

Solving Complexity Unlocking Potential

# Epiris Annual ESG Report

2024



# 01

# About Epiris

We are an independent private equity firm that invests in opportunities to transform businesses in partnership with exceptional management teams.

# About Epiris

**Our primary goal is to build great companies to deliver outstanding returns for our investors.**

**We do this by identifying and resolving the complexities which hold high-quality businesses back, providing fresh capital and thinking to reposition businesses strategically and in terms of scale and growth: by solving these complexities we unlock the transformation potential in the businesses we buy.**

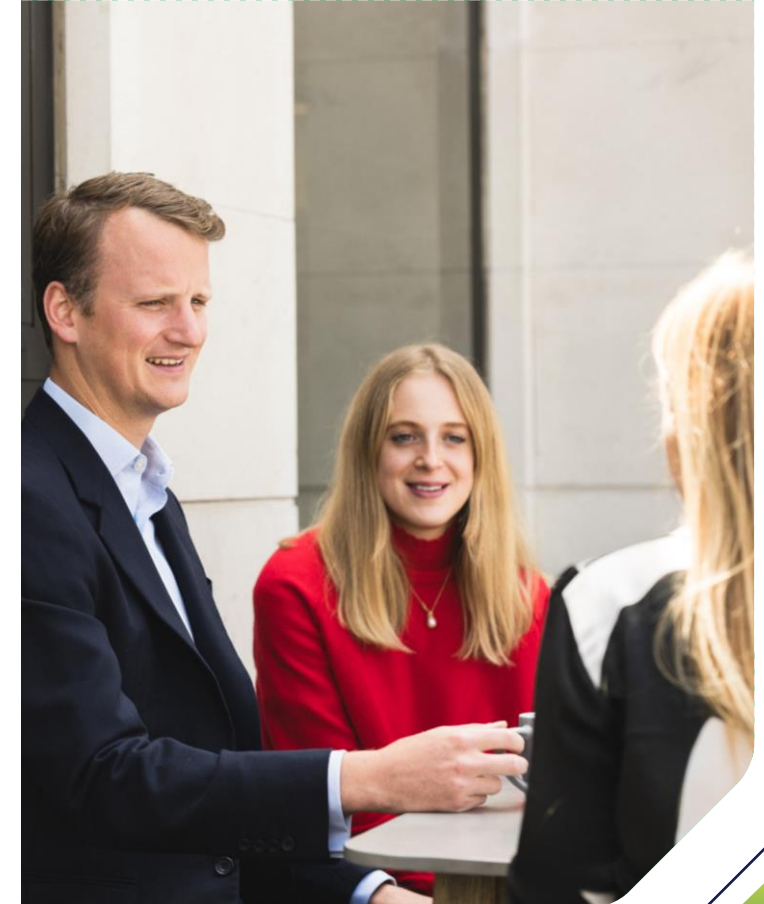
Our approach to transformation itself is to focus on a manageable number of key priorities to which we bring clarity, ambition and pace alongside the deep domain expertise of our pool of functional and sector experts.

We partner with exceptional management teams who share our ambition and who bring the leadership and execution skills to deliver it. Together, we set a clear strategy and align our interests through both shared goals and economic incentives.

We believe that businesses can be successful over the long term only if they integrate the management of environmental, social and governance ("ESG") factors into their business strategy. We therefore work closely with the companies we invest in to build sustainability as a value-creating component of their transformation plan.

We believe this is a highly effective model. On average, businesses we invest in more than double earnings under our ownership. This has delivered a top-decile investment performance record.

We have created an organisational culture that reflects our belief that businesses gain strength from harnessing the different experiences and perspectives of diverse teams. Whilst members of our team come from all walks of life, we all share the four Epiris Values which govern the way we work towards our common goals. We are proud to say that Epiris is a firm where anyone with the aptitude and attitude can succeed.



**Solving complexity, unlocking potential**

# Our values



## A strong moral compass

**We are guided by a strong moral compass within both our own business and the companies in which we invest.**

We work by the highest standards of integrity and professionalism. More than that, we want to be proud of our businesses, of what they do and of how they treat their people, their customers and suppliers and the world around them.



## Energetic, enquiring and creative

**We thrive on complex situations and on our mission to transform businesses.**

To find the clarity and insight required for success, we must challenge constantly, think innovatively and push untiringly.



## Straightforward, open and collaborative

**We are straightforward and plain-talking.**

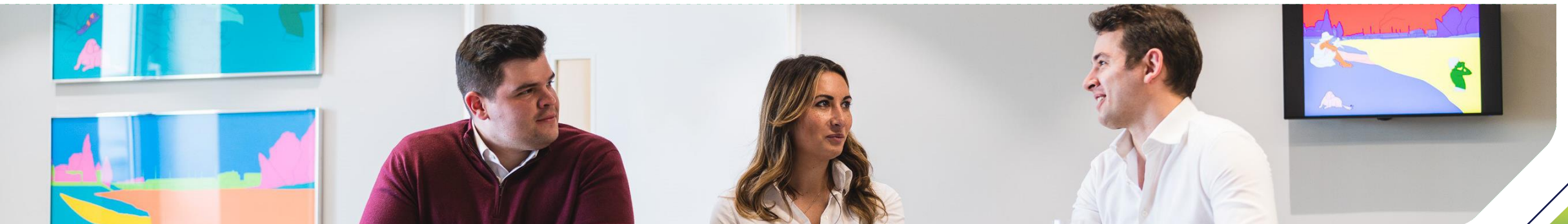
We are honest about what we can achieve, and make sure we keep our promises. We work together as a group, with everyone encouraged to contribute. We take collective responsibility for our successes and failures and seek to learn from them.











## Ambitious, rewarding and fun

**We are ambitious for both our own business and the companies in which we invest.**

To achieve these ambitions, we aim to build diverse and high-performance teams. To do so, we offer opportunities to learn, contribute, advance and earn financial rewards. We create an environment which is both demanding and fun in which we can grow the talent and leadership for our future.



# Our portfolio

 <p>Operator-managed pubs</p>	 <p>Advanced materials designer and manufacturer</p>	 <p>Funeral services</p>
 <p>Technology-enabled care</p>	 <p>Automotive parts distribution</p>	 <p>Communication systems</p>
 <p>International auction house</p>	 <p>Maritime services</p>	 <p>Fitted furniture</p>
 <p>Country club operator</p>	 <p>Mission-critical fasteners</p>	 <p>Water boosting products</p>
 <p>Information services</p>	 <p>Wealthtech platform</p>	 <p>Restaurants</p>

# 02

# Introduction

This is our fifth annual ESG report, covering an important year for both our firm and our ESG programme.

# ESG at Epiris

**Our primary goal is to build great businesses that deliver outstanding returns for our investors.**

**We believe that careful management of ESG matters is an essential part of delivering this goal.**

We have therefore integrated ESG into our strategy, and we work closely with the companies in which we invest to do the same.

We can be more impactful by being focused, and so we concentrate on four key areas – our Four Pillars – that are important to every business irrespective of its business model or scope.

**Our Four Pillars are climate change, sustainability, people and ethics.**

For each Pillar, we have set an aspiration and defined best practice, demonstrating our ambitions and guiding our long-term decision making. The best practices combine several influences: our experience of working with companies; evolving investor expectations; and new regulatory requirements.

We work closely with the companies we invest in to ensure our Four Pillars are embedded in their strategy and operations, and that they implement these best practices.



Pillar 1

**Climate change**

Net zero



Pillar 2

**Sustainability**

Reduce, reuse, recycle



Pillar 3

**People**

World-class workforces



Pillar 4

**Ethics**

We want to be proud

# 2024 ESG programme highlights

## 01

**In early 2025, we repeated the annual portfolio-wide data collection exercise that we carried out for the first time in 2024.**

The companies in our portfolio were able to provide on average 83% of the data points we requested in the most recent exercise, a significant increase from 59% a year before reflecting the improved data maturity we are driving.

The comprehensive and consistent data set we are now collecting means we are able to quantify the success of our ESG programme whilst also meeting ever-increasing investor data needs. We are delighted to present selected data points in this report, with more detail available to investors upon request.

## 02

**During 2024, we updated our Climate Change Pillar to reflect the progress our programme and portfolio companies have made in quantifying and planning to reduce emissions, and to align our ambitions better with those of the global investment industry.**

We have done this by updating the Pillar aspiration from “Net Neutral” to “Net Zero by 2050”, and by asking our portfolio companies to put in place an SBT-aligned Net Zero plan.

We have adopted a target to ensure that every company in which we invest has such a plan by 2030 or, if later, within two years of our investment. By the end of 2024, almost a third of our portfolio companies had a Paris-aligned, long-term Net Zero plan.

## 03

**During 2024, in keeping with our commitment to continuous improvement, we conducted a review of our ESG programme.**

Working with an experienced consultant, we engaged with selected investors, portfolio company management teams and members of the Epiris team to understand the programme’s strengths and weaknesses from different perspectives.

We have shaped the conclusions of this review into a roadmap; this builds on our programme’s achievements hitherto with a set of actions that will ensure our approach to ESG remains effective, responsive and relevant to the challenges ahead and to the needs of our team and investors.



# 2024 ESG programme highlights

## 04

**In 2024, we launched a new cybersecurity programme across our portfolio in partnership with a specialist cyber consulting and incident response firm.**

Our aim has been to understand the level of cyber risk across our portfolio, to highlight areas where resilience can be improved and to enable companies to prioritise and remediate gaps with tailored guidance and services.

This is built on four components:

- A specific cybersecurity due diligence workstream for new platform investments;
- A regular cadence of review, testing and engagement to ensure all portfolio companies have the appropriate cyber posture and capabilities;
- A cybersecurity roadmap for each company to allow us to set targets and measure progress;
- Insurance, training and incident response resources so that companies are able to react promptly to any cybersecurity event.

We conducted the inaugural assessment in the summer of 2024. This gave us a baseline of cyber risk distribution across our portfolio. It gave our portfolio companies a roadmap with actionable advice to strengthen their security posture over the next twelve months.



# 2024 in review

**In February 2024 we held the final close on Epiris Fund III with total commitments of £1.045 billion.**

The fund had a target of £850 million and was meaningfully oversubscribed at its hard cap. The final closing was the culmination of a tremendous amount of hard work by our entire team.

2024 was also a busy year in terms of investment activity, with one new platform acquisition, six add-ons and a series of exits.

