



TDR Capital
ESG Policy & Principles
December 2025

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1. Introduction

TDR Capital LLP (“TDR” or “the firm” or “we”) believes that incorporating environmental, social and governance (ESG) considerations in its business and investment decisions is essential to creating value for its investors and to developing a more sustainable long-term strategy for its portfolio companies. Where possible we take an active stewardship role in our companies, seeking to work in partnership with management to grow and develop the business together.

This ESG policy sets out our firm-wide commitment to ESG management, covering roles and responsibilities, our integration of ESG considerations across the deal cycle, reporting, communications, and how TDR manages its own direct ESG impacts. It draws upon the United Nations supported Principles for Responsible Investment, of which TDR is a signatory.

TDR views ESG not only as a risk management discipline, but as a core component of long-term value creation. We believe that well-governed, socially responsible and environmentally resilient businesses are better positioned to deliver sustainable financial performance, operational excellence and attractive exit outcomes.

TDR also supports the Ten Principles of the United Nations Global Compact as a recognised international framework for responsible business conduct, covering human rights, labour standards, environmental responsibility and anti-corruption. These principles are taken into consideration, alongside other relevant international standards and industry initiatives, when developing, implementing and reviewing TDR’s ESG Policy and practices, and in guiding our engagement with portfolio companies, where appropriate.

2. Our ESG Principles

We outline below the principles that govern how we work, approach investments and engage with our portfolio companies in relation to ESG matters. These principles reflect our commitment to responsible stewardship, long-term value creation and continuous improvement. We seek to:

1. **Promote high standards of business conduct**, working with our portfolio companies to seek to ensure that they comply with applicable laws and regulations, including those relating to anti-corruption, competition, labour standards, health and safety and human rights, and align with relevant internationally recognised best practices.
2. **Integrate ESG considerations throughout the investment lifecycle**, incorporating material ESG risks and opportunities into origination, due diligence, investment decision-making, ownership and exit processes.
3. **Measure, monitor and enhance ESG performance** to protect and create value, using data-driven frameworks, key performance indicators and targeted initiatives to strengthen operational resilience, support growth and improve long-term outcomes for stakeholders.
4. **Support effective governance and accountability**, working with our portfolio companies to establish governance structures, oversight mechanisms and, where appropriate, remuneration and incentive arrangements that align management actions with long-term performance and responsible business outcomes.
5. **Engage constructively with stakeholders**, including portfolio company management teams, employees, investors and other relevant stakeholders, to promote transparency, share best practice and drive continuous improvement in ESG management.

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3. Roles and Responsibilities

TDR has dedicated ESG resources in place to support the delivery of our policy and to work proactively with our portfolio companies to enhance levels of ESG management.

Our Head of ESG & Sustainability, Nigel Smith, serves as chair of TDR’s Responsible Investment (RI) committee. The RI committee meets quarterly to review portfolio company reporting and to discuss any opportunities and/or incidents that occurred during the quarter. The RI committee then reports to the TDR Management Committee and operates as a forum to share ESG learnings and best practice among the deal teams.

Each portfolio company is expected to report quarterly on key material ESG risks and opportunities, enabling ongoing monitoring and dialogue throughout the ownership period. In addition, companies are required to report at least annually against a core set of ESG key performance indicators, including metrics aligned with the ESG Data Convergence Initiative (EDCI).

Annual ESG data is collected through a third-party data collection platform, supporting consistency, data quality and efficient reporting across the portfolio. ESG reporting is reviewed by TDR’s RI Committee to assess performance trends, identify emerging risks and value creation opportunities, and determine where targeted engagement or additional support may be required. Feedback is provided to the Partners and deal teams to inform stewardship priorities and investment oversight.

Our Head of ESG & Sustainability is responsible for the collation of quarterly ESG reporting and annual ESG key performance indicators across all portfolio companies. TDR and its portfolio companies have joint responsibility to implement and monitor the application of this policy, creating appropriate governance structures to support the required level of commitment.

