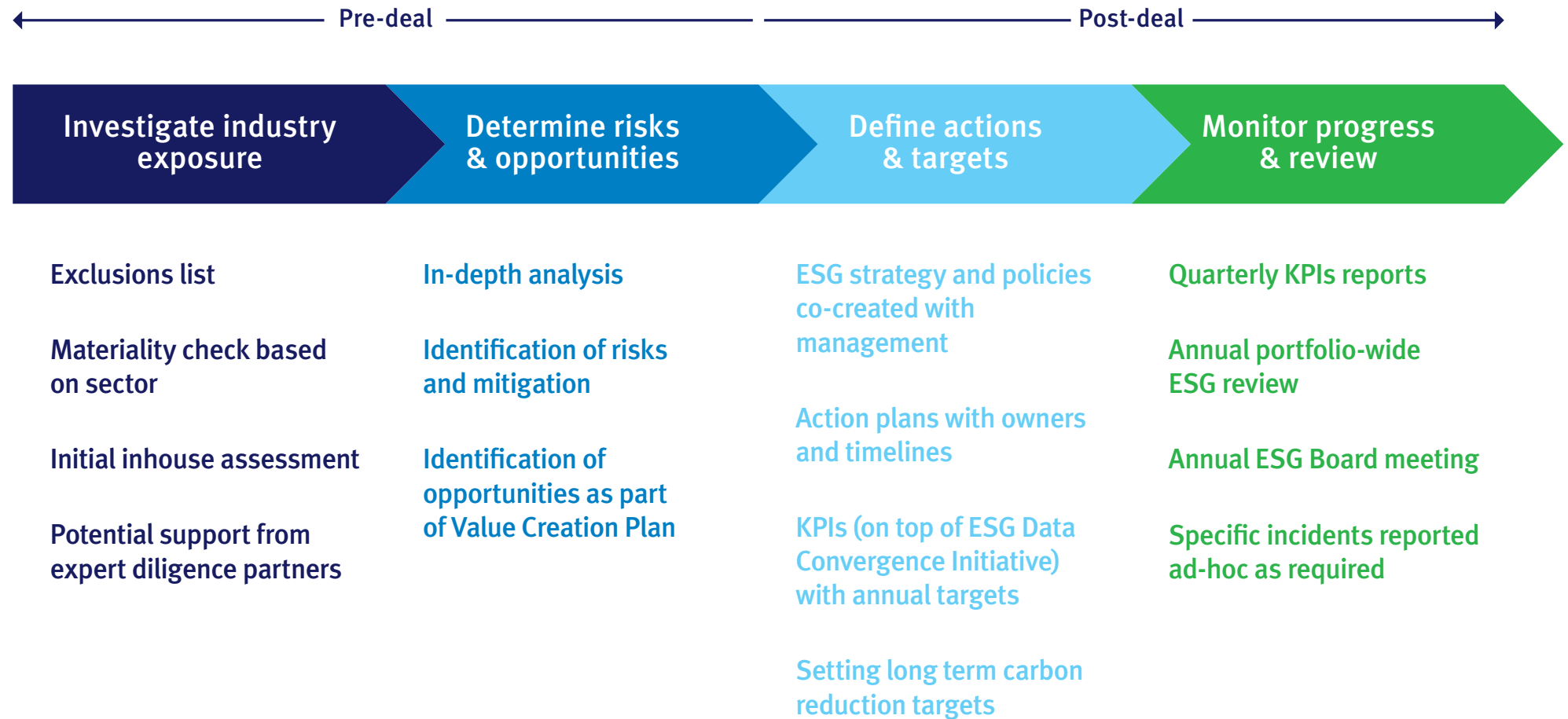
 **TrueNoord**

Headquarters: **Amsterdam, NL**
 Annual Revenue: **\$90m**
 Headcount: **33**
 Acquired: **June 2016**
 Sector: **Financials**

ESG has been a key area of focus for Freshstream from the outset

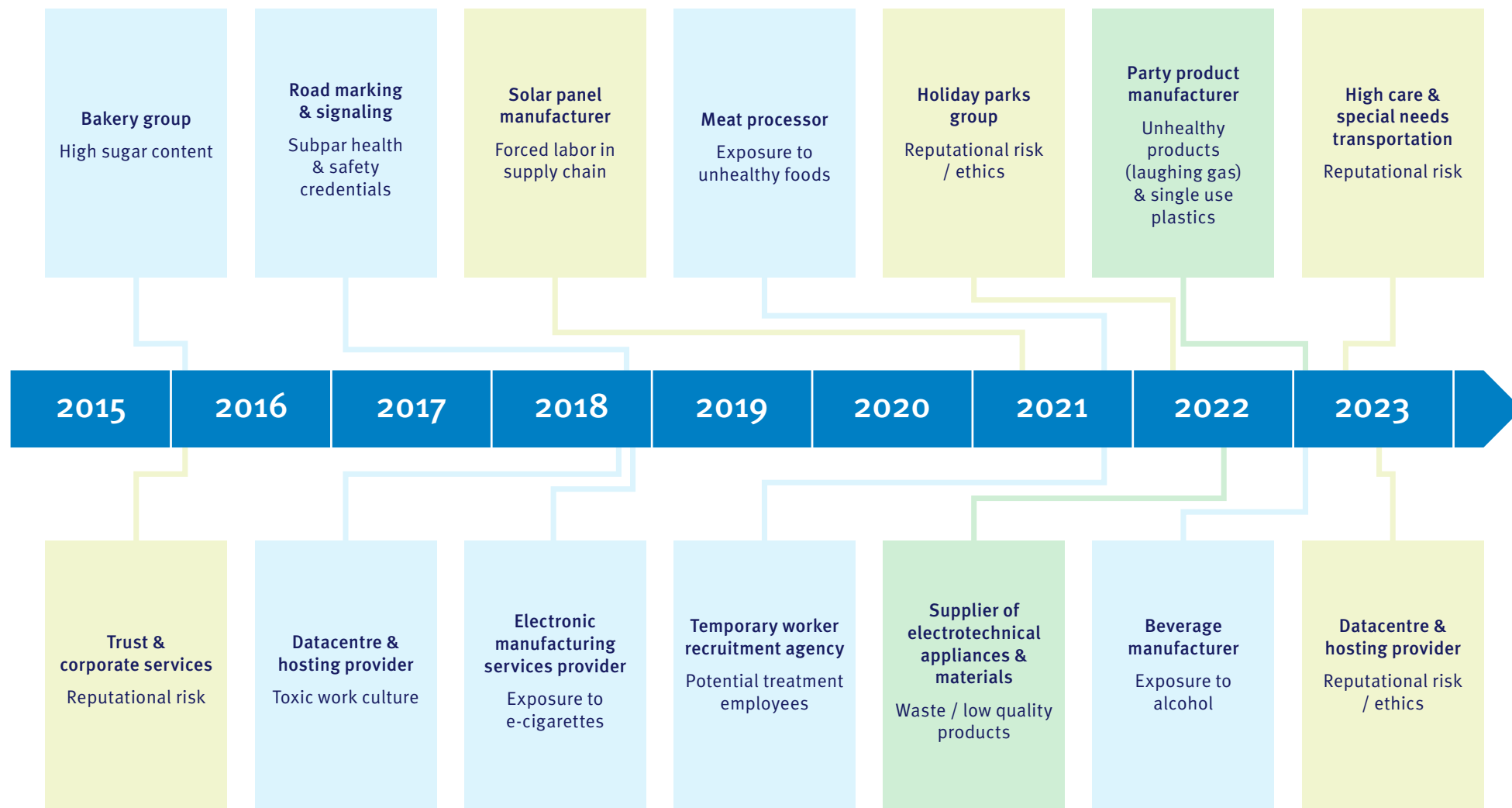


ESG is embedded throughout our investment process



Our scrutiny of ESG is evidenced by the number of deals we reject

This overview only includes deals which have been brought to IC and excludes deals rejected based on our sector exclusion list



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ESG highlights in 2022/2023



MCR Group
Introducing cleaning products made from vegetables to replace all our chemical products.

big Motoring World
Sponsored and attended the Canterbury Pride Festival.

TrueNoord
Developed an ESG-related education programme in collaboration with the leasing community's principal trade association.

DeterTech
Developed e-learning packages for all employees.

NAFINCO
Developed software which increases medication availability for patients.

RADLEY LONDON
Partnered with Leather Working Group-rated tanneries that produce leather using by products of the food industry. These tanneries now provide 100% of Radley's leather.

TAZIKER
Took part in a biodiversity scheme creating a 12-mile-long wildlife corridor in West Sussex, including replanting native trees, hedgerows, wildflowers and habitat creation for bats, birds and owls.

Switched the head office energy supplier to a solar energy provider.

M&J

Completed B-CORP application (waiting for assessment and confirmation).

EURO CAPS

Introduced renewable energy across all stores.

avicenna



Case study: M&J Evans teamed up with Mind to raise mental health awareness in the construction industry

- Teamed up with Mind, a UK-based mental Health Charity, collectively chosen by employees.
- Mental health awareness is a top priority at the company-wide monthly Townhall meetings led by the CEO.
- The collaboration aims to increase awareness of mental health in the construction industry, which has seen a rise in suicide over recent years.
- Under Mind's guidance, M&J Evans organises monthly events and have set an annual fundraising goal of £15,000 which has already been surpassed.
- The inaugural event in September is the 'Three Peaks Race', which will raise funds while fostering team spirit among employees across all business divisions.
- Employees have access to monthly awareness calls with Mind, and some have been trained as mental health first-aiders.
- The company Group People Director has monthly calls with a dedicated account manager based at Mind.
- Future plans include creating a monthly awareness check-in service available to all workers on construction sites.
- The website will also be redesigned to include a new section dedicated to charity initiatives.
- To date 15% of our workforce have supported charities in some way through a volunteer day, which is the highest we have seen since introducing the Corporate Social Responsibility programme.



Case study: Taziker introduced innovative design software to reduce material and energy consumption

Taziker introduced the innovative Tekla design software into their in-house fabrication facility to help prepare more efficiently fabricated steelwork that reduces material consumption.