**The new platform was Amber Taverns, an operator of wet-led community pubs across the UK, which we acquired in October.**

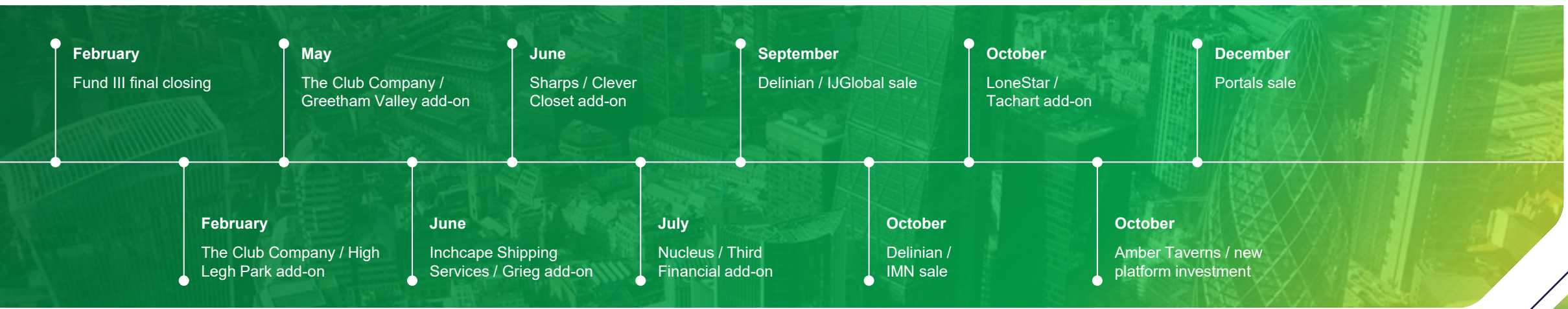
Amber’s “operator-managed” model and firm value-for-money positioning translate into a growing market share driving consistent growth through the cycle, sector-leading financial metrics and a property estate with a limited tail.

Our plan is to drive further organic growth through new site openings and where appropriate add-on acquisitions. Our ESG due diligence identified several value-enhancing opportunities which we have since built into the company’s ESG Plan and about which you can read more on page 20.

**The largest add-on acquisition to complete in 2024 was that of Third Financial, an investment platform software provider, by Nucleus.**

The Club Company acquired two more country clubs – High Legh Park southwest of Manchester and Greetham Valley in the East Midlands.

Inchcape Shipping Services acquired Grieg, a Nordics-focused port agent; Sharps acquired Clever Closet, a specialist in under-stair fitted furniture; and LoneStar acquired Tachart, a supplier of mission-critical fasteners.



# 2024 in review

**This high level of add-on activity continued into the new year.**

**Two further transactions completed in January: another add-on (its fifth under our ownership) for The Club Company; and Stuart Turner acquired DutyPoint.**

This latter is a transformative deal which doubles Stuart Turner in size and creates a scale player in the UK water boosting and pressurisation market. Stuart Turner has since been renamed Fluid Water Group.

**At the same time, we have progressed our break-up strategy for Delinian, the portfolio of B2B information and events businesses we acquired in 2022.**

**In 2024 we delivered the first two disposals, selling IJGlobal, a data business specialising in infrastructure and energy finance, to Green Street in September; and IMN, a US real estate events business, to Informa in October.**

Since the end of the year, we have achieved four further exits from the Delinian portfolio, realising 150% of our investment cost whilst retaining a group of businesses making as much profit now as the whole group did in 2022.

**This exit activity has enabled us to distribute more than £235 million to investors over the past twelve months.**

**This is the result of the Delinian disposals as well as the sale of the Portals security paper business in Bathford to Drewsen Spezialpapiere, a private German speciality paper producer, at the end of the year.**

Making security paper requires a substantial amount of energy, water and raw material, and over the course of our ownership we have worked with the company to reduce consumption of all three. Portals is certified to ISO 14001 for Environmental Management Systems and holds EcoVadis silver medal status.



# People

## 2024 saw both profound change and strong continuity in our team.

### The profound change came in May with the sudden death of our Managing Partner Alex Fortescue.

The terrible sense of loss we all feel cannot be quickly or easily assuaged. Nonetheless, we take enormous pride in our people's response: the qualities that make up our firm's DNA – inquisitiveness, creativity, energy, ambition, drive – are as strong now as they have ever been.

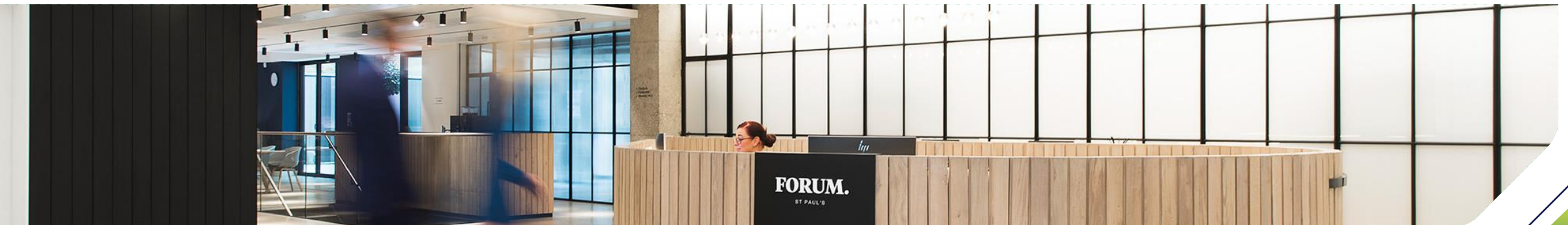
That response is behind the strong continuity in our team. Three of our Partners – Bill Priestley, Owen Wilson and Ian Wood – have taken on new leadership responsibilities; their expanded roles are in line with the long-term succession plan we established some years ago. These organisational changes took place against the backdrop

of strong commitment and continuity from the rest of the Partner group: Chris Hanna and Charles Elkington as investing Partners, and Alex Cooper-Evans as Chief Operating Partner.

At the same time, we have continued to build the team by hiring the best people, investing in their learning and development, and offering them opportunities to contribute and succeed.

In 2024, we made five new hires in this vein. Three of these were in our investment team: Ella Meager and Demi Ogunlela, formerly consultants at OC&C and Oliver Wyman, respectively, and James Beart, previously an investment banker at Evercore, all started as Investment Associates during the year. The other two hires were of Investor Relations Associates as a part of our continued drive to build world-class investor relations capability: Ludo MacLellan joined us from EY where he was in the financial services audit team, and Charlie Hines joined us from Findlay Park where she worked in IR.

We also made several promotions during 2024. Kathryn Pothier, who joined us in January 2023 to lead our investor relations and fund-raising activities, became a Partner. Alex Wilby, who joined us in 2019 from LDC, became Investment Partner and joined our Investment Committee. Zoe Lai and Thayne Forbes, both of whom joined our Associate Programme in 2020, were promoted to Investment Director. Pablo Espinoza, who joined our inaugural Analyst Programme in 2019 having graduated from the University of Oxford, was promoted to Investment Manager and we are now sponsoring him to take an MBA at Wharton. Scott Forbes, a UCL graduate who joined Epiris as part of the 2021 Analyst intake, was promoted to Investment Associate.



# Conclusion

**I trust this report conveys a picture of a firm that is thriving and that is wholeheartedly committed to integrating ESG into its own business and across the investment lifecycle.**

It is often the case that when we first invest in a company it is keeping pace with essential ESG requirements but not thinking strategically about managing risk or creating value through a more advanced and forward-thinking approach.

So it is gratifying to be able to report so many examples of the progress we and our portfolio companies have made across our Four Pillars of Climate Change, Sustainability, People and Ethics. Increasing data maturity across the portfolio not only helps us to monitor and quantify this progress, but also enables us to satisfy our investors' growing data requirements.

In ESG, as with the other topics on which we engage with portfolio companies, we are committed to continuous improvement. The review we ran over the winter has reassured us that our programme is well suited to its ambitions at the same time as highlighting opportunities to improve over the years ahead.



**Alex Cooper-Evans**

**Chief Operating Partner**  
Chairman of ESG Committee



# 03

## ESG at Epiris

Our primary goal is to build great companies in order to deliver outstanding returns for our investors. Strong ESG management is an essential part of delivering this goal.

# ESG at Epiris

We deliver strong ESG management using a series of building blocks: our ESG Policy, our implementation systems and processes, and our Four Pillars framework.

Our ESG Policy sets out the principles and commitments that drive our ESG approach. We are committed to:



## Integrating

ESG into the core of our and our portfolio companies' activities



## Complying

with not only law and regulations but also best practice in relation to ESG management; and



## Operating

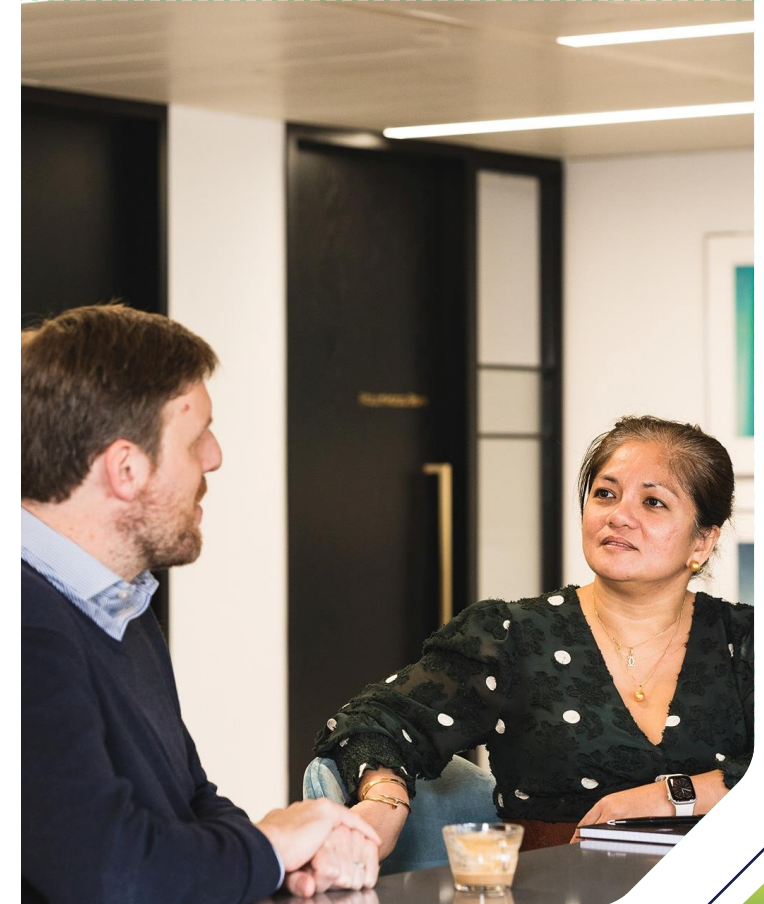
with integrity and to the highest ethical standards.

Our ESG implementation systems and processes are illustrated on the following page.

Through these processes, we ensure that ESG is systematically addressed at every stage of an investment's lifecycle, from pre-deal due diligence through the ownership period to exit. Moreover, they ensure that ESG is given its due prominence in the strategic and operational programmes we implement in partnership with the management teams of each portfolio company.

