



Partnering for sustainable growth

ESG & Sustainability
report 2022/23



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Welcome

As a hands-on investor focused on driving sustainable, long-term growth at our portfolio companies, we place significant importance on the contribution of strong environmental, social and governance (ESG) performance towards building successful companies. Our annual ESG & Sustainability report shares the progress we have made across a number of ESG initiatives over the past 12 months, both as a firm and at our portfolio companies.

The last year has been characterised by the evolution of ESG strategies across our portfolio. We closely track the progress of our portfolio companies across a wide range of metrics and assess the extent to which ESG policies and practices are becoming embedded in the strategy and operations of each company. We are delighted that a number of our companies, including Asda, Hurtigruten and Aggreko integrate ESG as part of the strategic decision-making at the very highest level and consider ESG integral to their industry positioning and value proposition. For others, there is an opportunity to progress further on this path and we continue to support and encourage this through targeted company-specific interactions and cross-portfolio events.

Given the spike in energy prices during 2022, we created an Energy Forum for our portfolio companies that focused on energy procurement, reducing energy consumption and driving the transition to renewable energy sources. Periodic Forum meetings have improved our understanding of energy-related matters across the portfolio and aided the exploration of synergies and efficiencies. These meetings have also facilitated direct company-to-company interactions which have helped to mitigate some of the cost increases and accelerate the transition to renewable energy sources.

In parallel to the Energy Forum, we engaged a climate change consultancy during the year to align our climate-related activities to the Task Force on Climate-Related Financial Disclosures (TCFD) reporting framework. This has involved further engagement with our portfolio companies to deepen our understanding of physical and transitional risks and opportunities. We have now aligned our climate governance, strategy and risk management to the TCFD framework, and look forward to sharing our first disclosure report in 2024.

Following the roll-out of our online data reporting platform in 2022, we have now automated the collection and analysis of circa 50 ESG KPIs across all portfolio companies. This has helped drive the consistency and speed with which we can respond to specific investor and regulatory ESG data requests, as well as enabling us to deliver more positive ESG outcomes in our portfolio through more accurate tracking of key metrics. We continue to improve the scope and depth of the ESG data we collect from portfolio companies and are encouraged to see year-on-year data quality improvements.

We support a number of industry diversity, equity and inclusion (DE&I) initiatives and welcomed three interns into the office during the summer to experience working in the investment industry. The report highlights various portfolio company-led DE&I initiatives, and we are delighted to see a number of these being recognised externally for their impact.

In the year ahead, we will continue to work with our portfolio companies to further improve ESG data quality, build additional competence within our portfolio companies' ESG teams and strengthen our climate governance, strategy and risk management in accordance with the TCFD framework. We are also focused on continuing to educate and equip our own team to help drive ESG performance at TDR and our portfolio.

We hope you enjoy reading our 2022/2023 ESG & Sustainability report.

The TDR Partners

Cover image credit: Lev Radin/Pacific Press/Shutterstock





Who we are

OUR CURRENT PORTFOLIO AT A GLANCE¹

Portfolio companies

14

Number of employees²

c. 274,000



OUR FIRM⁴

Total headcount

81

Male vs Female

49%  51%

Nationalities

16

Head office
London

AUM

over €15 billion

Investments to date

24

Average portfolio sales growth⁵

>2x

Average portfolio EBITDA growth⁵

>3x

Average portfolio employee growth⁵

>2x

¹ Reflects the portfolio as of September 2023.² Represents total headcount as of January 2023.³ Previously LeasePlan.⁴ Reflects TDR Capital as of September 2023.⁵ Average growth across the TDR portfolio during TDR period of ownership (or, in relation to unrealised companies, from date of initial ownership to September 2023).

Our approach

“Our Responsible Investment Committee provides oversight and challenge to ensure we focus on the things that matter, both within the firm and across our portfolio companies. We recognise the evolving nature of the ESG agenda and work alongside our colleagues to help ensure we promote a sustainable long-term growth strategy.”

Nigel Smith

Head of ESG & Sustainability



Our Head of ESG & Sustainability, Nigel Smith, has been named as one of the Twenty Most Influential in ESG 2023 by Private Equity News. Nigel brings his 25 years of experience working in the ESG and Sustainability field to TDR's portfolio, working with our companies to drive value-enhancing opportunities.

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.

Working with our portfolio companies' Heads of ESG, we have regular touch points to support the creation of embedded ESG strategies. These interactions cement the positioning of ESG as a contributing factor in creating sustainable business growth across our portfolio. Beyond the initial setting of the ESG strategy, we assist our businesses in establishing appropriate governance structures, materiality processes, key performance indicators (KPIs), improvement targets and appropriate internal and external communication campaigns.

Our ESG Policy outlines how we approach ESG management as a firm throughout the investment lifecycle. We continuously evolve and refine our approach through ongoing stakeholder engagement and involvement in industry-wide initiatives, events and more informal discussions. Our policy is updated

annually to incorporate insights gained from these interactions and broader ESG developments.

Throughout the year we also provide opportunities for our portfolio companies to collaborate. We believe that a range of ESG challenges can be solved through sharing experiences and approaches and have helped facilitate this throughout the year by holding an Annual ESG Forum and delivering specialist webinars in partnership with industry experts.

Annual ESG Forum

Each year we bring together all our portfolio companies' Heads of ESG for our Annual ESG Forum. This year we focused on decarbonisation, board engagement, biodiversity and the changing regulatory landscape. We also heard from a couple of portfolio companies about their journey to create an embedded ESG strategy. These events provide an opportunity for collaboration, peer group learning and to set out goals and expectations for the year ahead.

Integrating ESG throughout the investment lifecycle

Our commitment to ESG & Sustainability is integrated throughout the investment lifecycle, from origination to exit. This activity will include the following elements:

1. Due diligence

Due Diligence: ESG due diligence is completed for all potential acquisitions. The findings from this, both risks and opportunities, will be presented to our Investment Committee alongside all other due diligence workstreams. An in-house review is completed by our Head of ESG & Sustainability, the results of which determine whether an external review on specific areas of risk is required. Previous transactions have involved more detailed reviews of human rights risks, energy transition opportunities and exposure to potential acts of bribery and corruption, for example.

