TDR Capital



ESG & Sustainability Report 2025/26

Partnering for Sustainable Growth

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Welcome

At TDR Capital, our commitment to responsible investment is central to how we build resilient, high-performing businesses. Over the past year, we deepened our engagement across the portfolio – working alongside management teams to translate ESG ambition into operational decisions and, ultimately, into measurable outcomes. From due diligence through ownership to exit, our approach is grounded in the conviction that ESG, properly embedded, is a driver of long-term value rather than a compliance overhead.

In May 2026, we hosted our annual ESG Forum at our London office, bringing together ESG leads and senior executives from across the portfolio. This year's theme – 'ESG Value Creation in Practice: From Acquisition to Exit' – kept the focus firmly on the commercial dimension of responsible ownership. A structured workshop anchored the day, with participants working through four challenges drawn directly from portfolio company experience: embedding ESG into day-to-day operational decisions; building internal credibility and engagement; integrating climate risk into business planning; and keeping regulatory burden proportionate. The afternoon turned to exit value, a discussion grounded in the conviction that ESG value at exit is built during ownership, not retrofitted at the point of sale. The NKD Group exit, completed this year after approximately seven years of ownership, gave a tangible illustration of that principle: a business that had advanced materially in ESG maturity, and could evidence that progress with clarity and rigour at the point of sale. The candour of the peer-to-peer exchange throughout the day reinforced our conviction that the ESG community across our portfolio is a real strength.

We published our third Task Force on Climate-related Financial Disclosures (TCFD) report in June 2026, and have now completed climate scenario analysis for all 15 portfolio companies, achieving 100% coverage. Portfolio Scope 1 and 2 emissions fell a further 4.6% in 2025, building on the 20% reduction recorded between 2023 and 2024, while our weighted average carbon intensity improved by a further 2.8%. Two portfolio companies now hold science-based targets validated by the Science Based Targets initiative (SBTi), and seven report emission reduction targets – up from six. These are encouraging indicators of the direction of travel, and we remain committed to supporting further progress across the portfolio.

We continued to support initiatives that broaden opportunity across the investment industry and the communities in which we operate. 2026 marks our sixth consecutive year of participation in the London Futures Disability Employability Programme, and our fifth successive year of participation in the 10,000 Interns Foundation. Our London Futures programme has been redesigned this year, expanding its reach to engage with 50 young people across five partner services. Collective Futures, the TDR-backed philanthropic foundation, entered its second year of operations and launched its first multi-year grant-making initiative – committing up to £1.2m per community over three years to support early childhood development in North & East Cambridge and Barrow-in-Furness. Focused on the belief that effectiveness matters more than intent, Collective Futures is investing in both immediate needs and the longer-term structural changes that generate lasting impact.

As we look ahead, we remain focused on helping our portfolio companies navigate evolving reporting requirements, including the Corporate Sustainability Reporting Directive (CSRD), while ensuring that the ESG work we undertake together continues to build value from acquisition through to exit.

We hope you find this year's ESG & Sustainability Report insightful and engaging.

The TDR Partners





Who we Are

TDR Capital is a pan-European, mid-market private equity investor. For more than two decades, we have focused on investing in market-leading European mid-market companies with potential for strong growth and resilience through economic cycles. Our independent mindset shapes everything we do: it allows us to see opportunities others overlook and back management teams through the cycles. We are focused on investing in European companies that have real strategic substance and the potential to compound value over the long term.

We see ourselves as decisive partners to the businesses we own – bringing strategic and operational insight, capital and energy. Our team works face-to-face from a single London office, combining diverse skills and backgrounds to make better decisions together. Every member of the firm invests a meaningful amount into our funds, creating a deeply embedded ownership culture that aligns our interests directly with those of our investors and our portfolio companies.

The ESG and sustainability work set out in this report is part of how we support our portfolio companies from acquisition through to exit.

OUR CURRENT PORTFOLIO AT A GLANCE[1]

Portfolio companies[1]: **15**

Number of employees[2]: **c. 275,000**

David Lloyd Clubs · CorpAcq · Arrow Global · Napa Qaro · aggreko · Acqua & Sapone · ASDA · Applus+ · BPP · Constellation Automotive Group · Escode · Jollyes The Pet People · EG Group · Stonegate Group · Popeyes

OUR FIRM[3]

Total headcount: **98**

Male vs Female: **48%** / **52%**

Nationalities: **19**

Head office: **London, UK**

AUM: **over €17 billion**

Investments to date: **30**

Average portfolio sales growth (multiple): **2x**

Average portfolio EBITDA growth (multiple): **3x**

1 Portfolio composition as of September 2026.
2 Total portfolio company employee count as of December 2025.
3 TDR firm-level statistics as of September 2026.



"This year was characterised by a clear move across the portfolio from principle to practice. The question is no longer whether ESG matters but how it can support operational decisions that drive commercial performance.

The fundamentals have never been stronger: renewables continue to be the most cost-competitive source of new power generation, capital flows into the energy transition are scaling rapidly, and Science Based Targets adoption accelerated by 40% in 2025.

The most useful session at this year's ESG Forum was also the most candid: a direct conversation about what actually gets in the way. Embedding ESG into daily operational decisions. Building credibility with finance teams. Integrating climate risk into business planning without disproportionate regulatory burden. These are not abstract challenges, they are the specific barriers between ambition and impact. Naming these openly is how we start to remove them.

I feel fortunate to work alongside such dedicated ESG practitioners across our portfolio, and privileged to play some part in their journeys – embedding sustainability into the way their businesses think and operate. The next 12 months are about supporting this community to become sharper, faster and more confident in turning intent into outcomes."

Nigel Smith
Head of ESG & Sustainability

Our Approach

Integrating ESG to Drive Value Creation

We integrate ESG considerations throughout the investment lifecycle, from due diligence through to exit, working alongside management teams to translate ambition into operational reality. This year, our engagement with portfolio companies deepened materially. Portfolio companies undertook an individual ESG assessment review at the start of the year – a structured session in which we revisited the previous 12 months of progress, identified what had moved and what had not, and agreed the specific actions that should anchor the year ahead. These reviews are not a reporting exercise; they are the mechanism by which strategic intent becomes a defined set of priorities each portfolio company commits to deliver.

Our approach is grounded in the conviction that ESG, done well, is a value creation lever rather than a compliance overhead. Quarterly portfolio monitoring, Responsible Investment Committee oversight and the structured ESG Assessment Framework set out later in this section give us a clear, comparable view of progress across the portfolio. Where issues emerge, they are addressed directly with management and the relevant board, not displaced into a separate reporting workstream. The most consistent feedback we receive from our portfolio company ESG leads is that what matters most is steady, joined-up attention – not the volume of templates.

Annual ESG Forum

The theme for this year's annual TDR Capital ESG Forum – 'ESG Value Creation in Practice: From Acquisition to Exit' – brought together senior executives and ESG leads from across our portfolio to focus on how ESG ambition translates into measurable commercial outcomes.

The day was anchored by a structured workshop, 'Turning ESG Intent into Execution', in which groups rotated through four key challenges: embedding ESG into operational decisions; building internal credibility and engagement; integrating climate risk into business planning; and keeping regulatory burden proportionate. The deliberate absence of facilitators was a feature, not a gap – emphasising the value of peer-to-peer exchange.

The afternoon turned to exit value, reinforcing a point we make consistently to portfolio companies: ESG value at exit is built during ownership, not retrofitted at sale. Independently verified baseline data, framework-aligned governance and credible KPIs are what make ESG legible to sophisticated buyers and lenders, allowing instruments such as sustainability-linked financing to come into view as an exit moves closer.

