TDR Capital

Taskforce on Climate-related Financial Disclosures Report

March 2025

Foreword

At TDR Capital, we strive to drive long-term, sustainable growth across our portfolio companies. We recognise that addressing climate-related risks and seizing emerging opportunities are fundamental to building resilient and successful businesses. The past year has seen meaningful progress in our journey to integrate climate considerations into our investment processes and operations, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This 2025 disclosure demonstrates our continued efforts to embed climate-related governance, strategy, risk management, and metrics and targets into our decision-making. Over the year, we expanded our climate scenario analysis to cover 14 of our 17 portfolio companies, supported an increasing number of portfolio companies in setting emission reduction targets - including three with science-based targets.

Our governance framework has been strengthened through quarterly climate reviews by the Responsible Investment Committee, supported by enhanced ESG data collection and analysis. We have continued our active contribution to industry initiatives such as the ESG Data Convergence Initiative (EDCI) and Initiative Climat International (iCI), helping shape best practices in private equity.

We also took practical steps to mitigate our environmental impact, including the purchase of carbon credits to cover Scope 1 and 2 emissions and business travel, and supported portfolio companies in improving their transparency through ESG and sustainability disclosures. Furthermore, our collaboration with initiatives like the Private Markets Decarbonisation Roadmap (PMDR) is advancing our efforts to support the transition to a low-carbon economy.

As outlined in this report, we remain committed to strengthening our climate resilience and contributing to a sustainable future, in partnership with our investors, portfolio companies, and the wider private capital ecosystem.

Unless otherwise stated, the information contained in this report is current as of 31 March 2025 and is not intended to be updated beyond this date.

The TDR Partners

Compliance Statement

This disclosure is written with reference to the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) and includes details of the qualitative outputs of scenario analysis, including our approach. This year's disclosure reports on the findings of the analysis, and we are actively working towards embedding these insights, along with broader climate risks and opportunities, into our business processes. Our goal is to use these results to inform our decision-making and enhance the resilience of our operations and portfolio companies to climate-related challenges.

Blair Thompson

Blair Thompson, Partner

TDR Capital LLP

TDR Capital

Executive Summary

Over the past year, we have made good progress towards realising and enhancing our understanding of climate-related risks and opportunities. Our commitment to integrating climate considerations into our investment strategy and operations has been demonstrated through various initiatives and achievements. A summary of our progress to date for each of the TCFD pillars is shown below:

TCFD Pillar	Progress to date
Governance	**Building Awareness and Skills** Climate Awareness Training: We have partnered with Sustainability Unlocked to deliver a comprehensive climate awareness training programme, which is ready to roll out to all investment professionals, including new joiners as part of TDR's induction programme. We aim to launch the training in alignment with London Climate Action Week (June 2025). Net-Zero Presentation: In May 2024, a net-zero presentation was delivered to all TDR investment professionals, with a separate session provided for the Management Committee.
Strategy	**Climate Resilience through Active Engagement** Engagement with iCI: Continued active contribution to the Initiative Climat International (iCI) to ensure our approach reflects emerging best practices and promotes climate resilience and adaptation across the private capital ecosystem. Carbon Removal Credits: Purchased carbon credits in June 2024 representing the unabated value of TDR's Scope 1 and 2 emissions, and Scope 3 business travel emissions.
Risk Management	**Understanding our Risks** Scenario Analysis: Completed climate scenario analysis for 14 of 17 portfolio companies.
Metrics & Targets	**Decarbonising to Retain and Grow Market Share** Science-based Target Training: Provided virtual training on science-based targets progress for all portfolio companies. Emission Reduction Targets: Increased the number of portfolio companies with emission reduction targets, with 3 companies setting science-based targets and a further 6 companies having emissions reduction targets. **Transparency to Build Trust and Accountability** Data Collection and Reporting: Strengthened data collection and reporting for portfolio companies, with 14 of 17 companies reporting Scope 1 and 2 GHG emissions, and 10 of 17 companies reporting Scope 1, 2, and 3 GHG emissions. Public Disclosure: Supported portfolio companies in enhancing their disclosure by developing their own annual ESG and sustainability reports. As a result, seven companies published their own ESG and sustainability reports with a further 3 integrating TCFD/CFD requirements into their Strategic Reports as part of their annual report and accounts.