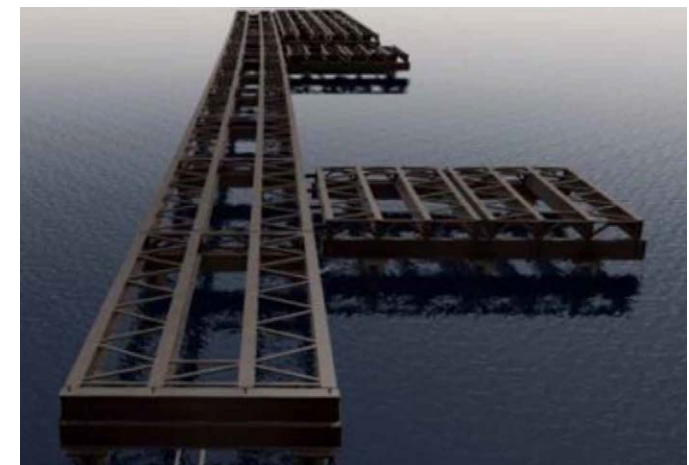
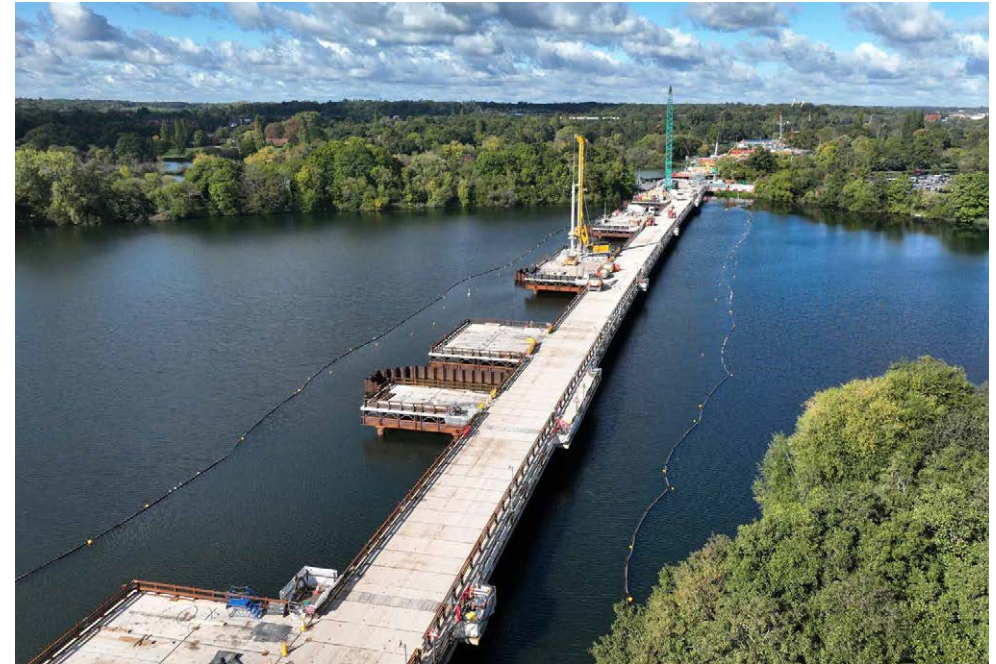
The fabrication and installation of a temporary jetty system for the Colne Valley Viaduct project in Buckinghamshire provide a great example of the sustainability benefits.

Taziker used Tekla design software to optimise the steelwork structural design and prepare the fabrication drawings, enabling a highly accurate and efficient steel layout to minimise waste. Over the entire project, this system saved an estimated (minimum) 50 tonnes of steel, equating to 92 tonnes of CO₂.

Tekla's precision 3D modelling capabilities also supported closer collaboration with stakeholders to coordinate the construction process between the client, design team, and our supply chain. The software redesigned an element that decreased the welding requirement by 80%, reducing both material consumption and transportation.

Furthermore, the Tekla model allowed Taziker to prefabricate the jetty components in their in-house fabrication center. This method streamlined on-site operations, limiting both energy use and emissions.

Finally, the value-engineered solution emphasizes sustainability by accounting for end-of-life and potential repurposing – so all the fabricated steel can be re-used to form products.



Tekla 3D model of the jetty steelwork

Freshstream has been working with the portfolio to develop carbon emission reduction strategies, whilst offsetting any remaining emissions in full

Portfolio companies representing...

>90%

...of emissions from our portfolio companies have or are in the process of completing their carbon reduction strategies

\$2.5m

...committed by Freshstream and its companies to carbon offsets

Portfolio company highlight...

-40%

...in carbon intensity since 2020 for Taziker

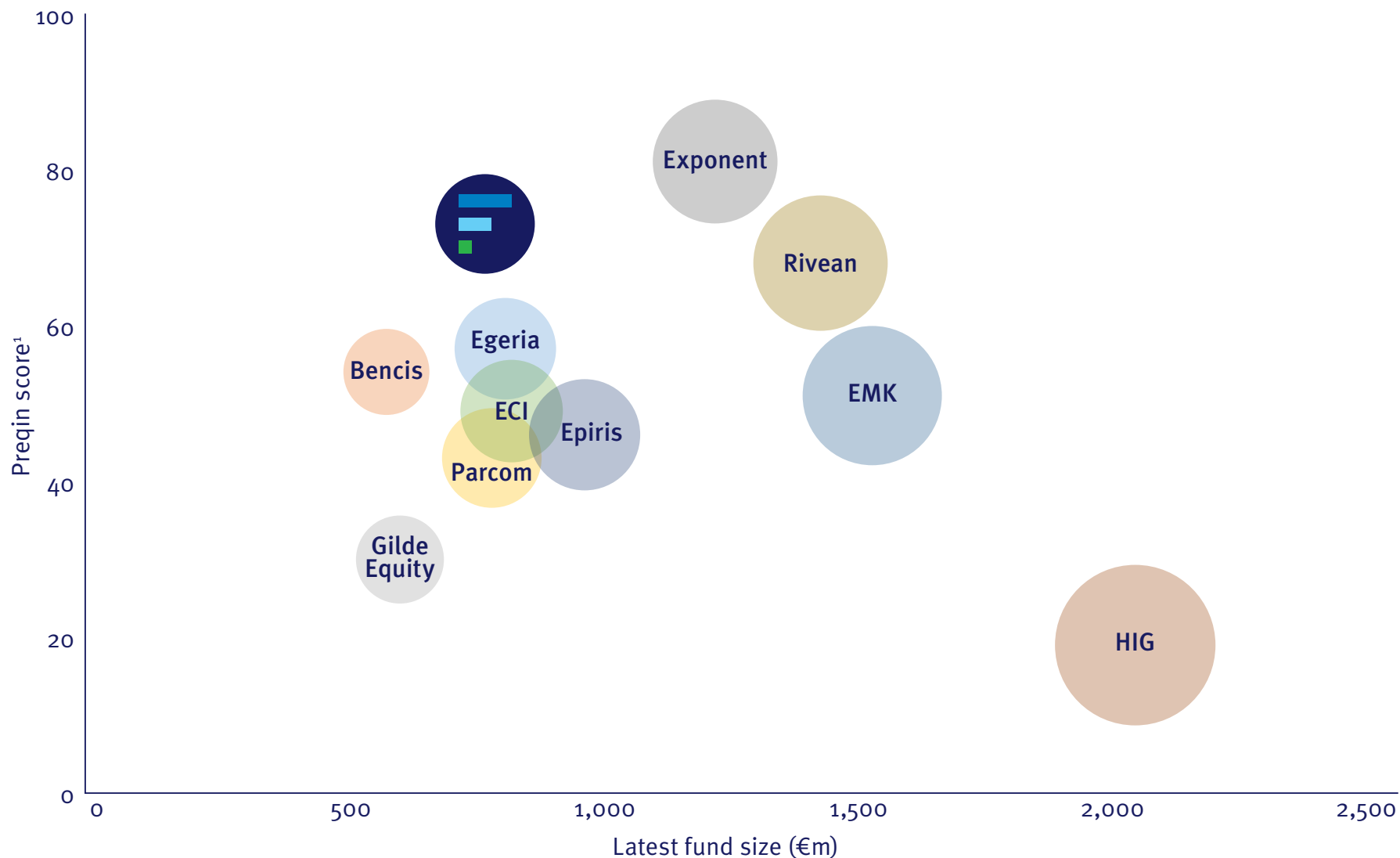
-80%

...in carbon intensity targeted by 2030

\$0.6m

...worth of carbon credits purchased this year

Based on Preqin's independent ESG assessment on 37 metrics, we outperform peers in our size bracket, and even some funds with significantly higher AUM



1. Source: Preqin Ltd on 25th January 2023

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ESG KPI tracking

The KPIs we track at the portfolio level are the same used by the ESG Data Convergence Initiative. Only portfolio companies who were included in the previous edition of our annual review are shown in this tracking chart.

	CO2 emissions ¹	Employee engagement	Gender diversity ²	Safety incidents	Attrition	Renewable energy
 avicenna	●	●	●	●	●	●
 DeterTech	●	●	●	●	●	n/a
 EURO CAPS	●	●	●	●	●	●
 M&J	●	●	●	●	●	●
 RADLEY LONDON	●	●	●	●	●	●
 TAZIKER	●	●	●	●	●	●
 TrueNoord	●	●	●	●	●	●

● Trend 2021/2022 – 2022/2023

1. Based on carbon intensity. 2. Based on management. Bella Figura Music, Big Motoring World, Nafinco and MCR are not included as they were acquired last year and this was their first year reporting on the ESG KPIs.

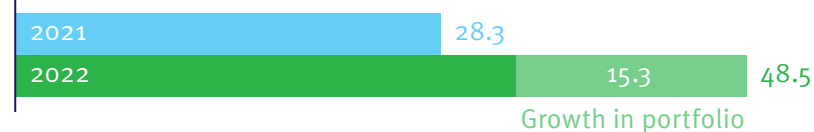
CO₂ emissions across the portfolio

Carbon intensity (CO₂/€100k turnover)

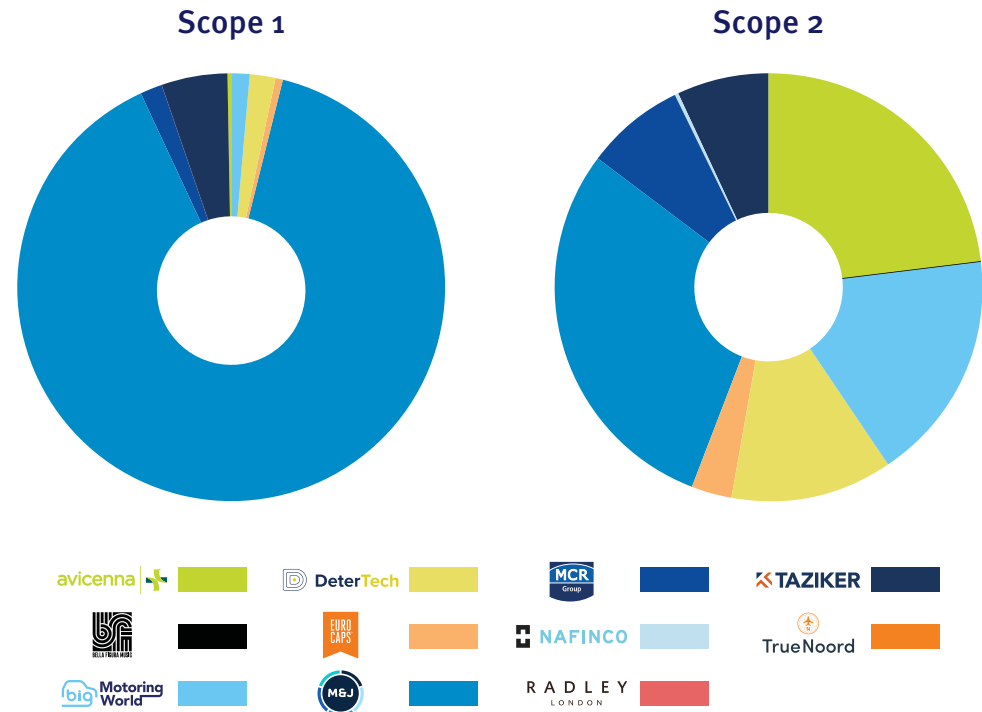
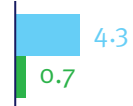


Breakdown of CO₂ emissions by Scope (kilotonnes of CO₂)