The energy and engagement in the room was a reminder of the quality of ESG thinking embedded across our portfolio companies.





Integrating ESG Throughout the Investment Lifecycle

ESG is integrated across the full investment lifecycle, from due diligence through ownership to exit. The substance of our approach has not changed materially this year; the disciplines we describe below are now embedded firm-wide, with refinements in scope and depth where they sharpen decision-making.

1. Due Diligence

For every potential acquisition, our Head of ESG & Sustainability conducts an initial red flag review to identify material ESG risks and opportunities. Findings are shared with the Investment Committee alongside the other due diligence workstreams and help guide decisions on whether deeper analysis is needed.

Where specific issues warrant it, we commission targeted reviews – for example, on human rights exposure, energy transition opportunities or anti-bribery and corruption controls.

Since 2024, every platform investment is also subject to dedicated climate risk and opportunity due diligence, including scenario-based analysis of physical and transition risks across 2030 and 2050 horizons, to support informed decision-making in a fast-evolving regulatory and environmental context.

2. Ownership

Following acquisition, the ESG issues identified in due diligence are translated into a clear action plan agreed with the portfolio company's management team. Our Head of ESG & Sustainability establishes a direct working relationship with the portfolio company's ESG lead, shares our ESG Policy and sets expectations from the outset. Where no ESG resource exists, we support the creation of the function, and we may often add to existing resource to match the value creation opportunity.

Every portfolio company is inducted into our ESG monitoring framework – quarterly reporting and annual KPI submissions – delivered as a partnership that balances discipline with support, helping build ESG capability that is both strategic and practical.

Third-party providers conduct ongoing reputational and cyber monitoring across the portfolio. Through regular in-person and virtual engagement, we work alongside management on material ESG issues and the value-creation opportunities that flow from them.

3. Exit

As an exit approaches, we work with the portfolio company to prepare its ESG position for buyer and lender scrutiny. This includes confirming baseline data, that KPIs and targets are credible and documented, and that governance is aligned with recognised frameworks. Where relevant, we also help management position these credentials for financing, including sustainability-linked instruments.

Progress tracked throughout ownership is captured in vendor due diligence, evidencing responsible business practices and supporting a smooth exit process. Performance indicators allow us to demonstrate how material risks have been addressed and where measurable improvements have been delivered.

Where appropriate, an ESG exit review summarises the value created under our stewardship and provides a clear narrative for potential buyers – see the NKD Group example opposite.



NKD Group

Case Study: ESG Exit Review

SECTOR
Value Retail

HEADQUARTERS
Bindlach, Germany

OWNERSHIP PERIOD
c. 7 years
(exited 2026)

821
Stores retrofitted with LED lighting

€2.6m
Annual electricity cost savings

4,167t
Annual CO_2e reduction

30–50%
Estimated ROIC per store (Year 1)

Over our seven-year ownership of NKD Group, we worked in close partnership with the company's ESG leadership and wider management team to strengthen governance, improve the quality of decision-useful ESG data and prioritise initiatives delivering operational efficiency, risk management and longer-term strategic readiness. The cumulative effect was a step-change in ESG maturity that was clearly evidenced at the point of exit.

On TDR's proprietary ESG maturity framework, NKD's score advanced from 3.5 in 2019 to 5.3 in 2025, reflecting a structured, repeatable approach with clearer governance, targets and management routines.

PILLAR PROGRESS AT EXIT

- **Environmental:** board-signed decarbonisation strategy (December 2024) with science-aligned targets – Scope 1 & 2 reduction of 42% and Scope 3 reduction of 25% by 2033 (base year 2023), and a net zero ambition by 2050 (at least 90% absolute reduction). ISO 50001 energy management progressed across 2024–25.
- **Social:** responsible sourcing strengthened through recognised external frameworks; supplier audit programme with in-country auditors, central oversight and corrective action cycles, including supplier delisting for non-compliance; ongoing health & safety training and incident oversight.
- **Governance:** expanded policy and governance platform including whistleblowing (with defined response timelines and anonymity safeguards), modern slavery, cyber security and data protection, supported by transparent incident oversight and embedded compliance expectations.

"TDR's ESG team has been a real partner to me and my team. Their mentorship and hands-on support throughout the journey helped us to build capability and confidence, and to mature our approach over time. We are grateful for the consistent engagement and guidance over the past seven years."

Mali Stelzer
Director Global CSR & Compliance
NKD Group GmbH

Source: NKD management estimates.

Tracking ESG Maturity Across the Portfolio

We continue to use our internal ESG rating system to assess the maturity of each portfolio company against our proprietary ESG Assessment Framework. The framework evaluates how far core ESG practices are embedded within each business, with a focus on driving value and resilience through responsible management. Assessments are informed by regular engagement, quarterly materiality updates and annual KPI submissions.

This year, we completed an annual performance review with every portfolio company – a structured session in which we reviewed the prior twelve months of progress against the framework, identified what had moved and what had not, and agreed on the specific action points that will anchor performance improvement in the year ahead. Embedding this review in the annual calendar gives us a more consistent line of sight on where our support is most needed and provides each company with a clear commitment for the year. The table below reflects each portfolio company's position at the end of 2025.

While Constellation Group and Napaqaro remain in the Developing band, both recorded progress during the year, moving from a rating of 3 to 4.

	2020	2021	2022	2023	2024	2025
David Lloyd Leisure	5–6	5–6	5–6	7–8	7–8	7–8
Stonegate Group	5–6	5–6	5–6	5–6	5–6	5–6
EG Group	3–4	5–6	5–6	5–6	5–6	5–6
Constellation Group	3–4	3–4	3–4	3–4	3–4	3–4
Napaqaro	3–4	3–4	3–4	3–4	3–4	3–4
NKD Group	3–4	3–4	3–4	3–4	5–6	5–6
Asda		7–8	7–8	7–8	7–8	7–8
Arrow Global		5–6	5–6	5–6	5–6	5–6
BPP Holdings		3–4	3–4	5–6	5–6	5–6
Aggreko		7–8	7–8	7–8	7–8	7–8
Popeyes UK				3–4	3–4	3–4
Jollyes				3–4	3–4	3–4
Applus+					7–8	7–8
Acqua & Sapone					1–2	3–4
CorpAcq					1–2	3–4

RATING KEY

1 – 2	BASIC, COMPLIANCE FOCUSED APPROACH
3 – 4	DEVELOPING, LEARNING PHASE
5 – 6	DEVELOPED, CHALLENGER POSITION
7 – 8	STRATEGIC, LEADERSHIP POSITION

ESG Assessment Framework

Our ESG Assessment Framework is the proprietary structure we use to set expectations for portfolio companies and to measure progress consistently across the portfolio. It is built around four foundational pillars – Issue Identification & Prioritisation, Strategy & Governance, Performance Management and Reporting & Communications – that together set out what good ESG practice looks like in an investee business. The framework is deliberately practical rather than prescriptive: it sets the destination, not the route, so that each company can tailor implementation to its sector, size and stage of ESG maturity.

Used in tandem with the maturity rating system above, the framework gives TDR and each portfolio company a diagnostic of where ESG is well embedded and where focused effort is required. It anchors our annual year-end ESG performance reviews, shapes the quarterly reporting we ask of management teams and informs the priorities we agree for the year ahead. As regulatory and investor expectations continue to evolve, the framework also gives us confidence that the portfolio is building capability that will hold up to external scrutiny over time.

