



Environmental, Social & Governance

Annual Review

2023 / 2024



Introduction

INTRODUCTION

ESG HIGHLIGHTS IN 2023 / 2024

KEY PERFORMANCE INDICATORS

PORTFOLIO COMPANY ESG PROFILES



A message from the Freshstream leadership

We are delighted to present Freshstream's 6th annual ESG report, covering the period 2023-2024. This report presents a detailed account of the work we have been doing with our portfolio companies, and the initiatives we have undertaken across the portfolio.

Freshstream is committed to partnering with entrepreneurs to build successful, future-proof companies. In this context, we believe that ESG should be more than a box-ticking exercise. We think about ESG in terms of the long-term sustainability of the company and the opportunities it has to add value to both the economy and society. As such, ESG considerations play a key role in our investment decisions and we actively work with our portfolio companies to not only mitigate risks but also make a positive contribution, leveraging their unique assets and capabilities.

We increasingly capture our ESG performance in numbers and set targets against those metrics. This report is the third time we have reported KPI's in line with the ESG Data Convergence Project. We have also continued to be benchmark ourselves on Preqin's independent ESG score, which measures funds' ESG performance on 37 metrics. We are proud to report that we have further improved both our Preqin and PRI assessment scores and have been recognised by the BVCA as the leading GP in the below £1bn AUM category at this year's Excellence in ESG Awards.

One important element of our continuous improvement this year has been a further sophistication of our approach to ESG due diligence, in partnership with Sustainable Advantage. Our diligence is now based on a standard 42-element framework, including scoring and recommended improvements for each relevant element. Hence, it's not just a risk assessment, it also provides an ESG action plan post completion. The scores are quantified, so we can update the audit over time to show progress made.

In terms of portfolio companies, this report for the first time includes Project Better Energy, a fast-growing solar and renewable energy service provider, which we acquired in October 2023. We thank their team for the significant efforts they have made to provide the required input, including full carbon emission baselines. You may also notice that Taziker and Nafinco are no longer included given the divestments of our stakes during this reporting cycle. Both companies have made great strides forward in the area of ESG during our ownership. For Nafinco in particular, we wanted to highlight the improvement of their cyber security assessment from 1.9 to 3.5 (out of 5). A special call-out is also in order for Euro Caps, who achieved the high bar of B Corp status recently.

We hope that this report provides you valuable insight into our ESG approach and that you share our excitement about our progress. As always, we very much welcome your feedback.

Patrick Smulders
Managing Partner

Lodewijk de Graauw
Partner, Head of Value Creation & ESG



Our mission

We believe that entrepreneurship is the engine of the economy. We seek to support entrepreneurs and ambitious management teams with capital, insight and expertise to build successful, future-proof businesses that positively impact society and people are proud to work for.



We have a comprehensive ESG approach, underpinned by industry standards and third-party benchmarking.



Freshstream at a glance

2020

Established as an independent firm

31

Team members

10

Nationalities

2

Locations (UK & Netherlands)

2

Investment funds

€1,835 million

Assets under management (as of August 2024)

Our portfolio at a glance

11

Portfolio companies (including a recent acquisition not shown in the review)

3

Countries

7,778

Headcount across our portfolio

9

Add-ons in 2023/2024

8

Countries where our portfolio companies have offices

445

FTE jobs created in 2023/2024

6%

Average revenue growth in 2023/2024 (across both funds)

€1,499 million

Aggregated Enterprise Value (across both funds as of March 2024)



Portfolio company overview

Bregal Freshstream

avicenna 

Headquarters: South Croydon, UK
Annual Revenue: £164m
Headcount: 1,389
Acquired: September 2017
Sector: Healthcare

EURO
CAPS

Headquarters: Rotterdam, NL
Annual Revenue: €141m
Headcount: 318
Acquired: June 2017
Sector: Consumer Staples



Headquarters: Walsall, UK
Annual Revenue: £335m
Headcount: 367
Acquired: September 2018
Sector: Industrials

R A D L E Y

Headquarters: London, UK
Annual Revenue: £72m
Headcount: 428
Acquired: June 2016
Sector: Consumer Discretionary