Scope I



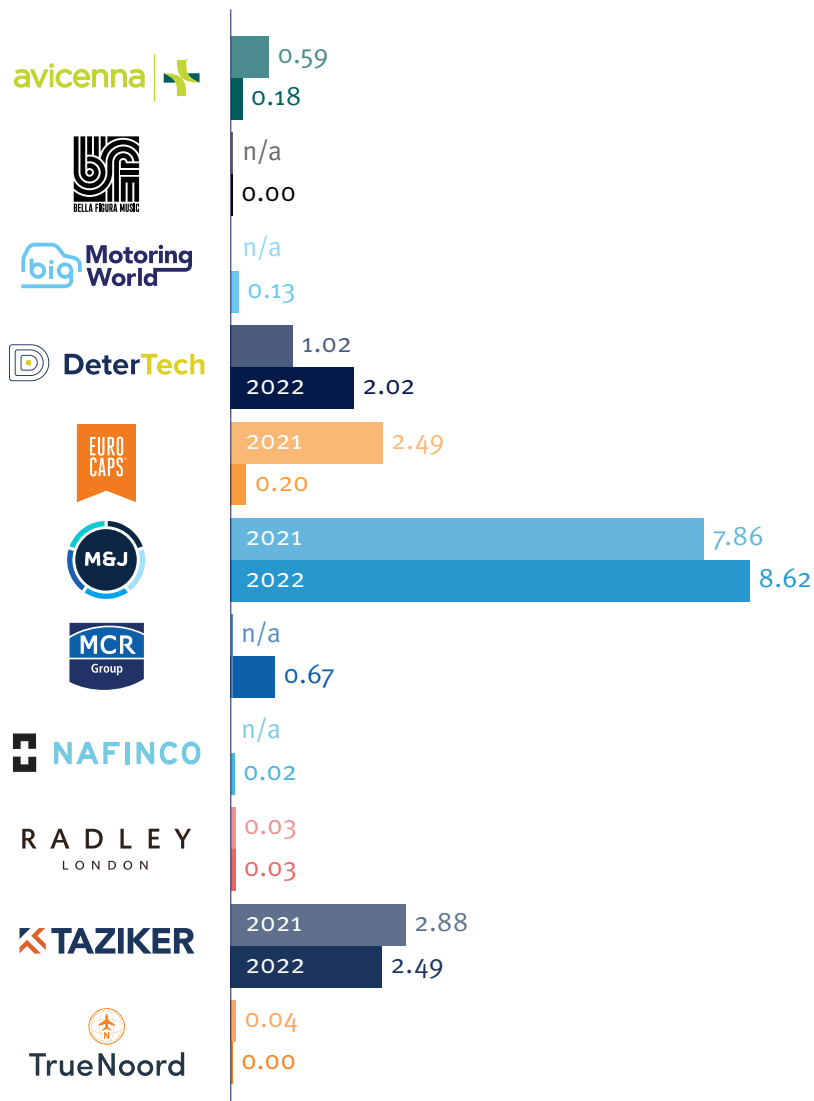
Scope II



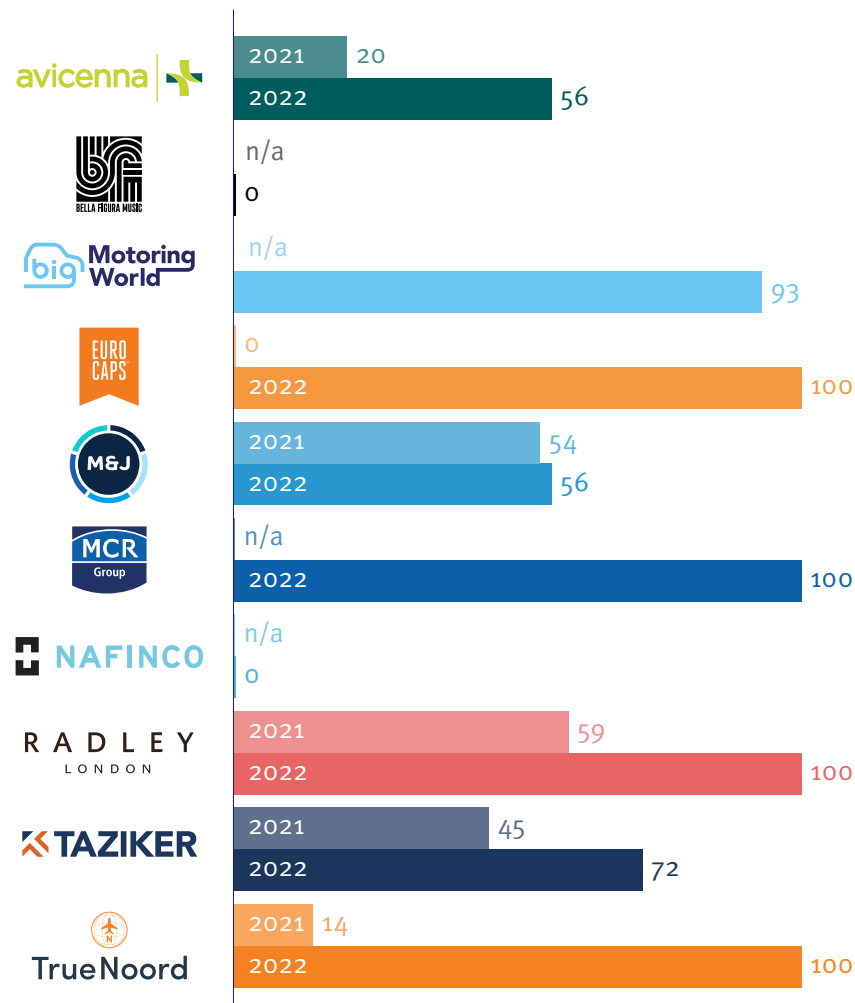
- The carbon intensity for Scope I and II across the portfolio, which takes revenue growth into account, has decreased by 26% mainly driven by:
 - An improvement for most companies, partly offset by an increase in MJ Evans and Detertech.
 - Addition of 4 new portfolio companies that have relative low emissions (Nafinco, BMW, BFM, MCR).
- In absolute terms, Scope I emissions have increased by ~20 kilotonnes, of which ~15 kilotonnes come from growth in our portfolio companies, in combination with the higher relative emissions at MJ Evans, mainly caused by an increase in new projects driven by expansion into new geographies (most emissions happen at the start of a project).
- Scope II emissions has decreased by ~3.5 kilotonnes versus last year, despite our portfolio growing, driven by a significant increase of renewable energy, which was a key focus area of us this year.

CO2 emissions and renewable energy usage

Carbon intensity (CO2/€100k turnover)



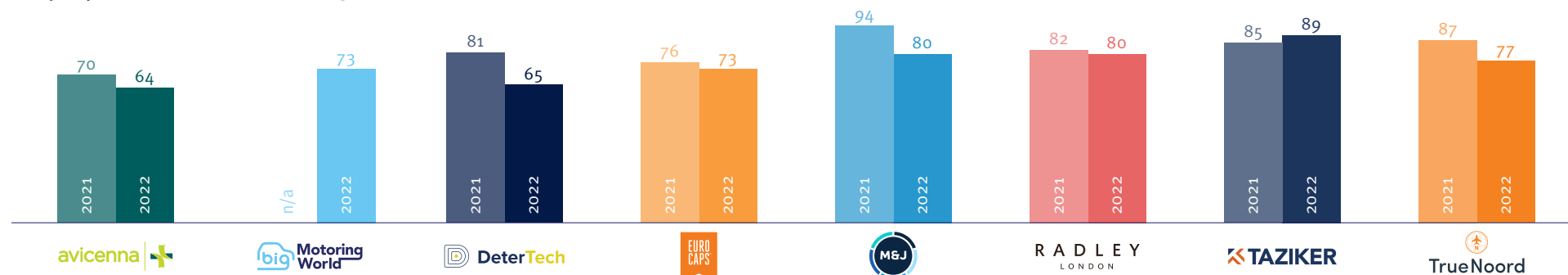
% Renewable energy (renewable electricity as % of Scope II electricity)



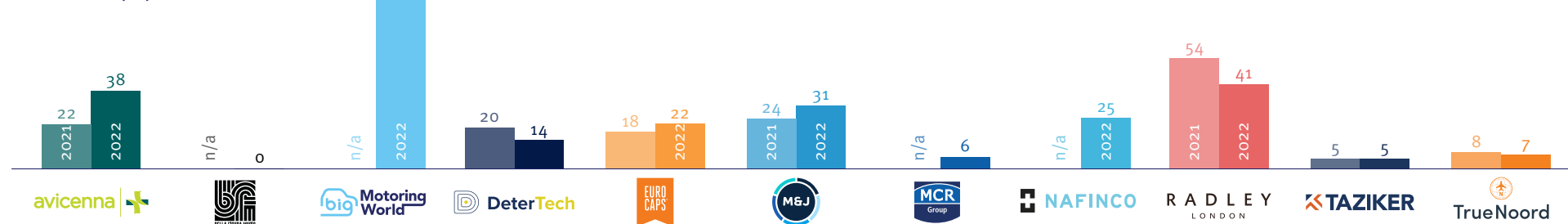
Employee engagement and attrition

- Employee satisfaction remains high (above average) but has seen modest declines, attributed to the following company specific challenges:
 - Avicenna’s score decreased due to high work pressure in pharmacies caused by labour shortages in the sector.
 - Detertech’s morale has been impacted by several acquisitions.
 - M&J Evans has been impacted by rapid geographic expansion and acquisition (though coming from a very high base).
 - TrueNoord was impacted by various organisational changes.
- Our new portfolio companies, Bella Figura Music, Big Motoring World, MCR and Nafinco have not historically done employee surveys so we have excluded them from the employee satisfaction chart, but they now have plans to implement surveys.

Employee satisfaction (rating out of 100)¹



Attrition (%)



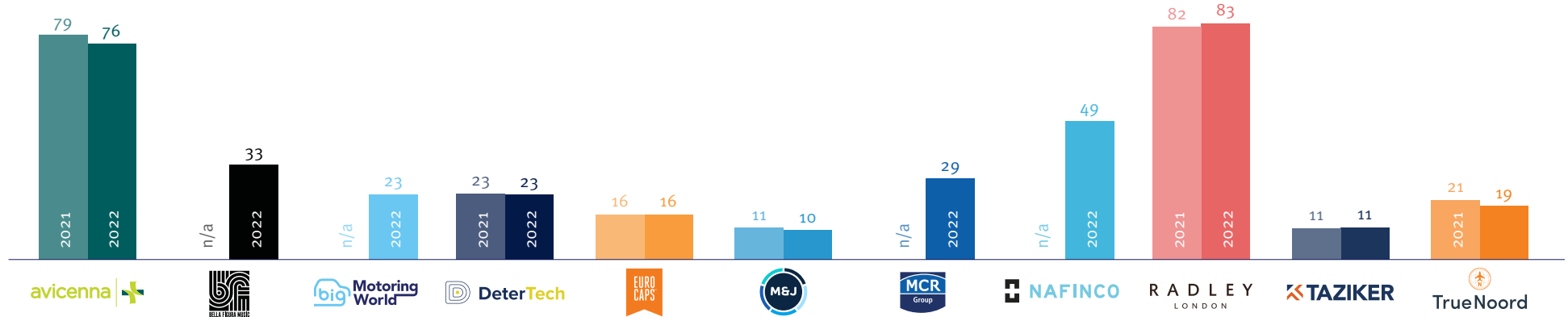
1. Employee satisfaction ratings were derived from various definitions

Gender diversity

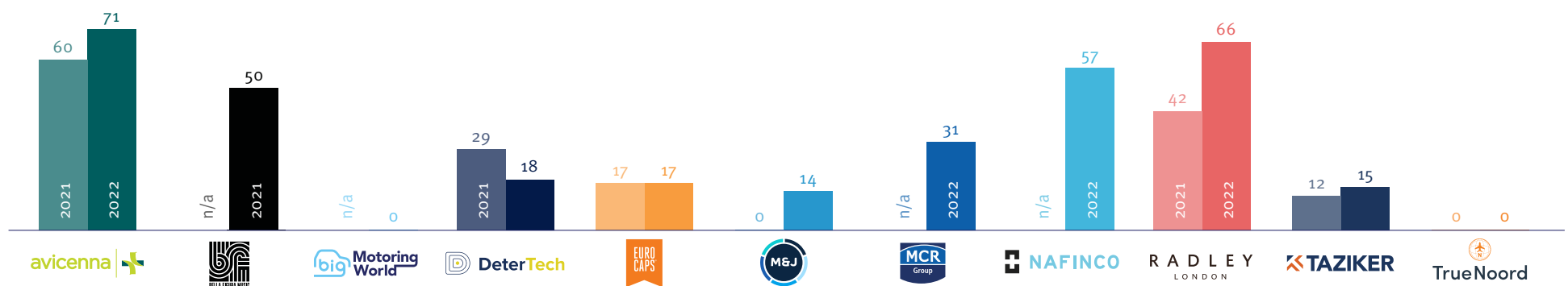
(Female representation as a percentage of total)

We have seen some areas of real improvement – Avicenna and Radley – in gender diversity at the management level. At the company level, gender diversity has been difficult to change because of labour shortages coupled with technical expertise required.