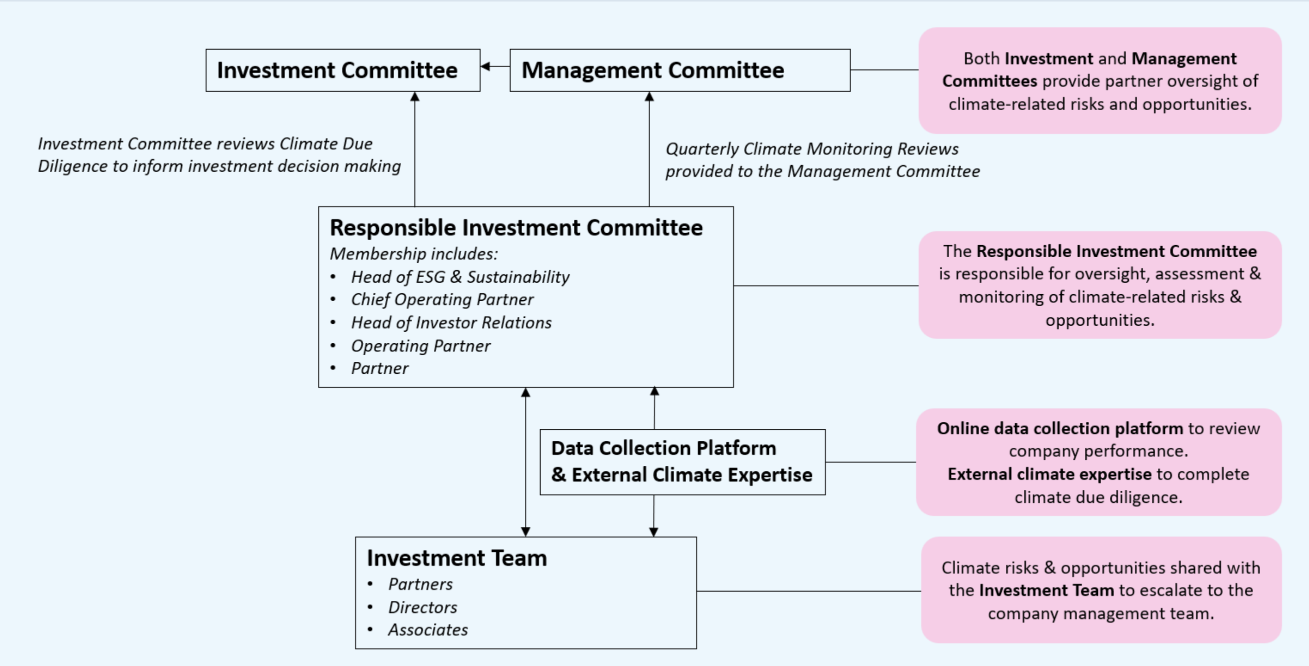
1.Governance

At TDR, we are committed to a robust governance framework that supports the longevity and sustainability of our business. Climate-related risks and opportunities are a key tenet of this.

Our management structure is pivotal in assessing and managing climate-related risks and opportunities. Quarterly climate monitoring reviews are presented to the Management Committee, ensuring climate-related considerations are consistently evaluated and addressed. These reports align with the TCFD pillars covering governance, strategy, risk management, and metrics and targets.

Our management structure has clearly defined roles and responsibilities, ensuring accountability within TDR Capital and its portfolio companies. Furthermore, to ensure those charged with governance have the requisite skills, all members of the Investment, Management, and Responsible Investment Committees received climate-related training and updates.

Figure 1: Organogram of the governance structure and reporting lines in relation to ESG within TDR Capital as of 31 March 2024.



1.1 Oversight of Climate-related Risks and Opportunities

TDR's Management Committee is responsible for the day-to-day running and administration of TDR including providing oversight of consideration of climate-related risks and opportunities.

The Responsible Investment Committee includes oversight of climate matters. The Committee conducts climate risk and opportunity reviews every quarter which report against the TCFD framework pillars. These include an assessment of progress against climate-related targets and goals, informed by quarterly ESG reports received from portfolio companies. The output from these reviews is reported to the Management Committee for discussion and appropriate action.