TrueNoord

Headquarters: Amsterdam, NL
Annual Revenue: \$127m
Headcount: 36
Acquired: June 2016
Sector: Financials

Freshstream



BELLA FIGURA MUSIC

Headquarters: London, UK
Annual Revenue: £5m
Headcount: 9
Acquired: December 2021
Sector: Financials



Headquarters: Gillingham, UK
Annual Revenue: £711m
Headcount: 1,092
Acquired: April 2022
Sector: Consumer Discretionary



Headquarters: Telford, UK
Annual Revenue: £46m
Headcount: 304
Acquired: March 2021
Sector: Industrials



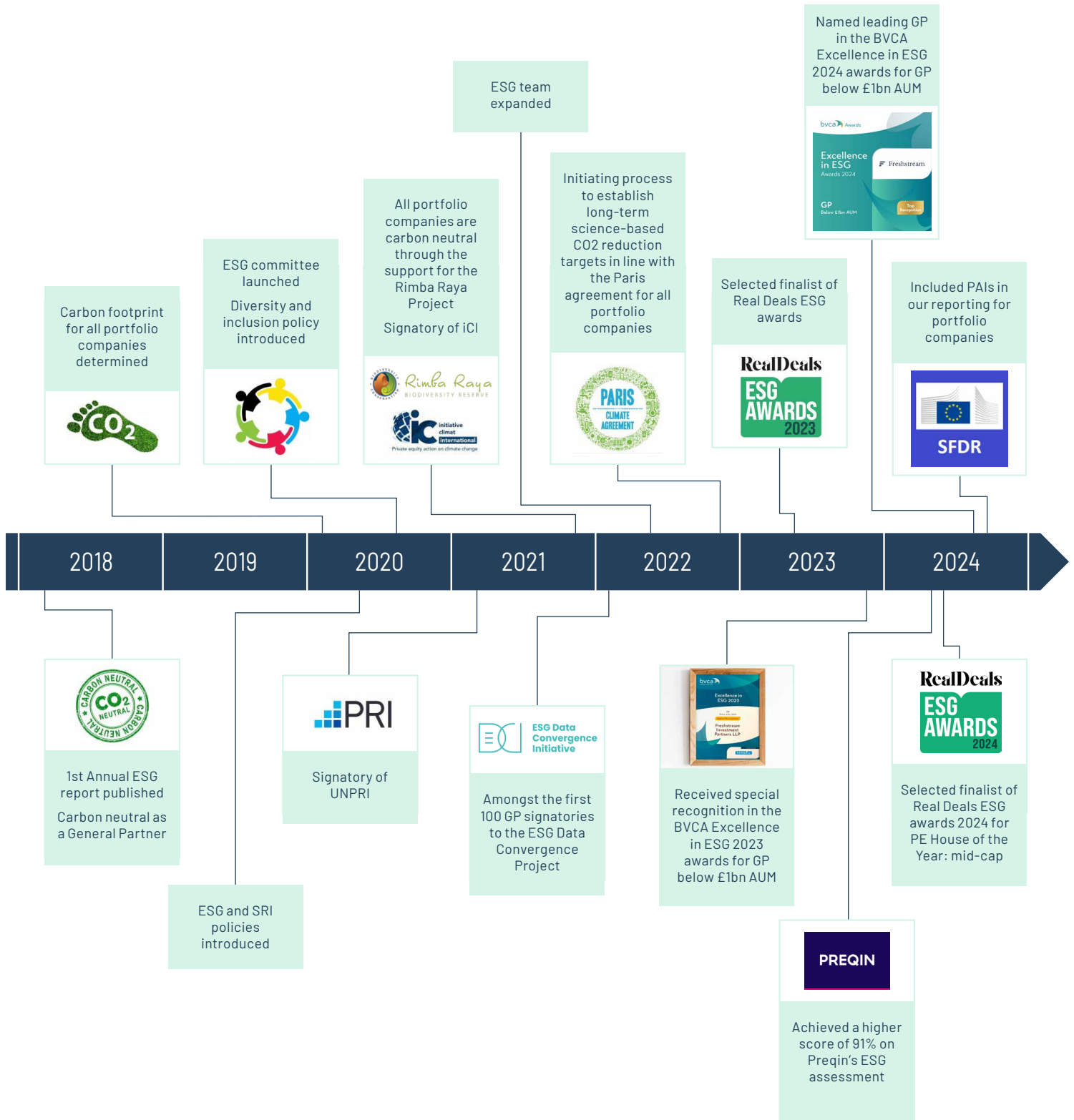
Headquarters: Dublin, IE
Annual Revenue: €146m
Headcount: 3,623
Acquired: May 2023
Sector: Industrials