Our Four Pillars framework covers the areas which in our view are important to every company in which we invest, as well as to our own business. For each of these areas, we have set a long-term objective, specified the best practices that will help deliver that objective, and detailed Key Performance Indicators to monitor progress and to enable portfolio level reporting. This is a focused approach that drives portfolio companies along their ESG journey whilst building a legacy of ESG-related improvements.

ESG is led by our ESG Committee, made up of Partners and other staff from across the firm who meet regularly to review our own and our portfolio companies' ESG performance as well as our overall ESG approach.



# ESG in the investment lifecycle

## Pre-acquisition

Before we make a new investment, we carry out a series of screening exercises to identify any ESG issues.

### Key ESG topic and excluded investment screen

We screen companies to identify key ESG considerations, in particular those in relation to our Pillars, as well as whether or not the target company is involved in gambling, or in the production or sale of alcohol, armaments, pornography or tobacco. We will not invest in such companies without ensuring that these activities are undertaken lawfully and any issues of concern can be satisfactorily mitigated on ownership.

### ESG due diligence

Following the initial screening, we carry out a more detailed analysis of issues in relation to our Pillars and areas on which we expect to focus during our ownership. The findings of this due diligence are included in our investment committee papers and discussed by the Epiris Investment Committee. Identifying and understanding relevant ESG issues and opportunities before acquisition means we ensure that these topics are incorporated into our investment analysis and decision-making processes.

## Ownership

Once we have made an investment, we build on our pre-acquisition due diligence and analysis to develop an ESG Plan for each portfolio company.

- **ESG risk and opportunity review** – using a standard Epiris process, we assess the company's performance against our Four Pillars best practice as well as any other material ESG risks and opportunities;
- **ESG Plan** – we identify the steps that are required to close the gaps between current and best practice, and a clear timetable for doing so, as well as setting targets and metrics to mitigate risks or maximise opportunities;
- **Ownership** – responsibility for delivering the ESG Plan rests with its board and members of the management team and Epiris teams are nominated to lead execution. Regular progress updates are reported to each portfolio company board and to Epiris;
- **Annual review** – we review each company's performance every year and update the ESG Plan accordingly;
- **Communications** – we provide our investors and other stakeholders with a clear picture of ESG performance on an annual basis or as needed.

## Exit

Through this approach, we are able to demonstrate the impact of ESG management on the portfolio company's performance when we come to sell an investment.

- **Disclosure** – at exit, we include details of a portfolio company's ESG performance in the information to be disclosed to potential buyers, to demonstrate the improvements made during the ownership period and the value enhancement achieved.

Case Study

# The Club Company

## A greener course

**In 2018, we acquired The Club Company, a group of country clubs (golf, health and fitness, hotels) mainly located in central and southern England.**

Since then, we have strengthened the management team with a new CEO and further appointments throughout the structure; we have introduced a systematic, data-driven approach to sales and yield; we have deployed £20 million of capital expenditure in upgrading and extending facilities; and we have made five single-site add-on acquisitions, bringing the total number of clubs in the estate to eighteen. Today the business is the largest country club operator in the UK, with a strong performance record despite the current consumer environment, and significant opportunity to continue deploying capital in organic investment projects and M&A.



### ESG Plan

Since investing in The Club Company, we have worked with the team to integrate ESG considerations in the business' decision-making and operational processes.

### Climate change

The Club Company has made a public commitment to Net Zero by 2040. In pursuit of that goal, the company has:

- ✔ Installed LED lighting across the state, saving 2,500 MWh of energy consumption annually.

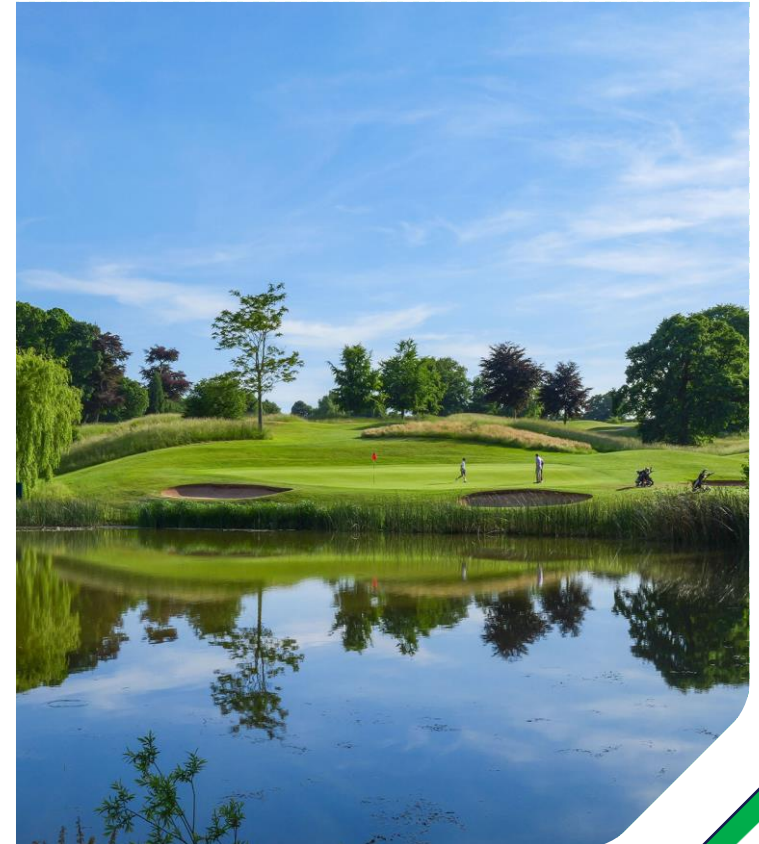
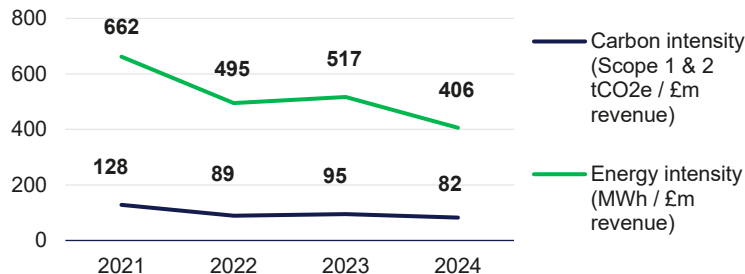
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- ✔ Launched a £1.4 million capital expenditure programme to install solar panels at thirteen clubs, expected to generate 16% of electricity used and save almost 25 tCO2e annually.

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- ✔ Installed Combined Heat and Power units at five sites, with two more planned, generating energy savings so far of 62 MWh

**The company calculates its carbon emissions, and reducing carbon and energy intensity are shown in the chart below:**



## Case Study

# The Club Company

## A greener course

### Sustainability

The company's sustainability strategy is focused on responsible procurement, water, waste and biodiversity.

- **Responsible procurement:** the company has a supplier charter in place and has been engaging with suppliers to certify compliance with the sustainability, ethical and other standards it includes.
- **Water:** the company uses water for swimming pools and golf course maintenance. To reduce its water use, the company is investing in reservoirs, water recycling, smart irrigation systems to reduce unnecessary watering, and introducing grass varieties that are less water dependant.
- **Waste:** the company is progressively removing single-use plastics from its business: bamboo golf tees, compostable take-away cups, drinking fountains to replace bottled water, refillable soap and shampoo dispensers. Waste streams have been re-engineered to divert waste away from landfill, and the proportion of waste that is recycled has increased from 55% in 2021 to 66% in 2024.
- **Biodiversity:** the company owns more than 3,500 acres of land. Non-golfing areas, and increasingly some of the playing areas of golf course, are left wild to encourage a diverse range of flora and fauna.

### People

Health and safety is a key focus for management. Each site's policies, records and practices are reviewed annually in a site audit conducted by an independent third party.

Under our ownership, The Club Company has implemented an HR Strategy and launched several initiatives to develop, engage and retain staff, including formal induction processes, active career path management, training and development systems including apprenticeships and future leaders programmes, attractive employee benefits and incentives, and staff surveys and town halls.

## 18

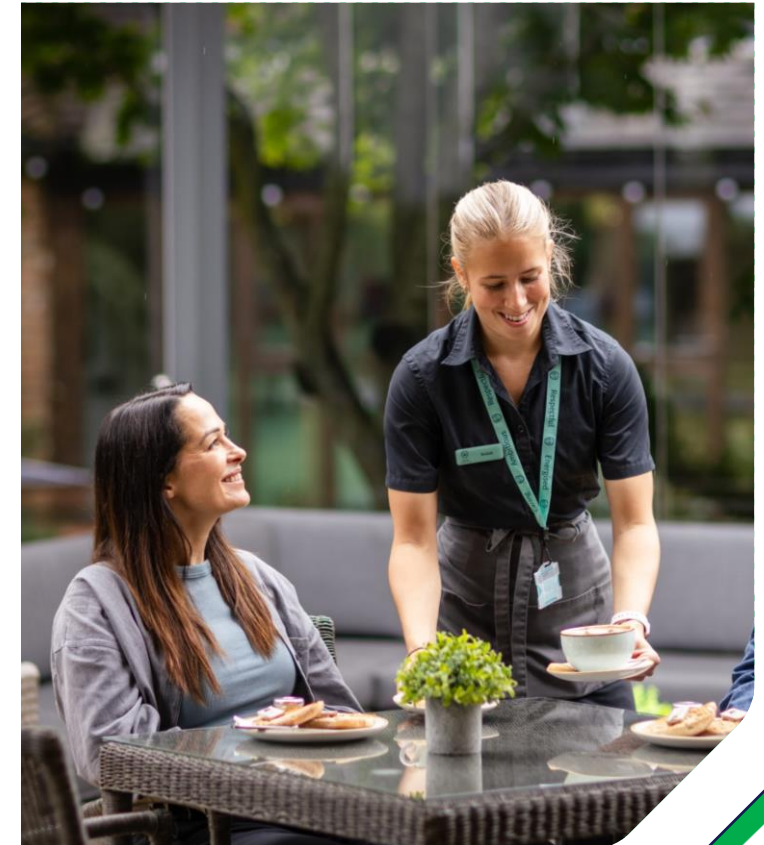
Apprentices working towards Level 2 to 5 qualifications in subjects relating to golf course management.

## 21

Members of staff in first cohort of Future Leaders Programme

### Ethics

The company has strengthened its governance of ethics with the establishment of an Ethics Board to build on the strong foundations of oversight, guidance and strategic direction on risk management, corporate governance, ethical standards and compliance.