ISSUE IDENTIFICATION & PRIORITISATION
Through a materiality process, companies assess both ESG risks and opportunities to understand those that are most material to the business and its stakeholders. This shapes both ESG strategy development and reporting.

STRATEGY & GOVERNANCE
Creating an ESG strategy supported by an effective governance structure, and aligned with business objectives, is central to an integrated approach. Board ownership and clear accountability are essential.

PERFORMANCE MANAGEMENT
Driving performance improvement through robust data collection and target setting is essential to delivering against key objectives and commitments. Coverage includes the measurement and reduction of GHG emissions.

REPORTING & COMMUNICATIONS
Conducting internal and external stakeholder engagement through reporting and effective communication helps incorporate stakeholder views into ongoing strategy development and delivery.

ESG at TDR

We are committed to promoting effective stewardship across our portfolio and applying responsible business practices within our own operations. This means more than meeting regulatory expectations: it shapes how we engage with industry-led initiatives, manage our own environmental footprint, contribute to positive social outcomes and support efforts to improve diversity, equity and inclusion (DE&I) within TDR and the wider private equity industry.

Three areas defined our work this year. We continued to measure, verify and reduce our own carbon footprint, including through annual contributions to verified reforestation projects. We deepened our investment in the industry initiatives we host and sponsor – most visibly the London Futures Disability Employability Programme, the 10,000 Interns Foundation, Out Investors and Level 20. And we continue to support Collective Futures, the TDR-backed philanthropic foundation, through its second full year of operations focused on early childhood development in the UK. The sub-sections that follow set out each of these in more detail.

OUR CARBON FOOTPRINT

CO2e Assessed Organisation

For the past eight years, we have measured and externally verified the carbon footprint of our operations. We remain focused on reducing emissions associated with our office operations and business travel wherever feasible. During the reporting period, we continued to benefit from energy efficiency measures implemented across our office locations in earlier years – LED lighting, optimised heating and cooling system settings and improved closing-down procedures to ensure lights and equipment are switched off outside working hours. Energy consumption is monitored on an ongoing basis to identify opportunities for further improvement.



To address our residual, hard-to-abate emissions, we make an annual contribution to domestic reforestation. For our 2025 footprint, we directed our contribution to Future Trees Trust's Craven Field Research Woodland in Oxfordshire, a 21-hectare site developed in partnership with the National Trust. Rather than purchasing credits from the voluntary carbon market, we chose to support a specific, measurable research initiative: pioneering genetic trials and seed orchards for native broadleaved species – oak, birch, beech and sycamore – that generate the Qualified Forest Reproductive Material fundamental to reforestation at scale across the UK. We believe this is a more direct and operationally aligned approach to carbon stewardship, investing in the science that determines whether trees survive, adapt to a changing climate, and deliver meaningful sequestration for decades to come.

The table below outlines our location-based Scope 1, Scope 2 and Scope 3 (water, employee travel, waste, business travel and commuting) greenhouse gas (GHG) emissions for the year ending 31 December 2025.

Scope 1:	Gas Consumption	9.26 tCO_2e
Scope 2:	Electricity Consumption	156.61 tCO_2e (location-based)
Scope 3:	Cat. 1, 4, 5, 6 & 7	496.22 tCO_2e
Total:		**662.09 tCO_2e (location-based)**

Prepared in accordance with the GHG Protocol reporting guidelines



COLLECTIVE FUTURES

Now in its second year of operations, Collective Futures, the TDR-backed philanthropic foundation, has launched its first multi-year grant-making initiative, while building momentum with strategic projects.

Collective Futures is grounded in the belief that being effective matters more than being right – addressing the structural inefficiencies that too often limit the social sector's ability to deliver lasting change. The foundation is rethinking not just how capital is given, but how time, insight and relationships can be harnessed to drive change – focusing on long-term solutions rather than short-term fixes.

The dual approach combines:

- **Supporting immediate needs:** Grants to local charities focused on improving outcomes for babies and young children in two communities with persistent disadvantage gaps – North & East Cambridge and Barrow-in-Furness – through the Local Ecosystems Fund. The Fund will aim to create the conditions for collaboration, rather than competition, within local early childhood ecosystems and will provide up to £1.2m over three years to each community.
- **Driving longer-term systems change:** Investments in strategic projects that support more coordinated action across the audiences that have the potential to influence early childhood development: funders, businesses and policymakers. Example projects include social leadership (to increase investment in and support for the talent driving positive social change), business' role in early childhood (to unlock positive roles that businesses can play as both employers to parents and providers of services and products to babies and children) and the Impact Economy Collective (to collaborate with the Department for Education on opportunities to deliver the Best Start in Life to children).

"Growing from one site to five services and up to 50 young people this year has been the biggest step change London Futures has made since we started. What's struck me most is that going wider hasn't meant going thinner - the young people in our focused cohort are getting more individual attention than ever, not less: mentoring, life skills sessions and sport all working together to build the confidence and resilience they need. Redesigning something that was already working is a real risk, and it's TDR Capital's continued backing that lets us take it. My hope is that this model gives us a stronger foundation to keep opening new pathways for young Londoners in the years ahead."

Ryan Jones
London Futures Programme Manager



LONDON FUTURES DISABILITY EMPLOYABILITY PROGRAMME

2025 marked our fifth year of supporting the London Futures Disability Employability Programme, and the start of a redesigned format aimed at broadening its reach and depth. Following an extensive scoping exercise – including service visits and conversations with potential referral partners across the London boroughs of Ealing, Haringey, Islington, Camden and Redbridge – the programme moved into a new area this year, working with a different cohort of services and service users.

The new format runs a series of 12 bi-weekly sessions delivered in partnership with five local services, engaging up to 50 young people aged 18–30 with learning disabilities. This gives the programme wider exposure than the previous single-site model allowed.

From this wider group, a focused London Futures cohort of at least 15 young people is selected for more direct, individual and small-group support. This combines remote life skills sessions, employability workshops, mentoring, and the use of sport and movement to build confidence and resilience. Cohort members also take part in employability workshops hosted by TDR portfolio companies, Asda and David Lloyd Leisure, and TDR contributes to organising and delivering the annual sports day.

Together with other tailored opportunities, these activities support each participant's personal and professional development as they progress towards work, further education, or a clearer next step.



TDR's 2026 summer intern cohort, including Collins and Zakariyah, who joined us through the 10,000 Interns Foundation programme

THE 10,000 INTERNS FOUNDATION

In 2026, we are participating in the 10,000 Interns Foundation programme for the fifth successive year, reflecting our ongoing commitment to improving access and opportunity for young Black talent in the UK.

The programme has now created more than 10,000 internships across over 35 sectors, providing paid placements and structured support to help students and graduates develop the skills needed to launch their careers.

This summer, TDR hosted a cohort of five interns: two joined our Investment team, one joined Finance, and two joined our Data Science team through the 10,000 Interns Foundation. The Data Science placement ran for four weeks, and the placement was designed to give each intern direct exposure to how data and analytics support investment decision-making in a mid-market private equity firm.

Through this programme, we aim not only to provide meaningful work experience but also to help build a more diverse pipeline of future leaders across finance and the broader investment industry.

Zakariyah Bello: The experience gave me a much clearer picture of how data science fits into private equity, the different ways it can support investment teams, and where and how AI can be applied more effectively and with more direction in the industry today.