The Investment Committee is the formal decision-making body for investments and divestments by TDR Managed Funds. It reviews and discusses climate-related considerations in relation to potential transactions.

For prospective investment opportunities, the deal teams are primarily responsible for overseeing due diligence ("DD") which would include an internal ESG red flag report and a climate risk and opportunity report, including physical and transition scenario analysis over the short (2030) and long (2050) term. Physical risk is analysed under a high-carbon scenario (IPCC SSP5-8.5) and transition risk is analysed under a net-zero scenario. Examples of climate risks identified in DD this year include hazard specific impacts such as extreme heat, and transition specific risks such as the increased pricing of greenhouse gas (GHG) emissions. Findings from the DD reviews are reported to the Investment Committee as part of the investment decision-making process.

1.2 Partners' Role in Assessing and Managing Climate-related Risks and Opportunities

There are multiple roles within TDR's governance structure with responsibility for assessing and managing climate risks and opportunities within the firm and across our portfolio companies. Some of these are described below.

The Chief Operating Officer and the Head of Investor Relations sit on both the Responsible Investment Committee and the Management Committee. As members of the Responsible Investment Committee, they receive reports on relevant climate-related issues as part of portfolio company reviews. They will provide updates to the Management Committee alongside a quarterly climate monitoring report. This process may include contributing to discussions on climate opportunities, risks, and incidents that have arisen during the previous quarter.

The Head of ESG & Sustainability ensures climate-related risks and opportunities are considered across the investment lifecycle. This involves close collaboration with the Investment Team, ensuring completion of the ESG red flag report and climate risk analysis which are mandatory components of pre-acquisition DD.

Throughout the ownership period, the Head of ESG & Sustainability engages with portfolio companies to assess and respond to ESG risks and explore opportunities. Any concerns are communicated to the Investment Team, ensuring they are escalated to the company management team for their attention and action.

Additionally, TDR Capital holds board positions within its PCs, with the Head of ESG & Sustainability sitting on various ESG Committees, such as those at Arrow and Aggreko, and contributing to the development of net-zero strategies for companies like NKD Group.

2. Strategy

2.1. Conducting Scenario Analysis to Identify Current and Future Climate Risks and Opportunities

TDR Capital employs scenario analysis to assess risks and opportunities for its portfolio companies. It has performed climate-related analysis for thirteen companies to gauge climate impacts, focusing on physical and transition risks.

We consider the following time horizons to be relevant for our portfolio companies:

- **Short-term**: Within the next three to five years.
- **Medium-term**: Between five to ten years into the future.
- **Long-term**: Ten to twenty years into the future.

Using these time horizons, we identified and assessed how various climate-related risks and opportunities could impact our portfolio's business, strategy, and financial position, focusing on the most critical assets. With the support of third-party consultants and through engagement with key stakeholders, we identified several potentially relevant physical and transition risks and opportunities to assess under different climate scenarios. Our approach to scenario analysis aligns with best practice and includes two physical and two transition scenarios. Additional details are provided in Table 1.

Table 1: Description of the physical and transition scenarios used in scenario analysis

Physical Scenarios Used		Transition Scenarios Used	
IPCC SSP5-8.5: 4.4°C mean warming by 2100	This scenario reflects continued high emissions without new climate policies, driven by economic and social development, abundant fossil fuel use, and resource-intensive lifestyles globally. It assumes: • CO_2 levels may double by 2050, with numerous mitigation challenges but few adaptation challenges. • Energy demand to triple by 2100, primarily from fossil fuels.	**NGFS Current Policies: 3°C mean warming by 2100**	This scenario indicates that maintaining current policies will result in emissions growth until 2080, causing approximately 3°C of warming and significant physical risks. It serves as a warning for central banks and supervisors to evaluate long-term risks to the economy and financial system if the current trajectory continues.
IPCC SSP1-2.6: 1.8°C mean warming by 2100	This scenario aligns with the Paris Agreement, aiming for net-zero emissions by the late century through sustainable practices and inclusive development. By 2050, renewables will comprise over half of the energy supply, with minimal challenges to climate mitigation and adaptation.	**NGFS Net Zero 2050: 1.5°C mean warming by 2100**	This scenario envisions a comprehensive transition across all economic sectors, highlighting the need to decarbonize electricity, boost electricity usage, enhance energy efficiency, and achieve net-zero by 2050. This approach offers at least a 50% chance of keeping global warming under 1.5°C by century's end, with minimal overshoot. While physical risks remain low, transition risks are significant.
Time Horizons	2030 and 2050	2030, 2040 and 2050	

