



**Partnering for
Sustainable Growth**

ESG & Sustainability
Report 2021/22

CONTENTS

WELCOME

01-02

WHO WE ARE

03-08

ESG AT TDR

09-10

ENVIRONMENT

11-20

SOCIAL

21-28

GOVERNANCE

29-36

Welcome

As a control investor with a hands-on approach to driving sustainable, long-term growth at our portfolio companies, we are naturally focused on the environmental, social and governance aspects of our businesses. We seek to work collaboratively with our portfolio company management teams to embed ESG & Sustainability principles and goals in their business strategies and operations and monitor performance to ensure that progress is being made. Our annual ESG & Sustainability report is one of the principal ways in which we seek to communicate to our stakeholders on the progress that has been made across a number of ESG initiatives both at TDR and our portfolio.

The last twelve months have brought new challenges in Europe as the impact of the pandemic largely subsided to be rapidly replaced by supply chain constraints, inflationary and interest rate pressures and a cost of living crisis for many consumers. The environment has meant that our businesses have needed to remain nimble and innovative in order to mitigate the financial impacts of these challenges while importantly, needing to focus on supporting their employees, customers and the communities in which they operate in an attempt to alleviate some of the more acute pressures on household budgets.

Separately, we have continued to focus on climate change, working on further understanding the risks and opportunities within our portfolio companies, building on the groundwork undertaken with a specialist climate change consultancy last year. We have also worked closely with our portfolio companies to help them add ESG & Sustainability talent including at the most senior level. For the first time, we are happy to report that all our portfolio companies have a dedicated Head of ESG & Sustainability in place which should help ensure even greater focus and progress in the future.

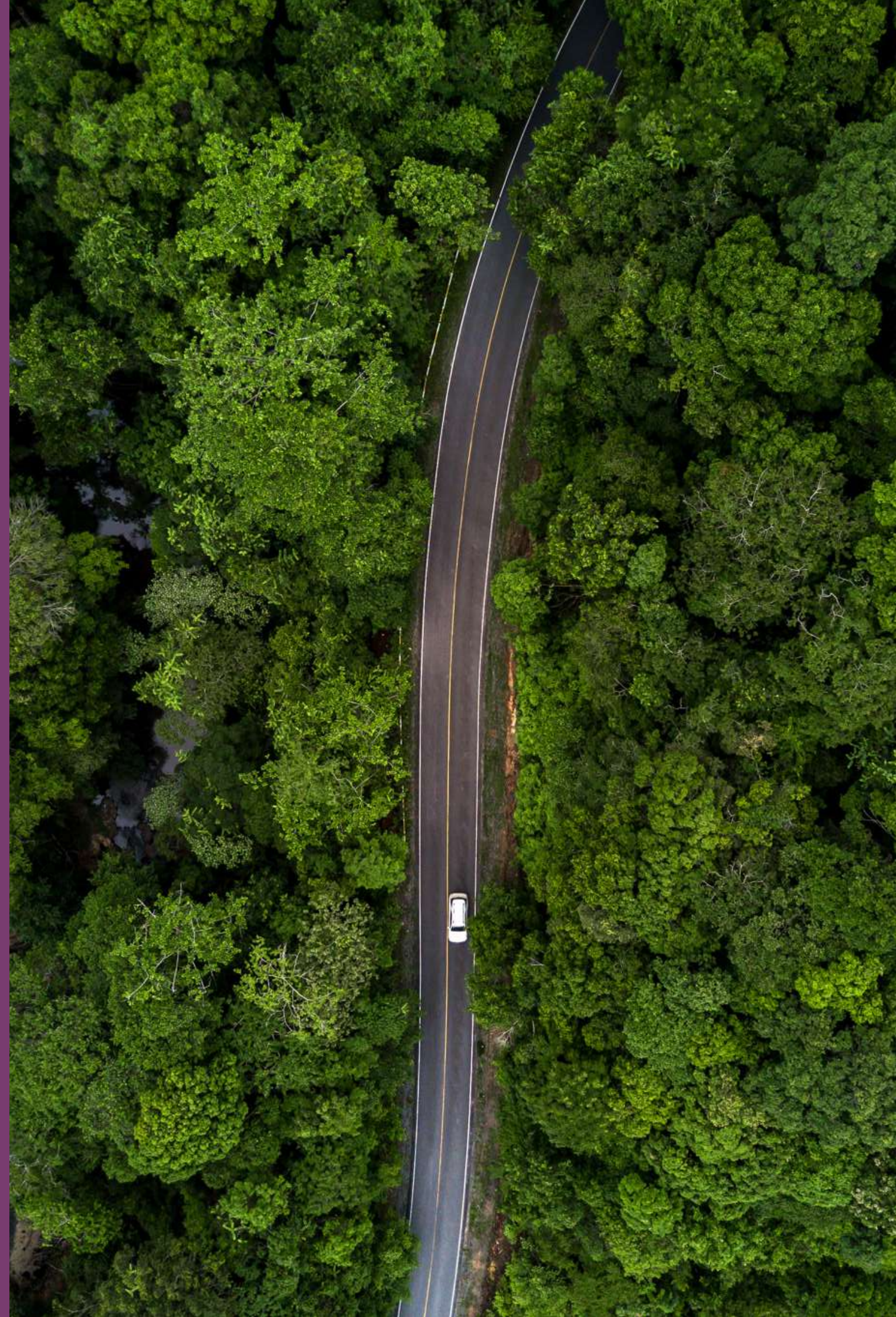
One of the key areas of focus in our industry at the moment is ensuring reliable and consistent ESG data collection. We have recently rolled out the Worldfavor reporting platform to all of our portfolio companies which we believe will further improve the collection and analysis of ESG data. Furthermore, we believe we can leverage our in-house data science expertise to analyse the complex data that we will now be able to systematically collect and use this analysis to drive positive ESG outcomes.