Collins Olafusi: What made my experience at TDR special was the culture, everyone was eager to provide expertise on Private Equity, and how my work in Data Science would support this. Working on real-world projects to provide value on a company-wide level felt very rewarding and definitely gave me a clearer idea of the type of career I would like to pursue.

PRI SIGNATORY

Signatory of:

PRI Principles for Responsible Investment

TDR is proud to be both a supporter and a signatory of the UN Principles for Responsible Investment (PRI). We actively engage with PRI's global network and leverage its thought leadership to enhance our responsible investment practices. The PRI principles are fully embedded in our investment approach and integrated throughout the entire investment lifecycle.

Reflecting our commitment to continuous improvement and best practice, we were awarded a four-star rating across all three reporting modules in the 2025 PRI reporting cycle.

ESG DATA CONVERGENCE INITIATIVE

ESG Data Convergence Initiative

TDR supports the ESG Data Convergence Initiative (EDCI), backed by ILPA, which seeks to standardise ESG metrics and provide a means of comparative reporting and benchmarking on ESG in private markets. This has helped to provide consistent definitions, enabling greater transparency and the standardisation of varying assessment frameworks and tools. We made our third submission to the EDCI portal in 2026, which has continued to help improve the consistency of data collected from portfolio companies and streamline data requests for our investors.

INITIATIVE CLIMAT INTERNATIONAL

initiative climat international
Private equity action on climate change

TDR is a signatory to Initiative Climat International (iCI), 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. We are now in our third year of implementing the Private Markets Decarbonisation Roadmap (PMDR) to monitor and internally report decarbonisation progress across our portfolio companies.

OUT INVESTORS

OUT LGBT+ NETWORK INVESTORS

We were pleased to support the Out Investors annual Winter Social, hosted in London. The evening brought together LGBTQ+ professionals and allies from across the investment community for an evening of connection and celebration, closing out the year with a strong sense of community and visibility for LGBTQ+ inclusion across the industry. It was a fitting reflection of the space our continued partnership with Out Investors helps to build.

As one of the founding members of Out Investors, we stand alongside more than 80 leading private equity, venture capital, hedge funds and pension funds globally in making the alternative investment industry more welcoming for LGBT+ individuals. Our support is helping to create a lasting impact on the investment industry by fostering a sense of community, holding networking events and facilitating mentorship.

LEVEL 20

LEVEL 20

We are a founding member of Level 20, an organisation established to inspire women to choose a career in private equity and work with industry leaders to support their path to success. Its objective is to increase the percentage of women in senior roles within the European private equity sector. Founded in 2015, Level 20 now has more than 1,000 individual members across 13 countries, encompassing a diverse range of GPs and professionals in the private equity field.

Environment

ENVIRONMENT IN ACTION

I. Aggreko
Delivering Resilient Renewable Power for South African Manufacturing
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II. Applus+
Building a Platform for the Environmental Services
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III. Stonegate
Decarbonising the Pour: Tackling Scope 3 with Suppliers
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IV. Asda
Mapping Nature in the Supply Chain
14

V. Arrow Global
Sustainability as a Value-Creation Lever in European Real Estate
15

Environmental impact looks different in every portfolio company – a function of sector, geography, asset intensity and the stage of operational maturity each business has reached. What we apply consistently is the same proactive approach: identifying material environmental themes during due diligence, and working alongside management teams through the ownership period to mitigate risk and pursue the value creation opportunities that come with responsible stewardship of natural resources.

Climate Change: We continue to treat climate as both a long-term value driver and a near-term risk to be actively managed. Understanding each portfolio company's climate risk and opportunity profile is foundational; supporting management teams as they translate that understanding into operational decisions, capital plans and external disclosure is where most of the practical work happens. Strong climate management is, in our view, an integral part of sustainable long-term growth.

TCFD Progress: The Task Force on Climate-related Financial Disclosures (TCFD) framework anchors how we structure climate work across the portfolio. Our latest TCFD report – published June 2026 – reflects continued progress against all four pillars (governance, strategy, risk management and metrics and targets), at both firm and portfolio level. Scenario analysis coverage has progressed further this year, with 15 portfolio companies now completed. Forward priorities centre on deepening resilience assessment, broadening Science Based Target support, lifting data quality across the portfolio and preparing for the continued evolution of climate-related disclosure regulation.

Our Progress Against the TCFD Framework

Governance: Our Management Committee receives quarterly climate monitoring reviews across each TCFD pillar, with the Responsible Investment Committee providing oversight. In June 2025, we launched climate awareness training for investment professionals, now embedded in our new-joiner induction. Climate factors remain a dedicated part of Investment Committee decision-making and our pre-acquisition due diligence process.

Strategy: As at 31 March 2026, we have completed climate scenario analysis for all 15 portfolio companies, achieving 100% coverage – up from 82% at March 2025. This informs our engagement on managing climate risks and leveraging low-carbon transition opportunities, with active participation in iCI and the Private Markets Decarbonisation Roadmap (PMDR).

Risk Management: Climate risk analysis is embedded in our pre-acquisition due diligence, with our third-party climate risk modelling tool now integrated into both due diligence and ongoing portfolio management. We support portfolio companies through ESG forums, webinars, and direct engagement. As at 31 March 2026, 13 of 15 portfolio companies report Scope 1 and 2 emissions, with two holding SBTi-validated targets.

Metrics & Targets: We collect c.40 core ESG KPIs annually from portfolio companies via our ESG data platform, including Scope 1, 2 and 3 emissions where available. All 15 portfolio companies have completed scenario analysis, and seven report emission reduction targets, up from six. We continue to disclose our own emissions and support portfolio companies in strengthening climate data quality.



Core elements of recommended climate-related financial disclosures.
Source: TCFD





"We are pleased to have published our third TCFD report, a milestone that includes completing scenario analysis across all 15 portfolio companies. Achieving 100% coverage gives us a comprehensive picture of transition and physical risks across our portfolio, while the embedding of our climate risk modelling tool strengthens our capabilities further."

Nigel Smith
Head of ESG & Sustainability
TDR Capital

FACTS & FIGURES

87%
Of portfolio companies measuring Scope 1 & 2

53%
Calculating full Scope 1, 2 & 3

47%
With Scope 1 & 2 net zero target

2
Portfolio companies with approved Science Based Targets

Portfolio Company Emissions

Calendar Year	# Companies	Scope 1 & 2 (tCO2e)	Total Revenue (€m)	WACI (tCO2e / €m)
2023	12	1,674,551	48,560.5	34.48
2024	13	1,340,068	51,635.4	25.95
2025	14	1,277,822	50,661.5	25.22
Change 2024–25	+1	(62,246)	(974)	(0.73)
% change 2024–25	–	(4.6%)	(1.9%)	(2.8%)

Source: EDCI Data Submission 2026. Covering reporting portfolio companies across Fund III, Fund IV, Fund V and SOF I. WACI is the revenue-weighted average carbon intensity in tCO2e per €m of Revenue.

Between 2023 and 2024, portfolio Scope 1 and Scope 2 emissions were reduced by 20%. As a result, the weighted average carbon intensity fell by 24.7%, from 34.48 to 25.95 tCO2e per €m revenue, reflecting both improved energy efficiency and a change in composition of portfolio companies. In 2025, emissions continued to decline: Scope 1 and Scope 2 emissions fell a further 4.6% in absolute terms, while portfolio revenue fell 1.9%. Because emissions declined faster than revenue, the weighted average carbon intensity improved a further 2.8%, to 25.22 tCO2e per €m revenue.