2.2. Scenario Analysis Findings

Table 2 is a heatmap presenting the four most material transition risks and opportunities for our portfolio companies, emphasising their potential effects on operations and revenue. Similarly, Table 3 presents a heatmap of the four most material physical risks identified through scenario analysis.

- Physical risks include extreme weather events and rising sea levels, which could increase operational costs and damage infrastructure. These were evaluated using a high-impact scenario based on the IPCC's SSP5-8.5 pathway, predicting a 4.4°C temperature rise by 2100.
- Transition risks and opportunities, such as regulatory shifts and the low-carbon economy, affect market dynamics and investment strategies. These were evaluated using the NGFS Net Zero 2050 scenario, targeting a 1.5°C limit on global warming by 2100.

This analysis identifies themes of a low-carbon economy essential for us and our portfolio companies. Embracing these opportunities helps mitigate risks and leverage the advantages of a low-carbon transition, informing our strategy to protect and create value during ownership and at exit.

Overall, these findings provide valuable insights that can guide our decision-making processes, ensuring that we are well-prepared to navigate the evolving landscape of climate-related risks and opportunities. More detailed information on the climate-related risks and opportunities identified across the portfolio can also be found within the disclosures of the portfolio companies themselves.

OPPORTUNITY IMPACT RATING:

Low
Medium
High

RISK IMPACT RATING:

Low
Medium
High

Table 2: Portfolio company-level heatmap of top four transition risks and opportunities under high-impact scenarios

	Opportunities				Risks			
Company	Resource Efficiency	Energy Sources	Products & Services	Markets	Policy & Legal	Technology	Market	Reputation
Acqua & Sapone								
Aggreko								
Applus+								
Arrow Global								
ASDA								
Ayvens								
BPP Holdings								
Constellation Group								
CorpAcq								
David Lloyd								
EG Group								
Jollyes								
NKD Group								
Stonegate Group								

Table 3: Portfolio company-level heatmap of top four physical risks under high-impact scenarios

Company	Increased Severity of Extreme Weather Events	Changes in precipitation and extreme weather variability	Rising Mean Temperatures	Rising Sea Levels
Acqua & Sapone				
Aggreko				
Applus+				
Arrow Global				
Asda				
Ayvens				
BPP Holdings				
Constellation Group				
CorpAcq				
David Lloyd				
EG Group				
Jollyes				
NKD Group				
Stonegate Group				

2.3. Impact of Climate-related Risks on our Strategy and Portfolio Company Engagement

We recognise that, in some instances, climate-related risks and opportunities may result in a material impact on portfolio companies.

We are making progress in enhancing our climate risk management capabilities. As part of our efforts, we have implemented a third-party climate risk modelling tool supporting DD and portfolio management. This tool enables us to better assess and quantify climate-related risks and opportunities, ensuring more informed decision-making and strategies across our portfolio. We are further equipping our investment professionals with the skills needed to support portfolio engagement and assess progress against our commitments, including near-term science-based targets, through workshops on topics like net zero.

Climate Awareness Training for Investment Professionals: We have partnered with Sustainability Unlocked to deliver a comprehensive climate awareness training programme aimed at enhancing understanding of climate-related issues among our investment professionals. The training covers both general climate change concepts and relevant technical aspects, and will be launched to coincide with London Climate Action Week. Going forward, all new joiners will be required to complete the training as part of their induction process.

Transition Planning and Regulatory Compliance: The FCA is evaluating transition plan requirements via the UK SRS to aid portfolio companies in climate transition by pinpointing key change levers. Immediate implementation may not be possible this year but is under future consideration.

Anti-greenwashing: We have engaged with our portfolio companies on anti-greenwashing through hosting ongoing workshops with the support of external advisers. This aims to support efforts to promote transparency, support genuine sustainability efforts and reduce associated risks across our portfolio.