Finally, we continue to encourage equality, diversity and inclusion (ED&I) initiatives across the portfolio and our own activities as well as supporting a number of industry-wide initiatives to improve diversity in the investment industry. We firmly believe that diversity of perspective leads to better decision-making and are pleased to have made significant progress in recent years on improving gender diversity within the TDR team such that 50% of the investment team below Partner level is now female.

This report provides more insights into these and many more initiatives across our portfolio and at TDR to drive our ESG & Sustainability efforts. Whilst there is good progress, we recognise there is still further work to do. Our focus areas for the coming year include extending the coverage of carbon reporting and working with portfolio companies to set carbon reduction targets, the ongoing promotion of inclusive working practices across the portfolio and our own activities, whilst continuing to provide firm-level support to a range of industry and charitable initiatives.

We hope you enjoy reading our 2021/2022 ESG & Sustainability report.

The TDR Partners





Who we are

OUR CURRENT PORTFOLIO AT A GLANCE¹

Portfolio companies

14

Number of employees

280,000

David Lloyd
CLUBS

TARGET
HOSPITALITY

ilke
HOMES

BPP

NKD

NAPA
QARO

ASDA

aggreko

EG
Group

LeasePlan

HURTIGRUTEN

CONSTELLATION
AUTOMOTIVE GROUP

ARROW
GLOBAL

stonegate
PUB COMPANY

TDR AT A GLANCE²

Total headcount

79

Male vs Female

49%  **51%**

Nationalities

15

Head office
London

AUM
c. €13 billion

Investments to date
24

Average portfolio sales growth³

>2x

Average portfolio EBITDA growth³

>3x

Average portfolio employee growth³

>2x

¹ Reflects the portfolio as of September 2022

² Reflects TDR Capital as of September 2022

³ Average growth across the TDR portfolio during TDR period of ownership (or, in relation to unrealised companies, from date of initial ownership to September 2022)

Our approach

We believe that incorporating environmental, social and governance (ESG) considerations into our business and investment decisions is key to developing a more sustainable long-term growth strategy for our portfolio companies, thereby creating value for our investors.

Our Head of ESG & Sustainability oversees our ESG related activities to ensure we are incorporating ESG considerations within our portfolio companies and leading by example as a firm. Progress and ongoing actions are reviewed quarterly by our Responsible Investment Committee, which is made up of senior-level representatives from the Management Committee of the firm, Investment Team and Operating Team. This helps to ensure we have input from all parts of the firm and the mechanism to communicate any resulting actions to the relevant teams.

Working alongside our portfolio companies, we place significant emphasis on the identification of key material risks and opportunities, which ultimately will help to define the core areas of focus and provide the building blocks for ESG strategy development. In addition, with the support of TDR, all portfolio companies have now appointed a dedicated Head of ESG & Sustainability.

Through this structure we can assist companies in setting appropriate key performance indicators, data collection protocols and ESG-related improvement targets.

Our ESG Policy outlines how we approach ESG management as a firm throughout the investment lifecycle. We look to continuously evolve and shape our approach through ongoing stakeholder engagement and involvement in industry-wide initiatives, events and informal discussions. We update our policy annually in line with these interactions and broader ESG developments.

Throughout the year we also provide opportunities for collaboration across our portfolio companies. We believe there are opportunities for co-generation of solutions to a range of ESG challenges and we have helped facilitate this throughout the year by holding ESG forums and delivering specialist webinars in partnership with industry experts.

Integrating ESG throughout the investment lifecycle

Our commitment to ESG & Sustainability is integrated throughout the investment lifecycle, from origination to preparing for exit. This includes:

1. Due Diligence

Due Diligence: Incorporating ESG as a core due diligence workstream, identifying material risks and opportunities for consideration by our Investment Committee. This is initially completed in-house, with external expertise brought in when a specialist review and opinion are deemed necessary.

2. Ownership

Ownership: We work operationally with each portfolio company to ensure key ESG issues have been identified, along with a plan to mitigate risks and/or deliver potential value enhancing opportunities. Reporting mechanisms (quarterly materiality reports and annual KPIs) are established within the first month of ownership, with progress reviewed quarterly by our Responsible Investment Committee.

3. Exit

Exit: By working closely with management teams, and through regular reporting, we are able to identify the ESG-related improvements made throughout the ownership period. We then aim to include this within vendor due diligence.

Case study: Modulaire Group



SECTOR
Business Services

HEADQUARTERS
London, UK

WEBSITE
modulairegroup.com

20x

number of times a unit can be reused

>95%

of a modular unit is recyclable

50%

lower carbon footprint than a traditional building

We supported Modulaire Group in the introduction of a circular 'Loops within Loops' business model, which sets a framework for creating smart spaces for people to work, learn and live, whilst positively impacting people, the planet and wider society. This initiative saw the group reduce residual waste through a focus on sustainable design, refurbishment, redeployment and upgrade and reuse of its modular construction solutions. It also included the calculation of scope 1 & 2 carbon emissions with a commitment to set Science Based Targets, that also cover scope 3 emissions. Within this framework, Modulaire's Lost Time Frequency Rate reduced and the company introduced a Group Zero Harm Strategy, Group-wide Equality, Diversity & Inclusion strategy and a talent development programme. Modulaire also became a signatory to the UN Global Compact and TCFD.