Resource Efficiency: Responsible resource management remains a consistent feature of our engagement with portfolio companies – covering water consumption, waste streams and circular economy initiatives where they are commercially relevant. The framework is informed by quarterly reporting from each company, which captures activity and progress across areas such as waste generation, recycling and water use, giving us an ongoing view of how each business is performing and where the greatest opportunities for improvement lie. The order of priorities we encourage is unchanged: minimise waste and use natural resources efficiently first, then recover and reuse where reduction is no longer practical. Across the portfolio, this has translated into a range of practical interventions, from packaging reduction programmes to the installation of water consumption monitoring systems that surface leaks early.

Biodiversity: Portfolio companies are encouraged to consider any potential impact their operations may have on biodiversity-sensitive areas. Each company reports annually on potential risks in this space, with some providing additional updates on a quarterly basis. Levels of maturity vary across the portfolio, and we are working to support companies that are earlier in their thinking on this issue.

We are continuing to apply the Taskforce on Nature-related Financial Disclosures (TNFD) framework on a provisional basis as we build our understanding of nature-related risks and opportunities across the portfolio. Where there is overlap with our TCFD work – particularly around data collection and the boundary of physical risk assessment – we are deliberately aligning the two workstreams to reduce duplication. Building deeper in-house expertise in this area and working with portfolio companies on actions that mitigate nature-related business risks and contribute to reversing nature loss remains an active focus for the year ahead.



Aggreko

Delivering Resilient Renewable Power for South African Manufacturing

SECTOR
Energy Solutions/Power

HEADQUARTERS
Glasgow, UK

WEBSITE
aggreko.com

3.17 MWp
Solar array capacity, comprising 6,737 photovoltaic panels

2.4 MWh
Battery energy storage capacity, providing uninterrupted backup power

5,071 tonnes CO_2e
emissions avoided per year

Agrico, a leading irrigation equipment manufacturer in South Africa, delivers turnkey water supply solutions that underpin agricultural productivity across the country. When persistent grid outages, escalating fuel costs, and the constraints of an ageing generation system began to threaten production continuity and drive up operating costs, Agrico turned to RenEnergy, an Aggreko company, for a more resilient, lower-carbon solution.

The RenEnergy team engineered and deployed a hybrid solar-plus-storage system designed to operate continuously, including during grid outages. The installation comprises 6,737 photovoltaic panels delivering a peak array of 3.17 MWp, paired with advanced battery energy storage providing 2.4 MWh of dependable backup capacity. The roof layout was carefully engineered to eliminate shading from structural elements, maximising generation at all times. Where space constraints presented a challenge, a double-storey containerised battery housing was introduced – an innovative design that avoided the need for additional ground-level footprint.

The results are operational and financial. Agrico now benefits from an uninterrupted power supply that enables continuous manufacturing, materially lower operating costs and a significant reduction in fossil fuel dependency. The system avoids 5,071 tCO2e of emissions per year – a direct consequence of displacing diesel-based generation with clean solar energy. The investment reflects Agrico's broader commitment to building long-term business resilience alongside environmental responsibility.

"South Africa's energy landscape demands solutions that work regardless of what the grid is doing. By combining solar generation with intelligent storage, we were able to give Agrico something their utility supplier could never offer: certainty. The ability to manufacture continuously, reduce costs and cut emissions simultaneously is exactly the kind of outcome we design our hybrid systems to deliver."

Claude Peters
Managing Director, RenEnergy Africa



Applus+

Building a Platform for Environmental Services

SECTOR
Testing, Inspection & Certification

HEADQUARTERS
Barcelona, Spain

WEBSITE
applus.com

APEM
Group acquisition announced Sep-2025

550 MW / 1,433 MWh
BESS capacity under Applus+ independent engineer mandate

39%
Scope 1 & 2 reduction vs 2019 base year

Applus+, a leading international Testing, Inspection and Certification (TIC) group operating in 58 countries with over 29,000 professionals, spent 2025 reshaping its commercial platform for the next phase of the energy and environmental transition. Its revenues grew 6% to €2.3bn and operating margin reached 13.8%. Significantly, the company announced the acquisition of APEM Group in September 2025, which completed in first quarter 2026.

APEM is an independent environmental consultancy operating in the UK, Ireland, Australia and North America, which advises water, renewable energy, infrastructure, utilities, ports and regulatory clients. The deal integrates APEM with Applus+'s renewable technical advisory teams through a new Environmental Services division. Additionally, Applus+ acted as independent engineer on three Texas BESS projects totalling 550 MW / 1,433 MWh, and certified the first company in Spain under the Concrete Sustainability Council scheme.

Within Applus+'s own operations, Scope 1 and 2 emissions fell 39% versus the 2019 base year, exceeding the 38.6% threshold agreed with BBVA, with 90% of the group's electricity supply now renewably sourced. New 2025 initiatives include solar PV and EV chargers across Galician MOT stations (avoiding 940 tCO2e) and paperless inspection reports in Ireland (1.5 million sheets saved annually).

"Our acquisition of APEM Group in first quarter 2026 combines their environmental consultancy expertise with our renewable technical advisory teams in a new Environmental Services Division, strengthening our growth prospects and aligning our strategy even more closely with sustainability."

Richard Bartlett
Chief Executive Officer, Applus+



Stonegate Group

Decarbonising the Pour: Tackling Scope 3 with Suppliers

SECTOR
Leisure/Hospitality

HEADQUARTERS
Solihull, UK

WEBSITE
stonegategroup.co.uk

72%
Of Stonegate's carbon footprint sits in Scope 3 Purchased Goods & Services

10,723
Single-use bottles eliminated via ecoTOTE rollout

7+
Branded soft drinks switched from glass to sleek cans

Stonegate Group, the largest pub, bar and venue operator in the UK, redirected the focus of its environmental programme towards its value chain during the 2025 financial reporting year. The company has measured Scope 1, 2 and 3 emissions for two consecutive years, and the analysis is clear. Scope 3 comprises the vast majority of Stonegate's footprint, with 'Purchased Goods & Services' alone accounting for 72%. Supplier collaboration has therefore become the way to unlock decarbonisation.

Three FY25 initiatives illustrate the model. With Diageo, Stonegate has rolled out ecoTOTE – a closed-loop glass format designed to be used over 150 times – across all Slug and Lettuce sites for Gordon's, Smirnoff and Captain Morgan, eliminating 10,723 single-use bottles and 4,490 kg of packaging waste. With Coca-Cola, Diageo and SHS, Stonegate has switched seven branded soft drinks and pre-mixes from glass to sleek cans. Also with Coca-Cola, a Net Zero Now pilot has produced site-level carbon footprints across 20 sites.

Alongside these initiatives, Stonegate is embedding ESG criteria into supplier tenders, preparing a new Supplier Charter, and has been a Zero Carbon Forum member since 2021. The complementary operational programme is also delivering, with energy consumption down 18% since FY23, water consumption down 14% since FY21 and 99%+ of waste diverted from landfill.

"As the UK's largest pub, bar and venue operator, we have both an opportunity and a responsibility to drive change across our value chain. Scope 3 emissions make up the vast majority of our footprint, which is why working in close partnership with suppliers like Diageo, Coca-Cola and SHS is at the heart of how we decarbonise. Initiatives like the ecoTOTE rollout and our move to sleek cans demonstrate what is possible when we collaborate – and we are committed to embedding ESG criteria deeper into how we source, operate and grow."