2.4. Enhancing Resilience through Direct Engagement

Scenario analysis[1] conducted over the past two years across fourteen portfolio companies suggests that we face a low to moderate overall risk from the impacts of climate change. This is due to the low significance of risks from physical climate events and moderate to high transition opportunities identified for the short and long term.

To equip ourselves to maintain resilience towards climate-related risks and capitalise on the identified opportunities from the scenario analysis, we are working with portfolio companies to assist in managing their identified risks and opportunities. Details, including a case study on effective engagement, can be found in the 'Risk Management' section.

We believe there is always room for improvement in assessing climate-related risks and mitigation actions. In the future, we aim to financially quantify our significant risks and opportunities to enhance understanding of our exposure, market opportunities, and inform resource allocation.

Summary of Portfolio Company Resilience Measures

Sustainable Market Solutions

BPP and Sustainability Unlocked: BPP University has partnered with xUnlocked, investing to enhance sustainability and ESG education for professionals. This collaboration has resulted in "BPP Powered by Sustainability Unlocked," an on-demand video platform offering diverse courses from leading experts. This initiative supports the net-zero transition by embedding sustainability knowledge in organisations.

[1] The analysis incorporated physical and transition risk scenarios based on frameworks from the IPCC (SSP5-8.5 and SSP1-2.6) and the Network for Greening the Financial System (NGFS Current Policies and Net Zero 2050), with third-party consultant support.

Aggreko: Aggreko supports the energy transition through investments in cleaner technologies, enhancing supply chain resilience, and collaborating on sustainable energy projects. Their Energising Change strategy, launched in 2024, promotes a sustainable future. Aggreko invests in cleaner technology, researches alternative fuels, and gathers real-world data to inform customers and encourage early adoption of new technologies. Further details on Aggreko's climate strategy are included in *section 3.1*.

Asda: Asda supports the energy transition through initiatives such as operating the UK's largest fleet of LNG-fuelled trucks, enhancing energy efficiency in stores, and accelerating the rollout of EV charging stations. Asda has also partnered with HSBC UK to launch a sustainability-linked supply chain finance scheme, reinforcing its commitment to sustainable practices.

Constellation Automotive Group: Constellation Automotive Group is trialling Hydrotreated Vegetable Oil (HVO) fuel as a diesel alternative in its fleet, aiming for up to 90% emission reductions. They plan to expand this initiative and engage more customers over the next year.

Decarbonisation Measures

Aggreko: Aggreko has established a project which converts associated petroleum gas into electricity, reducing CO_2 emissions and generating carbon credits, aiming to reduce nearly 1.9 million tonnes of CO_2e emissions between May 2021 to December 2024.

David Lloyd Leisure: David Lloyd Leisure aims for a 90% reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2022 baseline, with plans to maintain this reduction through 2050. They have invested in energy-efficient technologies and solar panel installations, sourcing 100% renewable grid electricity in the UK.

2.5. Entity-Level Climate-Related Risks and Opportunities

At TDR Capital we acknowledge that climate-related risks and opportunities affect our operations at the firm level, as well as those of our portfolio companies. Key risks include new regulations and reporting requirements, which impact resilience and our transition to a low-carbon economy.

Given that our business is primarily people-based, the physical risk associated with climate change is considered low. Our ability to operate virtually, supported by robust Business Continuity Plans (BCPs), further mitigates these risks. However, we recognise the need to continually evolve transition risk analysis to align with our strategic objectives.

Climate-related Risks

Regulatory Changes: The Financial Conduct Authority (FCA) is considering UK Sustainability Reporting Standards (SRS) based on ISSB S1 and S2, along with transition plans. This presents an opportunity to address existing gaps across our portfolio and support their climate transition journeys. Future legislation affecting IPO standards is also likely, impacting exit strategies.

Policy Changes: Public awareness of the need for climate action is rising, resulting in greater scrutiny of the actions of the private equity industry. The establishment of decarbonisation industry frameworks, such as Private Markets Decarbonisation Roadmap (PMDR) and Initiative Climat International (iCI), which some industry participants have joined, is shaping expectations of how firms and their funds engage on emissions.