These improvements, which resulted in the company moving from a laggard to strategic level of performance against our ESG framework (see p7) during our ownership period, were a key part of the presentation made to prospective purchasers as part of the vendor due diligence process when we came to market the business for sale. The successful sale of Modulaire was completed in December 2021.



Our assessment framework

1

Issue Identification and Prioritisation: Understanding the key material issues.

2

Strategy & Governance: Ensuring strong governance structures are in place to manage ESG risks and opportunities, whilst ensuring leadership in the creation of an ESG strategy which supports business growth.

3

Performance Management: Setting ambitious targets and commitments, which are based upon robust data collection processes.

4

Reporting & Communications: Engaging with both internal and external stakeholders through reporting and communications, providing a continuous loop to improve and enhance ESG performance.

WHO WE ARE

Rating Company Performance

We have developed a rating methodology to track portfolio company performance against our ESG assessment framework. This enables us to take a targeted approach and direct resources towards companies which require support to enhance their ESG framework. We understand levels of performance through regular company engagement, quarterly materiality reports and annual KPIs received from each company.

The graph below provides an overview of these ratings, highlighting where companies have enhanced their performance from 2019 onwards.

| | 2019 | 2020 | 2021 |
|---------------------------|------|------|------|
| DAVID LLOYD | ● | ● | ● |
| LEASEPLAN | ● | ● | ● |
| ILKE HOMES | ● | ● | ● |
| STONEGATE | ● | ● | ● |
| EG GROUP | ● | ● | ● |
| HURTIGRUTEN | ● | ● | ● |
| CONSTELLATION | ● | ● | ● |
| NAPAQARO | ● | ● | ● |
| NKD GROUP | ● | ● | ● |
| ASDA ¹ | | | ● |
| ARROW GLOBAL ¹ | | | ● |
| BPP HOLDINGS ¹ | | | ● |
| AGGREKO ¹ | | | ● |

¹ Asda, Arrow Global, BPP Holdings and Aggreko were all acquired in 2021.

KEY

● 1 - 2 LAGGARD

● 3 - 4 LEARNER

● 5 - 6 CHALLENGER

● 7 - 8 LEADER

WHO WE ARE

Working with our Portfolio Companies

We work with our portfolio companies to help define their purpose and to understand strategically how a focus on ESG and Sustainability can support business growth. This will be tailored and unique to each company, depending on the markets in which they operate and opportunities for differentiation and leadership. These company quotes are a selection to illustrate what ESG means to each company, showcasing the nuances across our portfolio.

“When it comes to ESG and sustainability, if you want to do something that’s about more than ticking boxes and is actually about making an impact, you have to make choices and for us the choice was clear. We all know 20% of global emissions come from road transportation, which is why we made a commitment to transfer our whole fleet of around 2 million vehicles from ICE cars to electric vehicles. It’s been really helpful to us in terms of winning new business, attracting clients and also raising capital on the green markets.”

Michael Lightfoot
Chief Corporate Affairs & Sustainability Officer, LeasePlan

“At Asda, ESG is integral to how we plan to deliver our growth strategy. Our ESG programme focuses our work around three distinct pillars: Better Planet, Better Lives and Better Business, helping us to create a more sustainable world, remove barriers to fair opportunity, good health and wellbeing and hold ourselves accountable to the highest standards of responsible business.”

Jo Warner
Senior Director, Corporate Responsibility & ESG, Asda

“ESG for Aggreko really falls into two parts: you’ve got our own use of energy, but also our impact on behalf of our customers in terms of greenhouse gas emissions. By hybridising our fleet we have a tremendous opportunity to help our customers really drive through the energy transition piece.”

Blair Illingworth
CEO, Aggreko

“At Stonegate Group, about half of our team are under the age of 25 and they have a real aspiration and determination to develop their careers. The S element of ESG, that social awareness, is really manifested in the opportunities that we provide. What we find is this provides real commercial benefit, we get very good team retention and we get this tremendous cultural alignment because people grow through the organisation.”

Tim Painter
HR Director, Stonegate

“Hurtigruten Group has committed to several ambitious ESG goals. The most important one is becoming a zero emissions company throughout by 2050. The next major leap in that direction is getting the first zero emissions ship sailing by 2030.”

Daniel Skjeldam
CEO, Hurtigruten

ESG at TDR

As a responsible investor we have an obligation not only to promote appropriate stewardship across our portfolio companies, but to implement responsible business practices within our own operations as well. This includes working collaboratively across industry-led initiatives, managing our carbon footprint, delivering positive social impact and initiatives to improve equality, diversity and inclusion within the firm and across our portfolio.

MEASURING OUR CARBON FOOTPRINT



Wherever possible we continue to identify opportunities to reduce the carbon emissions associated with the running of our office and business travel. Since June 2020, we have sourced 100% sustainable energy to offset our electricity usage and continue to introduce energy saving initiatives in our London office. We compensate for the emissions we are unable to avoid by offsetting 425 tCO₂e through a reforestation project in Ayrshire, Scotland.