2. Ownership

Ownership: Immediately following completion, any concerns arising from the due diligence process are discussed with the company management team and a plan of mitigating activities is agreed. Our Head of ESG & Sustainability establishes a working relationship with an ESG point of contact, initially outlining our expectations and sharing our ESG Policy. This includes introducing the company to our quarterly reporting and annual KPI submission disciplines. From the start, this emphasises our supportive and partnership-driven approach to building ESG capabilities.

During our ownership period we work with each portfolio company to ensure material issues are being managed and addressed appropriately, as well as provide support to identify value-enhancing opportunities. We regularly collaborate through both in-person and virtual meetings, either on a one-to-one basis or together with other portfolio companies.

3. Exit

Exit: By working closely with management teams, and through regular reporting, we are able to identify ESG-related improvements made throughout the ownership period. We then include this within vendor due diligence to show evidence of responsible business practices and report this to our investors.

Where possible we draw upon performance indicators, tracking company-led activities from acquisition to exit. This helps to support our storytelling to highlight where our companies have mitigated ESG risks and helped deliver positive ESG outcomes.



¹ LeasePlan was sold to ALD Automotive in May 2023 and subsequently the combined entity has been rebranded to Ayvens.



Advancing LeasePlan's sustainability strategy

During TDR's ownership period, LeasePlan has become an industry leader in its approach to sustainability and is a strong advocate for the automotive industry to significantly reduce its emissions and transition to electric vehicles (EVs). LeasePlan itself has committed to achieving net zero tailpipe emissions from its funded fleet by 2030 and across its operational footprint and value chain globally by 2050, verified through the setting of science-based targets. In 2019, LeasePlan issued a €500 million Green Bond, a first in the industry, the proceeds of which were used solely for the purchase of EVs. In Q1 2023, EVs represented c.31% of LeasePlan's new vehicle deliveries (compared to 3% in 2017) and LeasePlan's total CO₂ emissions in 2022 were 23% below the 2020 level. LeasePlan's Electric Programme also includes EV consultancy services for clients, partnerships with automakers enabling LeasePlan to offer a wide range of EVs to its customers, as well as partnerships with charging infrastructure operators to support EV adoption by businesses and individuals.

"Our 'Driving to Zero' sustainability strategy is an industry-leading commitment to achieve net zero emissions from our funded fleet by 2030. This includes a plan to set science-based abatement pathways for all LeasePlan's greenhouse gas emissions, as well as actions to address the major ESG challenges faced by the industry today."

When creating this strategy, we received both leadership and practical support from the team at TDR in making sustainability central to repositioning the business as a leading mobility services provider. Working with TDR's Head of ESG & Sustainability we were able to take the initiative in adopting a market-leading position and become a strong advocate for the automotive industry to focus on significantly reducing its emissions and transitioning to electric vehicles."

Mike Lightfoot

Chief Corporate Affairs and Sustainability Officer, LeasePlan.

SECTOR
Financial Services

HEADQUARTERS
Amsterdam, Netherlands

WEBSITE
www.leaseplan.com

€500m

industry-first Green Bond issued by LeasePlan to fund EV purchases

10x

increase in EVs as a percentage of new vehicle deliveries

23%

reduction in CO₂ emissions, 2020-2022



Portfolio company highlights

ASDA

40% (since 2015) reduction in scope 1&2 carbon emissions

Supporting customers during cost of living pressures; first supermarket to introduce 'dropped and locked' with a £40 million investment

HURTIGRUTEN

9% increase of women in senior leadership compared to 2021

6% increase in female senior officers compared to 2021

€66m spent on reducing emissions through direct investment in upgrading fleet and R&D

ARROW GLOBAL

25% reduction in scope 1&2 CO₂e from 2021

AGGREKO

Committed to **net zero emissions** from facilities and operations by 2035

DAVID LLOYD LEISURE

Net zero carbon commitment by 2030

The Sunday Times' **Best Very Large Places to Work** in the UK (2023)

LEASEPLAN

EVs accounted for 28% of all new vehicle activations in 2022, compared to 3% in 2017

Total (Scope 1,2&3) CO₂ emissions recorded in 2022 have **reduced by 23%** compared to the 2020 baseline

31% women (2022) in top three management levels, with a target of 35% by 2025

EG GROUP

500+ apprenticeships created since 2021

BPP HOLDINGS

Winner of the **Leadership Award in the UK Social Mobility Awards 2023**

A cohort of 4,000 apprentices across 42 apprenticeship programmes in 2022 - a **66% increase** from the previous year's intake

OUR APPROACH

Portfolio company maturity levels

We have developed a rating methodology to track portfolio company maturity levels 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 performance. Assessments are conducted through regular engagement, quarterly materiality reports and annual KPIs received from each company.

The table below provides an overview of these ratings, highlighting where companies have enhanced their performance since 2019.

	2019	2020	2021	2022
David Lloyd Leisure	●	●	●	●
LeasePlan	●	●	●	●
Stonegate Group	●	●	●	●
EG Group	●	●	●	●
Hurtigruten	●	●	●	●
Constellation Group	●	●	●	●
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.