Headquarters: Burton upon Trent, UK
Annual Revenue: £99m
Headcount: 240
Acquired: Oct 2023
Sector: Industrials

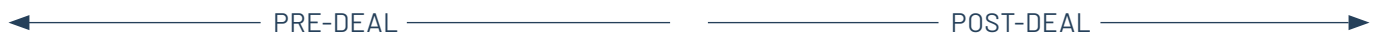


ESG has been a key area of focus for Freshstream from the outset





ESG is embedded throughout our investment process



Exclusions list
Materiality check based on sector
Initial inhouse assessment

In-depth analysis
Identification of risks and mitigation
Identification of opportunities as part of Value Creation Plan
Standard due diligence provider on 40-point framework with external party

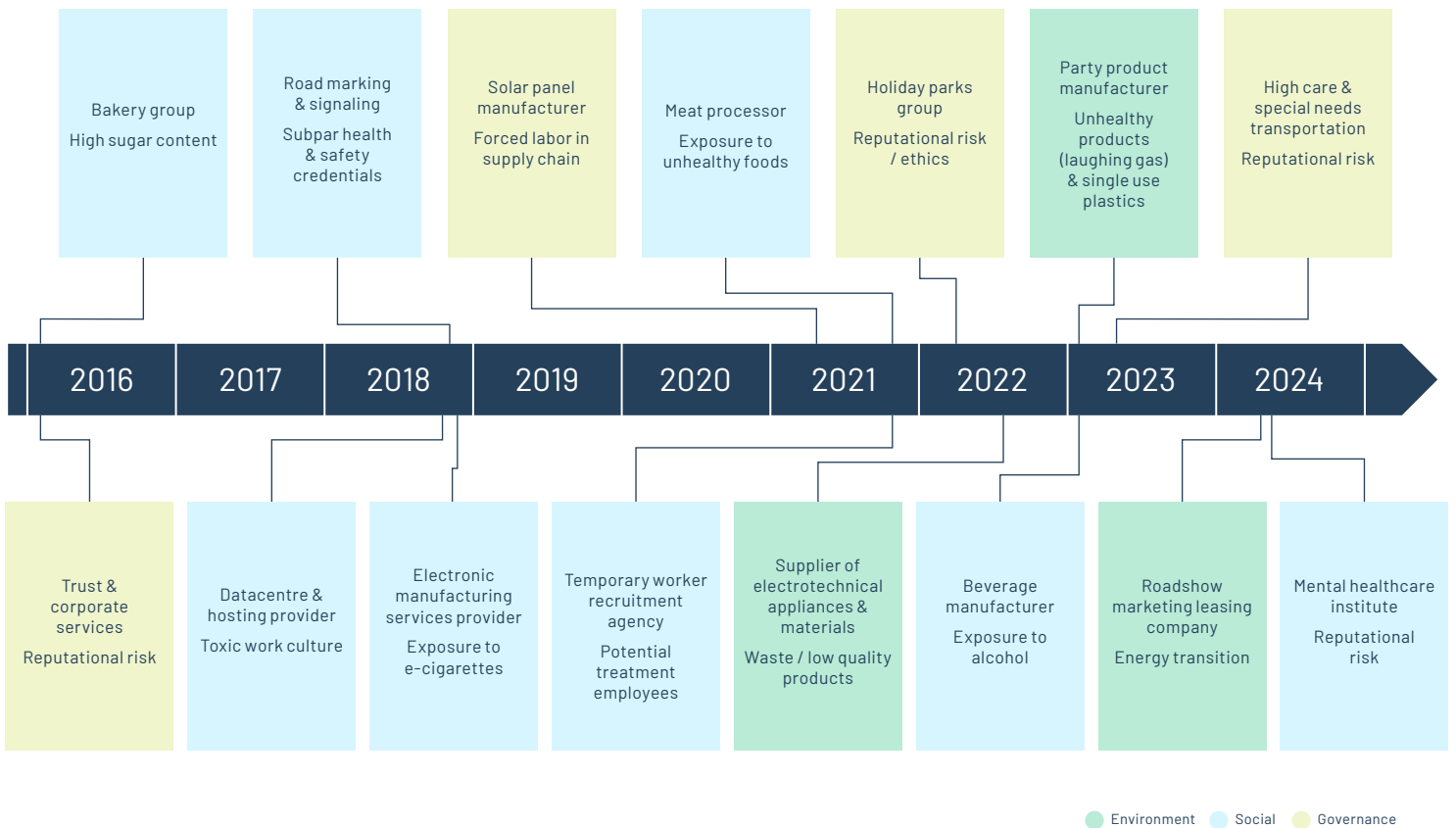
ESG strategy and policies co-created with management
Action plans with owners and timelines
KPIs (on top of ESG Data Convergence Initiative) with annual targets
Setting long term carbon reduction targets