PRI SIGNATORY

Signatory of:



TDR is a firm supporter and a signatory of the Principles for Responsible Investment (PRI). We utilise the PRI's network and thought leadership to support our responsible investment activities. We have also integrated the principles into our approach and throughout the investment lifecycle.

INITIATIVE CLIMAT INTERNATIONAL



TDR has recently become a signatory to Initiative Climat International, joining a group committed to reducing the emissions of private market-backed companies and securing sustainable investment performance by recognising and incorporating the materiality of climate risk. Becoming a member of this global community of investors will help to better understand and manage the risks associated with climate change through collaborative activity.

LONDON FUTURES



In 2021, TDR became the corporate partner for the London Futures Disability Employability programme. This programme is designed for young Londoners (aged 18-25) with a learning disability, who are facing social isolation and loneliness. TDR has supported 20 young people through this programme, all graduating the programme with flying colours.

"Since I have been on the programme it has given me more independence. At the start of the programme, I was very nervous, but I feel much more confident, made new friends and I am excited about what the future holds."

London Futures participant

UNICEF



TDR has provided support to UNICEF's humanitarian response to the war in Ukraine. This has been focused on supporting critical child protection services, helping UNICEF to establish 40 'Blue Dot' hubs for women and children on the move and reach over 1.4 million children and caregivers with mental health and psychosocial support.

LEVEL 20



TDR is a founding member of Level 20, an organisation created to promote greater female representation in the investment industry. Its goal is to raise the percentage of senior women in the European private equity industry to 20%. Founded in 2015, it now has over 1,000 individual members from a wide range of GPs and other professionals within the private equity industry.

Level 20 activities include mentoring programmes (in which several of TDR's Partners are actively involved), member forums and research groups.

"I have been a mentor for three years, and it is a really enjoyable and valuable experience. The hope is that providing mentees with a sounding board outside of their respective firms helps bring objectivity and support to their career development. We cover a range of topics, everything from general private equity business advice to advice on specific firm issues, always with the aim of building key skills to progress within their respective firms."

Jonathan Rosen

TDR Partner and Level 20 Mentor

#10000 BLACK INTERNS



TDR is a participating firm in the #10000 Black Interns' initiative. The intention of this initiative is to transform the horizons and prospects of young black people in the United Kingdom. Luke Peters joined our Data Science team for an eight-week internship, working on a number of live projects to gain direct experience of how the team adds value through our portfolio company work.

"I am grateful for this internship with TDR and the opportunity to work alongside the data science team on a live portfolio company project. This experience will now be invaluable in helping me find full-time employment."

Luke Peters

#10000 Black Interns

OUT INVESTORS



As one of the founding members of Out Investors, TDR stands alongside over 80 leading venture capital and private equity firms, hedge funds and pension funds globally. Our support is helping to deliver Out Investors' mission of making the direct investing industry more welcoming for LGBT+ individuals and creating a lasting impact on the investment industry.

GAIN



TDR is a corporate partner of GAIN (Girls Are Investors), a charity set up by investment professionals to improve gender diversity in investment management by building a talent pipeline of entry-level females and non-binary candidates. Over the coming year TDR will be offering at least one internship to help meet the goal of generating more and better prepared women for investment firms.



ENVIRONMENT IN ACTION

ASDA

Backing more sustainable
farming in Britain

13-14

AGGREKO

Designing renewable
power solutions

15-16

HURTIGRUTEN

Creating ocean
science ambassadors

17-18

EG GROUP

Going solar

19-20

Environment

Overview

The environmental footprint of our portfolio companies spans a range of impact areas, which include climate change, carbon management, resource efficiency, water and biodiversity. Our collaborative efforts, over the past years, have been focused on the threat posed by climate change to the global economy, society and ecosystems. As signatories to the Initiative Climate International (iC International), we have made a collective commitment to analyse and manage climate-related financial risk and emissions in our portfolio companies, in line with the recommendations of the FSB's Taskforce for Climate-related Financial Disclosure (TCFD) in June 2017.

Over the past year we continued to better understand and manage the risks and opportunities associated with climate change. This includes working with companies to identify where climate change poses a material risk and completing annual carbon footprinting measurements. We have also accelerated our engagement with management teams of portfolio companies to develop emissions reduction and climate change action plans. For several companies this has included setting a commitment to developing Science Based Targets to align with the 2015 Paris Agreement.

We also continue to implement a range of recommendations from the detailed climate analytics completed by our partners Pollination, a specialist climate change advisory firm. This has helped to identify untapped low carbon opportunities across our portfolio, to better understand the climate risks and opportunities within our portfolio and prioritise sizeable opportunities to accelerate the transition to net zero.

TDR has an important role to play in accelerating this transition, unlocking value creation opportunities for companies and for some an opportunity to become a climate leader within their respective sectors – with the potential for positive outcomes for both investors and the climate. This aligns to our investment philosophy, which seeks to generate attractive returns by employing a transformational value creation approach.