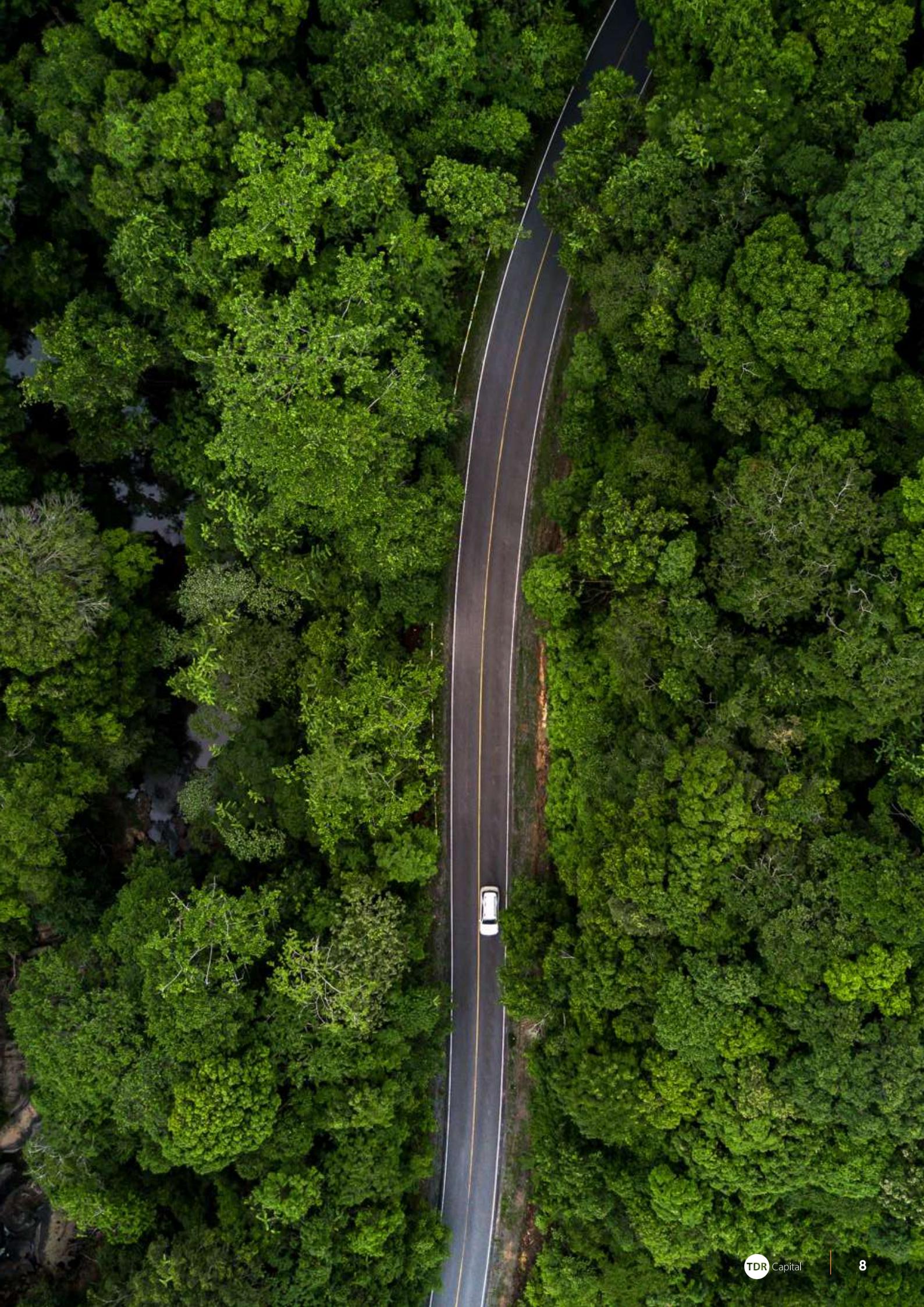
KEY

● 1 - 2 LAGGARD

● 3 - 4 LEARNER

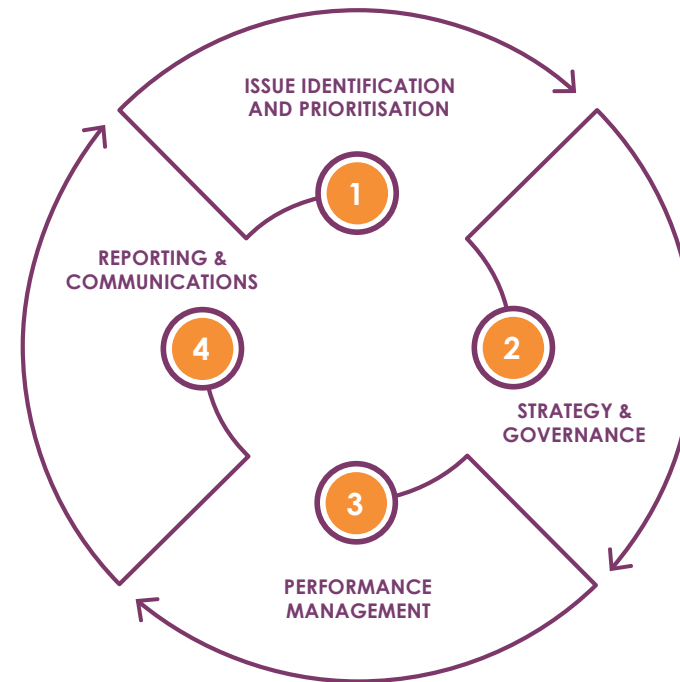
● 5 - 6 CHALLENGER

● 7 - 8 LEADER



ESG assessment framework

To inform our portfolio company maturity ratings, we assess performance levels against the four pillars of our ESG assessment framework. These are the building blocks of an embedded ESG strategy and help to build levels of competency and transparency within our portfolio companies.



1

ISSUE IDENTIFICATION & PRIORITISATION

As ESG encompasses an expanding number of issues, it is important that our companies have a formal process to identify and prioritise those that have the most material importance to their business and key stakeholders. Over the past year, several portfolio companies have conducted materiality assessments, to help shape their strategy and identify key areas of focus.

2

STRATEGY & GOVERNANCE

We stress the importance of aligning the company's ESG strategy with wider business goals to support key value drivers. Delivery needs to be supported by effective governance structures, helping to create ownership of the strategy and lines of accountability for its delivery. We have seen increased levels of board oversight and the strengthening of governance regarding ownership of ESG issues, including setting remuneration targets against the achievement of ESG goals.