Quarterly KPIs reports
Annual portfolio-wide ESG review
Annual ESG Board meeting
Specific incidents reported ad-hoc as required



Our scrutiny of ESG is evidenced by the number of deals we reject

This overview only includes deals which have been brought to IC and excludes deals rejected based on our ESG considerations.





ESG highlights in 2023 / 2024

INTRODUCTION

ESG HIGHLIGHTS IN 2023 / 2024

KEY PERFORMANCE INDICATORS

PORTFOLIO COMPANY ESG PROFILES



Key facts & figures

Carbon neutral

as a GP since 2018 and on the portfolio level since 2021

60% of portfolio companies purchase

100% green energy

(up from 33% last year)

Improved PRI score by

20%

Named **leading GP**

(below £1bn AUM) in the BVCA's 2024 Excellence in ESG Awards

100%

renewable energy in London and Amsterdam offices

Published our

6th

annual ESG review

Shortlisted

for the Real Deals ESG Awards 2024 for PE House of the Year: Mid-Cap

Increased share of renewable energy by 38% on average across the portfolio

Decreased carbon intensity by

36%

Reduced Scope 1 and 2 emissions by

14 kilotonnes

Retired

49 kilotonnes

carbon credits



ESG highlights in 2023/2024



Roll out Titan PMR – an innovative patient medication system that replaces paper with a digital prescription journey.



Developing a next generation monitoring device which has a rechargeable power supply.



Installed smart lighting and LED lighting at several sites.



Implementing new in-house HR system that will personalise career advancement programs for every employee.



Led first Supply Chain Sustainability School collaboration sessions with key clients.



Implemented six new governance policies including anti-bribery & corruption, gifts, data protection.

RADLEY

Ensured all cotton used is BSCI approved, an initiative with the Foreign Trade Association to ensure all trade is sustainable.



TrueNoord

Collaborating with manufacturers to advance next-generation propulsion systems, including electric and hydrogen-powered aircraft, part of long-term strategy to reduce emissions and environmental impact.



Achieved B Corp certification and have developed a paper coffee capsule.



Appointed an internal Diversity, Equity and Inclusion (DEI) Ambassador.



Case study

Euro Caps is now a B Corp

Euro Caps, a leading coffee capsule manufacturer, has achieved significant milestones since Freshstream's acquisition in 2016, when all capsules were made of single-use plastic.

They have now successfully transitioned to recyclable aluminum Nespresso Compatible Capsules – a key strategic pillar set by the board. Additionally, Freshstream has empowered Euro Caps to launch an industrial compostable capsule in 2023, while further developments will see the release of a home compostable paper capsule in 2024.

Meanwhile, Euro Caps has been actively increasing its share of certified coffee – in 2022, over 97% of all purchased coffee was certified.