# UNPRI

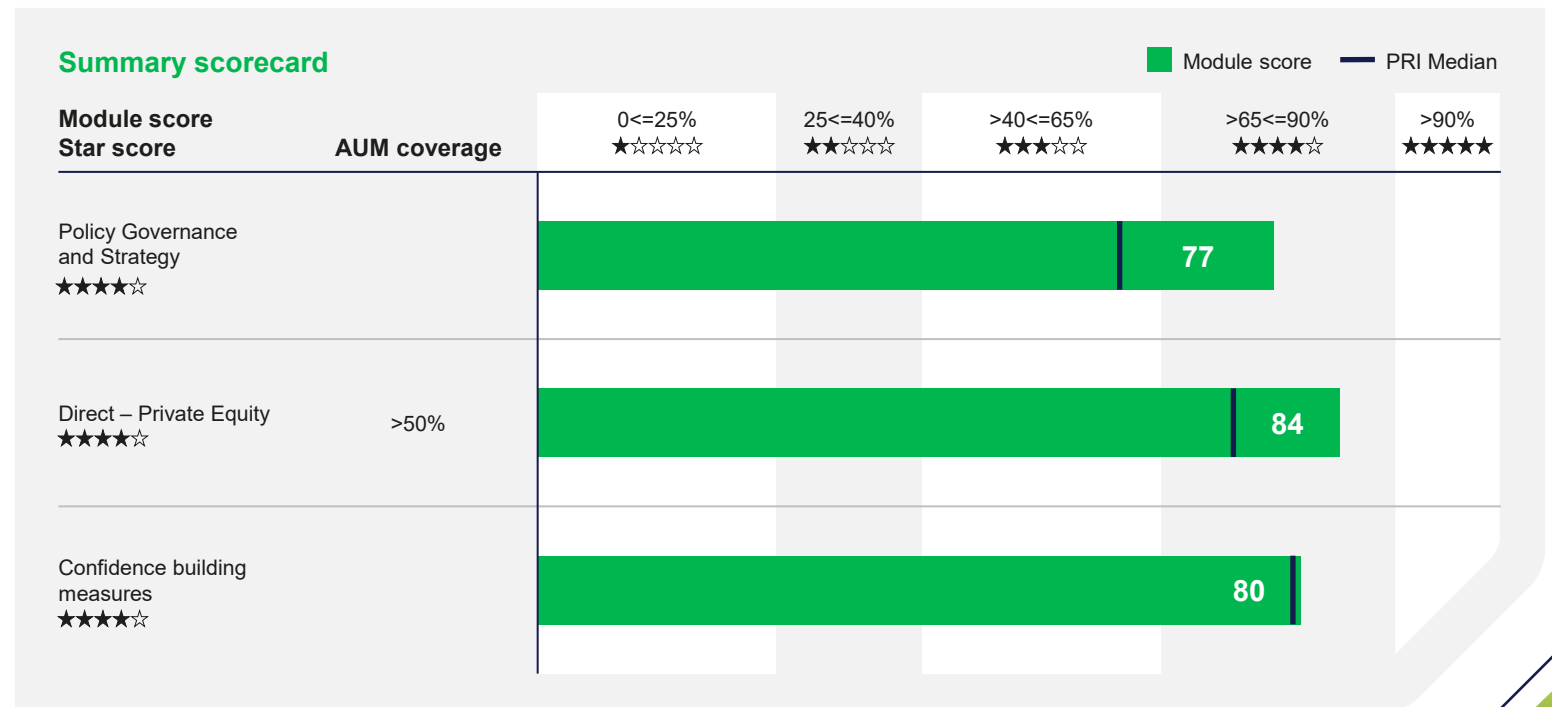
We have been a signatory of the UN Principles for Responsible Investment (“PRI”) since 2021, reflecting our commitment to ensuring that ESG is an integral part of the way we not only invest but also run our own business.

## We completed our second PRI reporting cycle during 2024.

One of the aims of the PRI reporting framework is to provide signatories with a better understanding of where their organisation sits in relation to peers and competitors, and to provide feedback to help signatories identify areas for improvement. Consistent with this aim, we performed a gap analysis comparing our activities and processes with best practice; by addressing some of these gaps we improved our scores in all three modules in the 2024 reporting cycle. We moved further ahead of the median in the Policy, Governance and Strategy as well as Direct – Private Equity modules; in the Confidence building measures module our score exceeded the median in 2023 having lagged the year before.

**UN principles for responsible investment:**

- 01** | We will incorporate ESG issues into investment analysis and decision-making processes.
- 02** | We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 03** | We will seek appropriate disclosures on ESG issues by the entities in which we invest.
- 04** | We will promote acceptance and implementation of the Principles within the investment industry.
- 05** | We will work together to enhance our effectiveness in implementing the Principles.
- 06** | We will each report on our activities and progress towards implanting the Principles.



## Case Study

# Amber Taverns

## Raising the bar

### In October 2024, we acquired Amber Taverns.

**At the time, Amber comprised 178 wet-led pubs, predominantly in the North of England, the Midlands, Scotland and Wales.**

Comprising well-invested, contemporary pubs at the heart of their communities, Amber's portfolio is uniquely focused on the hybrid "operator-managed" business model. Since its establishment with just five sites in 2006, the business has grown consistently by offering its customers value for money across a broad range of leading drinks brands, served in the highest-quality environment, and with a focus on premium live sports coverage and other entertainment such as live music, karaoke and sports such as interactive darts.

### Pre-acquisition

Before making our investment in Amber, we carried out our customary ESG due diligence.

A gating item for us was a clear set of ethics and responsibilities around serving alcohol. The team take customer health, safety and wellbeing extremely seriously, with a third-party audit programme, a strict age verification policy, and a zero-tolerance policy on anti-social behaviour. The risk to customers' safety, health and wellbeing from over-consumption of or dependency on alcohol is mitigated by the role Amber's pubs play in their local communities, in providing safe and supervised environments for customers to socialise and relax, and in the customer-centric approach inherent in the operator-managed model.

Our ESG due diligence scored Amber highly for customer welfare, raised no red flags and identified several opportunities to build on the progress the company has already made to improve ESG maturity and performance.

### Ownership

We have now put in place an ESG Plan to close the gaps between current practice and the best practices set out in our Four Pillars.

### Climate Change

- Amber has made a positive start to transitioning to a low-carbon economy. The company measures and reports Scope 1 and 2 and some categories of Scope 3 emissions. We will focus on completing the emissions inventory.
- Several energy efficiency and reduction targets are already in place, and further opportunities relating to solar energy and voltage optimisation will be trialled to evaluate their potential. Over the next twelve months, we will also work with the company to set short-term GHG reduction targets before then moving onto long-term targets consistent with the Paris Agreement.

### Sustainability

- There is a high level of awareness of sustainability issues, a preference for low-impact or sustainable purchases, a plan to minimise paper usage and a Zero to Landfill commitment. We will work with the company to put in place the responsible procurement policies and vendor management processes to manage the upstream supply chain robustly.

### People

- Health and safety is well managed and a strong set of policies and processes is in place. Several opportunities exist to adopt best practice in relation to diversity and staff engagement which we will explore with the team.

### Ethics

- The company has a complete and up-to-date policy suite and governance structure which we will aim to maintain.



# 04

## Our Four Pillars

We can be more impactful by being focused, and so we concentrate on four key areas – our Four Pillars – that are important to every business irrespective of its business model or scope.

Pillar 1

# Climate change

## Navigating the energy transition

**Epiris and its portfolio companies will each have a plan to be Net Zero by 2050, or sooner if technically and economically practicable.**

Meeting the Paris Agreement's goal of limiting the increase in the global average temperature to 1.5°C above pre-industrial levels requires GHG emissions to halve by 2030 and reach net zero by 2050.

**Epiris and its portfolio companies should:**

- ✓ Calculate Scope 1, 2 and 3 GHG emissions
- ✓ Have an SBT-aligned emissions reduction target supported by a costed action plan
- ✓ Assess climate-related (both physical and transition) risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures.



# Emissions

## Carbon emissions

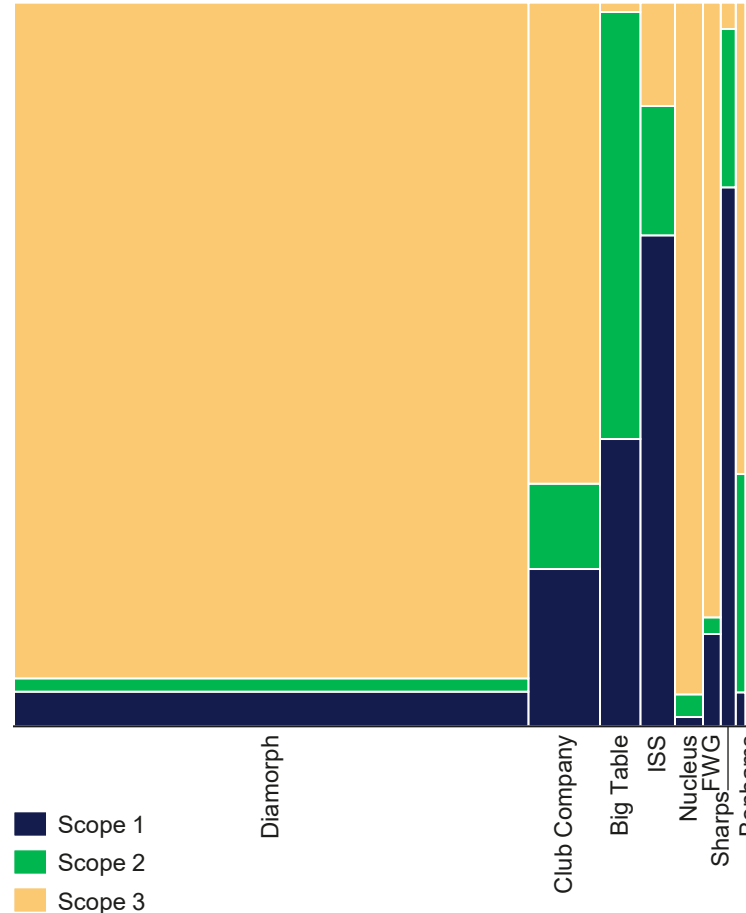
Over the past year, we have been working with portfolio companies to complete their carbon inventory and for 2024 we have collected the most comprehensive data yet on portfolio company emissions.

All our companies are now reporting Scope 1 and 2 emissions compared to 85% of companies that were able to do so in 2023.

Overall, the portfolio's Scope 1 and 2 carbon emissions have increased by 30% year-on-year to 56,703 tCO<sub>2</sub>e on a location basis; 90% of this increase is due to an increase in the number of companies included within the data set (including as a result of portfolio company M&A) with the balance due to portfolio company growth.