3

PERFORMANCE MANAGEMENT

Alongside the creation of robust data collection processes and procedures, clear targets help drive improved performance. Portfolio companies continue to improve data quality levels and expand KPIs to areas not previously covered with targets covering areas such as setting net zero commitments and ED&I related goals.

4

REPORTING & COMMUNICATIONS

Engaging with both internal and external stakeholders through reporting and communication is essential in providing a continuous feedback loop to drive improvement and enhance ESG performance. Increasingly, our portfolio companies have published ESG reports, which are shared externally to help aid transparency, hold companies accountable and invite stakeholder feedback.



ESG at TDR

As a responsible investor, we want to not only 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 supporting initiatives to improve diversity, equity and inclusion within the firm.



We have measured and externally verified the carbon footprint of our UK operations for the past five years and where possible look to reduce the carbon emissions associated with the running of our offices and business travel. We compensate for the emissions we are unable to avoid by offsetting annually through reforestation projects.

OUR CARBON FOOTPRINT

The table below shows the Scope 2 and 3 (business travel) location-based GHG emissions for TDR's operations for the year ending 31 December 2022. Over this reporting period we have introduced more energy efficient technology throughout the office, and since July 2020 we have purchased renewable electricity.

Scope 1:	None	-	
Scope 2:	Electricity Consumption	92	tCO ₂ e (location-based) ¹
Scope 3:	Cat. 6. Business Travel	628	tCO ₂ e (location-based)
Subtotal (Scopes 1, 2 & 3)		720	tCO ₂ e (location-based)

PRI SIGNATORY

Signatory of:



TDR is a 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.

ESG DATA CONVERGENCE INITIATIVE



TDR supports the ESG Data Convergence Initiative (EDCI), supported by ILPA, which seeks to standardise ESG metrics and provide a means of comparative reporting and benchmarking on ESG for private markets. This has helped to provide consistent definitions enabling greater transparency and the convergence of varying assessment frameworks and tools.

INITIATIVE CLIMAT INTERNATIONAL



TDR is a signatory to Initiative Climat International (iCL), 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 has allowed us to better understand and manage the risks associated with climate change through collaborative activity.

¹ Location-based approach – reflects the emissions from electricity coming from the national grid energy supply.



LONDON FUTURES DISABILITY EMPLOYABILITY PROGRAMME

For a second year, TDR has supported the London Futures Disability Employability Programme as a corporate partner. This programme is designed for young Londoners (aged 18-25) with a learning disability who are facing social isolation and loneliness. Over the past year, TDR has supported 20 young people through this programme, which has provided access to learning and development opportunities to ready these participants for employment or further education.

“With TDR’s ongoing support we have been able to help 6 young people into employment and 8 into further education. The programme has been transformational in providing opportunities and further development for 20 participants.”

Ryan Jones
London Futures Programme Manager

THE 10,000 INTERNS FOUNDATION

THE 10,000 INTERNS FOUNDATION

For a second year, TDR is a participating firm in The 10,000 Interns Foundation. The intention of this initiative is to transform the horizons and prospects of young black people in the United Kingdom. Our intern completed a six-week internship over the summer, gaining insight and experience of working with the investment and investor relations teams.



Summer interns at TDR from GAIN and The 10,000 Interns Foundation.

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 LGBTQ+ individuals and creating a lasting impact on the investment industry.

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.

GAIN



TDR is a corporate partner of GAIN (Girls Are Investors), a charity set up by investment professionals to improve gender diversity in the investment management industry by building a talent pipeline of entry-level females and non-binary candidates. TDR provided internship opportunities for two recent graduates, helping to prepare them both for a career in the investment industry.



ENVIRONMENT IN ACTION

ASDA

Delivering sustainable
sourcing commitments

15-16

HURTIGRUTEN

Reducing emissions

17-18

EG GROUP

EV charging

19-20

AGGREKO

Supplying 100%
clean energy

21-22

Environment

Overview

The environmental impact of our portfolio companies is considered throughout our ownership. When conducting due diligence, we focus on core themes which we believe are material to investing responsibly. Post-acquisition, we work with management teams to mitigate identified risks and to capitalise on the potential opportunities across these themes.

Climate Change – the threat posed by climate change to the global economy, society and ecosystems requires collective action to meet the Paris Agreement's goal to keep global warming below 1.5°C. As a signatory to the Initiative Climat International (iC International), we have made a commitment to analyse and manage climate-related financial risk and greenhouse gas (GHG) emissions across our portfolio companies, in line with the recommendations of the FSB's Taskforce for Climate-related Financial Disclosure (TCFD) in June 2017.

We recognise that companies will be at different stages of the journey towards decarbonisation and are committed to providing support at each step. This has included working towards improvements in data coverage and quality, as well as implementing a more automated approach to data capture which covers scope 1, 2 and 3 GHG emissions. TDR has also provided support in drafting appropriate net zero strategies/roadmaps and creating governance structures that support the required transition, aligned with the TCFD framework.

The impact of increasing energy prices during 2022 has refocused our attention on energy reduction initiatives, supported by the creation of an Energy Forum among our portfolio companies. The objective of this forum is to bring together, on a cross-portfolio basis and moderated by a third-party subject matter expert, key management and executives responsible for energy procurement, consumption and renewables transition. We complete regular benchmark assessments with respect to procurement risk management and energy conservation and transition initiatives, with periodic meetings bringing relevant stakeholders together to share best practices, targets and initiatives. The Energy Forum has improved our understanding of energy-related matters across the portfolio, aided the exploration of synergies and efficiencies and facilitated direct company to company interaction to further energy-related strategies.

Finally, companies are now committing to net-zero goals and creating decarbonisation plans that work towards approved science-based targets. We will escalate this further across the portfolio as the need for leadership and action increases over the coming years.