The international Top Employers Institute has certified Euro Caps as a Top Employer for the fourth consecutive year, underpinning its commitment to providing the workforce with continuous development and a safe work environment that focuses on employee wellbeing.

We are delighted to announce that Euro Caps was officially certified as a B Corp earlier this year! They've joined a global community of over 8,000 companies, meeting the highest standards of social and environmental performance, transparency, and accountability. This certification signifies Euro Caps' commitment to using business as a force for good, balancing purpose and profit to create a more sustainable and equitable world.

Standards and awards





Case study

MCR Group's Environmentally Friendly Service Offering – ÍON

ÍON (meaning pure in Irish) is an award-winning service, developed to provide an ethically and environmentally sustainable alternative to conventional supply chain partners. MCR Group has developed an eco-friendly, carbon conscious approach to cleaning and currently service some of Ireland's premium commercial and corporate spaces.

Through the ÍON initiative

- MCR provided chemical free and plant-based cleaning practices
- MCR offered clients water and energy saving technology
- MCR uses sustainable and reusable products where possible
- An electric fleet of vehicles has been established (6 new electric vehicles in 2023)

There has been a special focus on the development of a paper-less, cloud based reporting and contract management system. The system created the following benefits and impacts:

- Improved productivity by eliminating 658hr previously spent on printing and distributing folders to multiple sites

- Improved QHSE Compliance & Control as online folders and checklist are updated in real time
- Reduced costs by €24.6k, paper use by 514 kg, number of plastic folders used by 411, and emissions by 616 kgCO₂e

Recent Updates

Alongside ÍON, MCR Group has recently established a Green Team to help run its carbon reducing and other ESG initiatives. One of its many achievements has been to appoint a DEI ambassador and a Women's Club. A recent event was 'Plastic Free July', run by the Green Team to help MCR Group reach their goal of eliminating single-use plastics completely from their operations.

Recognition

Shortlisted for The Green Financial and Professional Services award at the Green Awards 2024. This recognition highlights MCR Group's commitment to sustainability and our efforts to integrate sustainable practices into our business operations.



MCR Group: Working towards a greener world



The Green Financial & Professional Services Award

FINALIST





Reporting & Assessments

PREQIN

Freshstream improved its overall score from 73% to 91%, driven by an improvement in Social and Governance, whilst maintaining the full score in Environmental. The improved scoring was amongst other things driven by introducing new policies, such as anti-money laundering.

	2022	2024
Environmental	100%	100%
Social	38%	50%
Governance	80%	100%
Overall	73%	91%



Freshstream has improved overall and achieved a higher score in ‘Policy, Governance & Strategy’ due to our commitment to transparency and establishing a portfolio wide assessment on climate change. Freshstream’s also improved in ‘Direct – Private Equity’ because of our thorough approach to tracking KPIs across our entire portfolio on all three areas: Environmental, Social and Governance.

	2021	2023
Policy, governance and strategy	32	44
Direct – Private Equity	69	77
Confidence building measures	n/a	80



Key performance indicators

INTRODUCTION

ESG HIGHLIGHTS IN 2023 / 2024

KEY PERFORMANCE INDICATORS

PORTFOLIO COMPANY ESG PROFILES



ESG KPI tracking

The Key Performance Indicators we track at the portfolio level are the same as those used by the ESG Data Convergence Initiative. Only portfolio companies that were included in the previous edition of our annual review are shown in this tracking chart.

Our portfolio companies made significant further improvements in purchasing renewable energy. Average % renewable electricity increased from 60% to 83%. This year 60% of our portfolio companies purchased 100% renewable electricity.

Employee attrition increased for the majority of our portfolio companies, driven by a tight labour market and higher cost of living. Most portfolio companies introduced measures to increase employee satisfaction and retention.