More importantly, the Scope 1 and 2 carbon intensity of the portfolio has reduced: the portfolio now emits 19.5 tCO<sub>2</sub>e for every £1 million of revenue on a location basis and 18.8 tCO<sub>2</sub>e on a market basis; on a like-for-like basis, these are respectively 4% and 8% lower than last year.

More than 85% of our companies are reporting at least one category of Scope 3 emissions compared to just over 70% last year; we are working with our companies to ensure that all report material Scope 3 emissions before launching the 2025 data collection exercise.



**56,703 tCO<sub>2</sub>e**

Scope 1 & 2 carbon emissions on a location basis

**18.8 tCO<sub>2</sub>e**

Scope 1 & 2 carbon emissions for every £1 million revenue

**8%**

Like-for-like improvement in Scope 1 & 2 carbon intensity in 2024 compared to 2023

**28%**

Scope 1 & 2 as a proportion of total carbon emissions

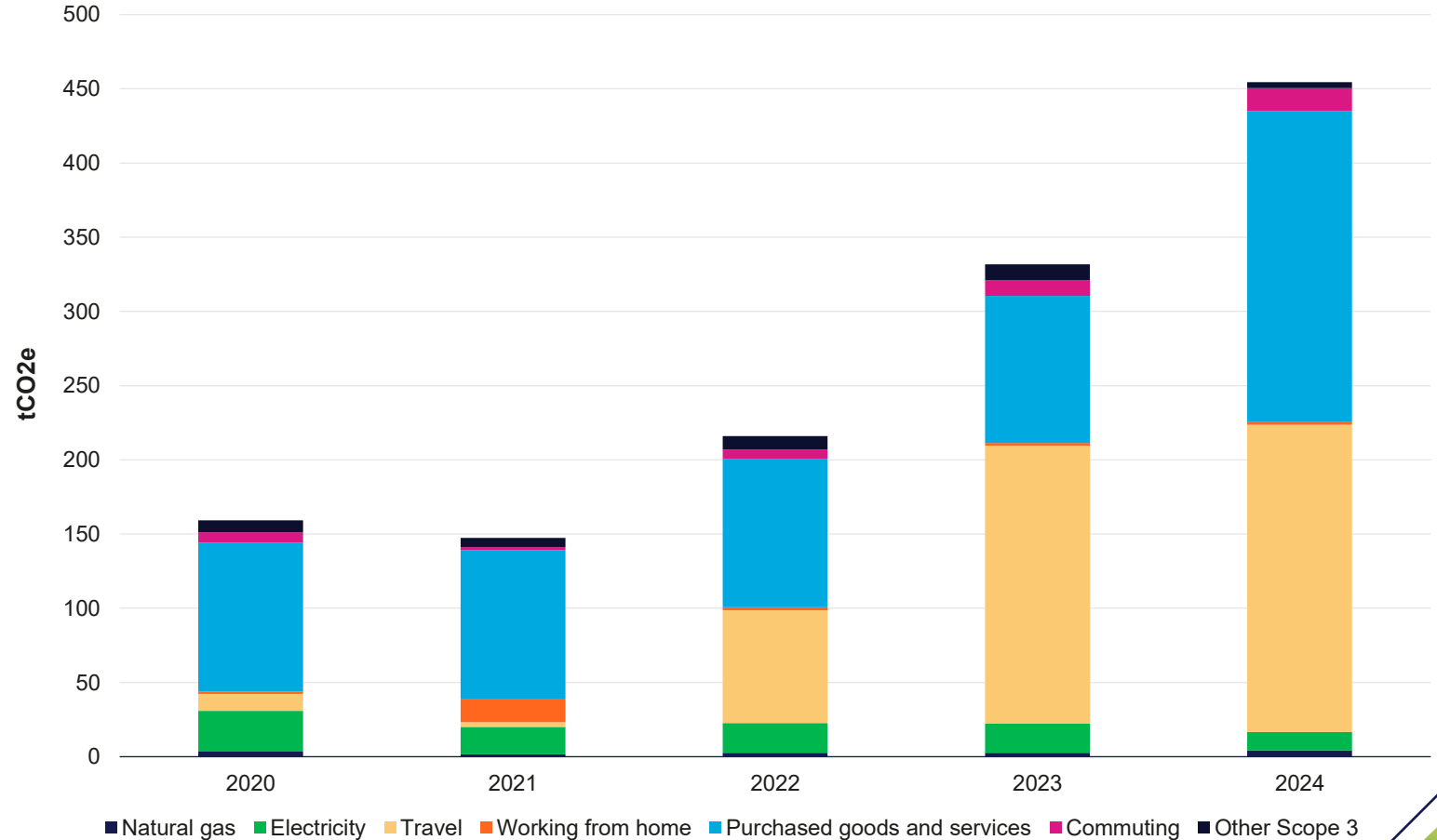
# Epiris Carbon Footprint

As part of our efforts to understand our impact, we have measured our own carbon footprint every year since 2020.

We use solely green electricity, purchased on a renewable tariff, and have provided location-based (local grid emission factors) emissions for prudency.

Our reported Scope 3 carbon emissions, including Scope 2 on a location basis, are 454 tCO<sub>2</sub>e in 2024 compared to 332 tCO<sub>2</sub>e the year before. Using a market basis for Scope 2 emissions, these would have been 442 tCO<sub>2</sub>e and 312 tCO<sub>2</sub>e, respectively.

A portion of the increase in 2024 relates to business travel which was at an elevated level with the completion of our fund raising and the necessary in-person engagement with our increasingly geographically disparate investor base and portfolio operations. The larger part though was due to a basis change, with all our purchased goods and services – from business entertaining to legal fees – now included in the calculation.



# Energy consumption

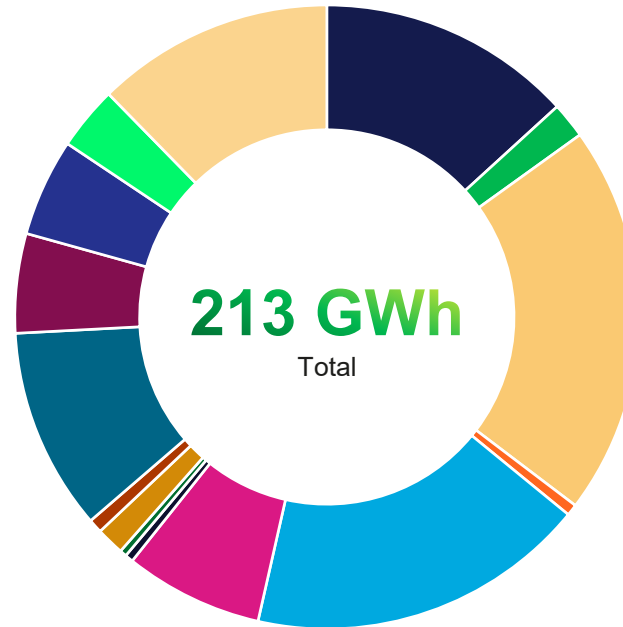
Energy efficiency and renewable energy are two important tools in our decarbonisation toolkit.

Total energy consumption across the portfolio was 213 GWh in 2024 compared to 170 GWh in the prior year.

As with carbon emissions, the increase is due to portfolio company growth and M&A as well as an increase in the number of companies included within the data set. On a like-for-like basis, energy consumption fell by over 2% in 2024 compared to the prior year.

More importantly, the energy intensity of the portfolio has reduced: the portfolio now consumes 73 MWh for every £1 million of revenue a 14% year-on-year reduction on a like-for-like basis.

Our portfolio companies continue to explore renewable energy sources. In 2023, just over a third of our companies included renewables in their energy mix; in 2024 this grew to 80% and thus renewables accounted for 16% of total energy consumed in the year compared to 9% in the prior year.



- Club Company
- Nucleus
- Fluid Water
- Sepura
- GSF
- Bonhams
- Big Table
- Appello
- Delinian
- Pure
- Diamorph
- Sharps
- ISS
- LoneStar
- Amber

## 73 MWh

of energy consumed for every £1 million of revenue across our portfolio

---

## 14%

Like-for-like improvement in energy intensity in 2024 compared to 2023

---

## 16%

proportion of energy from renewable sources across our portfolio

# Decarbonisation

**Whilst continuing to improve the data maturity of the portfolio, we are also now working with portfolio companies to develop SBT-aligned Net Zero plans.**

This is a new initiative for our programme which we have introduced to reflect the progress we have made in carbon footprinting and energy efficiency across the portfolio. It also better aligns our ambitions with those of the global investment industry; we believe this is important not only for our investors, but also for potential purchasers of our portfolio companies.

We have adopted a target to ensure that every company in which we invest has such a plan by 2030 or, if later, within two years of our investment. Across the portfolio, 31% of companies now have a long-term Net Zero plan aligned with the Paris Agreement.

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## 31%

of companies have a Paris-aligned, long-term Net Zero plan

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## 38%

of our portfolio companies have a short-term emissions reduction plan



# Climate change

## 2024 developments



### GSF

GSF's new 500,000 sq ft National Distribution Centre (or "NDC"), which is replacing two older, inefficient sites, has been designed with energy-efficient systems including a Building Management System that optimises energy use and reduces emissions. In parallel, GSF continues to purchase 100% renewable energy.



### LoneStar

LoneStar has implemented emissions data collection and reporting at most of its global sites and has taken several steps to improve energy efficiency including switching to LED lighting and adding sensors to roller doors to stop energy leakage.

LoneStar's new warehouse and logistics facility in the West Midlands, UK, is highly energy-efficient with a BREEAM rating of "very good" and an EPC "A" rating.



### Diamorph

Diamorph has invested £4.8 million as part of a large-scale manufacturing relocation and modernisation project. The investment includes new machinery and plant as well as modern offices and staff facilities at sites in Manchester and Gloucester in the UK and Pilsen in the Czech Republic.

Improved energy efficiency, reduced water consumption and a lower environmental impact are expected from a new regenerative thermal oxidiser (a highly efficient air pollution control technology) and a water filtration and recycling system.



### Inchcape Shipping Services

In 2024, Inchcape was the first port agent to join the Blue Visby consortium of maritime experts aiming to make shipping more sustainable by eradicating the age-old practice known as "Sail Fast Then Wait". It is estimated that by reducing ships' speed, about 15% or 45 million tCO<sub>2</sub>e of tanker and bulk fleet emissions might be saved.

As a globally leading port agent, Inchcape is ideally placed to provide data and intelligence and to act as a bridge between the consortium and port authorities. To date the company has provided key information on ports around the world to identify those best suited to a trial of the Blue Visby solution.

# Climate change

## 2024 developments



### Nucleus

Nucleus has now included environmental impact as a factor in its vendor risk assessment. Thus, every onboarding of a new vendor and annual review of an existing vendor includes a scoring of their environmental impact.

Understanding the impact of Nucleus' supply chain is critical in reducing the company's own emissions, with more than 95% of its total emissions sitting in Scope 3.