Reporting Requirements: Increased reporting requirements from initiatives like TCFD and PRI assessments necessitate thorough documentation and transparency in our climate-related activities. This includes updating our TCFD statement for the year ending 31st March 2025 and drafting a Climate Policy to align with LP requests.

Climate-related Opportunities

Transition Planning: Transition planning needs proactive engagement from Limited Partners (LPs) or investor coalitions advocating for such plans. We have assessed LPs with climate transition plans which shows that major investors are unlikely to commit to future funds without a clear commitment to net-zero strategies.

Net Zero Drivers:

- **Net-Zero Frameworks**: Public awareness of climate action is rising, resulting in greater scrutiny of the private equity industry. The establishment of decarbonisation industry frameworks is shaping expectations of how firms and their funds manage emissions.

- **Portfolio Companies**: An increasing number of Portfolio Companies view decarbonisation as an opportunity for strategic differentiation within their markets and are actively engaging with TDR to support their decarbonisation journeys.

Case Study: Private Markets Decarbonisation Roadmap (PMDR)

TDR Capital is involved in industry-led efforts to support the transition to a low-carbon economy. One such initiative is the PMDR, developed on behalf of the Initiative Climat International (iCI) and the Sustainable Markets Initiative's Private Equity Task Force.

Portfolio Engagement: The PMDR provides a common language that enables private equity firms to disclose their assets' decarbonisation efforts. It recognises firms' progress and builds on existing frameworks, giving the flexibility they need to decide what and how to disclose. This roadmap helps TDR Capital accelerate progress on disclosing and reducing greenhouse gas emissions, improving operations, increasing valuations, and mitigating risks.

Decarbonisation Initiatives: Through the PMDR, TDR Capital supports portfolio companies in their decarbonisation efforts by providing essential insights and guidance on balancing emissions-reduction priorities and fiduciary duties. The roadmap includes practical how-to guidance relevant to a fund's operational characteristics and addresses a multi-strategy approach that incorporates advice on the levers available to stakeholders in different asset classes.

Initiative Climat International (iCI): TDR Capital is a member of iCI and has been involved in various consultations. TDR Capital also acted as an interviewee for the recently launched guidance for private markets on the voluntary carbon markets which encourages a responsible approach to carbon credit procurement and investment in technology and nature-based solutions.

By harnessing the PMDR framework and our collaboration with iCI, TDR Capital strengthens its capacity to navigate climate-related risks and opportunities. This strategic approach ensures long-term sustainability and drives value creation throughout our portfolio.

3. Risk Management

3.1. Embedding Climate Risk

TDR Capital's approach to risk management at the firmwide level, ensures that climate-related risks are effectively identified, assessed, and managed. This approach is embedded within our wider risk management policies and frameworks, with clearly defined roles and responsibilities to address climate-related risks.

Risk Management Policies & Frameworks

Due Diligence: As part of our pre-acquisition due diligence, we assess physical and transition climate risks and opportunities. Results are shared with our Investment Committee to consider the potential impact on the financial valuation of the target, and compatibility with TDR's climate and sustainability strategy.

GHG Reporting: During the ownership period, all portfolio companies are required to collect and report Scope 1 and Scope 2 carbon emissions. We also support management teams in collecting and reporting Scope 3 emissions data for companies such as BPP, Arrow Global, NKD, and Stonegate.

Climate Governance: We address climate risks and opportunities by collaborating with portfolio company management to create mitigation and value creation plans. This includes setting science-based carbon reduction targets with SBTi validation. We establish reporting mechanisms for quarterly ESG reporting, reviewed by our Responsible Investment Committee, with any concerns escalated to the Investment Teams or Management Committee. To enhance portfolio company skills in managing climate-related issues, we conduct annual ESG Forums and webinars for discussion and knowledge sharing.

Risk Management Policies & Frameworks: At the exit stage, we address the climate-related risks and opportunities identified during the hold period. Where appropriate, this includes the integration of climate risk analysis into vendor due diligence to support exit value.