SECTOR
Retail

HEADQUARTERS
Leeds, UK

WEBSITE
www.asda.com

100%

own-brand dairy, eggs
and potatoes sourced
from British farms

>100

farmers engaged on
sustainability challenges

1,000

acres of biodiversity plots
sown on headland

Backing more sustainable farming in Britain

As one of Britain's top three grocers, Asda is committed to ensuring sustainable supply chains and promoting responsible farming practices. Throughout 2021, it continued to engage with more than 100 British farmers on a range of sustainability challenges and held collaborative sessions with dairy farmers as part of the Arla dairy farming development programme. It has also collected soil and biodiversity data from produce growers as part of ongoing trials. These aim to support healthy soils and high crop yield and quality, whilst reducing risks such as flooding and erosion and enhancing habitats for wildlife. Some of Asda's long-standing potato and onion farmers have applied a tool developed for Asda by the National Institute of Agricultural Botany and the University of Cambridge Institute for Sustainability Leadership to assess chemical, physical and biological soil health and to highlight risk spots in individual fields. This will be rolled out by 2025 following further trials in 2022 to refine the tool based on focus group feedback. In 2021, 100% of Asda's own-brand dairy (milk, cream, butter and cheddar), eggs, potatoes and primary and breaded chicken came from British farms. It also sourced 90% British beef by December 2021, with supply chain challenges preventing it from achieving its 100% target.

"Our sourcing and farming practices aim to respect and restore, having a regenerative impact on nature. Working in partnership with our suppliers and experts helps us to better understand the challenges we face, and identify ways to improve our impact throughout the supply chain."

Chris Brown

Senior Director, Sustainable Supply Chains, Asda

ASDA





SECTOR
Business Services

HEADQUARTERS
Dumbarton, Scotland

WEBSITE
www.aggreko.com

SALARES NORTE PROJECT:

\$1.1m

estimated cost saving in
carbon tax offset

104,000

estimated tonnes of carbon
emissions offset by PV

100%

off-grid solution
provides sustainable
power 24 hours a day

Designing renewable power solutions

Aggreko is working alongside customers to provide tailored solutions, at different stages of the energy transition, driven by a commitment to create better energy solutions to secure a more sustainable future. This includes end-to-end solutions to accelerate the deployment of affordable and cleaner energy, as well as sustainable infrastructure.

Aggreko is supporting the Salares Norte Mine, an open-pit gold mine in northern Chile, in meeting the challenges of supplying consistent power to an off-grid project. In addition to physical challenges, the Chilean government applies stringent environmental regulations to such projects, and gold fields require a minimum 20% renewable power generation for all mining operations. The PV solution, designed by Aggreko, will be tailor-made to meet the project's needs and will lead to an estimated saving of \$700,000 per year in energy costs and a further \$1.1m in carbon tax offset over the project's lifetime. It is estimated to offset 104,000 tonnes of carbon emissions. The hybrid solution will allow the site to run completely off-grid, delivering sustainable and reliable power 24 hours a day.

"The drive for businesses, governments and individuals to transition to a greener, cleaner world is accelerating. The energy crisis is reaching all corners of the globe and is increasing the demand for alternative energy solutions. Aggreko is guiding our customers through this energy transition, partnering with them to provide sustainable, resilient energy solutions."

Blair Illingworth
CEO, Aggreko





SECTOR
Leisure

HEADQUARTERS
Oslo, Norway

WEBSITE
www.hurtigruten.com

1930s

the decade Hurtigruten ships started collecting data for scientists

10

citizen science projects

15%

of guests participated in citizen science projects in 2021

Creating ocean science ambassadors

Founded in 1893, Hurtigruten is a leading provider of cruise-based adventure tourism, visiting destinations in Norway, Antarctica, the Arctic circle, Galapagos and many places in between. Hurtigruten operates 15 ships, seven of which provide year-round coastal sailings along the Norwegian coast. Scientific research is conducted onboard its ships via partnerships with world-leading institutions and the Hurtigruten Expeditions Science Programme invites guests to take part in these scientific activities. The programme aims to increase the knowledge and interest of its guests in the areas it visits. It allows guests to develop a greater understanding of the regions they visit and become true ambassadors championing the protection of the planet's most fragile ecosystems.

Examples of onboard projects are seabird distribution with the Antarctic Site Inventory, Cloud Observations with the Globe Programme and the monitoring of penguin colonies, phytoplankton and algae blooms. Hurtigruten's Young Explorers' Programme, for children between the ages of six and 12, helps them to learn about other cultures, the importance of nature in their daily lives and the impact humans have on the planet. The goal of the programme is to offer children a deeper understanding of nature, climate and culture.

"We invite our guests to participate in science activities, developing a greater understanding of the region in which they travel, becoming true ambassadors and returning home to champion the protection of our planet's most fragile ecosystems."

Daniel Skjeldam
CEO, Hurtigruten





SECTOR
Consumer Services

HEADQUARTERS
Blackburn, UK

WEBSITE
www.eg.group

5.7m kWhs

the energy generated by
EG Group's solar panels
in the UK in 2021

>1,000

the number of
solar panels installed
at the group's HQ

65%

the decrease in electricity
required to light sites after
switching to LED lighting

Going solar

EG Group, one of the world's leading independent convenience retailers, continues to invest in producing electricity for its own needs through renewable resources such as solar photovoltaics and solar thermal. It now benefits from power generated by solar panels installed at more than 280 sites across the UK, as well as several sites in the Netherlands and France. It started taking advantage of the feed-in tariffs the UK government was offering for supplying solar power to the grid in 2014. The tariff scheme ended in 2019, but continuing with the roll-out means the group continues to use solar to reduce overall energy consumption. It initially began retrofitting suitable sites and, from 2018, it has included solar panels as standard on all new petrol filling stations and selected foodservice sites. In October 2020, EG Group also installed more than 1,000 solar panels on its headquarters in the UK. In 2021, its solar panels in the UK generated more than 5.7million kWhs. The group has also rolled out LED lighting, decreasing the electricity required to light sites across the group by 65%.