Sam Westhead
Director of Drinks & Food Procurement, Stonegate Group



Asda

Mapping Nature in the Supply Chain

SECTOR
Retail

HEADQUARTERS
Leeds, UK

WEBSITE
asda.com

50%
Target share of supplier farms with long-term biodiversity plans by end-2030

4
Pilot farms across red meat, dairy, arable and horticulture

98%
Of Asda emissions fall within Scope 3 – making supply chain engagement critical

Asda's Natural Resource Stewardship Strategy focuses action on three pillars critical to food supply and farming resilience - water, biodiversity and soil - with a target for half of farms to have long-term biodiversity plans in place by the end of 2030. Asda has worked with the University of Cambridge Institute for Sustainability Leadership (CISL) and Land App, an independent UK platform, to pilot how farm-level nature data can be brought into supply chain decision-making at scale.

The pilot was deliberately diverse: four farms representing Asda's core UK commodities (red meat, dairy, arable and horticulture) were nominated by processor partners ABP Food Group, Arla Foods, Allied Bakeries and IPL. At each farm, Land App's Nature Reporting tool was used to generate a Baseline Habitat Assessment map built on the UKHab Classification that underpins Biodiversity Net Gain in the UK, and a tailored Land Management Plan. Land App Accredited Professionals worked with each farmer through an online mapping session and an on-farm visit to verify the baseline data, refine the maps and develop prioritised recommendations.

The aggregated outputs also provide the first consistent, comparable view of habitat condition across its supplier categories, supporting alignment with the TNFD and SBTN frameworks. This allows the business to identify risk hotspots (such as one arable farm where over half of waterbodies were in poor ecological condition) and prioritise interventions that deliver the greatest combined ecological and business value. For farmers, the process validates existing stewardship, identifies targeted opportunities such as hedgerow expansion, wetland creation and wildflower margins, and provides evidence to unlock future funding. The pilot also revealed challenges, particularly around funding pathways, training time and the need for clear recognition of what farmers already deliver, which will shape the next phase of the rollout.

"Healthy supply chains depend on healthy farms, and healthy farms depend on healthy ecosystems. Our work with Land App and CISL has helped demonstrate the value in consistent farm-level habitat data and how it can be used to understand the state of nature and used to prioritise delivery for the environment and the long-term sustainability of our supply chain."

Joe Prosho
Head of Sustainable Sourcing & Agriculture, Asda



Arrow Global

Sustainability as a Value-Creation Lever in European Real Estate

SECTOR
Financial Services

HEADQUARTERS
London, UK

WEBSITE
arrowglobal.net

18%
Reduction in energy use at The Square, Dublin shopping centre in year one

36%
Reduction in irrigation-pumping electricity use at Old Course Vilamoura, Algarve

446 tonnes CO_2e
Avoided at Nobilus, Algarve residential development through timber-led structural design

Arrow Global is a European alternative asset manager with approximately €125bn in AUM, operating through 25 wholly-owned platforms across eight markets with origination, asset management and execution in-house. Across real-estate equity and secured-collateral credit, Arrow targets assets requiring capital and operational expertise – those that are distressed, mispriced or misaligned with current market expectations. Sustainability strategies are embedded into each asset's business plan, from initial underwriting through the hold period and on exit, as three connected value-creation levers.

Operating performance is the foundation of Arrow's sustainability strategy. Granular and transparent operational data reveals where inefficiencies lie, reducing service charges for occupiers and improving margins. At The Square in Dublin, conversion to LED in year one, plant optimisation and live energy monitoring delivered an 18% reduction in operational energy use.

Arrow's focus on climate risk screening serves to sharpen its investment discipline. Physical climate risk is now material across European real estate, with flooding in the north, drought and wildfire in the south and storms on the coasts. Arrow screens every investment at underwriting, shaping capital expenditure and insurance decisions before any capital is deployed. This strategy informed the irrigation refurbishment at the Old Course Vilamoura, reducing pumping electricity use by 36%, ahead of the Algarve's tightening water constraints.

Prudent exit positioning crystallises the value creation process. Decarbonisation, certification and climate resilience are now entry conditions for sophisticated institutional buyers. Arrow's in-house teams deliver these upgrades pragmatically, asset by asset, anticipating buyer expectations rather than conceding value at sale.

"Sustainability has become a defining attribute of institutional quality in real estate. It is high on the agenda of our investors and of the buyers to whom we sell, and we invest across the asset life-cycle with that in mind. This makes our capital allocation, hands-on management and strategic exit even more focused."

John Calvao
Co-Founder and Head of Real Estate and Hospitality, Arrow Global



Social

SOCIAL IN ACTION

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Our portfolio companies collectively employ approximately 275,000 people across multiple sectors and geographies, making the social dimension of our investment activity one of the most consequential aspects of our stewardship. Through due diligence and across the ownership period, we work alongside management teams to ensure that workplaces are safe and supportive, that relationships with suppliers, customers and communities are built on trust and that each business contributes constructively to the society in which it operates. The themes below set out where our focus is most concentrated.

Investing in People: Learning and development sits at the centre of how our portfolio companies build the workforces they need, particularly in sectors exposed to skills shortages or elevated turnover. Alongside formal training and career-pathway investment, we encourage a rounded view of employee wellbeing – mental, physical and financial – that helps people thrive at work and beyond. Both David Lloyd Leisure and Popeyes UK were named in The Sunday Times Best Places to Work for 2026 in recognition of this work – David Lloyd Leisure cited for its apprenticeship schemes (up to degree level), leadership programmes and a culture in which its almost 10,000 workforce is encouraged to use the clubs like a second home, with free memberships extended to friends and family; Popeyes UK for the apprenticeships, role-specific external training and inclusive leadership programme supporting a 3,800-strong workforce that represents more than 100 nationalities, with almost 60% of general managers from minority ethnic backgrounds.

Prioritising Safety: Safety is monitored systematically through quarterly reporting, annual KPI submissions and incident-reporting systems. When incidents occur, we work with management on root-cause investigation and corrective actions; in higher-risk operating environments we also support the design of safety management systems with explicit board-level oversight. In customer-facing businesses such as Stonegate Group, this discipline also extends to guest safety: every venue operates the Ask for Angela and Ask for Clive schemes that allow customers and staff to flag risk discreetly.

Fostering Diversity, Equity & Inclusion: Building genuinely diverse and inclusive workplaces remains a consistent focus across the portfolio. The practical work spans recruitment practices, targeted DE&I training, policy review and visible recognition of different cultures and identities. Diverse perspectives, in our experience, produce sharper decisions and more durable outcomes. Asda's Supported Internship Programme for young people with learning disabilities and Aggreko's school-based traineeship programme placing First Nations students from Far North Queensland into hands-on engineering roles at its Amrun solar farm – illustrate how this translates into opening up real employment pathways for under-represented groups.

Promoting Responsible Supply Chains: Portfolio companies are expected to assess and mitigate supplier-related risks, with particular weight given to human rights and environmental practices, and to report progress on a quarterly basis. In higher-risk supply chains, this translates into formal human rights policies, supplier auditing programmes and active engagement to prevent unethical behaviour from reaching the business. Stonegate Group illustrates the value-creation dimension: with 72% of its carbon footprint sitting in Scope 3 Purchased Goods & Services, supplier collaboration has become its operating model for decarbonisation – embedding ESG criteria into supplier tenders, partnering with Diageo on the ecoTOTE closed-loop format and rolling out the new Supplier Charter.