4. Integrating ESG in Our Investment Activities

Through our stewardship activities we use our influence to promote long-term value creation. To do this, we engage with our portfolio companies at all stages of the investment lifecycle and through our role on investee boards. The TDR team together is a significant investor in our own funds and as such, we have a clear alignment of interests with our investors and management teams. Our approach throughout the deal cycle is outlined in the diagram below:

Due Diligence	Closing	Ownership	Exit
Company due diligence and incorporating ESG in the value creation plan	Transition to ownership	Ongoing portfolio company ESG reviews and reporting	Preparation includes valuing ESG impact
<ul style="list-style-type: none"> ESG due diligence undertaken for all investments, including a red-flag review to identify material risks and value-creation opportunities. Specialist advisors engaged where heightened or complex risks are identified. Material ESG findings incorporated into the investment case and value creation plan. 	<ul style="list-style-type: none"> Key ESG risks and opportunities identified during due diligence are prioritised for early focus. ESG considerations are embedded into the initial ownership and value creation plans. ESG reporting expectations are confirmed, including quarterly updates, annual KPIs and incident escalation procedures. 	<ul style="list-style-type: none"> ESG performance monitored through regular reporting and ongoing engagement with management teams. Portfolio company ESG reporting reviewed by TDR’s RI Committee. ESG insights used to manage risks and support operational resilience and value creation. 	<ul style="list-style-type: none"> ESG performance and improvements achieved during ownership are reviewed and documented. ESG considerations incorporated into vendor due diligence and exit preparation. ESG progress reflected in exit materials where relevant.

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4.1 ESG in Origination and Due Diligence

During origination, we will identify the set of ESG factors that we feel are relevant and material to a potential investment and include these in the due diligence plan, and ultimately in the value creation plan if we progress with the investment. Both risks and opportunities will be identified and discussed with advisors and management as appropriate.

Where material ESG risks are identified, these will be explicitly considered as part of the investment decision-making process and may influence transaction structure, valuation, conditions to completion or post-acquisition action plans. In exceptional cases, unresolved ESG risks may result in TDR deciding not to proceed with an investment.

Significant ESG issues identified during due diligence are expected to be specifically raised and discussed with the TDR Partners prior to a final investment decision being made. This analysis is completed through applying internal resources and, when necessary, specialist external consultants.

4.2 Ownership

Following acquisition, TDR engages closely with portfolio companies to confirm ESG priorities identified during due diligence and to establish ongoing communication and reporting expectations throughout the ownership period.

Material ESG issues or mitigating actions identified during pre-investment due diligence will become the initial blueprint for action once the investment is approved.

TDR generally works closely with the portfolio company both on a formal basis, through quarterly reports and calls, workshops, annual forums and KPI gathering and analysis, and also informally with ad hoc support on reporting or setting ESG strategies, objectives, and targets.

The ESG team maintains close contact with the investment team so that it is fully aware of any ESG issues at each stage of the investment process. It will also track and manage a combination of standard, as well as company-specific factors. The sections below outline some overall guidance in defining the scope of ESG issues at a given company:

4.2.1 Environment

- All portfolio companies are encouraged to identify and implement measures to reduce their environmental impacts. Where significant value can be gained or protected in these areas, performance initiatives should be pursued. This will typically include activity around reducing energy consumption, water consumption and waste reduction. We also expect companies to identify and mitigate any adverse impacts on nature and biodiversity.
- TDR recognises the challenges of climate change and the potential risk this may pose for the investments we make. We support the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and have made progress towards implementing them across the firm and portfolio. In alignment with the TCFD framework, we integrate climate-related considerations across the investment lifecycle, including during due diligence and ownership, and work with portfolio companies to identify, assess and manage physical and transition climate risks and opportunities. TDR reports annually on its climate-related governance, strategy, risk management, and metrics and targets in line with the TCFD recommendations.
- In addition to identifying climate-related risks, TDR encourages portfolio companies, where proportionate and relevant, to consider climate transition planning aligned with their business strategy and sector context. This may include assessing pathways to reduce emissions intensity, improve energy efficiency and enhance resilience to regulatory and market changes associated with the transition to a lower-carbon economy.

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4.2.2 Social

- We do not support unfair, discriminatory, illegal, or immoral working practices in our portfolio companies. Companies are expected to adhere to international conventions on human rights throughout activities, operations, and stakeholder relationships internally and externally. This includes respecting employees' and contractors' rights to decent working conditions, such as minimum wages, working hours, health and safety and any legal right to collective bargaining.
- TDR expects portfolio companies, particularly those operating in higher-risk sectors or geographies, to take a risk-based approach to human rights due diligence, including consideration of modern slavery risks within their operations and supply chains. Where appropriate, companies should maintain mechanisms to raise concerns, report grievances and support remediation in a timely and responsible manner.
- TDR expects its portfolio companies to be equal opportunities employers. Responsibility for implementing equal opportunities arrangements and for ensuring compliance with appropriate work practices normally falls to the HR function within the portfolio companies, with monitoring and reporting of such arrangements made through board involvement.
- TDR encourages investment in employee development and training programmes within its portfolio companies. Furthermore, TDR values employee engagement and dialogue and endorses practices which support employee well-being.