Company














Management¹



1. Management as defined by the portfolio company

Safety

(Company specific metrics)

	KPI	2021/2022	2022/2023	Trend	Target
	Dispensing errors (errors per 10k items dispensed)	0.74	0.78	➡	1.00 ●
	Number of work-related injuries	0	0	➡	0 ●
	Number of work-related injuries	n/a	17	n/a	n/a ●
	Recordable work-related injuries	0	4	➡	n/a ●
	Number of accidents resulting in absenteeism	0	0	➡	0 ●
	Accident Frequency Rate	0.97	1.07	➡	0.8 ●
	Recordable work-related injuries	n/a	n/a	n/a	n/a ●
	Number of work-related injuries	n/a	0	➡	0 ●
	Number of work-related injuries	0	0	➡	0 ●
	All Injury Frequency Rate (AIFR)	0	0	➡	0.3 ●
	Number of work-related injuries	0	0	➡	0 ●

Governance policies



Anti-Bribery and Corruption												
Gifts												
Client DD/Anti-money laundering												
Anti-competitive price fixing / cartel formation												
Data Protection / Privacy (GDPR)												
Code of Conduct												
Whistleblower												
Regulatory compliance												
Tax evasion												
Inclusion and diversity												
Equal pay												
Social media												
Health, Safety and Environment												
Supplier Code of Conduct												
Human rights (UN Global Compact & ILO standards)												
ESG supplier criteria (certifications)												
Supplier audits on ESG												
Sustainability / ESG policy												
% of policy in place	94%	11%	28%	56%	100%	67%	63%	50%	89%	79%	79%	

● In place
 ● Planned (< 1 year)
 ● Not in place
 ● Not applicable

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Avicenna is a chain of c.140 community pharmacies across England and Wales, employing around 1,350 staff. This is a buy-and-build strategy focused on acquiring high-quality community pharmacies dispensing 7,000 or more items per month.

The business has grown substantially over the past years with the acquisition of 95 pharmacies in the last two years alone (including two larger pharmacy chains).

Industry ESG relevance

- The most important ESG theme in the pharmacy sector is patient safety and well-being.
- Main objectives are to minimise errors such as dispensing incidents and ensure sufficient inventory of essential medicine.
- Effectively managing employee Health and Safety risks in branches is also critical.
- UK pharmacies and registered professionals are regulated by the General Pharmaceutical Council (GPhC) who set standards and conduct inspections every three years.
- NHS England is responsible for ensuring all pharmacies are compliant with current pharmaceutical and local pharmaceutical services regulations.
- Future developments include the uptake of automated dispensing systems and the deployment of green electricity.
- Avicenna also supports professional and safety standards of the pharmacy sector by providing over 500 of its members with industry-leading regulatory support, including SOPs and training.

Achievements over the period

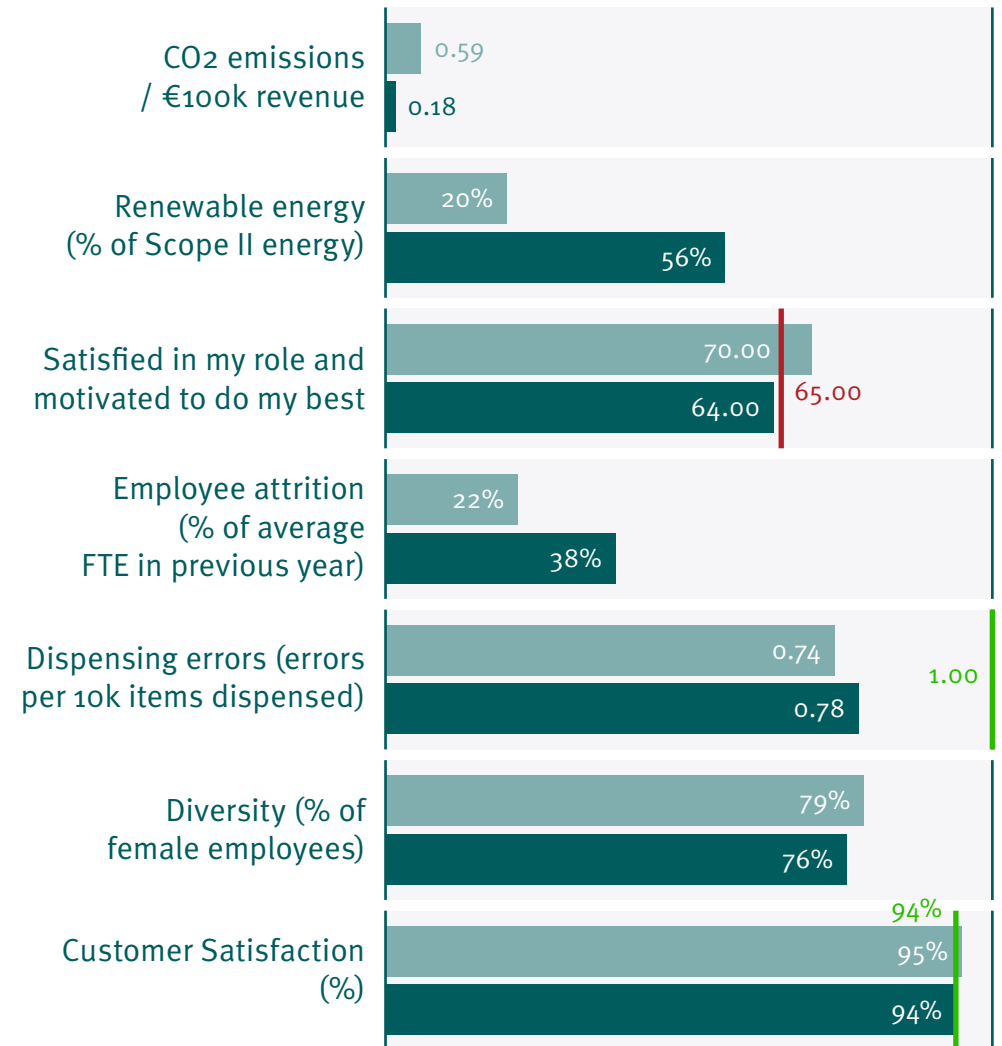
- Introduced renewable energy across all stores.
- Improved colleague benefits based on feedback from employee survey.
- Launched new benefits scheme, myAvicenna, which includes cash rewards, well-being initiatives and an employee assistance line.
- Reviewed Health and Safety company requirements, including external partners' assessment.
- Modernised back office in pharmacies to improve working environments.
- Shared learning and best practice across regions to maintain high professional standards with patient safety in mind.

Initiatives going forward

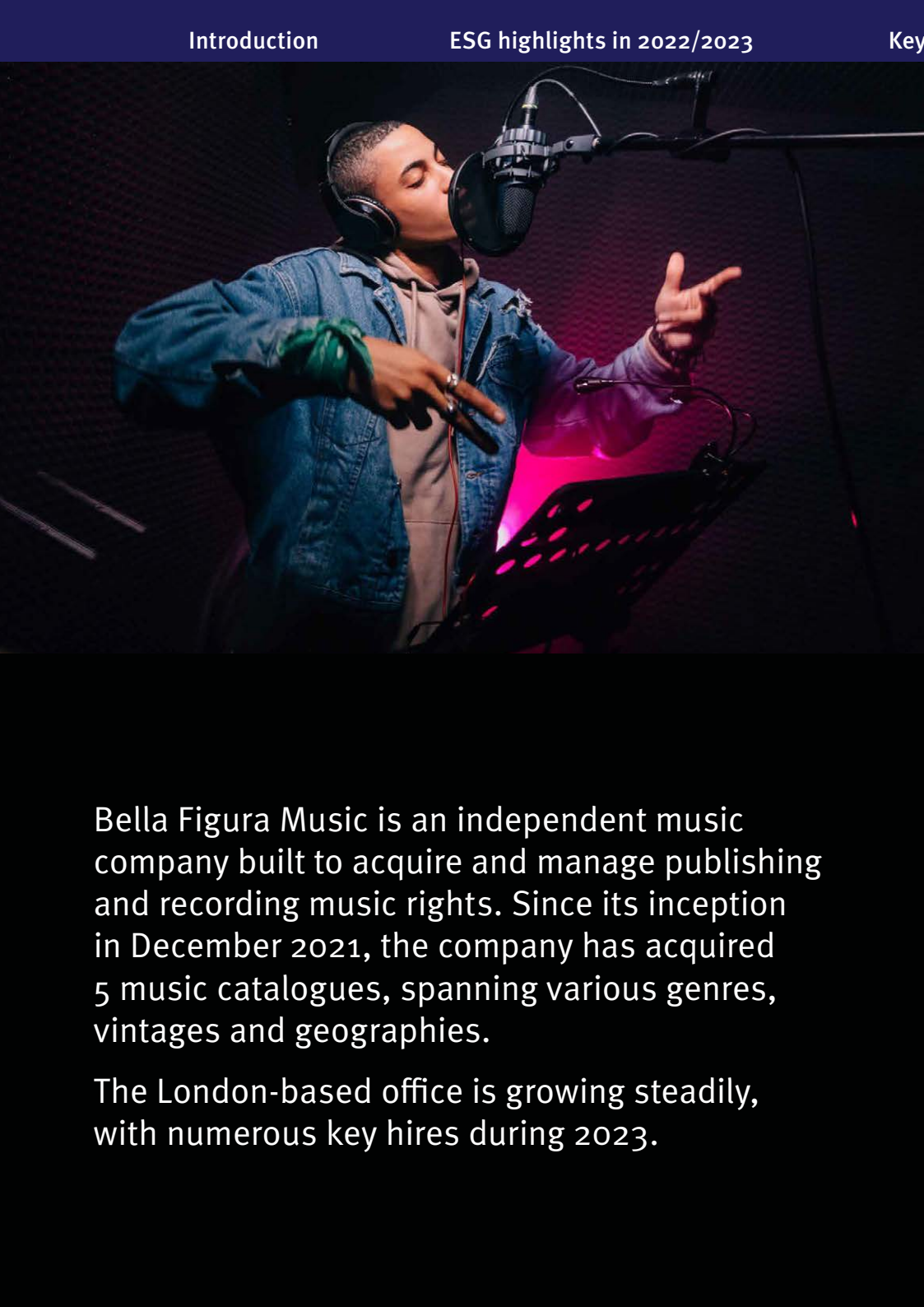
- Introducing automation in dispensary workflow to reduce safety incidents and drive paperless agenda.
- Increasing use of online platforms to reduce printing and paper usage.
- Working with responsible suppliers to match our environmental focus on consumables and recycled packaging.
- Installing smart meters across all stores to support energy usage reduction.
- Reviewing existing governance policies and introducing new approaches where appropriate.
- Introducing new Health and Safety platform, including accident management, risk assessments and colleague training.
- Reviewing delivery policy, including use of electric vehicles.
- Creating Senior Leadership Team to recognise talent and support career development.
- Further improve colleague benefits: long service recognition, bonus scheme, extra time off for continuing professional development and colleague commission scheme.
- Rolling out mental health first aid training across Wales.
- Participating in an inhaler recycling scheme to help reduce carbon emissions in Wales.