	CO2 emissions ¹	Employee engagement	Gender diversity ²	Safety incidents	Attrition	Renewable energy ³
Avicenna	●	●	●	●	●	●
Bella Figura Music	●	n/a	●	●	●	●
Big Motoring World	●	n/a	●	n/a	●	●
DeterTech	●	●	●	●	●	●
Euro Caps	●	n/a	●	●	●	●
M&J Evans	●	●	●	●	●	●
MCR	●	n/a	●	n/a	●	●
Radley	●	●	●	●	●	●
TrueNoord	●	●	●	n/a	●	●

● Improvement from last year
 ● Decline from last year
 ● Same as last year

1. Based on carbon intensity. 2. Based on management. 3. Companies with perfect score in both years also indicated with green. Project Better Energy is not included as they were acquired last year and this was their first year reporting on ESG KPIs.



CO2 emissions across the portfolio

Carbon intensity (CO2/€100k turnover)

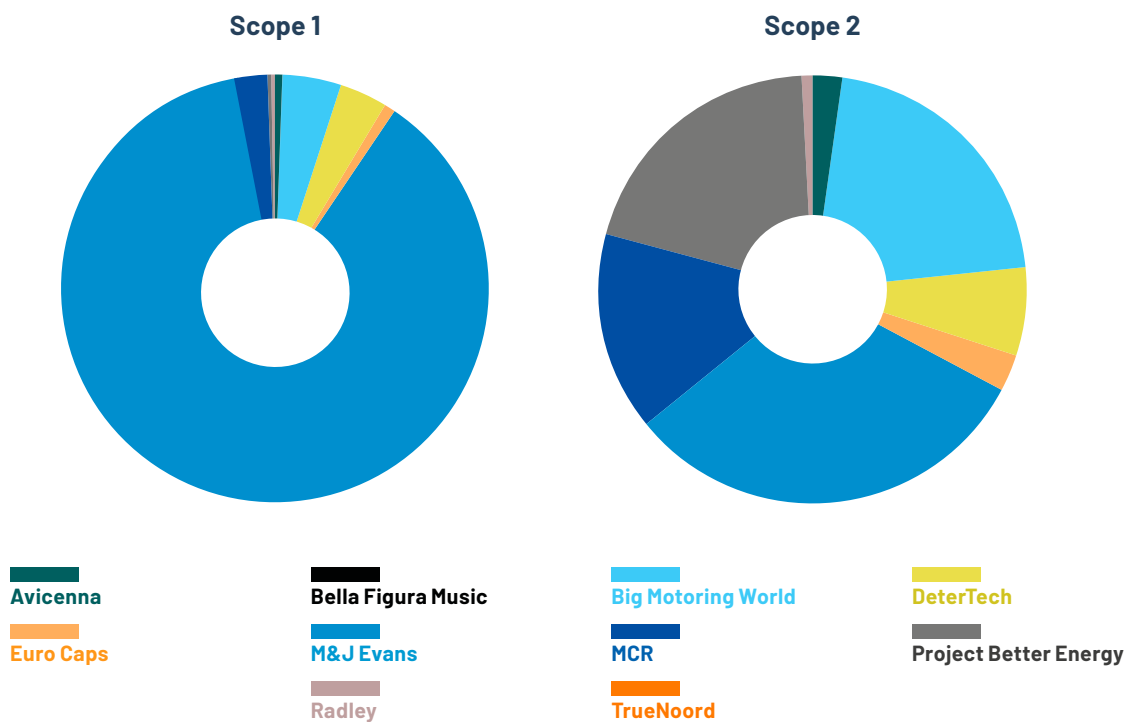


Breakdown of CO2 emissions by Scope (kilotonnes of CO2)

Scope I



Scope II



- The carbon intensity for Scope I and II across the portfolio, which takes revenue growth into account, has decreased by 36% mainly driven by:
 - An improvement for M&J Evans, which represents the majority of our portfolio's emissions. This is partly driven by energy reduction initiatives but also due to the work mix. It is currently at its lowest level since we started measuring.
 - Reductions in other larger emitters, such as Avicenna, Euro Caps and MCR.
- In absolute terms, Scope I emissions have decreased by ~14 kilotonnes despite adding one company and total revenue growth of ~6%.
- Scope II emissions have decreased by ~0.1 kilotonnes versus last year, driven by a significant increase in renewable energy – a key focus area for us.