Resource Efficiency – this incorporates the management of water consumption, waste management and initiatives to support the circular economy. Through annual KPIs we track waste generation, recycling levels and, where relevant, water consumption across our portfolio companies. TDR's focus starts with the minimisation and responsible use of resources, and moves on to the recovery and reuse of waste materials. Proactive measures across the portfolio include technology enhancements to minimise water consumption and removing best before dates to help customers reduce food waste.

Biodiversity – an increasing focus of ours has been understanding the risks and opportunities associated with biodiversity and the natural environment. Our annual ESG Forum explored the 'business response' to nature and biodiversity, with an external specialist presenting to portfolio companies on how to prepare for a "nature-positive" world, where nature is being restored and is regenerating rather than declining. We are now working with companies to report on operations in biodiversity sensitive areas and to mitigate any adverse impacts. We will continue to build out our competency in this area as data becomes more available and guidance is published by the Taskforce for Nature-related Financial Disclosures (TNFD).





SECTOR
Retail

HEADQUARTERS
Leeds, UK

WEBSITE
www.asda.com

100%

of Asda's worldwide suppliers
will be LEAF Marque
certified by end of 2025

>300

Asda's British suppliers
will be LEAF Marque
certified by May 2024

310,537

hectares farmed
on LEAF Marque
certified businesses

ENVIRONMENT



ASDA

Delivering sustainable sourcing commitments

Asda has taken a significant step towards its goal of being "nature positive" by 2040 by signing up to the global LEAF (Linking Environment and Farming) Marque environmental assurance system. In April 2023, the supermarket began to roll out LEAF Marque certification across its UK fresh produce fruit and vegetable supply base. The LEAF Marque system is a whole farm business approach that delivers more sustainable farming based on the principles of integrated farm management. It provides independent verification around core areas of sustainable farming practice, including soil and water management, energy efficiency, waste management, landscape and nature conservation, energy use and enrichment of biodiversity. It provides growers with a framework to monitor their performance, identify strengths and weaknesses and set targets for improvements. The system aims to drive lasting change in the world's farming and food production systems by accelerating incremental improvements at individual farms, which commit to more regenerative and sustainable farming. Land use and crop production together account for more than half of greenhouse gas emissions from food production, and the LEAF Marque system helps farmers reduce their carbon footprint, as well as optimise carbon capture and sequestration. By May 2024, all of Asda's UK-based fresh produce suppliers are expected to achieve certification, and its worldwide suppliers are expected to be certified by the end of 2025.

"We are mindful of the impact we have through our value chain on air, water, soil and biodiversity, and are committed to working in partnership to better respect and restore nature. The LEAF certification for produce is a step on this journey, taking one of our biggest volume categories and validating that these products are more sustainably produced."

Chris Brown

Senior Director, Sustainable Supply Chains, Asda

ASDA





HURTIGRUTEN

SECTOR
LeisureHEADQUARTERS
Oslo, NorwayWEBSITE
www.hurtigruten.com**2030**Hurtigruten's target
to build its first
zero-emissions vessel**25%**reduction in carbon emissions
from hybrid-electric powered ship**560**solar panels installed in 2023
by Hurtigruten Svalbard

Reducing emissions

Hurtigruten has taken a number of significant steps towards reducing its carbon emissions during 2022.

In March 2022, it kicked off its Sea Zero project with a feasibility study to identify how to pursue the best technology and fuel options, including modern battery solutions. Some 13 industry partners are collaborating on the project, including shipbuilders, green energy producers, technology specialists and maritime authorities. The company aims to build the world's most energy efficient ship, its first zero-emissions vessel, by 2030.

The following month, Hurtigruten Svalbard launched Kvitbjorn, a tour boat powered by a hybrid-electric propulsion system that is ideal for polar exploration. In comparison to a traditional gasoline-powered boat, Kvitbjorn operates with considerably less noise and lower emissions. Hurtigruten Svalbard has previously introduced pioneering electric snowmobiles, and this year will have installed 560 solar panels to supply green energy and reduce carbon emissions by more than 100 tonnes.

In September 2022, Hurtigruten Norway's first hybrid-electric powered ship was launched following an environmental refit. It now features cutting-edge technology that reduces its CO₂ emissions by 25%. A further hybrid-powered vessel was launched in May 2023 and one more ship will be upgraded to hybrid power as part of a €10 million upgrade. In total, seven ships will feature state-of-the-art technology that significantly reduces both CO₂ and NOx emissions.

"As we are in the process of developing a GHG emissions reduction programme, aligned with Science Based Targets, we have decided not to focus our reduction efforts on offsetting our emissions. Instead, we believe the right approach is to focus our investments on driving in-sector emissions reductions. Our main reduction strategy is to reduce our own direct and indirect emissions, focusing on what moves the needle."

Rikke H. Jørgensen
VP ESG, Hurtigruten





SECTOR
Consumer Services

HEADQUARTERS
Blackburn, UK

WEBSITE
www.eg.group

100%
renewable electricity supply

>600
chargers deployed
at EG Group sites

2012
EG Group's first EV
charger installed

EV charging

EG Group has installed 220 charging points across its sites in the UK and Continental Europe in 2022, bringing the total up to 470, with plans to have installed a further 300 by the end of 2023. It was a pioneer in offering EV charging points, opening its first one more than 10 years ago at its site near Heathrow Airport, and continues to innovate in the space. Its proprietary branded ultra-fast EV charging proposition, evpoint, has been rolled out at more than 20 trial sites, each with between two and six charging points. Using the latest load-balancing technology and innovative charging hardware, evpoint chargers allow several customers to use the same point simultaneously. In addition, all evpoint charging points are supplied by 100% renewable electricity.

Following an agreement to acquire Tesla's latest ultra-fast charging units, EG Group has set an ambition to roll out more than 20,000 chargers across c.3,600 of their own sites and explore opportunities across third party locations. The group is also expanding its EV charging network in the US where it has successfully applied for 43 EV subsidy awards and continues to explore the roll-out of chargers in the country.