Performance



■ 2021/2022 ■ 2022/2023 — Target

A photograph of a person in a recording studio. They are wearing a denim jacket, headphones, and a green wristband. They are holding a microphone and gesturing with their hands. The background is dark with some pink lighting.

Bella Figura Music is an independent music company built to acquire and manage publishing and recording music rights. Since its inception in December 2021, the company has acquired 5 music catalogues, spanning various genres, vintages and geographies.

The London-based office is growing steadily, with numerous key hires during 2023.

Industry ESG Relevance

- Bella Figura Music's carbon footprint is limited, with a relatively low number of employees and consists mainly of occasional trips to the US on music-sourcing trips.
- Anti-bribery, corruption and good governance are important topics, as deals are often sizable financial transactions with global money streams.
- Counterparty risk and reputation are key considerations when business is undertaken with high-risk artists.




Initiatives going forward

- Introducing relevant governance policies.
- Taking a more sustainable method of business travel.
- Investigating switching to a renewable electricity contract when moving offices later this year.
- Allocating a budget for training courses in 2024.

Performance

CO2 emissions / €100k revenue	n/a 0.00
Renewable energy (% of Scope II energy)	n/a 0%
Employee attrition (% of average FTE in previous year)	n/a 0%
Total Recordable Incident Rate	n/a 0
Diversity (% of female employees)	n/a 33%

■ 2021/2022 ■ 2022/2023



Big Motoring World is a leading UK tech-enabled second-hand car platform with a growing retail footprint and a strong online proposition.

Founded in Kent in 1986 as a single 20-car site, Big Motoring World now operates a total of six high-volume, high-capacity dealership sites across the South East, East Midlands and South West London. They retail approximately 30,000 used vehicles annually, and the business also includes two vehicle preparation centres.

The company has also launched its own platform for direct-to-consumer vehicle purchasing and continues looking for ways to expand its physical footprint and product offering. The used car market has demonstrated resilience, with quick recoveries during economic downturns and continued demand in line with new car registrations.

Industry ESG Relevance

- Vehicle emissions are a continued focus as the net zero agenda accelerates. The used car industry is a key entry point into the electric vehicle market for lower-income consumers who can't afford new cars. Focusing on extending the lifecycle of cars reduces environmental impact by conserving resources and limiting emissions associated with manufacturing new vehicles.
- Preparing used cars ahead of display can be a resource and energy-intensive procedure. Efforts have been made to increase the use of recycled spare parts in the industry, and prep facilities are becoming more environmentally friendly by installing solar panels.
- Health and safety is a crucial component of the industry due to mechanical procedures during the preparation and transport of cars and the risk to staff and customers during test drives.
- Treating customers fairly is a main area of focus in the industry because of commission-based salary structure. With the FCA's Consumer Duty being introduced, it is key that robust systems and controls are put in place.

Achievements over the period

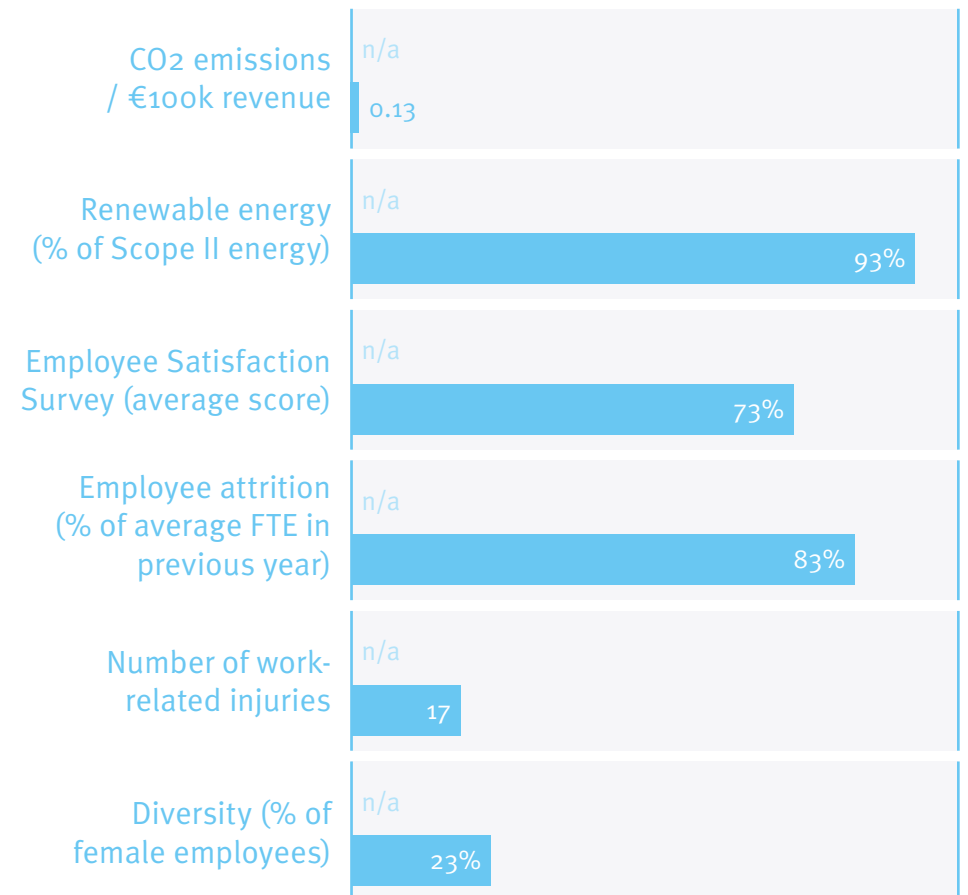
- Continued transition of company vehicles to electric. All the Senior Leadership Team are now using EVs. Installed EV charging points at all sites.
- Supported Key Workers and local community heroes with a £1,500 fuel voucher giveaway.
- Partnered with Kent Air Ambulances and sponsored 'Heli Hike' with a business donation and employees raising over £7,000.
- Bluebell Hill branch employees organised a charity fundraiser for Macmillan Cancer Support.
- Recruited a Compliance Officer.
- Introduced recycling waste disposal at all sites.

Initiatives going forward

- Introducing first employee engagement survey.
- Installing Defibrillators at all sites.
- Partnering with Maidstone Homeless Care to provide items donated by employees across all sites.
- Sponsoring Canterbury Pride Festival with employee attendance.
- Formalising training strategies for employees.
- Refreshing and re-training all relevant management on bribery, corruption and modern slavery.
- Developing and implementing new Learning Management System.
- Implementing new HR and accounts system.
- Achieving first aid in the workplace qualification for employees of all departments at all sites.
- Opening of new environmentally friendly HQ building in Gillingham with focus on staff satisfaction and wellbeing.
- Shifting the energy supply for our National Vehicle Preparation Centre to solar.
- Auditing general energy provision and moving to more sustainable options.
- Creating a sustainability strategy.
- Increasing our commitment to gender diversity.
- Setting long-term science-based carbon reduction targets.



Performance



■ 2021/2022 ■ 2022/2023



DeterTech offers security technology to its customers in the UK, Ireland, Germany, Netherlands, Denmark and Sweden, mainly in the construction, infrastructure and property management sectors. The company has over 8,000 remote monitoring units deployed today.

A division of the business also provides a proprietary traceable liquid and forensic marking solution called SmartWater, which allows criminals or stolen property to be linked to crime scenes.



Industry ESG Relevance

- The core service of companies in this industry is providing security to customers, protecting their property and deterring crime.
- Physical violence has historically been a key risk in the security sector, so replacing physical security guards with cameras helps mitigate this.
- Whilst the security sector has traditionally been male dominated, the workforce is now becoming more balanced as it shifts away from physical guards to remote monitoring.
- As DeterTech's solution is only active when motion is detected, the products consume very little energy (battery life of up to 4 years).
- Some carbon emissions are produced in transporting the devices to site, though this is much less than the alternative of manned guards who would need to commute on a daily basis.

Achievements over the period

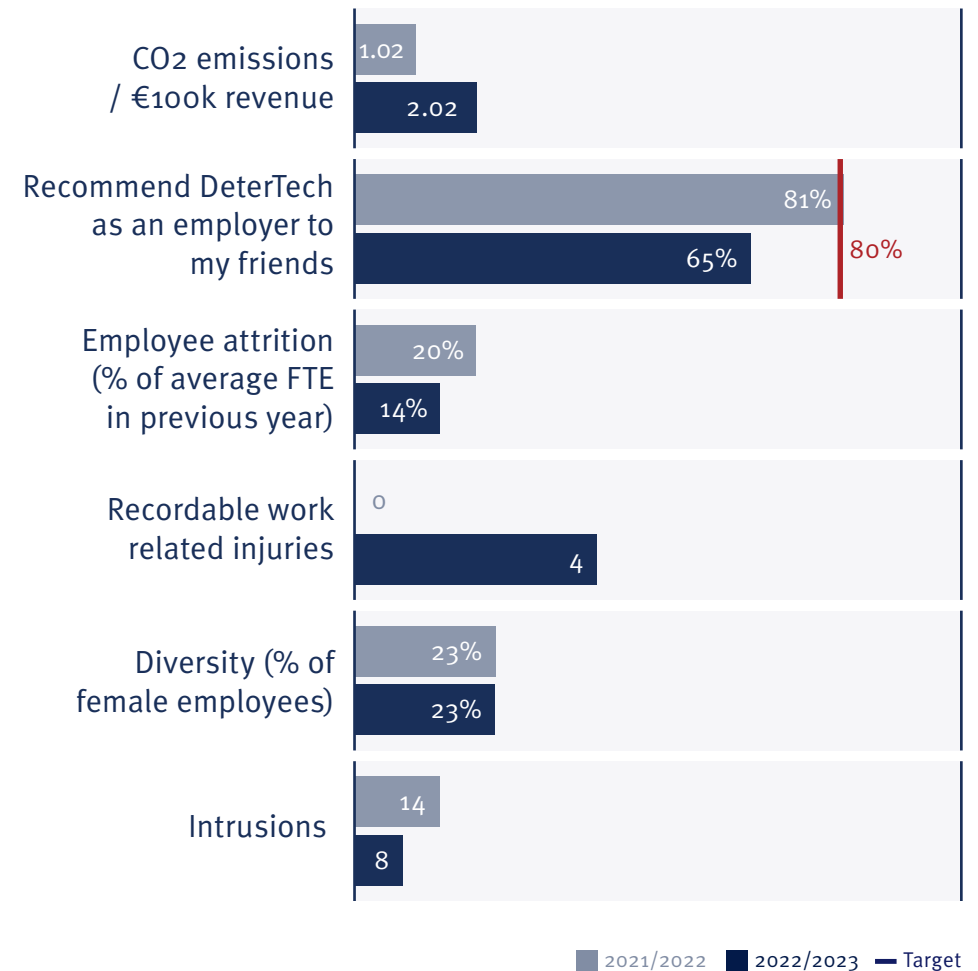
- Developed e-learning packages for all employees, including safety at work HSE, GDPR, Information security awareness, environment-friendly workplace and diversity modules.
- Hosted a company conference, bringing together everyone across the groups for the first time to focus on purpose, values and behaviour.
- UK sites achieved ISO14001 certification (standards to help organizations minimize how their operations negatively affect the environment).
- Integrated ISO9001 (quality management systems standards) to include criteria to review supplier Corporate Social Responsibility (CSR) and ESG performance.