Building Stronger Communities: Our portfolio companies operate in very different communities – from city centres to small towns, from the UK to mainland Europe. We encourage each to understand its local context, to manage the impact it has on the community around it, and to look for shared-value opportunities that strengthen those relationships over time. Jollyes is a clear example this year: its customer-powered giving programme channelled more than 424,000 tins of own-brand pet food into 150-plus community charities, food banks and rescue homes across the UK, with a further £40,000 of cash grants distributed to five pet charities at Christmas in 2025.



BPP University (part of Lyceum Education Group)

Widening Access into the Professions

SECTOR
Higher and Professional Education

HEADQUARTERS
London, UK

WEBSITE
bpp.com/lyceum.education

121
Sixth-formers in the BPP Law Experience Programme

900+
Students on the BPP Bridge Programme

123
Students enrolled on brand new style of degree – CertHE

31,000
Apprenticeship learners across 45 standards

BPP University, the flagship brand within the newly formed Lyceum Education Group, has continued to deepen its commitment to widening access into law and other professions during 2025/26. The strategy goes beyond scholarships: BPP runs structured, multi-year programmes designed to give students from under-represented backgrounds the awareness, support and qualifications they need to enter, and thrive in, high-skill careers.

At sixth-form level, the BPP Law Experience Programme (LEP) offers a free programme of legal workshops, work experiences and challenges for state-school students. The LEP currently supports 121 sixth-formers, delivered in partnership with law firms including Kennedys, Addleshaw Goddard and Squire Patton Boggs. The Bridge Programme, BPP's talent-pipeline partnership with leading UK universities, has 900+ students enrolled across eight partners including Birkbeck, Essex, LSE, Queen Mary and Queen's Belfast.

Beyond law, BPP delivers 45 nationally recognised apprenticeship standards from Level 2 to Level 7 to 31,000 learners, with a 90% first-time pass rate, for which it was named AAC Apprenticeship Provider of the Year 2024.

New in 2026, the CertHE Business university programme represents a genuine market disruptor by widening access to higher education for learners who may not follow traditional entry routes. By offering a flexible, accessible and practically rigorous pathway into degree level study, it supports social mobility and broadens participation amongst underrepresented groups. Its flexible model allows students to try out degree level study year by year, with each stage offering stand-alone, stackable qualifications shaped by evolving workforce and societal needs, and a strong emphasis throughout on workplace skills development and progression into employment.

"Widening access into the professions is not a slogan for us; it is the operating model. We design structured, evidence-based routes into professional careers for individuals who might otherwise be overlooked, helping to remove barriers, unlock potential and create genuine place-based opportunities for social mobility."

Lucy Wildig
Director of Social Impact, BPP University / Lyceum Education Group



Stonegate Group

Serving with Pride: Building the UK's Largest LGBTQIA+ Venue Network

SECTOR
Leisure/Hospitality

HEADQUARTERS
Solihull, UK

WEBSITE
stonegategroup.co.uk

#1
Largest operator of LGBTQIA+ venues in the UK

£90,000+
Raised for Stonewall Housing since 2021

2
Industry awards for LGBTQIA+ venue colleagues in 2024–25

Stonegate Group is the largest operator of LGBTQIA+ venues in the UK: a position that carries both commercial scale and a meaningful social responsibility. The company's 'Serving with Pride' programme is set out in the FY25 Pouring with Purpose Report, and includes providing safe and inclusive spaces, charity partnership, allyship and colleague recognition. Since 2021, Stonegate has partnered with Stonewall Housing, supporting LGBTQIA+ people who are homeless or in unsafe accommodation.

The fundraising model is diversified by design. Rainbow Pilsner and Polari generate ongoing donations to Stonewall Housing with 10p from every pint poured being donated. This is complemented by additional venue-led fundraisers such as quiz nights, drag bingo and Pride Month events. Pride Month 2025 saw 'Be At One' launch the Matcha Matcha Man cocktail, with proceeds directed to Stonewall Housing. The venues also host Stonewall Housing service users for creative and wellbeing workshops. Two Brewers Clapham, Popworld Chelmsford and 'Be At One' collectively create a distinctive Pride proposition.

External recognition has followed: Two Brewers, Clapham has been honoured with the National Pubwatch Star Award, reflecting standards expected across every Stonegate venue. Underpinning all of them are the Ask for Angela and Ask for Clive safety schemes.

"We're proud of our partnership with Stonewall Housing and the difference it makes. Our teams and guests support it with real passion, and we look forward to building on this success for the LGBTQIA+ community."

Liam Martyn
Area Manager, Stonegate Group LGBTQIA+ Venues



Stonegate Group





ASDA

Opening Doors for Young People with Learning Disabilities

Asda has doubled the size of its Supported Internship Programme for 2025/26, creating 119 year-long placements across 22 UK stores for young people with learning disabilities, autism or both. Delivered with the charity DFN Project SEARCH and local further-education colleges, programmes combine structured learning with daily work-based experience. Supported internships tackle a stark gap: only 4.6% of adults with a learning disability who receive council-funded social care in England are in paid employment, against a UK working-age employment rate of around 75% (ONS). From the 2024/25 cohort, 46% of interns have already secured paid work after completing the programme.

"We're incredibly proud to be expanding our Supported Internship Programme, helping more young people with learning disabilities into future employment with clear, accessible pathways into work."

James Goodman
Chief People Officer, Asda

Aggreko

Creating Opportunity in Remote Communities

In 2025, Aggreko welcomed two First Nations Year 11 students from Far North Queensland into school-based traineeships at its Amrun solar farm, in partnership with the Australian Industry (Ai) Group's Apprentice & Trainee Centre (ATC). From the beginning of 2026, the programme expanded with two additional First Nations school-based apprentices, bringing the total to four on site at Amrun - a notable achievement for such a remote community. Based at the Weipa site, each trainee receives hands-on engineering experience supported by travel, equipment and ongoing mentoring, graduating with a Certificate II qualification that opens doors into the energy and infrastructure sectors.

"This initiative spotlights our commitment to building skills, opportunities and inclusion in the communities where we operate. It's a testament to the power of targeted partnerships in creating opportunities of a lifetime for young Indigenous people and strengthening regional talent pipelines."

Matt Hunter
Head of QHSE & Sustainability, AMEAPAC

David Lloyd Leisure

Building Careers at Scale: Apprenticeships, Qualifications and Pride

SECTOR
Leisure

HEADQUARTERS
Hatfield, UK

WEBSITE
davidlloyd.co.uk

1,000+
Qualifications awarded through work-based learning

89%
Of team members feel proud to work for the group

35+
Nationally-recognised apprenticeship programmes

David Lloyd Leisure, Europe's largest operator of racquets, health and fitness clubs, has continued to invest in the structured development of its workforce. The group currently offers more than 35 nationally-recognised apprenticeship programmes across membership and sales, leadership and management, property and maintenance, fitness and racquets coaching, and food and beverage. The pathways run from intermediate level through to higher apprenticeship, with a recently-launched early-careers degree programme that allows team members to complete a full degree while in work.

The scale of the programme is starting to snowball. Cumulatively, more than 1,000 qualifications and certificates have been awarded to David Lloyd team members through work-based learning and apprenticeship pathways. Apprentices rate the learner experience at 9.2 out of 10 on Rate My Apprenticeship, reflecting both the quality of structured learning and day-to-day relevance. Engagement data is consistent: 89% of David Lloyd team members say they feel proud to work for the group. Seven-day shift patterns allow genuinely flexible working arrangements.