Case study 1

Embedding an ESG Strategy for Portfolio Company: Aggreko

Aggreko, a global energy solutions provider, is committed to helping customers lower carbon emissions and accelerate their journeys to net zero. Launched in early 2024, Aggreko's Energising Change strategy outlines its vision for a sustainable future and describes the principles guiding its ambition to support the energy transition and create a positive future for all.

Aggreko's continual investment in cleaner technology and services will help reduce costs, improve efficiency and reduce emissions. Through this investment, Aggreko will increase its use of cleaner technology to accelerate the pace of change in the adoption of clean energy technology.

Table 4: Summary of engagement work conducted to support a portfolio company with its ESG and climate strategy

Key Pillar	Support offered by TDR during ownership
Transition to Cleaner Technologies	Aggreko has substantially expanded its commitment to sustainable energy solutions. In 2024, the company invested $371 million in products that support the energy transition, including solar technologies, battery energy storage systems (BESS), gas solutions, and emission-reduced diesel generators such as Stage V and Tier 4 Final models. This investment forms part of Aggreko's broader Greener Upgrades™ strategy, which integrates efficient technologies, alternative fuels, renewables, and energy storage to reduce emissions and improve fuel efficiency. By offering clients these cleaner, modular power solutions, Aggreko is helping businesses lower their carbon footprint while enhancing operational resilience and cost-effectiveness.
Strategic Collaborations	Aggreko continues to expand its renewable energy capabilities through strategic partnerships and acquisitions. In 2024, the company advanced its portfolio of community-based and commercial solar projects via its acquisitions of RenEnergy and Infiniti Energy, both of which specialise in developing, financing, and implementing tailor-made solar energy and storage solutions. These efforts are complemented by Aggreko's support for community-centred sustainability initiatives, which aim to deliver decentralised clean power and bolster energy resilience.
Net Zero	Aggreko has reaffirmed its commitment to achieving net-zero emissions across its Scope 1 and 2 operations by 2035, supported by a clear roadmap that includes transitioning to renewable electricity, adopting low-GWP refrigerants, and electrifying company vehicles and equipment. The company is also on track to deliver a 30% reduction in the emissions intensity of its energy solutions by 2030, having already achieved a 6% reduction in $kgCO_2e/MWh$ and 14.2% reduction in tCO_2e/MW against its 2021 baseline. These efforts have contributed to a 1.2 million tCO_2e reduction in absolute emissions, a 9% decrease from the 2021 baseline.

4. Metrics and Targets

4.1. Climate-Related Metrics

We have collaborated with a third-party provider to introduce an ESG data platform that enhances the collection and analysis of ESG data from our portfolio companies. This platform automates data collection and reporting, enabling us to efficiently assess how our portfolio companies are managing key ESG risks and opportunities. Additionally, the platform facilitates seamless communication of key information to our investors and other stakeholders.

The platform captures annual data on approximately 41 core ESG KPIs across our portfolio companies. Climate-related metrics include Scope 1, 2, and 3 carbon emissions, energy consumption, and biodiversity metrics. This data collection allows us to monitor decarbonisation progress from one year to the next, ensuring continuous improvement and accountability. By leveraging this ESG data platform, we can enhance our understanding of climate-related impacts, drive meaningful action, and communicate our progress transparently to stakeholders.

At the firm level, in relation to TDR Capital LLP as a standalone entity, we disclose our Scope 1, 2, and 3 (business travel only) emissions within our Annual ESG & Sustainability Report. We have also recently established our involvement in the Westminster Sustainable City Charter, an initiative aimed at reducing carbon emissions from non-domestic buildings in Westminster. As a result, our Head Office will be one of the first buildings on the estate to implement the Charter, involving a detailed assessment of building energy performance, followed by developing building-specific improvement plans.

For further insights into how our portfolio companies are addressing ESG and sustainability challenges, we encourage you to review our ESG and Sustainability Report, available via the TDR Capital Investing Responsibly page.

4.2. Climate-Related Targets

At the firm-level we have committed to:

- Introduce climate awareness training for all investment professionals and as part of TDR's induction programme: Rolled out at the end of June 2025 (Governance)
- Deliver a net-zero presentation to all TDR investment professionals: Completed March 2025 (Strategy)
- Continue engagement with initiatives such as the initiative Climate International (iCI) to promote climate resilience and adaptation across the wider private capital ecosystem: Active contribution to the iCI initiative

We established near-term targets to expand scenario analyses across our portfolio companies with an immediate goal to conduct scenario analysis for an additional three portfolio companies (phase 2), resulting in 14 out of 17 portfolio companies completing scenario analysis by 31 March 2025.