Initiatives going forward

- Introducing a rechargeable battery and solar-powered security camera and discussions with a battery technology company to seek more sustainable solutions.
- Partnering with a waste management provider committed to sending 0% to landfill waste at the Telford (UK) site, with other sites' suppliers to be reviewed.
- Improving the accuracy of monitoring staff vehicles and low-emissions driving training.
- Regular newsletter contains a compliance section to increase staff engagement.
- Moving into new offices and installing solar panels, heat exchange systems and extra charging points for EVs.
- Investigating suitability and cost-benefit of installing wind turbines at the offices located in Scotland.
- Partnering and regularly engaging with the Sustainability West Midlands and Sustainable Energy Business groups.
- Assessing the installation of solar panels, wind and heat exchange systems across the group's European locations.
- Expanding the ISO14001 certification into the Dutch, German and Danish operations.



Performance





Euro Caps was founded in 2012 and is currently the world's largest manufacturer of private label single serve capsules.

The company currently employs over 300 employees and produces more than 4 million capsules per day at its two sites in Rotterdam.

Products are primarily sold through food retailers but also via partnerships with coffee roasters and brands.

Industry ESG Relevance

- From a sustainability perspective, coffee is a high-risk industry with significant social and environmental issues throughout the supply chain.
- Consequently, multiple certification programmes aim to limit coffee's ESG impact, including UTZ, Fairtrade, and Rainforest Alliance.
- In the long term, maintaining current supplies of coffee might become problematic due to environmental pressures and climate change vulnerability.
- The main impacts of the coffee capsules industry are waste generation of the capsules and packaging.
- Public scrutiny and prospective regulation on single-use plastics are driving retailers away from packaging made from virgin plastic. Therefore, industry experts agree that the current plastic packaging of coffee capsules is not a future-proof solution.
- Consumer awareness and plastics legislation will impact the viability of different alternatives. This might potentially rule out alternatives and is likely to accelerate the transition to compostable packaging.

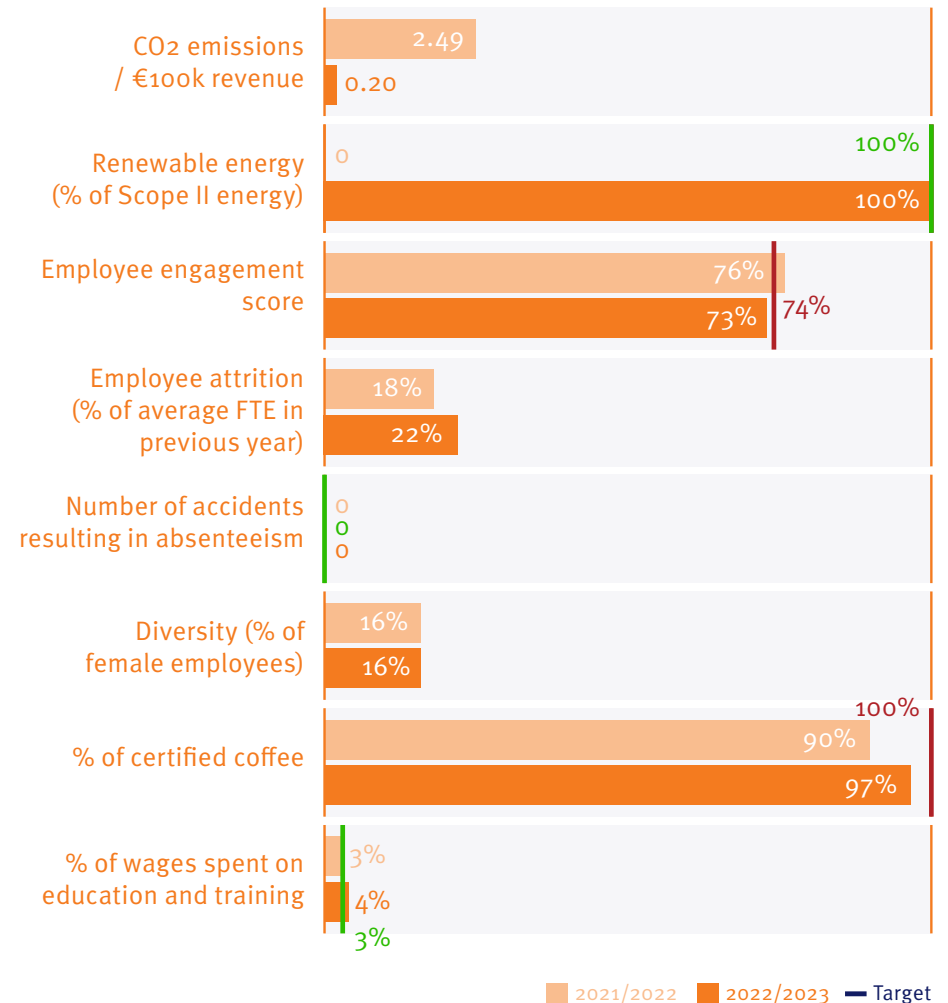
Achievements over the period

- Awarded Top Employer for the third year in a row.
- Launched compostable capsule.
- Continued capsule innovation to reduce waste.
- Updated leasing policy so only EVs are used going forward.
- Became officially Climate Neutral and supported certain customers to obtain Climate Neutral certification.
- Completed B-CORP application (waiting for assessment and confirmation).
- Continued training initiatives for staff.
- Increased the number of farming families participating in the Amazon WWF deforestation project to 97.

Initiatives going forward

- Becoming a B-CORP.
- Continuing the development of a home compostable (paper) capsule.
- Publishing first company-level ESG report.
- Increasing participating farming families in Amazon WWF deforestation project.
- Continuing working with local charities to help disadvantaged individuals enter the labour market.

Performance





Founded in 2003, M&J Evans is a UK-based company offering a range of civil engineering, foundations and groundworks services to the residential building sector.

Operating in the Midlands, south of England, South-West, North-West and Yorkshire, the company provides technical expertise to its clients, focusing on value-added engineering advice to enhance and optimise tailored solutions.

Ground engineering is a fragmented and significant market in the UK. The top 10 firms only account for 20% of the total industry, which is valued at £4.5bn. M&J Evans is one of the largest groundworks and civil engineering providers in the UK.

Industry ESG Relevance

- In groundworks engineering and the wider housebuilding sector, employee health and safety always comes first. This is reflected in the growing emphasis on Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and other similar metrics in the tender process.
- In recent years, carbon emission has become a key theme for all major housebuilders, and many have declared their intention to become carbon neutral.
- Embedded carbon in building materials (particularly concrete) and running machinery or generators are the most significant ways housebuilders and subcontractors contribute to carbon emissions.



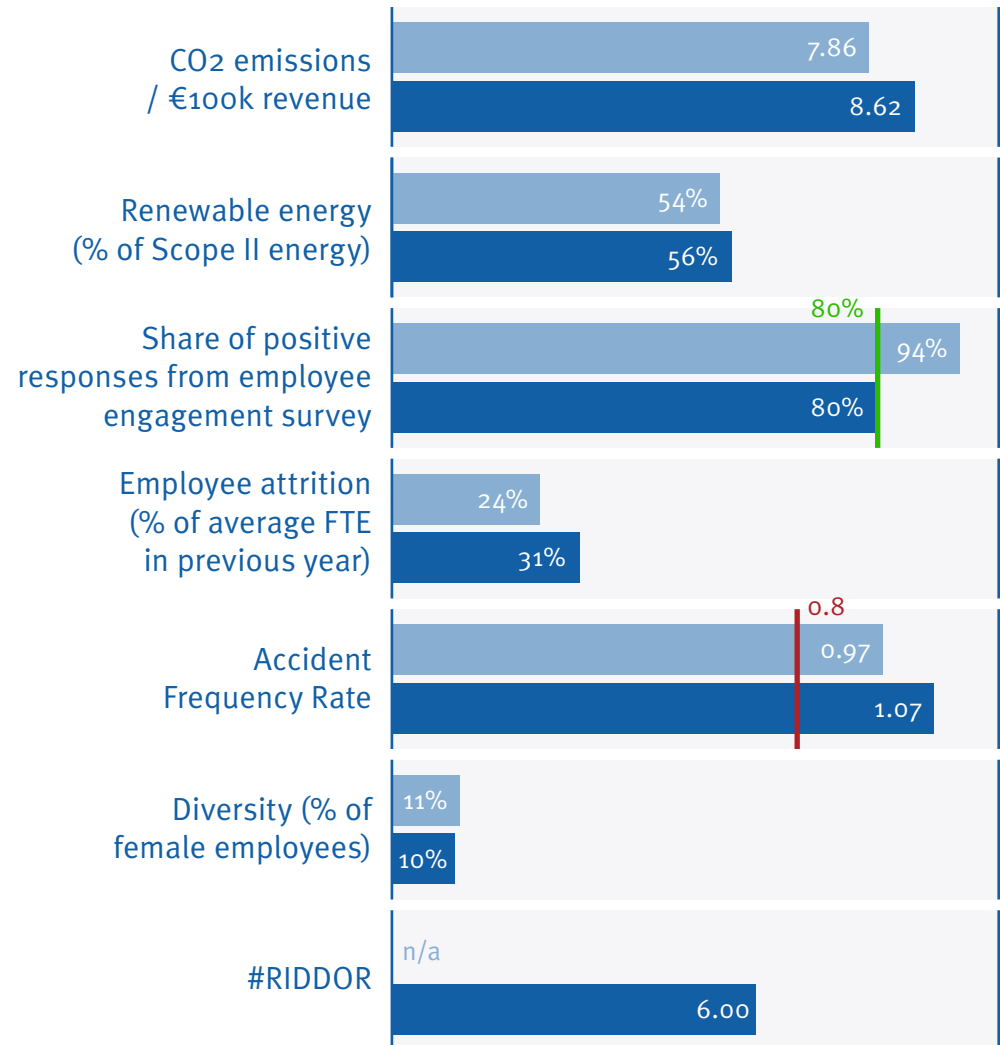
Achievements over the period

- Installed electric vehicle charging points.
- Shifted the energy supplier for head office to solar.
- Encouraged clients to specify and adopt low-carbon concrete.
- Introduced continuous training (via an online platform) to provide education on key subjects (modern slavery, general data protection regulations, driver awareness) and support career development.
- Established a graduate programme.
- Recruited apprentices from local communities.
- Updated the social media policy.
- Delivered support packages to Ukraine.
- Sent a large donation to the company’s chosen charity – Shelter.
- Ranked as 8/10 for employer of choice.

Initiatives going forward

- Ensured that 50% of all cars are either electric or hybrid.
- Converting cars to full electric to hit target of 50% by end of 2024 and installing more charging points.
- Fitting speed restrictors to all vans and training drivers on reducing fuel consumption by 8% annually.
- Using fuel-efficient biodiesel to reduce carbon usage by 5% per annum.
- Moving to electric tools to hit target of 50% in 2025.
- Implementing optimisation software and toolbox talks and reviewing machine usage to reduce plant idling time.
- Reviewing carbon footprint, setting reduction targets and implementing a broader sustainability plan.
- Installing smart gas meters across all permanent sites.
- Increasing use of video conferencing technology to reduce travel.
- Using more energy efficiency technologies to save engineers travelling to sites.
- Developing the new employee benefits platform called M&J Works Perks.