4.2.3 Governance

- TDR is often a majority investor, and as such would normally expect to have significant influence on the composition of portfolio company boards (excluding portfolio companies where there are legal or regulatory requirements for board independence). Where appropriate we seek to ensure that the Chairperson and CEO functions are held separately within an organisation. Where we are not a majority investor (or where there are restrictions on the ability to appoint directors) we would normally be entitled to appoint a representative to the board.
- TDR requires company governance to be in line with all local requirements concerning worker representation.
- TDR policy for portfolio company boards is in line with those recommended by the UK Corporate Governance Code 2016, modified to take into account the non-public nature of most of the firm's portfolio companies.
- TDR has zero tolerance for acts of bribery and corruption, and requires all portfolio companies to have policies and procedures to seek to prevent these from occurring within portfolio companies.
- TDR expects all portfolio companies to operate in compliance with relevant industry regulations and quality standards and with relevant national and international laws.
- TDR expects portfolio companies to maintain appropriate data protection, information security and cybersecurity controls, proportionate to the nature, scale and risk profile of their operations. This includes compliance with applicable data protection laws and the implementation of policies, procedures and incident response mechanisms to identify, manage and mitigate cyber and information security risks
- TDR requires portfolio companies to have ESG-related policies and for these to be regularly reviewed and improved over time.

4.3 Exit

During the exit period, an internal or external "start-to-finish" review is carried out. This review includes the analysis of the company's ESG performance over time, as well as progress against the ESG action plan defined at the time of investment

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5. Reporting and Communications

TDR provides its investors with quarterly reports which contain an overview of our approach to ESG management, as well as company specific ESG issues and current highlights of programmes and initiatives. We also monitor, review, and publicly report ESG performance via our annual ESG & Sustainability report. Details outlining our approach are included on the TDR website and ESG updates are presented at our annual investor conference.

TDR is committed to the continuous improvement of ESG data quality, consistency and comparability across its portfolio. We actively monitor regulatory developments and evolving investor expectations, and seek to align our reporting practices, where appropriate, with recognised industry initiatives and emerging sustainability disclosure standards.

TDR has in place a comprehensive and robust incident reporting process for portfolio companies. This stipulates the requisite level and timeline of incident reporting to TDR depending on the level of materiality. Reported incidents are reviewed to ensure appropriate escalation, oversight and response, including the identification of root causes and the implementation of corrective actions where required. Material incidents are discussed through TDR's governance structures and used to inform ongoing risk management and continuous improvement across the portfolio.

6. Managing ESG in Our Own Operations

Whilst our most significant ESG risks and opportunities are typically associated with our portfolio companies, we also recognise the importance of managing and, where possible, reducing the ESG impacts arising from TDR's own operations. This includes taking a proportionate and practical approach to environmental, social and governance matters within the firm, reflecting the nature and scale of our activities. This includes:

6.1 Environment

Although our direct impact on the environment from our office in London is small, we have worked towards minimising our footprint. We source renewable energy for all electricity consumption, annually measure our carbon footprint and offset this with nature-based solutions, minimise any unnecessary plastic waste, maximise our recycling efforts and limit the impact of business travel where possible.

6.2 Social

Our policy is to encourage full participation from staff in originating investment ideas, developing investment theses and contributing to investment decisions, as well as involvement in portfolio company management where relevant. All professional staff meet weekly to review firm-wide developments, including deal flow and portfolio company developments.

TDR Capital is committed to encouraging diversity and inclusion within TDR and its portfolio companies. We believe in equal opportunity for all our people through the creation of an inclusive environment, and the elimination of unlawful discrimination. This commitment is outlined in our Diversity and Inclusion Policy. TDR is a founding member of Level 20 and Out Investors, two industry initiatives which seek to encourage greater understanding and levels of diversity in the sector. We are also a participating firm in the 10,000 Interns Foundation initiative and a corporate partner of GAIN (Girls Are Investors).

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6.3 Governance

TDR Capital LLP has been granted permission by the UK Financial Conduct Authority to act as an Alternative Investment Fund Manager (AIFM). TDR Capital LLP is authorised as a full-scope UK AIFM and has not delegated any of its AIFM functions. A depositary has been appointed for the funds that are in the scope of the AIFM Directive.

The firm is a member of the BVCA and Invest Europe and complies with their respective Codes of Conduct. TDR is also registered with IRS FATCA.

TDR is structured to avoid potential conflicts of interest. TDR's primary business is the management of its related private equity funds and the portfolio companies within these funds. The firm does not have any separate corporate advisory or other related areas of business.

TDR is a supporter and signatory to the Principles of Responsible Investment, Initiative Climat International and the ESG Data Convergence Initiative.