"We believe it is important to improve and evolve our operations through investments in renewable energy, including solar panels at our sites. At EG we have a target to reduce our operational carbon footprint by 50% by 2030 (from 2021). We are developing a roadmap for how we will achieve reductions, which offer both energy and emissions reductions, and also potential cost savings."

Amina Batool

Head of ESG & Sustainability, EG Group





Social

Overview

SOCIAL IN ACTION

ARROW GLOBAL
Empowering young people
through financial education

23-24

BPP HOLDINGS
Creating the next
generation of lawyers

25-26

COST OF LIVING CRISIS
ARROW, ASDA, ILKE

27-28

Most of our companies are people businesses. Across the portfolio there are approximately 280,000 employed across numerous sectors and geographies and creating people-centric companies has been key to growing successful businesses. To help create this environment our portfolio companies have invested in a range of programmes and initiatives which support the development, wellbeing, diversity and expected behaviours of their employees. This activity includes:

- **Creating award-winning career learning and development programmes**

Investing in learning and development programmes has helped to both attract and retain talent across our portfolio companies. This has also been essential in creating highly skilled and competent teams focused on delivering success and high levels of customer service.

- **Investing in initiatives which support individual health and wellbeing**

Creating a strong culture of health and wellbeing provides the environment for individuals to thrive and show their full potential. This includes providing both in-house and external support across the areas of mental, physical and financial wellbeing. Our companies provided support to employees throughout the pandemic and will now be conscious of how some employees will be impacted by cost of living challenges.

- **Providing a workplace which promotes equality, diversity and inclusion**

A key area of focus has been the promotion of equality, diversity and inclusion both within the portfolio and at the firm level. This includes reviewing recruitment practices, educating senior leaders, refreshing internal policies and celebrating different cultures with the aim of promoting greater diversity and inclusivity in the workplace. We also recognise the importance of diversity of perspectives and opinions in terms of optimising decision-making and promote this across our portfolio.

- **Operating with a clear code of conduct to promote the correct behaviours**

All portfolio companies have now published their own stand-alone employee codes of conduct. This has helped to set a clear expectation on the behaviours and standards of all employees, contributing to a high standard of professionalism across our portfolio. This also links behaviours with the companies' values, goals and mission to create a clear framework for success at the individual and company level.

Outreach programmes

Our portfolio companies are in the position to offer a range of support through varying outreach programmes. This includes providing support to low income and community groups, young people about to enter the job market and numerous national and international charities. We have seen this level of activity increase, as society looks to businesses for leadership in helping address a range of challenges, such as the impact of rising costs on household budgets. The following case studies provide insights into how companies are providing innovative solutions to help meet these new challenges by delivering positive impact through their products and services.



TDR supports and actively participates in several corporate schemes that are focused on promoting diversity within the industry as a whole. We are a founding member of **Level 20** and **Out Investors**, two industry initiatives that encourage greater understanding and levels of diversity in the sector. We are also a participating firm in **#10000 Black Interns** and recently became a supporter of **GAIN** (Girls Are Investors).





SECTOR
Financial Services

HEADQUARTERS
Manchester, UK

WEBSITE
www.arrowglobal.net

10,000

young people reached
by the financial education
programme every year

630

Arrow volunteers took
part in the programme

2018

the year the partnership
with Junior Achievement began

Empowering young people through financial education

Arrow Global is proud to support Junior Achievement Europe, part of the Junior Achievement Worldwide network that was nominated for the Nobel Peace Prize 2022. The partnership supports financial education across Europe, providing classroom-based learning and online activities to almost 10,000 young people every year. Through its flagship 'learn to earn' programme, Arrow employees volunteer their help to equip students with the tools and knowledge to make good financial choices, providing them with information on career opportunities for life after education. In addition, Arrow's team of more than 630 volunteers engaged through activities such as mentoring, financial boot camps, support for business planning and innovation and virtual job shadowing. The programme's online educational videos, known as 'Talking Heads', see volunteers talk about a range of topics, such as interview and presentation skills and CV writing, as well as broader topics covering leadership and entrepreneurship. These are shared across schools, helping thousands of young people develop important life skills. Taking this concept one step further, Arrow's Portuguese volunteers delivered an online financial literacy webinar in support of International Student Day that focused on building responsible financial futures. The event reached 65 schools and 1,500 students, and this live tuition has been replicated in Italy, with volunteers tutoring seven schools in the final quarter of 2021.

"This continued partnership represents a great opportunity for the Arrow group to once again give back to the communities it works with. We are proud to be part of the effort to encourage financial literacy and a career in finance among young people. We have partnered with Junior Achievement Europe since 2018, and we look forward to continuing to work with them to support young people across Europe and fulfil our social responsibilities."