### Sepura

In 2024, Sepura undertook significant maintenance work on its HVAC system to improve efficiency and reliability; at the same time, it narrowed the temperature set point and adjusted operating hours to track building occupancy more closely.

Since 2021, on-site electricity consumption has reduced by 6% or 94 MWh and location-based Scope 2 emissions have reduced by 16% or 59 tCO<sub>2</sub>e. Next on the agenda is replacing lighting with LED solutions, and upgrading the air compression system.



### Pure

By implementing a rolling programme of switching supply and the installation of solar panels at its main cremation facility, Pure now powers 78% of all heating and lighting from renewable energy and is planning to increase this to 100% over the next twelve months.



# Climate risk

**As a responsible business and signatory to the PRI, we recognise the importance of assessing and reporting on the climate risks associated with our business and portfolio.**

**To reflect this, we report against the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD). We continue to work with our portfolio companies to monitor and respond to climate-related risks.**

## Governance

Responsibility for overseeing climate-related risks and opportunities across Epiris and its portfolio companies rests with the Epiris Executive Committee, which comprises the firm's seven Equity Partners and our Finance Partner. Our approach to climate matters is set out in our [ESG Policy](#) which is determined by the Epiris Executive Committee. Responsibility for implementing this policy is delegated to the Epiris ESG Committee which comprises Partners and other staff from across the firm who meet regularly to review the firm's and its portfolio companies' approach to and performance in respect to climate change and other ESG aspects.

As a part of developing the ESG Plan for each portfolio company, members of the Epiris ESG Committee and investment management team assess the company's performance against the best practice set out in the Epiris Climate Change Pillar and identify any other material climate-related risks and opportunities using a standardised questionnaire. The steps required to close the gaps between current and best practice and to mitigate risks and maximise opportunities, together with relevant targets and metrics, are included within the

ESG Plan which is reviewed and approved by both the portfolio company's board, which comprises members of the portfolio company management team as well as the relevant members of the Epiris investment team, and the Epiris ESG Committee.

Responsibility for delivering a portfolio company's ESG Plan, including the climate-related component, rests with its board. ESG is included as a standing item on each portfolio company's board agenda and updates are presented to the board regularly. Any such updates are also provided to the Epiris ESG Committee. Each portfolio company's ESG Plan is then reviewed and iterated annually in discussions between the portfolio company, the Epiris ESG Committee, and the relevant members of the Epiris investment team.

Portfolio company boards and Epiris both take advice from external experts to assist in their identification and management of climate-related risks and opportunities as well as in the design and execution of the climate-related component of ESG Plans. For example, Epiris works with Anthesis Group, one of the world's leading sustainability consultancies, as our ESG programme partner as well as on bespoke projects such as climate materiality assessments or training programmes for the Epiris and portfolio company teams.

## Strategy

To identify how climate-related issues may affect our and our portfolio companies' businesses, strategy and financial planning over the short, medium and long term, we conduct a climate risk assessment as a part of our due diligence prior to making an investment and a climate materiality assessment after having done so using a climate screening questionnaire. Our interest is not only in issues that may manifest themselves during our ownership, which is typically expected to be between three to five years, but also those

that may take longer to manifest themselves. Whilst these risks may have no direct bearing during our ownership, they may be pertinent when we market a portfolio company for sale.

From this assessment, we conclude that the most significant risks and opportunities for us and our portfolio are those in respect of:

### Physical risks:

- Extreme precipitation
- Wind and storm damage
- Extreme temperatures
- Water shortages

### Transition risks:

- Fossil fuel and energy cost increases
- Carbon taxes
- Consumer demand for net-zero products
- Impact on brand value

### Physical opportunities:

- Extreme temperatures
- Extreme precipitation

### Transition opportunities:

- Consumer demand for net-zero products
- Impact on brand value

# Climate risk

## We consider the impact of these risks over the short, medium and long term on:

- our firm-level strategy and operations: for example, investor expectations in relation to action on climate change, or disruption to staff working patterns caused by extreme weather;
- our investment strategy: identifying during due diligence and investment committee discussion the impact of for example carbon pricing, supply chain disruption from extreme weather or investor appetite for carbon-intensive businesses; and
- the strategy and operations of our portfolio companies: in particular, prioritising through the ESG Plan those actions that are most significant for addressing climate-related opportunities and risks.

### Risk management

We describe above our processes (due diligence, climate risk assessment, ESG Plan, annual review) for identifying, assessing and managing climate-related risks and opportunities.

We include climate risk on our firm and fund level risk registers to manage it in the same way as the other entries on the risk register. We ask that our portfolio companies similarly include climate risk on their risk registers.

Where risks or opportunities are imminent, we and our portfolio companies can design solutions, for example hedging energy purchases or introducing work-from-home policies. Where they are longer-term in nature, we and our portfolio companies can take them into account in strategic and financial planning. We plan to introduce scenario analysis to better understand the risk outlook.

### Metrics and Targets

We use four metrics to assess and manage our and our portfolio's relevant climate-related risks and opportunities.

## 01

the proportion of portfolio companies reporting Scope 1 and 2 GHG emissions:

## 100%

Our target is 100%

## 02

the proportion of portfolio companies reporting Scope 3 GHG emissions:

## 85%

Our target is 100%

## 03

the proportion of portfolio companies that have completed a climate materiality assessment:

## 88%

Our target is 100%

## 04

the proportion of portfolio companies with a long-term Paris-aligned Net Zero plan:

## 31%

Our target is 100% by 2030 or, if later, within two years of our investment

Pillar 2

# Sustainability

Reducing environmental and social costs

To be sustainable, businesses must use resources carefully and efficiently and so Epiris and its portfolio companies should:

- ✓ Source raw materials from certified sustainable sources
- ✓ Reduce raw material consumption
- ✓ Reuse or recycle materials and products at the end of use
- ✓ Reduce emissions and / or discharges of hazardous pollutants or chemicals
- ✓ Send zero waste to landfill or incineration if there is an alternative
- ✓ Ensure that their and their suppliers' activities do not involve land degradation, deforestation or harm to IUCN Red List species

 **Aspiration**  
**Reduce, reuse, recycle**



# Supply chain

**Our current focus across the portfolio is on driving supply chain standards with the right policies, commitments and processes.**

We are thus working with every portfolio company to:

- Put in place a Responsible Procurement Policy to describe how environmental, sustainability, social and ethical considerations are taken into account in purchasing decisions;
- Put in place a Supplier Code of Conduct setting out the standards that suppliers are expected to observe;
- Ensure that suppliers commit to upholding those standards by signing the code of conduct; and
- Assure compliance with those standards with an appropriate supplier audit programme.

In the coming year, we will be working with portfolio companies to assess the parts of their supply chain with the highest environmental and social impact with a view to developing mitigation strategies.

## 44%

of our portfolio companies have a standalone Responsible Procurement Policy (2023: 25%)

## 50%

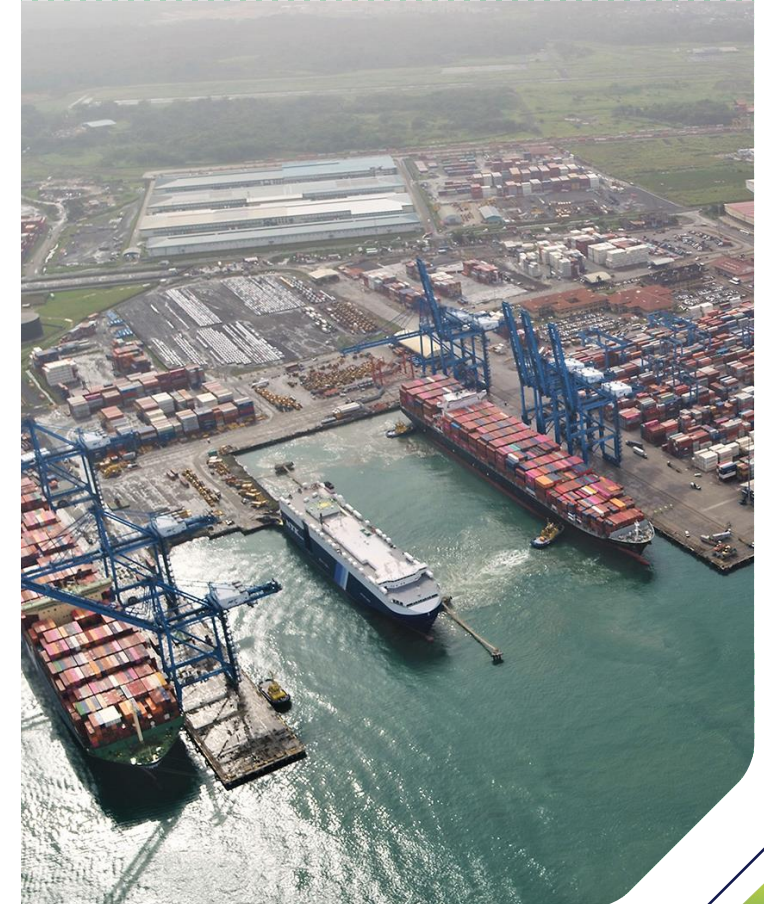
of our portfolio companies have a standalone Supplier Code of Conduct (2023: 36%)

## 58%

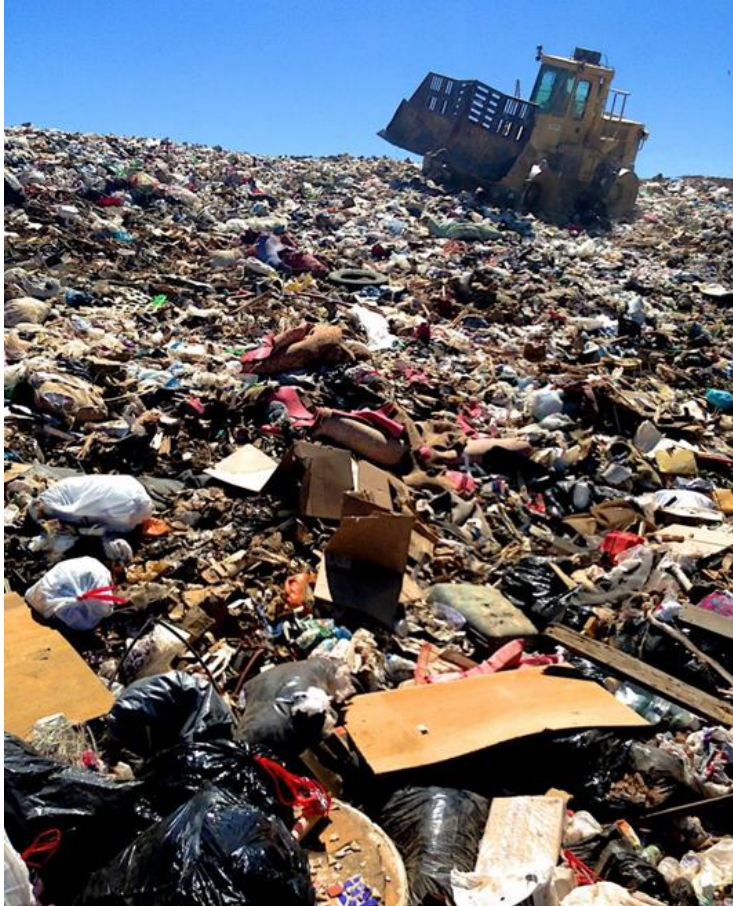
of suppliers have signed those Supplier Codes of Conduct, on average