External recognition continues. David Lloyd was named in The Sunday Times Best Places to Work 2026 for the fourth consecutive year and holds Great Place to Work certifications in Spain, the Netherlands and Switzerland. The group uses apprenticeships as the primary route for new joiners as the estate expands.

"Investing in our people is central to how we grow. More than a thousand qualifications awarded through work-based learning, 35-plus apprenticeship pathways, an early-careers degree route and a learner experience rating of 9.2 out of 10 tell us this isn't just a development programme; it's the engine of our long-term career pipeline."

Juliett Cattermole
Group People Director, David Lloyd Leisure



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Governance

Strong governance underpins how our portfolio companies grow and how they manage the risks that come with growth. Across the portfolio, the disciplines we rely on are rigorous diligence at entry, ongoing monitoring through ownership and clear incident reporting and escalation routes. We work alongside management teams on compliance with ESG-related laws and regulations that apply to each business – including anti-corruption, labour practices and fair working conditions – anchored by quarterly reporting and ongoing third-party reputational risk monitoring. Where incidents occur, they are escalated promptly to TDR and, where appropriate, to our investors.

Our significant ownership stakes and active board presence give us a direct route to maintaining accountability at the highest level of each business. The approach is deliberately tailored: we work with each management team to assess the specific ESG compliance obligations the business faces and the company's readiness to meet them. Where gaps are identified, they are tackled collaboratively, drawing on industry best practice and the breadth of experience built across the portfolio.



Key Governance Focus Areas:

Data Protection and Cyber Security: We actively monitor portfolio company cyber posture and support continuous improvement, working with our specialist cyber partner Orpheus Cyber to deliver threat and vulnerability assessments and to recommend policies, practices and procedures appropriate to each business. The objective is to lift cyber resilience steadily across the portfolio rather than treat it as a one-off exercise.

Bribery and Corruption: Robust safeguards against bribery, corruption and money laundering are a non-negotiable element of both due diligence and ongoing monitoring. Across the portfolio, best practice spans documented anti-bribery and corruption policies, internal education programmes and clear escalation procedures, supported by the board-level ownership of these controls that gives them organisational weight.

Business Continuity and Disaster Recovery: Every portfolio company is expected to maintain effective business continuity and disaster recovery plans capable of restoring core operations to pre-defined acceptable levels following a disruptive incident. The bar is set by the relevance and frequency of testing, not by the existence of a document on a shelf.

AI Governance: Responsible AI use has become an important and fast-evolving governance topic for the firm. As we adopt AI tools across the business, we expect both the technology and the regulatory landscape around it to keep changing, and our governance framework to develop in step. Our aim is to help colleagues use AI with confidence, while keeping confidential information protected and accountability clear.

Our IT and Information Security Handbook sets out how AI is used across the firm. Colleagues may use only tools approved by our IT team, and only through TDR enterprise accounts rather than personal ones. Confidential, sensitive and third-party information may be used only with approved enterprise tools. Third-party prompts, plugins and connectors require IT sign-off, and agentic tools are deployed only once they have been tested and quality-controlled.

The principle behind it is simple: AI assists, people decide. Colleagues remain accountable for what they produce, AI may not make autonomous decisions, and outputs are independently reviewed by a person rather than validated by AI alone. Concerns are raised promptly through established IT and information security channels, with serious incidents escalated to the Management Committee.

The Management Committee owns the framework, supported by the Head of IT, COO, Head of Compliance and General Counsel. All staff complete mandatory security awareness training, with completion monitored and refresher training following policy updates. We review the framework at least annually as tools, risks and regulatory expectations evolve.

The case studies that follow show how two of our portfolio companies – Applus+ and Asda – are translating these governance disciplines into action within their own operating environments.

SECTOR
Testing, Inspection & Certification

HEADQUARTERS
Madrid, Spain

WEBSITE
applus.com

25,000+
Employees trained in cybersecurity in 2025

6
Regulatory frameworks aligned – NIS2 / Cyber Resilience Act (CRA) / AI Act / DORA / Data Act / GDPR

99%
Of professionals trained on the Code of Ethics

Applus+

Hardening the Digital Perimeter: AI Policy and Cyber Resilience

Applus+ provides services that depend on the confidentiality and integrity of its customers' data, making cyber security, data protection and the responsible use of AI core governance issues. The control framework materially evolved in 2025 as Applus+ completed its transition from public listing to private ownership and refreshed its leadership team. A new Global CIO (Fernando Vallejo) was appointed in June 2025, supported by a CISO operating under the CIO. The Board now oversees a tighter framework of policy, training, and defensive technology.

Two policy refreshes were central to the year. Applus+ revised both its Information Security Policy and its Artificial Intelligence Use Policy, aligning them with the EU AI Act (Regulation 2024/1689), the NIS2 Directive and the EU Data Act. The AI Use Policy is mandatory across the group, designed to prevent both the misuse of generative AI tools and the inadvertent exposure of confidential data. Over 25,000 employees completed cybersecurity training in 2025, supported by a newly-acquired specialist platform.

On the defensive side, Applus+ launched two flagship projects in 2025: a new Applus Phishing simulation tool that identifies higher-risk user profiles for targeted training, and a globally standardised endpoint management platform ensuring device compliance, secure configuration and controlled access to corporate resources. Acquired companies are onboarded onto the global framework as a priority.

"The emergence of artificial intelligence has transformed the cyber threat landscape, making attacks more sophisticated, persistent and difficult to detect. That is why we have adopted a proactive and dynamic approach, including continuous monitoring, the use of artificial intelligence to identify anomalies in real time and ongoing training of our teams in advanced digital security practices."

Fernando Vallejo
Chief Information Officer | SVP Technology, Applus+



SECTOR
Retail

HEADQUARTERS
Leeds, UK

WEBSITE
asda.com

3 / 5
Sustainable Fitch entity rating (3rd consecutive year)

57
Entity score, matching the prior year

#1
Largest LNG-fuelled truck fleet in the UK

Asda

Independent Validation: Three-Year Sustainable Fitch ESG Rating

Asda has maintained its Sustainable Fitch ESG entity rating of 3 (on a scale where 1 is excellent and 5 is poor) and an entity score of 57, for the third consecutive year at this level. Sustainable Fitch's annual assessment is an external, comparable measure of how deeply ESG considerations are embedded into a company's strategy, governance and disclosure. The continuity of Asda's rating reflects the maturity of its governance framework rather than a one-off improvement, and the assessment specifically credits Asda's continued efforts to mitigate material environmental and social impacts across its wide range of consumer products.

Sustainable Fitch cited Asda's detailed disclosure of greenhouse gas emissions and its sustained action to reduce carbon across all three Scopes. The 2024 investment in two new Bio-LNG refuelling facilities, alongside operating the UK's largest LNG-fuelled truck fleet, was specifically recognised. So too was Asda's continued work to lift the share of own-brand products that are lower in fat, salt and sugar, and to improve food nutrition labelling. Both of these endeavours are material to the social pillar of the assessment, given Asda's scale as one of the UK's largest grocery retailers.

Maintaining a consistent rating year on year provides comparable evidence to investors and other stakeholders that responsible retailing is a strategic priority embedded across the business, rather than a standalone reporting exercise.

"We're pleased that Sustainable Fitch has once again recognised our ESG performance for the third year in a row. We remain committed to improving the transparency of our reporting and embedding ESG considerations into our business strategy. By maintaining our score, we're reinforcing to investors that responsible retailing remains a priority for us, and that we are focused on addressing the issues that matter most to our business."

Michael Gleeson
Chief Financial Officer, Asda



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