Paul Woods

Group Director of Sustainability & ESG, Arrow Global





SOCIAL



BPP HOLDINGS

SECTOR
Education

HEADQUARTERS
London, UK

WEBSITE
www.bpp.com

145

Law Ambassadors currently taking part in the programme (as of June 2022)

2022

LawWorks & Attorney General Student Pro Bono Award for best contribution by a Law School

5

law firms provide mentors as part of the programme

Creating the next generation of lawyers

The BPP Pro Bono Centre provides free legal advice and support services to the public, delivered by volunteer BPP University students under the guidance of the Pro Bono Centre and BPP University. Through Streetlaw and the Law Ambassador Programme (LAP), BPP has been partnering with leading law firms to provide young people with knowledge of the law and the legal profession, as well as a connection to people working in it. The LAP focuses on improving access to the legal profession to young people from lower socioeconomic areas, working with mentor lawyers to speak to young people and guide them through the realities of a career in law. Through working with law firms, BPP has helped to send mentors to schools in lower socioeconomic areas in the UK over the past five years. BPP's aim is to improve employability by increasing confidence, developing transferable skills and providing practical experience of the working world. The BPP LAP has won several awards in recent years, including the 2022 LawWorks & Attorney General Student Pro Bono Award for best contribution by a Law School, the 2018 Yorkshire Legal Award and was shortlisted for the 2019 Leadership Award at the UK Social Mobility Awards.

"The Law Ambassador Course has allowed me to become a lot more confident. The workshops have really helped to improve my public speaking"

Participant

"Taking part in this programme has given me a real opportunity to explore the realities of a career in law."

Participant





Cost of living crisis

We recognise that our portfolio companies can play an important role in supporting their customers, communities and employees in helping to alleviate the increasing financial pressures that households are currently experiencing. These case studies provide an example of how three companies have responded through providing support and innovative solutions to a complex situation affecting people in different ways.



SOCIAL



ARROW GLOBAL

Arrow Global joins StepChange to promote Debt Awareness Week

Arrow Global UK provided support to StepChange, the UK's largest debt advice charity, during Debt Awareness week in March. This year's Debt Awareness Week has been named 'Let's Start the Conversation', centred around problem debt. This recognises people struggling to talk about

personal debt due to the perceived stigma and embarrassment. Arrow and StepChange have partnered to provide a comprehensive range of support materials including virtual seminars to help Arrow's customers better manage their financial wellbeing.

"'Let's start the conversation' is a hugely important discussion as more household finances are put under pressure. As a customer-led business whose purpose is to build better financial futures, we have an obligation to support customers during these uncertain times."

Jim Appleby
CEO, Arrow UK



ASDA

Asda helps to tackle holiday hunger

In the run-up to the school summer holidays Asda launched a new Kids Eat for £1 initiative to help parents cope with the cost of living crisis over the summer. As part of the initiative, children under 16 were able to buy a hot or cold meal for just £1 in Asda

cafes across the country. The offer was made available seven days a week with no minimum adult spend required. This has helped to ensure that those children that normally rely on a school meal were not left without over the school holidays.

"We aim to help customers, colleagues and communities to enjoy better lives, by removing the barriers to opportunity, health and wellbeing. We know that families can find the school holidays tough, and our customers told us that this year more than ever, they were concerned about holiday hunger. With that in mind, we were so pleased to be able to offer children's meals for just £1 and ease their burden."

Jacki Simpson
Vice President of Reputation, Asda



ILKE

ilke launches ZERO energy bills homes

ilke has launched ZERO Bills, the UK's first home to guarantee residents zero energy bills. Octopus Energy and ilke Homes have entered a world-first strategic partnership on a site in Essex where ilke is delivering the UK's largest zero-carbon housing development. Low-carbon technologies will

combine to provide free, clean energy round the clock, with Octopus Energy providing a bespoke tariff. Launched in July 2021, ilke ZERO aims to deliver thousands of operational zero-carbon homes per year for major investors, housing associations and councils across the UK.

"Our strategic partnership with Octopus Energy Group is the next milestone on our ilke ZERO journey. The premise of this partnership is to both empower consumers, who are faced with one of the worst cost of living crises in decades, and demonstrate that net-zero and construction can work hand in hand."

Giles Carter
CEO, ilke Homes



Governance

Overview

GOVERNANCE IN ACTION

TDR CAPITAL

Systematically
collecting ESG data

31-32

ASDA

A commitment
to transparency

33-34

HURTIGRUTEN

Making data breaches history

35-36

We seek to ensure compliance with laws and regulations including anti-corruption, competition law, labour laws and regulations and fair working practices at our portfolio companies. TDR works closely with the relevant management at portfolio companies to ensure that appropriate policies and procedures are in place to deal with work related incidents.

As a majority investor, TDR's presence on the board of portfolio companies enables us to ensure accountability at the highest level. We take a case-by-case approach with management to understand compliance with guidelines. If gaps are identified, we will work closely with companies to align with the necessary guidelines and industry best practices, for example TCFD, UN SDGs, CDP, GRI, as appropriate.

We engage with portfolio companies to ensure high standards of governance, this includes:

- Business continuity plans
- Policies and procedures to safeguard against acts of modern slavery
- Strong safeguards against potential acts of bribery and corruption, including money laundering
- Data protection & cyber security – policies, practices and procedures to avoid any data or security breaches.



Cyber Security

We continue to build upon our relationship with Orpheus Cyber, the only UK-government accredited company providing threat intelligence and cyber risk rating services. Orpheus provides cyber risk ratings across all of our portfolio companies. Each company's risk rating is a combination of vulnerabilities visible on the organisation's attack surface and threat intelligence. This helps to manage potential risks and avoid value erosion in the portfolio from a cyber-attack. The Orpheus solution also helps to mitigate our own risk and avoid direct attacks.