Performance



■ 2021/2022 ■ 2022/2023 — Target



Founded in 1996, MCR Group is a leading outsourced services company based in Ireland with a workforce of over 3,000 employees.

The company provides services across security, cleaning, personnel, and engineering to a broad range of multi-site customers in the commercial, construction, property management, healthcare, government, and retail end markets. MCR has also recently expanded into the life sciences and data centres end markets and added grounds maintenance to its service proposition.

The company has an environmentally sustainable service offering – ÍON (meaning pure in Irish) – for clients targeting energy and carbon footprint reduction, recycling and re-using.



Industry ESG Relevance

- Employee well-being is a primary ESG theme in the outsourced services industry.
- Implementing robust health and safety measures, providing adequate training and development opportunities, and promoting a culture of safety are key objectives to reduce incidents in the workplace and enhance employee engagement.
- Ensuring compliance with all relevant labour and employment laws and regulations is also critical.
- Promoting diversity and inclusion and protecting client and employee data by ensuring compliance with data protection regulation is also essential.
- While outsourced services companies have a limited direct environmental impact, they can still have an indirect influence by selecting suppliers prioritizing energy efficiency and sustainable practices.



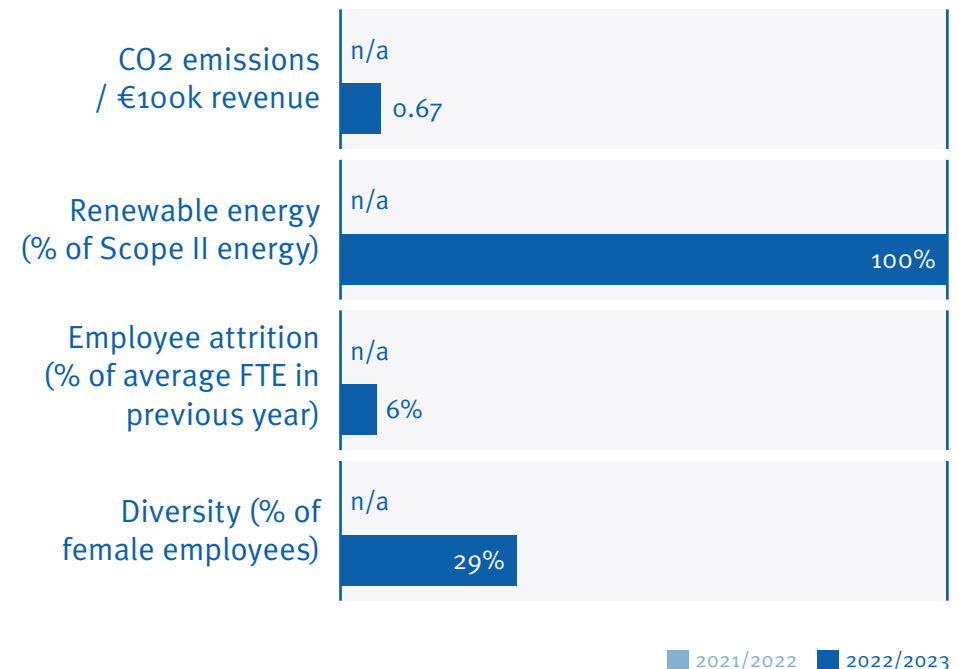
Achievements over the period

- Maintained low employee attrition by paying weekly wages (most peers are monthly) and offering flexible work locations and hours.
- Invested in an in-house training programme to support internal promotions, developed an online training platform and offered courses at University of Dublin to selected employees.
- Awarded runner-up in the Green Awards (an environmental service initiative) for the last two years after winning in 2020 – the only cleaning company to have done so.
- Increased the number of EVs to 25% of the total fleet.
- Held a number of charity events, including Mental Health Day in the office, donated £20,000 to various charities selected by customers, supported local football and hurling clubs, sponsored the Donegal's Gaelic Football women's team and organised local events to support the community.

Initiatives going forward

- Introducing cleaning products made from vegetables to replace all our chemical products.
- Reducing sanitizing products and plastic usage.
- Implementing first employee engagement survey.
- Concentrating efforts on recruiting more female security guards, including internal retraining.
- Increasing number of EVs in our company fleet.
- Improving HSE reporting.

Performance





Nafinco is the leading buying group for independent pharmacies in the Netherlands.

The company has grown substantially over the last 5 years and supports over 200 pharmacies with their drug purchasing.

It also provides digital services such as e-pharmacy solutions and smart software solutions to drive efficiencies within the pharmacy.

Industry ESG Relevance

- Nafinco has a small ESG footprint as the company has only ~20 employees in an office environment, no manufacturing and has no direct contact with consumers.
- In the wider industry, patient safety is a key ESG consideration – but Nafinco doesn't prescribe, transport or stock drugs itself.
- Nafinco does help pharmacists and patients as it can track stock at the wholesaler and in the pharmacy in real-time, which is very important due to significant drug shortages in the Netherlands.
- Good governance is essential, with anti-bribery and data protection being most relevant.

Achievements over the period

- Confirmed compliance of pharmacy and wholesaler contracts with Dutch tax law.
- Introduced 5 new governance policies since being acquired by Freshstream: gifts, anti-corruption, data protection, code of conduct and regulatory compliance.
- Implemented a new HR policy to gift every employee a percentage of their salary towards training.
- Performed an extensive HR review.

Initiatives going forward

- Increasing pharmacies' availability of medication to patients due to Nafinco's new tooling. This is particularly relevant in the Netherlands, where significant drug shortages exist.
- Assessing HQ offices' renewable energy options.
- Implementing HR review recommendations, including developing a new HR strategy, introducing more personal development opportunities and providing clearer communication.
- Introducing new governance policies, including whistleblower, tax evasion, diversity and equal pay.
- Exploring opportunities for transitioning the Sales team to electric vehicles.
- CFO and COO participating in FreshThinking – Freshstream's leadership development programme
- Conducting a Cyber Security review of the business to improve protection of internal systems.
- Launching first-ever employee survey.



Performance

CO2 emissions / €100k revenue	n/a 0.02
Renewable energy (% of Scope II energy)	n/a 0%
Employee attrition (% of average FTE in previous year)	n/a 25%
Total Recordable Incident Rate	n/a 0
Diversity (% of female employees)	n/a 49%

■ 2021/2022 ■ 2022/2023



RADLEY
LONDON

Radley London is a leading British affordable luxury handbag and accessory brand. Established in 1998 in the heart of London, the business is now evolving into a lifestyle brand across multiple product categories.

The business is digitally-led with enormous design creativity, reaching customers within a disciplined multi-channel international distribution. Radley London is rapidly growing its direct-to-consumer strategy across multiple platforms including a significant online presence.

This strategy, alongside a sustained elevation focus in both product and marketing, has seen a successful expansion into the US market through partnerships with Macy's department stores, direct online sales, digital platform partners and retail stores.

Industry ESG Relevance

- Major focus is on the use of cow leather, which is one of the most impactful materials used in fashion and is also exposed to risks of poor labour standards in the supply chain.
- Testing procedures for chemical substances are required to manage product safety and quality risks.
- Auditable certifications are required to ensure socially acceptable working conditions in tanneries.
- Transparency and traceability are becoming a concern for many consumers and are becoming a license to operate.
- Driven by an increasingly eco-conscious audience, alternative 'leather' bags such as sustainable and recycled options are gaining popularity.
- In the future, the semi-luxury goods industry will increasingly market leather alternatives and replace chemicals with vegetable-based tanning solutions.

Achievements over the period

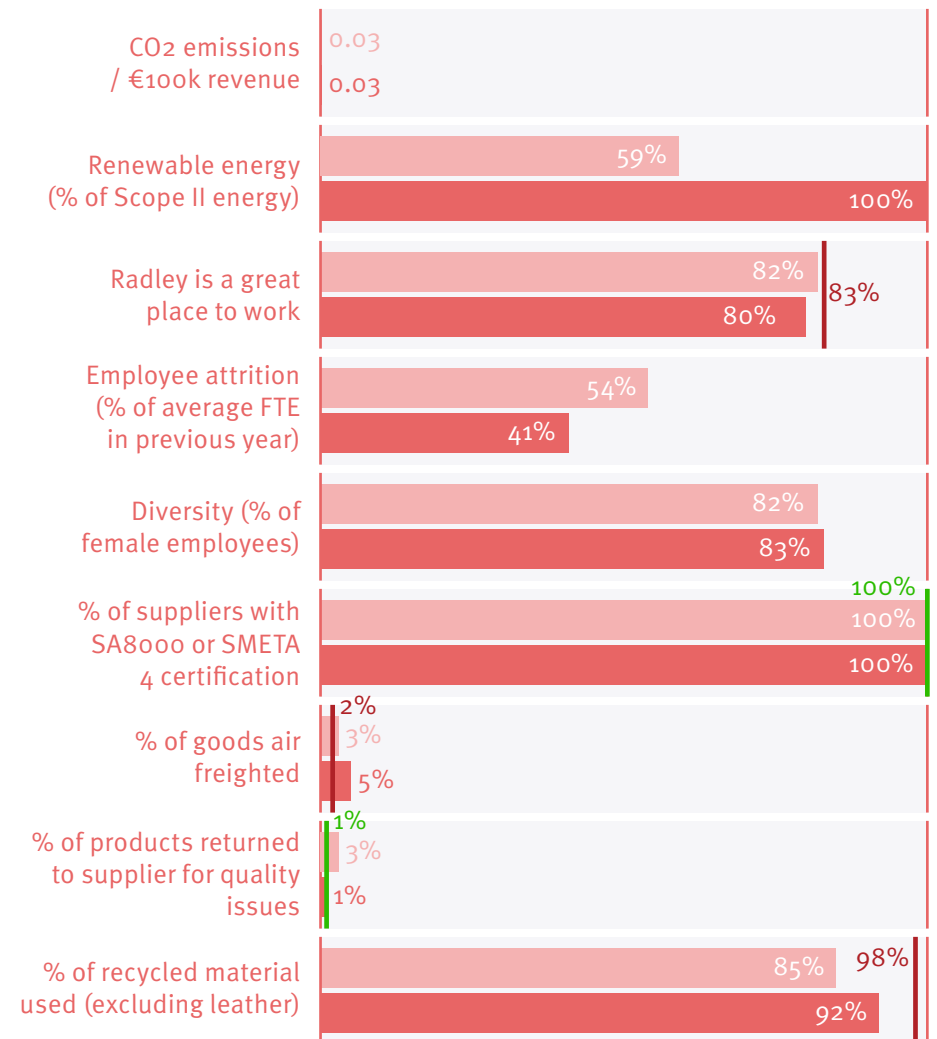
- Continued to grow the Responsible Product Collection so that 29% of products are from this range.
- Secured agreement from all partners to sign into the Compliance and ESG programme.
- Sourced 100% of leather from Leather Working Group-rated tanneries, with all leather the bi-product of the food industry.
- Ensured all cotton used is BSCI approved (an Initiative of the Foreign Trade Association, all participants are FTA members and share a vision of “Free Trade, Sustainable Trade”).
- Converted 50% of company car fleet to EVs.
- Continued shift to recycled and sustainable packaging materials (100% of customer delivery and new store packaging, and 80% of shipping packaging).
- Saved 5719kg of CO₂ (equivalent to planting 22 trees) by delivering over 20,000 customer parcels via e-vehicles.
- Installed Ion Air filters at distribution centres and headquarters.
- Sent all plastic and paper waste to an established recycling programme.
- Committed to Rimba Raya project (protecting 65,000 hectares of rain forest in Indonesia from deforestation) for 5 years.
- Scored 80% employee engagement with Brand Colleague survey and ran well-being, diversity and fitness assessment programmes.