“evpoint is one of Europe's fastest growing EV charging networks, with sites across the United Kingdom and Continental Europe. Our network of sites gives drivers easy access to reliable ultra-fast charging, whilst also offering convenience to customers who can enjoy a cup of coffee or a bite to eat while they charge their electric vehicles. Demand for EV charging is expected to continue, and evpoint remains a key component of EG Group's strategy to enable lower-carbon mobility solutions for our customers.”

Mohammed Patel
Head of Energy and Utilities, EG Group





SECTOR
Business Services

HEADQUARTERS
Dumbarton, Scotland

WEBSITE
www.aggreko.com

SAIL GRAND PRIX:

97%

reduction in CO2 emissions
using bio-methanol rather
than diesel

2025

SailGP's goal to be powered
by 100% clean energy

100%

renewable fan village at
the 2022 British Grand Prix

Supplying 100% clean energy to the Great Britain Sail Grand Prix fan village

SailGP has been a pioneer in using sport to combat climate change and accelerate the transition to clean energy. It became the first sport to sign the UN Sport for Climate Action Framework in 2019, and in 2021 it became the first climate-positive sports and entertainment property. That year, SailGP partnered with Aggreko to support it in its ambition to have all events fully powered by clean energy by 2025.

Under this partnership, Aggreko provides highly efficient hybrid solutions comprising solar power, battery storage and thermal generation. At the 2022 British Grand Prix in Plymouth, Aggreko supplied the largest solar array SailGP had used to date and its use of bio-methanol fuel enabled the entire race village to be 100% powered by clean energy. The event was the first time Aggreko Event Services used bio-methanol, a fuel that produces 97% less CO2 emissions compared to diesel, in the UK, and its power solutions marked a 56% reduction in total emissions over the previous season.

The 100% renewable fan village at the British Grand Prix contributed to SailGP winning the Ambition and Impact Award, recognising its contribution to a more sustainable future, at the inaugural BBC Green Sport Awards in October last year.

"At Aggreko, we greatly admire SailGP's commitment to sustainability, inclusivity and innovation – values that we proudly share. This partnership brings us one step closer to delivering sustainable sporting events globally. It is extremely rewarding to see the positive impact that our clean energy solutions can make on the championship, and we are proud to be supporting SailGP as the international sail competition races closer to its sustainability targets."

Jono Rose
General Manager, Aggreko Event Services





SOCIAL IN ACTION

ASDA

Helping customers manage
cost-of-living pressures

25-26

STONEGATE GROUP

“Future Leaders”
development programme

27-28

ARROW GLOBAL

Diversity, Equity & Inclusion

AGGREKO

A commitment to
the Armed Forces

BPP UNIVERSITY

Driving DE&I change in
the legal profession

29-30

Social

Overview

Our companies employ significant workforces, with an approximate total headcount of 275,000 across numerous sectors and geographies. Social issues addressed during due diligence, and when working with companies during our ownership period, are focused on ensuring our portfolio companies are good places to work. These efforts have been externally recognised inter alia, with David Lloyd Leisure announced as Sunday Times' Top 10 Best Very Large Places to Work.

Themes central to our approach are:

Learning & Development – investing in learning and development programmes has helped to both attract and retain talent across our portfolio companies, often in sectors characterised by high employee turnover rates. This has also been essential in creating highly skilled and competent teams focused on delivering success and high levels of customer service.

Employee Wellbeing – creating a strong culture of health and wellbeing provides an environment in which individuals can thrive and show their full potential. This includes providing in-house and external support for mental, physical and financial wellbeing. Our companies also continue to provide employees with support to navigate the current cost-of-living challenges.

Diversity, Equity & Inclusion (DE&I) – we continue to focus on the promotion of diversity, equity and inclusion within the portfolio and at the firm level. This includes reviewing recruitment practices, promoting education programmes, updating internal policies and celebrating different cultures to promote greater diversity and inclusivity in the workplace. We also recognise the importance of diverse perspectives to optimise decision-making, and promote this across our portfolio.

Safety Management – we monitor safety performance through quarterly reporting, annual KPIs and incident reporting. Where there are concerns or serious incidents, we will work with management teams to ensure these are thoroughly investigated and remediation activity is set in motion at the earliest opportunity. For companies with a global footprint, we expect a strong safety management system which is adequately resourced and has board-level oversight.





SECTOR
Retail

HEADQUARTERS
Leeds, UK

WEBSITE
www.asda.com

>2.1m

meals served as part of
the kids eat for £1 deal

205

Asda cafés offering
the £1 meal deals

650,000+

winter warmer meal
deals served

SOCIAL



ASDA

Helping customers manage cost-of-living pressures

In the run-up to the school summer holidays in 2022, Asda launched a Kids Eat for £1 initiative, enabling children under 16 to buy a hot or cold meal for just £1 in Asda cafés across the country, seven days a week with no minimum spend. This helped to ensure children who normally rely on a school lunch were not lacking a regular meal over the school holidays. In November 2022, Asda also launched a Winter Warmer meal deal for over-60s, offering soup, a roll and unlimited tea in any of its cafés for £1, and in January this deal was extended for a further three months. Asda also introduced in June 2023, half price adult mains from 3pm until close. In March 2023, Asda announced that its Kids Eat for £1 offer would be extended to include the Easter holiday period and that the menu would be refreshed with nutritionally balanced hot meals. Between its launch in June 2022 and July 2023, Asda had served more than 2.1 million meals to kids as part of the Kids Eat for £1 deal.

“We know when families are preparing for the school holidays it can often mean an additional strain on household budgets. Our kids £1 café meal deals continue to provide a lifeline to families as we’ve served more than 2.1 million meals since launch. Now, with the introduction of half price adult mains in cafés from 3pm onwards, we can extend our support to the whole family.”