Orpheus provides a further line of defence against potential exposure to cyber security threats, providing external verification of the effectiveness of portfolio companies' external facing security systems and processes. Over the next 12 months, we aim to deepen our understanding of companies' cyber security strength and ensure they are taking a risk-based approach to cyber resilience.

Maninder Singh
Head of IT, TDR Capital





13

portfolio companies'
data collected

51

ESG KPIs tracked for each
company every year

107

million tonnes of CO₂e
(Scope 1,2&3) reported
through the platform in 2021

Systematically collecting ESG data

As our approach to ESG and sustainability has evolved and we have adopted more frameworks for measuring impact, the processes we use for tracking and benchmarking progress against key metrics have had to evolve as well. We previously used a manual data collection process in Excel, which was time consuming and meant that tracking and reporting progress required significant effort. To simplify the process, TDR has partnered with Worldfavor to create a data platform that collects and helps to analyse ESG data from our portfolio companies. The platform automates data collection and reporting, allowing us to assess quickly and simply how our portfolio companies are managing key ESG risks and opportunities, as well as communicating this to our investors and other stakeholders. Worldfavor also allows us to benchmark our own impact and that of our portfolio companies, against standardised frameworks such as the SFDR, the UN Global Compact, UN SDGs and customised metrics. This will allow us to collect data on increasingly complex ESG KPIs, 51 in total, across each portfolio company every year. The platform also allows us to automate the receipt of quarterly portfolio company reports.

"The introduction of a data collection platform will help enhance the way we collect and analyse the ESG data we receive from our portfolio companies. Working with our Data Science Team we can begin to more effectively monitor performance and identify the potential for value enhancing opportunities."

Nigel Smith

Head of ESG & Sustainability, TDR Capital



SECTOR
RetailHEADQUARTERS
Leeds, UKWEBSITE
www.asda.com

51

strategic commitments
tracked and reported online

10

years of reporting
Asda's carbon footprint

7

ESG policies published online for
areas such as animal welfare,
palm oil and pesticides

A commitment to transparency

Asda has always believed in straightforward, honest communication – and that is at the heart of its ESG reporting. It wants its progress – the good and the not so good – to drive wider change. As such, it annually reports on its approach to ESG issues and its performance during the year, covering Asda Group Limited and its subsidiaries including International Procurement Logistics (IPL). These reports are prepared in accordance with Global Reporting Initiative (GRI) core standards and the United Nations (UN) Sustainable Development Goals (SDGs). In 2021, Asda introduced a dedicated ESG claims management software system to capture and substantiate all its ESG disclosures. This was a significant milestone in how it governs and manages ESG in a credible and transparent way. In addition to its annual reports, Asda publishes information on initiatives it has implemented to create a better planet, better lives and better business on its website. It also tracks its strategic commitments across 13 ESG areas, including SDG-aligned targets such as reducing food waste by 20% and reducing GHG emissions by 50% by 2025, in a table published online. This tracks annual progress towards these goals, as well as baseline figures against which progress is benchmarked.

“At Asda, we’ve always believed in straight forward, honest communications – and that is at the heart of our ESG reporting. We want our progress, the good and the not so good, to drive wider change.”

Jo WarnerSenior Director, Corporate Responsibility & ESG
Asda



SECTOR
Leisure

HEADQUARTERS
Oslo, Norway

WEBSITE
www.hurtigruten.com

0

reportable data
breaches in 2021

2021

data privacy & security
identified as one of eight
key material topics

Making data breaches history

Prioritising data security is not a new concept for Hurtigruten, which has long worked to ensure privacy for all guests and employees. As a tourism provider working across multiple markets, including Europe, the Americas and Africa, providing digital privacy wherever the cruise ships go is a key part of the journey. Since suffering a cyberattack in 2020, the Hurtigruten data security and compliance systems and procedures have been updated and improved with the goal of having zero breaches requiring reporting to data protection authorities. Role-specific GDPR training has been implemented across the group, ensuring that every employee is aware of their role in data protection. The amount of mandatory training for employees is set to increase in 2022, reflecting the global data landscape. August 2021 saw the appointment of the group's Data Protection Officer (DPO) who supports the Chief Digital and People Officer through performing audits and evaluations on group data compliance, as well as leading the continued development of Hurtigruten's data security measures. Data has become one of the world's most sought-after commodities. Guests and employees trust Hurtigruten with their data and it is the company's responsibility to respect and protect it.

"Cyber Security is of the utmost importance for us, as the world and our ships are increasingly connected together. Today, taking a broad approach to cyber security is critical; automating and standardising wherever possible, diligently staying at the forefront of technical development, monitoring IT systems 24/7 and not least training every employee to be a strong line of defense against potential attacks."

Ole-Marius Moe-Helgesen
Chief Digital Officer, Hurtigruten





For more information,
please contact

Nigel Smith

Head of ESG & Sustainability
nigel.smith@tdrcapital.com
Phone: +44 (0)79 0022 6197

TDR Capital LLP,
20 Bentinck Street,
London, W1U 2EU

TDR Capital LLP is a Limited
Liability Partnership registered
in England and Wales with the
registered number OC302604. It is
authorised and regulated by the
Financial Conduct Authority.