Initiatives going forward

- Increasing recycled packaging to 95%.
- Completing and implementing the Distribution Centre Energy Neutral programme.
- Reducing air freight to below 3% of goods into the business.
- Working with SmartCarbon to set carbon reduction targets for FY24 and beyond.



Performance



■ 2021/2022 ■ 2022/2023 — Target

1. SA8000 and SMETA 4 are ESG certification standards for suppliers



Taziker is a multi-discipline engineering specialist founded in 1969.

The company provides services for the preparation, restoration, repair and surface treatment of structural steel bridges, buildings and major structures.

Today, approximately half of Taziker's revenue is derived from the railway industry, and the company also undertakes remedial works in the highways & marine sector as well as the term maintenance and outage support of UK industrial complexes.

Additionally, Taziker also operates specialist units, including a design and fabrication capability, which will include a dedicated and innovative Fibre Reinforced Polymer Footbridge offering from FY23.



Industry ESG Relevance

- Employee health, safety and well-being is a primary ESG theme in the industrial and rail maintenance sector. For example, protecting employees from exposure to lead content in old paints.
- The environmental impact and cost of landfilling heavy-metal-contaminated abrasive waste is also a key focus. Abrasive waste disposal costs have risen from £30 to £300 per tonne in five years.
- Attracting and retaining young talent is a significant challenge in the industry.
- Energy and carbon exposure is an issue due to diesel used by generators and vehicles.
- Most smaller UK players in the industry have a reluctant approach to ESG, and the industry has limited improvement initiatives. However, larger UK construction companies have long-term climate targets.
- Climate regulation will become more stringent to meet the UK's Climate Change Act 2008 goals of achieving reductions of 57% by 2030 and 80% by 2050. The potential solutions include the use of hybrid generators, biodiesel and low-emission vehicles.

Achievements over the period

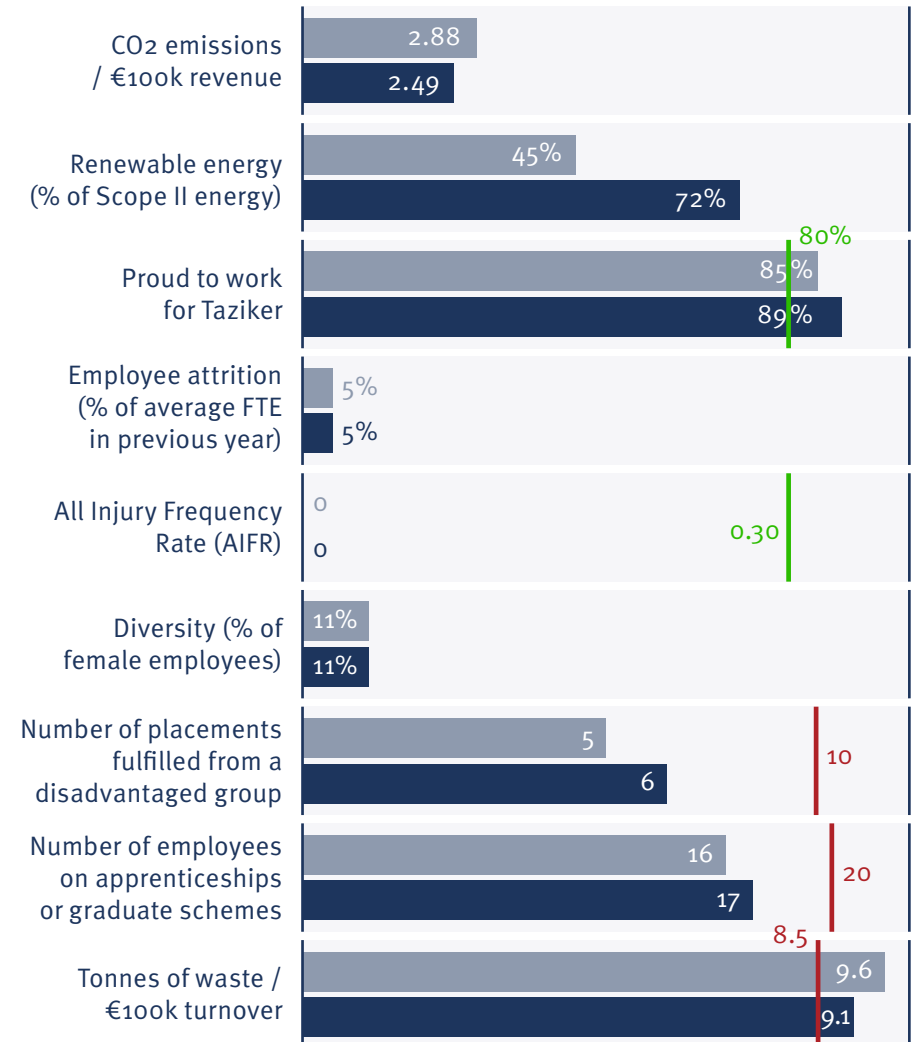
- Continued to focus on making premises more accessible to people with disabilities.
- Increased our commitment to gender diversity, including quarterly meetings on how to attract more women to a career at Taziker.
- Replaced most polluting vehicles with electric cars.
- Introduced volunteering days, giving employees opportunities to offer their time and skills outside their day-to-day roles.
- Increased employment opportunities for disadvantaged young people, hired people straight out of the military, and registered as a National Living Wage employer.
- Set up ESG cross-functional working groups to develop an ESG strategy, and introduced a reporting tool to quantify the social value the business delivers.
- Joined Science Based Targets Initiative and publicly published carbon reduction commitment.
- Implemented the use of renewable energy for powering our welfare units.

Initiatives going forward

- Promoting low-carbon projects, including the sustainable benefits of the Legacy Footbridge -which delivers the lowest-possible whole-life carbon (58% below any steel or concrete equivalent).
- Introducing new maternity and paternity packages.
- Reforming our Energy Management System and efficiencies by gaining ISO 50001.
- Reducing waste reduction through repurposing and recycling of contaminated materials.
- Implementing a responsible sourcing strategy to reduce our environmental impacts and enhance our supply chain to drive ethical and sustainable procurement practices.
- Driving our Social Value Recruitment strategy to remove socio-economic barriers and incentives to attract more women into engineering.
- Continuing the development of the ESG dashboard to report live social value and environmental sustainability data on all projects.
- Developing a biodiversity calculator to align with environmental targets of major clients and introduction of a biodiversity policy.



Performance



■ 2021/2022 ■ 2022/2023 — Target



TrueNoord is an aircraft leasing firm focused on regional aircraft that carry between 50 and 150 passengers.

The company has developed an extensive customer base of airlines including: Air France-KLM, British Airways, IndiGo, Ethiopian Airlines, Porter and Republic Airways (which provides long-term capacity to several US majors). As a full-service lessor, TrueNoord has a highly regarded technical, financial and asset management platform.

Short-haul flights performed by our aircraft represent a significant portion of our industry. About 50% of all passenger journeys by air are under 300 nautical miles. This is particularly the case in South East Asia and Latin America – where some of TrueNoord's fleet is deployed – because ground transport infrastructure is less developed.



TrueNoord

Industry ESG Relevance

- The industry is subject to stringent safety regulations and standards and has a significant climate change impact.
- Continuous airframe and engine efficiency improvements that have already generated major emissions reductions will be complemented by better flight route optimization and the increased use of bio- and other sustainable fuels.
- In the long run, electric motors powered by batteries and hydrogen will drive Green House Gas reduction for airlines, particularly for smaller aircraft that fly short-haul services.
- Anti-bribery, corruption and good governance are topics of importance as leasing firms make large global financial deals.
- Counterparty risk and reputation are key considerations when business is undertaken in high-risk jurisdictions.



TrueNoord

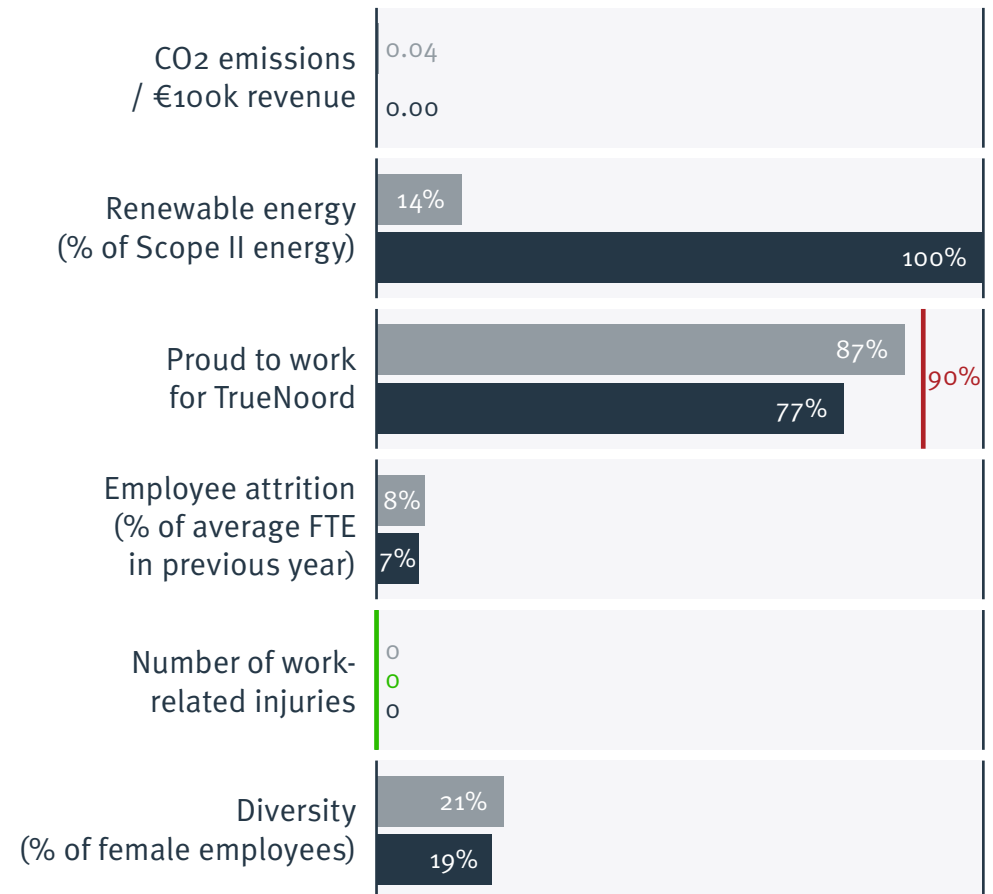
Achievements over the period

- Involved in the Aircraft Leasing Ireland (ALI) Sustainability Charter, developing a coherent ESG strategy for its 40+ member lessors to meet the industry's net-zero target by 2050.
- Contributed to ALI's education initiative, creating a series of ESG training modules for all leasing industry staff.
- Committed to purchasing 6 E2-195s – a new generation energy emissions efficient aircraft and added a newly produced energy-efficient ATR aircraft.
- Continued focus on attracting diverse candidates, an internship programme and offering employee training.
- Changed energy supplier contract to largely wind energy.

Initiatives going forward

- Developing ESG principles in tandem with involvement in the ALI ESG working group.
- Improving disclosure of carbon impact of TrueNoord's fleet against the increasing industrywide consensus of 2019 as a base year.
- Continuing focus on enhancing governance.
- Engaging with manufacturers of next-generation aircraft with hybrid electric and hydrogen propulsion systems.
- Focusing on improving employee engagement with initiatives including introducing an enhanced HR tool to track performance and more regular employee surveys.

Performance



■ 2021/2022 ■ 2022/2023 — Target

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