Several portfolio companies, like David Lloyd Leisure, are setting science-based targets for validation by the SBTi. As more companies engage in scenario analysis and collaborate with us, we aim to promote wider adoption of these targets throughout our portfolio.

We facilitate scenario analyses for portfolio companies and have established internal objectives for managing climate-related risks at the group level. Long-term goals include disclosing historical climate data and calculating GHG efficiency ratios.

Ongoing efforts and assigned KPIs for tracking progress are detailed below:

Internal Action		Progress against KPIs	
		2023/24	**2024/25**
Internal Training and Upskilling	Conduct climate awareness training for all our professionals.	n/a	Rolled out from end-June '25
	Refresh new joiner induction by introducing a new mandatory climate awareness training module.	n/a	Rolled out from end-June '25
Portfolio Company Engagement	Deliver annual portfolio company ESG forums to discuss climate risk amongst portfolio companies.	Delivered annual PC ESG Forum	Delivered annual PC ESG Forum
	Increase the number of portfolio companies that have completed scenario analysis.	8/15 portfolio companies completed scenario analysis	14/17 portfolio companies completed scenario analysis
	Work with portfolio companies to improve the accuracy and coverage of reported GHG emissions data, including Scope 1, 2 and 3 emissions.	13/15 portfolio companies reporting Scope 1&2 emissions 8/15 portfolio companies reporting Scope 1,2&3 emissions	14/17 portfolio companies reporting Scope 1&2 emissions 10/17 portfolio companies reporting Scope 1,2& 3 emissions
	Increase the proportion of portfolio companies with action plans to reduce their Scope 1 and 2 emissions.	13/15 portfolio companies	12/17 portfolio companies have action plans
	Explore the setting of carbon reduction targets across our wider portfolio.	Ongoing	3/17 companies have set science-based targets 6/17 portfolio companies have set emission reduction targets
	Number of portfolio companies with carbon reduction targets, tracked by TDR Capital	N/A	9/17 portfolio companies have set informal carbon reduction targets
	Apply a decarbonisation roadmap to portfolio company performance, encouraging and documenting progress throughout the year.	Quarterly reporting of roadmap to Management Committee	Quarterly reporting of roadmap to Management Committee

5.Focus Areas

Over the last year, we have made progress towards our climate-related ambitions and have enhanced our understanding of climate-related risks and opportunities. This includes undertaking climate scenario analysis with fourteen portfolio companies and integrating these insights into our risk identification and management processes.

TDR Capital is dedicated to building upon the progress achieved in 2024/25. Below, we present an action plan designed to enhance internal alignment with the TCFD, with the goal of delivering this plan by 31 March 2026.

- Expand Scenario Analysis: Conduct scenario analysis for additional portfolio companies to achieve full coverage.
- Resilience: Develop and implement a plan to conduct resilience assessments across the portfolio, to ensure appropriate risk mitigation and opportunity responses are in place in response to the scenario analyses.
- Strengthen Engagement with Portfolio Companies: Continue to provide training and support for setting science-based targets and improving climate-related data collection and reporting.
- Climate Regulation Tracker: Develop a tracker for key regulatory changes (e.g. UK SRS, ISSB, CSRD, SFDR) to help the firm and portfolio companies stay informed and prepared.
- Update Internal ESG Due Diligence Templates: Include a climate-specific section in the ESG red flag template used during due diligence, reflecting lessons learned from past scenario analyses.
- Portfolio-Wide Climate Data Workshop: Organise a data quality workshop for ESG leads at portfolio companies to share best practices for collecting Scope 1, 2, and 3 emissions data.
- Enhance Climate Risk Modelling: Upload asset data from portfolio companies to the third-party climate risk modelling tool.

By implementing these measures, TDR Capital aims to strengthen its alignment with the TCFD recommendations while enhancing the resilience of its portfolio companies in the face of climate-related risks and opportunities.