## 53%

of suppliers have been audited over the past three years, on average (2023: 41%)



# Waste

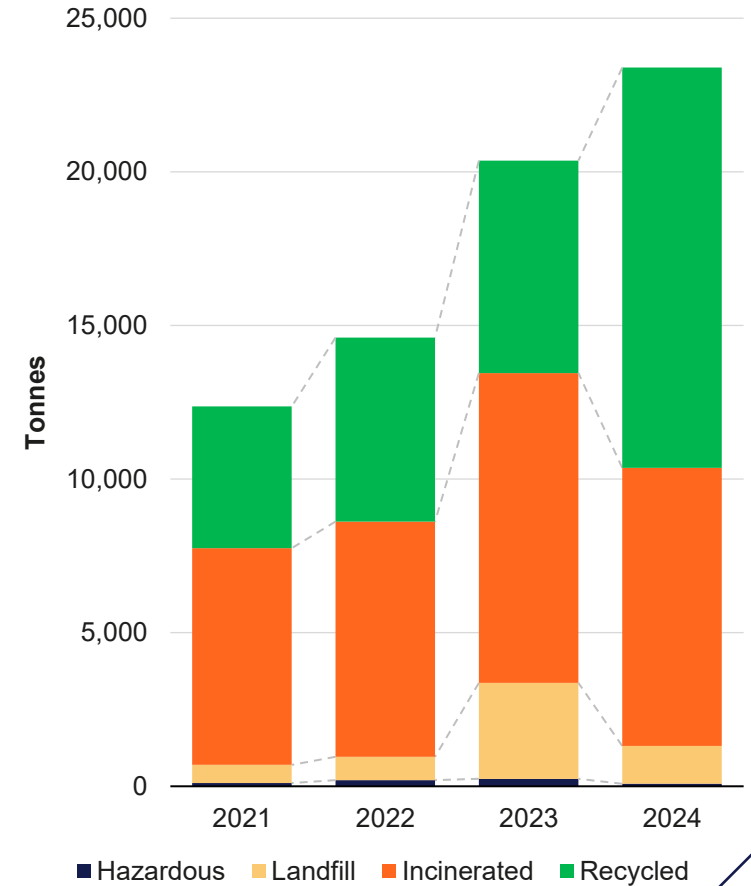


## We aim to send zero waste to landfill across the portfolio and our own operations.

We have reached this standard in our own operations and are working with portfolio companies to do the same.

In 2024, more than 80% of our portfolio companies reported their waste volumes (2023: 70%); the total volume reported is 23,300 tonnes of which 5% was sent to landfill (2023: 20,300 tonnes and 15% to landfill). The increase in waste volumes, and the changes in how the waste is processed, since 2021 is principally due to changes in portfolio composition as well as better measurement of waste streams by portfolio companies that previously had little or no data.

In time we expect to see the fruits of our work with portfolio companies towards our zero to landfill target as a growing proportion becomes able to measure their waste streams and moves on eliminating waste at source, engaging suppliers, redesigning waste handling processes, educating staff and expanding recycling options.



# Sustainability

## 2024 developments



### GSF

In 2024, GSF reinforced its commitment to responsible sourcing with the launch of a new Sustainable Procurement Policy and Supplier Code of Conduct to enhance supply chain monitoring and drive continuous improvement in sustainability practices.

GSF already has strong foundations and has audited 100% of its own-brand suppliers for the last three years. The company will begin phasing both direct and indirect suppliers into its sustainability assessments in 2025. This will provide greater visibility over supply chain practices, support improved Scope 3 emissions data and help ensure human rights and ethical standards are upheld.



### Inchcape Shipping Services

Having identified a supply chain gap for sustainable workwear, Inchcape has launched the Maritime-ENV boilersuit, the first in a planned range of sustainable workwear to meet the needs of the maritime industry.

This uses traceable materials from ethically traded and sustainable sources, including cotton produced under the Better Cotton sustainability programme and recyclable brass (or plastic if anti-spark protection is required) zips. Manufacturing takes place in India at a green facility featuring solar power and rainwater capture and local raw material procurement which minimise single use plastic packaging.



### Bonhams

In November 2024, Bonhams opened its new Asia headquarters and sale room in Hong Kong.

This incorporates advanced lighting systems with occupancy sensors, task lights and specialist, highly energy-efficient gallery LED lights; smart energy meters and separate HVAC zoning.

Waste management includes recycling facilities and centralised sorting stations, and in addition water-efficient fittings have been installed.



### Appello

Appello has implemented a new Environmental Policy aligned with ISO 14001, SECR readiness and UK waste legislation including the 2025 Simpler Recycling requirements.

The company is now developing and rolling out waste data capture tools across all its sites, and improved procurement practices with its updated Supplier Policy.

# Sustainability

## 2024 developments



### Sharps

Sharps has invested £340,000 in wood processing equipment aimed at reducing costs and improving sustainability by recycling waste wood generated during its manufacturing processes into reusable board material. Sawdust, previously a cost, is now composted.

This recycles waste into the product lifecycle and removes the need to transport waste wood to a biomass site for incineration. Sharps has reduced its raw material consumption by the equivalent of 4,250 trees annually and achieved a net emissions saving of 60 tCO<sub>2</sub>e p.a. The payback on the investment was 38 weeks.



### LoneStar

LoneStar is rolling waste segregation and recycling practices out across its footprint. The company already has ISO 14001, the international standard for environmental management systems, in many of its businesses and has achieved EcoVadis Bronze for three of its group companies.



### Diamorph

Diamorph's manufacturing relocation and modernisation project has included the consolidation of composite materials manufacturing into a single site in Gloucester which sits in a residential area.

Diamorph installed sound barriers and noise monitoring equipment, ensuring that the noise of daily operations is below the level considered acceptable by the World Health Organisation.



Pillar 3

# People

Healthy, diverse & engaged workforce

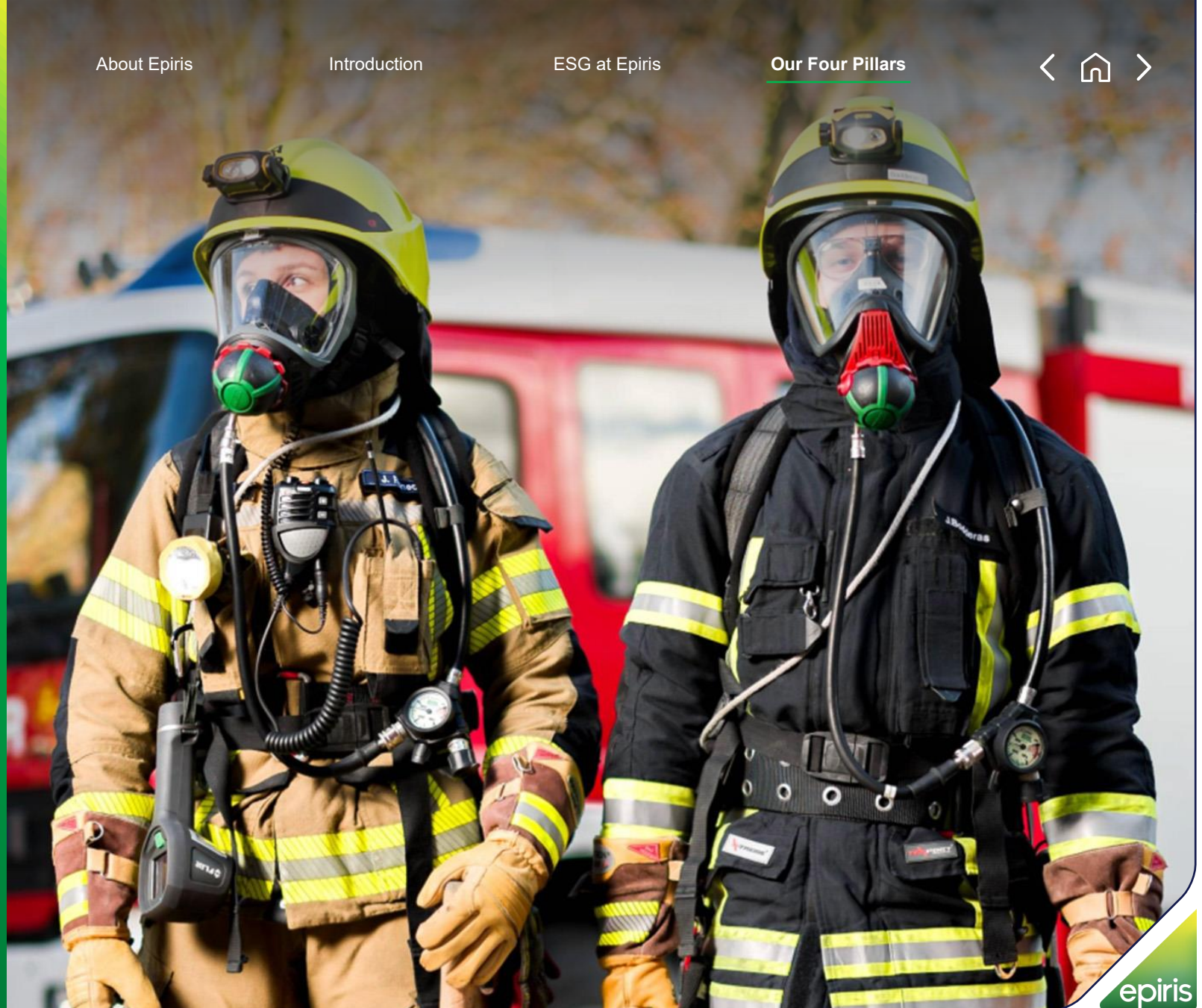
**Epiris and its portfolio companies should:**

- ✓ Be employers of choice, able to attract and retain the very best candidates for each role
- ✓ Offer an open and inclusive working environment populated by a diverse workforce and which encourages and recognises contributions from and collaboration between every member of staff
- ✓ Recognise the importance of their workforce's physical and mental health and safety

People are paramount to our success and that of our portfolio companies. We believe that organisations that encourage and recognise their staff will outperform those that fail to do so. We are therefore committed to creating and maintaining a culture, both in our own firm and in our portfolio companies, that attracts talented people, that develops and harnesses their talents, and that protects and retains them.