Kris Comerford
Chief Commercial Officer, Asda





STONEGATE GROUP

SECTOR
LeisureHEADQUARTERS
Solihull, UKWEBSITE
stonegategroup.co.uk

8

future leaders promoted
since the programme's launch

5

board members lead Future
Leadership workshops

>4,500

Stonegate pubs
across the UK

Future Leaders development programme

In September 2022, the Stonegate Group launched Future Leaders, a new development programme aimed at inspiring a new generation of management talent. The programme sees high-potential leaders from within the business work through six sessions lasting a total of 10 months, with the goal of challenging and enhancing their leadership thinking. Each workshop is led by key figures from across the Stonegate Group, including five of the company's board members. Delegates work through videos, group discussions, role play, case studies, team activities and personal reflection reviews, presenting a variety of learning opportunities. The first cohort of 32 was drawn from high-potential leaders in head office and operational roles within the business.

As well as enhancing delegates' skills and leadership thinking, the programme afforded the opportunity to network with members of the Stonegate Operating Board. Workshops and social events enabled delegates to interact with the company's senior leaders and enabled the Operating Board to get to know the emerging talent in the business better.

Since the programme launched, eight of the delegates have been promoted to more senior roles, and the remainder continue to work on their Personal Development Plans and feature in the company's succession plans.

"Similar to many businesses, we have relatively flat structures to enable efficiency and speed of decision making. However, one of the challenges with flat structures is that the gap between layers tends to be significant, and we therefore recognised that we had to consider a different approach to accelerating the capabilities and potential of the tier beneath our leadership team. This is what Future Leaders was designed to achieve, and we are already seeing the benefits, both in the capability of the delegates and some of the significant internal promotions."

Tim Painter
HR Director, Stonegate Group





ARROW
GLOBAL



aggremo



BPP

SOCIAL



ARROW GLOBAL

Diversity, Equity & Inclusion

Arrow Global's Diversity, Equity & Inclusion (DE&I) strategy aims to build an inclusive environment where colleagues can thrive. It has developed a roadmap to drive long-term improvement following a group-wide audit carried out by an external DE&I consultant. It is committed to building an inclusive culture, conducting fair and unbiased recruitment, development

and talent management and championing diverse leadership as positive role models. Employees from across the business have been encouraged to create DE&I networking groups. Over the past year, each networking group has been working to raise awareness of Age & Gender, LGBTQIA+, Neurodiversity and Race & Religious Beliefs.

"Diversity, equity and inclusion holds significant importance for our business and reflects our values and operating model. We prioritise three fundamental commitments: fostering an inclusive culture, developing inclusive leadership and nurturing diverse talent. I am proud of the initiatives we already have in place and look forward to seeing the company flourish over the years to come."

Jan Wade
Chief People Officer, Arrow Global



AGGREKO

A commitment to the Armed Forces

In 2023, Aggreko received a Silver Award from the Ministry of Defence's Employer Recognition Scheme, recognising its longstanding commitment to support those who serve or have served. Aggreko first signed the Armed Forces Covenant in 2015, formalising a commitment to hiring veterans and supporting the Armed Forces community. It is working towards a Gold Award by proactively

ensuring that those who serve, or have served, and their families, are not disadvantaged in the workplace and are supported to succeed. Among other initiatives, an internal Armed Forces network enables colleagues to assist one another and provide feedback to Aggreko on how it can offer the best support for its Armed Forces community.

"As a former Royal Marine, I truly value the service of our Armed Forces community both in their military careers but also now at Aggreko. I'm proud that our efforts have been recognised with this award and look forward to continuing to build on our commitment. We're also doing this on a global scale with similar commitments and recognition in the US, Australia and New Zealand – with more to come."

Blair Illingworth
Chief Executive Officer, Aggreko



BPP UNIVERSITY

Driving DE&I change in the legal profession

BPP's Reverse Mentorship Scheme helps to educate senior leaders at law firms about DE&I issues through the experiences of BPP law students from diverse backgrounds. Participating students mentor law firms by reviewing approaches to DE&I, identifying barriers that may negatively impact potential, or even current employees, in terms of recruitment and/or progression. This may include enhancements to

a firm's education and awareness training programmes, blind shortlisting in the recruitment process and catering for religious needs. Within a year of launch, the scheme has been rolled out across the country, working with 125 students and 29 law firms. The scheme is a collaborative way for students to enhance their skills and develop confidence. In June 2023, the scheme won the AGCAS Award for Excellence in DE&I.

"We couldn't be more delighted with the success of BPP's Reverse Mentorship Scheme. The uptake from law firms and from our students has been incredible, which illustrates our mutual passion for diversity and inclusion, as well as affirming how seriously the legal industry is taking this issue. BPP's student body is fantastically diverse, and we hope this programme will help to widen access to the legal profession not only for our students, but for all future lawyers."

Victoria Walden
Head of Law School at BPP University (Manchester)



GOVERNANCE IN ACTION

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Cyber security

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Governance

Overview

A key theme to the governance pillar is to ensure compliance with laws and regulations including anti-corruption, competition law, labour laws and regulations, as well as fair working practices at our portfolio companies. This is assessed as a due diligence workstream and then monitored throughout the investment period via quarterly portfolio company reports. Any incidents need to be reported to TDR as per our incident escalation procedures.

As a significant 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 regulations and industry best practices. Specific areas of our governance focus include:

Acts of modern slavery – policies and procedures to safeguard against acts of modern slavery. This becomes more relevant for those companies with a global footprint that operate in countries of potential concern.

Bribery and corruption – strong safeguards against potential acts of bribery and corruption, including money laundering. This also includes promoting internal education programmes to ensure individuals in high-risk positions are aware of their responsibilities in this area.

Data protection and cyber security – policies, practices and procedures to avoid the potential for data or security breaches. We complement company-led activity with a further line of defence provided by Orpheus Cyber, our cyber security partner, providing threat and vulnerability ratings.

Business continuity and disaster recovery plans – portfolio companies must verify that they have business continuity and disaster recovery plans in place. These help us to understand the capability of a company to continue to deliver products and services at pre-defined acceptable levels following a disruptive incident.





GOVERNANCE



ARROW GLOBAL

SECTOR
Financial Services

HEADQUARTERS
Manchester, UK

WEBSITE
www.arrowglobal.net

>6m

potential cyber threats
detected and blocked in 2022

100%

of data stored in highly secure
Microsoft Azure cloud data
centres by the end of 2023

5

European countries in which
Arrow Global operates and
complies with local data
protection laws

Cyber security & data protection

As a financial institution, Arrow Global deals with the confidential information of its customers and investors and has a responsibility to protect them by having robust data management and security in place. Proper data protection and security systems allow the group to manage the growing cyber risk it is facing, while proper data management ensures that it can efficiently and effectively collect, analyse, and report accurate information to its stakeholders. All of Arrow's data management practices are in line with its ESG framework to provide its customers and investors with confidence in its data handling processes.

Arrow continually invests in robust data protection and security measures to mitigate cyber risk and has developed a rigorous information security framework aligned with industry-leading security standards such as ISO 27001. In 2022, as part of its continuous improvement plan, Arrow has strengthened a number of cyber security measures to protect its IT systems, the data they store and the people who access it. During the year, it invested in new and enhanced cyber threat detection and response capabilities. Arrow has also bolstered its user awareness and training programme.

"Over the past year, as part of our continuous improvement plan, we have strengthened a number of cyber security measures which are designed to protect our IT systems, the data they store and process, and the people that access it. We have also bolstered our user awareness and training programme which, on top of the regular annual cyber training, now encompasses regular cyber awareness posts and videos, cyber quizzes, and phishing simulation campaigns. This is to ensure that our colleagues are aware of the importance of cyber security and actively play their part in handling customer data safely."

John Pellew

Principal and Group Head of IT & Change, Arrow Global





EG GROUP



SECTOR
Consumer Services

HEADQUARTERS
Blackburn, UK

WEBSITE
www.eg.group

2.7m

colleague training hours
delivered in 2022

30%

of senior leadership
positions held by women

>£1.7m

committed to EG Group's UK
apprenticeship scheme

Embedding ESG in the business

EG Group has successfully integrated ESG into its governance and management structures. The overall responsibility for ESG sits with the co-CEOs and the group executive management team, which, together with the group's board, has oversight of the ESG strategy and performance. The group's Head of ESG and Sustainability, supported by a small team, reports to the group executive management team and board, liaising with non-executive directors to review ESG risks and shape ESG priorities. Teams across the business, at both group and country level in operations, HR, health and safety, utilities and legal, as well as governance, are responsible for managing specific ESG issues. In addition, each country has a dedicated ESG lead responsible for gathering ESG data.

The group has taken steps to embed ESG-related key performance indicators into remuneration. In 2022, metrics on climate change and colleague engagement were included in the UK short-term incentive plan (STIP), which applies to the UK head office staff and 'above store' leaders. In 2023, ESG-related metrics continued to be included in the UK STIP, with 20% of this based on meeting personal objectives to complete ESG training. ESG-linked remuneration has been extended to cover the long-term incentive plan for leadership, including senior managers and country managers in some markets, with 15% of the award linked to progress against the group's scope 1 and 2 carbon reduction target.

"Over the last few years, EG Group has made strong progress in laying down the fundamentals of a robust approach to ESG. From building and expanding the ESG team, to creating an ESG strategy with targets and publishing our first ESG Report, we are working to ensure that ESG is embedded into our business practices. That also means working with internal stakeholders from the board down, and external stakeholders including our suppliers and investors to ensure we respond to emerging expectations of businesses in relation to ESG."

Amina Batool

Head of ESG & Sustainability, EG Group.





GOVERNANCE



TDR CAPITAL

13

portfolio companies analysed
for cybersecurity vulnerabilities

1

reportable cyber incidents
across the portfolio in 2022

13+

types of sources used in
Orpheus Cyber's All-Source
intelligence model

“Over the past 12 months we have deepened our understanding of our companies' cyber security strength and ensured that they are taking a risk-based approach to cyber resilience. Our commitment to enhancing cyber resilience remains unwavering as we continue to support our portfolio companies in safeguarding their digital assets and ensuring the long-term security of their operations.”

Maninder Singh
Head of IT, TDR Capital

Cyber security

Cyber security is an increasing focus for all companies as understanding current vulnerabilities and threats is essential to mitigate risks. To monitor cyber-related risks across our portfolio, TDR continues to engage Orpheus Cyber, the only UK-government accredited firm providing threat intelligence and cyber risk rating services.

Orpheus provides cyber risk ratings that combine vulnerabilities visible on the organisation's attack surface and threat intelligence for all our portfolio companies. Each company report identifies how the biggest vulnerabilities and threats can be mitigated to reduce the overall risk level. This helps to manage potential threats and avoid value erosion in the portfolio from a cyber-attack, and it also helps to mitigate TDR's risks and avoid direct attacks. Orpheus uses a combination of open-source research, freely available tools and passive reconnaissance to replicate the methods used by threat actors and uncover intelligence that would be useful to malicious parties looking to target a specific company.

This year, we have complemented the Orpheus analysis by asking companies to complete a cyber security questionnaire. This has helped to build a picture of how companies assess and manage risks related to cyber security, levels of governance, systems for monitoring and detecting potential security breaches, as well as the adoption of cyber-related policies. The survey results have been encouraging, showcasing an overall positive cyber security position among our portfolio companies. However, the data has also highlighted areas where enhancements can be made to further fortify the companies' defences. By proactively addressing the identified areas for improvement, our portfolio companies not only enhance their cybersecurity measures but can also better protect their valuable assets, customer data and reputation in an ever-evolving digital landscape. We remain committed to supporting our portfolio companies on this journey to ensure the continued security and sustainability of their operations.

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