Aspiration  
**World-class workforces**



# People



**The starting point in delivering our People Pillar aspiration is to ensure every portfolio company has an HR Strategy in place.**

The HR strategy sets out how a company plans to attract, develop and retain the people required to deliver its business strategy.

**86%**

of the 20,992 FTEs across our portfolio are covered by an HR strategy (2023: 45%)



**Diversity in all its dimensions should be a part of the HR Strategy.**

All our companies should aim to capture the benefits that diversity, and particularly diversity at leadership levels, brings in terms of performance, creativity and decision-making

**26%**

of C-suite employees across the portfolio are women (2023: 20%)



**The HR strategy should detail the tools used for employee engagement.**

We expect these to include town halls, training and development programmes, recognition systems to incentivise performance at all levels, and staff surveys.

**57%**

average staff survey response rate across the portfolio (2023: 59%)



# People

## 2024 developments



### Delinian

Delinian's People & Culture Strategy is built to support the performance improvement and divestment of each of its individual brands that drives our investment strategy.

The company empowers its people to deliver by running bootcamps on value creation, high performance teams and change management.

It runs regular reviews with brand leadership teams, townhalls and has launched its Thrive Through 25 programme to develop critical talent across central support teams. Learnings are recycled throughout the business by inviting the company's alumni to share their experiences with the rest of the team.



### Appello

Appello has updated its Diversity, Equity and Inclusion Policy and drafted a new Equalities in Service Provision Policy to support public sector clients. These sit alongside wider workforce engagement work and are backed by the establishment of a cross-functional ESG Committee that includes representation from across the business (B2B, B2C, HR, technology and procurement).



### Diamorph

In October 2024, Diamorph opened its new, state-of-the-art fire testing laboratory and training academy.

The laboratory's calibrated indicative scale furnace can simulate the pressures and temperatures experienced in real fire scenarios and so is a step forward in developing and testing cavity fire barriers that will save lives.

The training academy equips installers and product specifiers with essential knowledge and skills to ensure safety in real-world scenarios. Together, these facilities contribute to building safety by reducing the time to market for new products and improving product effectiveness.



### Inchcape Shipping Services

Underscoring its dedication to health and safety, Inchcape has introduced StaySafe360° to make sure "everyone goes home safely at the end of the day" by driving a step change in safety culture across the business' more than 3,200 staff across 245 offices in 60 countries.

A notable increase in risk reporting demonstrates this programme's success in engaging the workforce in hazard identification and prevention. At the same time, both high-potential near misses and lost time incidents have significantly reduced compared to 2023 figures.

# People

## 2024 developments



### Nucleus

Nucleus has launched its first ever demographic survey, a foundational step in forming a data-driven view of staff diversity in terms of gender, ethnicity, disability and sexual orientation.

This builds on its earlier work on gender diversity which informed its strategy that in turn has increased the proportion of women in senior leadership roles from 30% in 2022 to 40% today.



### Sepura

Sepura has partnered with STEMPOINT, an educational charity aiming to inspire young people in Science, Technology, Engineering and Maths. Sepura encourages its staff to become ambassadors to help inspire the next generation to pursue a career in STEM-related industries.

More broadly, Sepura encourages its staff to volunteer by matching employees' own time commitment with up to two days' paid leave to volunteer during working hours.



### The Big Table

The Big Table has trained thirty-five mental health first-aiders to support employee wellbeing. The company celebrates diversity and fosters an inclusive environment. Its DEI strategy focuses on education, awareness, culture, communication, data collection and monitoring. It has a DEI steering group that meets regularly to ensure its values are upheld.

This year, The Big Table is ramping up education and awareness across the business, from management induction to team member training.



### Epiris

This year, we have sponsored our first graduate recruit, who joined in 2019 having graduated from the University of Oxford that same year, to take an MBA at Wharton.

We continue to sponsor Level 20, which is dedicated to improving gender diversity in the European private equity industry.

In 2025, we will again run paid summer internships in partnership with Girls are Investors, which aims to improve gender diversity in investment management by building a pipeline of entry-level female and non-binary candidates; and 10,000 Black Interns, which was founded to address the underrepresentation of Black talent in the investment management industry.

Pillar 4

# Ethics

A strong moral compass

**We want to be proud of the businesses we invest in, of what they do and of how they treat their people, their customers and suppliers, and the world around them.**

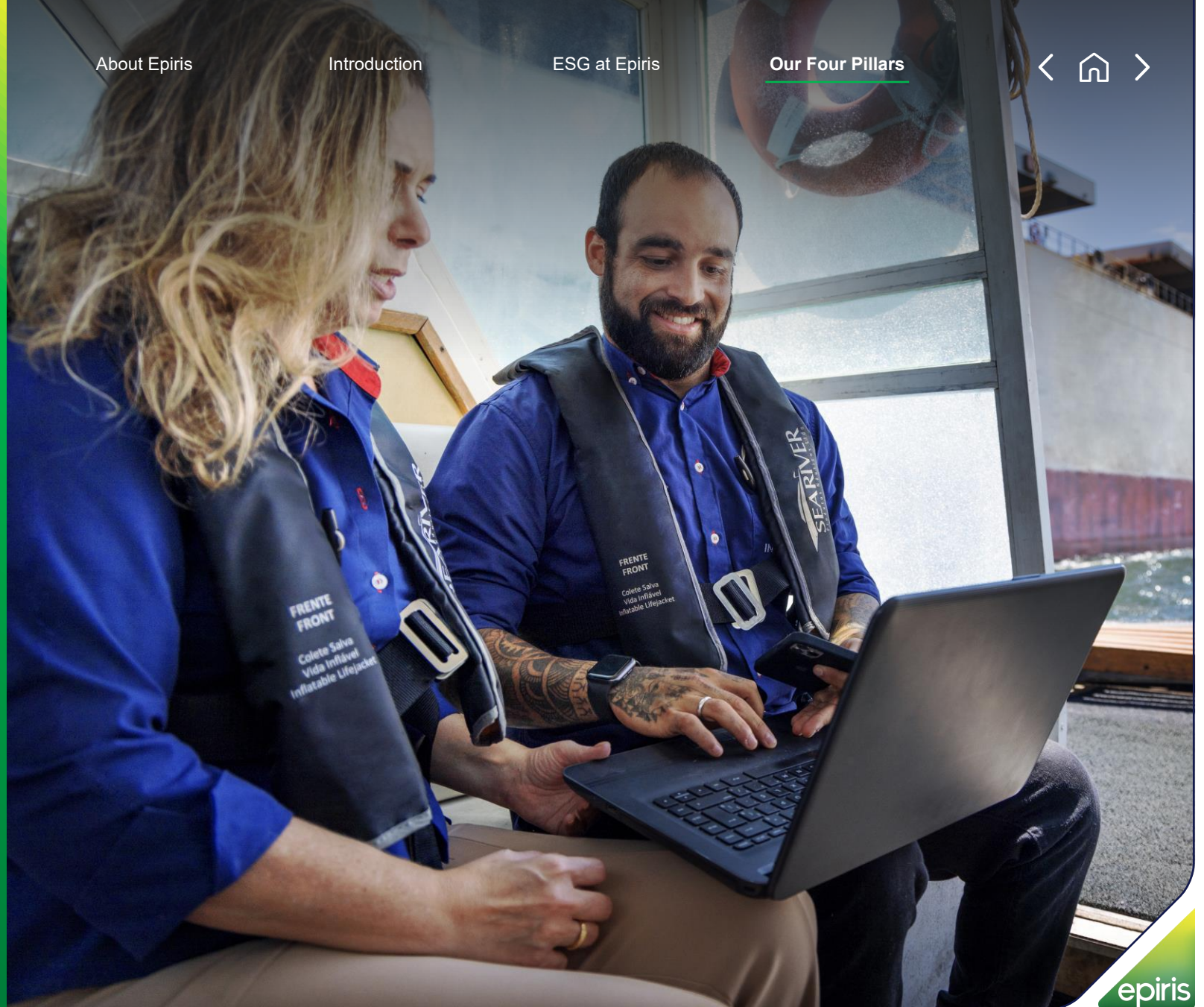
This attitude should be led from the top and engrained in the culture of the business.

Companies that behave with integrity and professionalism earn their license to operate. Through this integrity and professionalism, we build the trust that is foundational to our relationships with investors and stakeholders who only want to work with companies that operate both ethically and transparently.

We work hard to ensure that both we and our portfolio companies have strong governance structures in place supported by training on key issues to achieve this.



Aspiration  
**We want to be proud**



# Ethics

## A strong moral compass

### 100%

Of our portfolio companies have a Code of Conduct in place

### 100%

Of our portfolio companies have an Anti-Bribery and Corruption Policy in place

### 40%

Of our portfolio companies now have policies in place to monitor compliance with the UN Global Compact principles and / or the OECD Guideline for Multinational Enterprises (2023: 0%)

**We work hard to set clear expectations of companies, to shape their culture and to create the right systems – all in support of ethical behaviour.**

**The Code of Conduct is a foundational document for a company's culture, laying out its values and the behaviours expected. Every company in our portfolio has a Code of Conduct in place.**

Beyond this, we make sure that companies have the right systems in place in terms of policies and governance, and that the right staff receive the right training so they understand their responsibilities.

We insist that companies put in place paths for any unethical behaviour to be reported safely and confidentially.



# Ethics

## 2024 developments



### GSF

In 2024, GSF introduced a new formal ESG framework, establishing a dedicated ESG Committee, Strategy, Policy, Action Plan and KPI reporting to customers, its board and investors.

The company has undergone an EcoVadis assessment, implemented a new Code of Ethics and undertaken associated mandatory training. This has increased awareness within the business of its commitments to anti-bribery and corruption, modern slavery and whistleblowing.



### Appello

Appello has ESG-linked supplier due diligence and anti-bribery and corruption controls in place, with reporting to the Executive Committee and Board now embedded as part of its ESG governance model.



### Nucleus

The Nucleus Foundation was launched in 2022 to support local communities, women's access to careers in financial planning and advice, those without access to financial advice or pension products, and employees experiencing need.

The foundation has partnered with the Verve Foundation to fund and support an initial cohort of ten women to join the We Are Change programme which is designed to provide training and qualifications support to those looking to start a career in financial advice. The Nucleus Foundation will provide the cohort with the funding required to achieve their Level 4 CII Diploma in regulated financial planning.



### Sepura

Sepura has launched an ESG Management Board to set and manage ESG-related business objectives and the initiatives required to achieve them. The board comprises six members including the ESG Manager and a senior management team sponsor to ensure top-level buy-in and business-wide support.

Solving Complexity Unlocking Potential

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