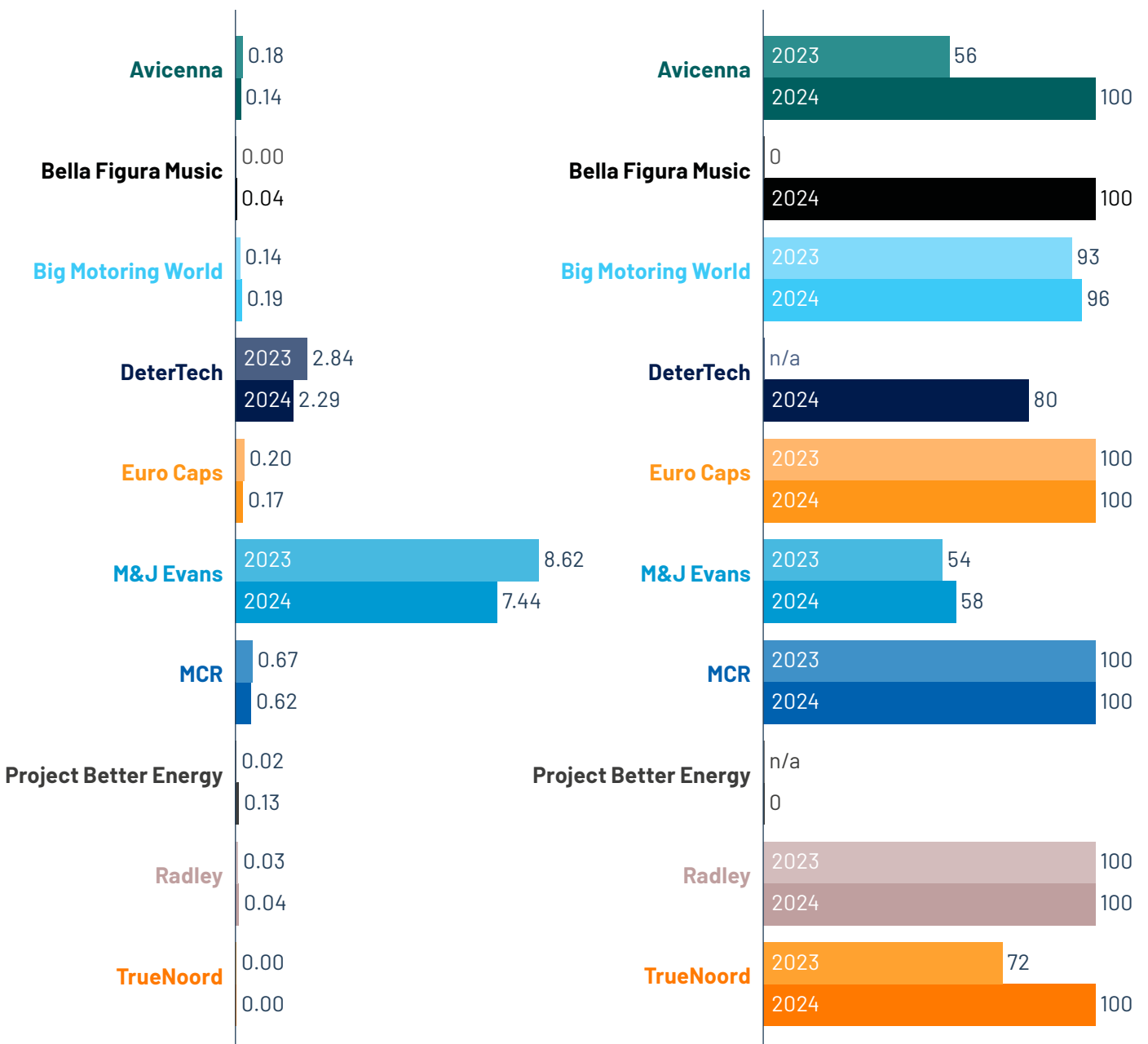


CO2 emissions and renewable energy usage

Over the last few years, Freshstream has focused on increasing its share of renewable energy across its portfolio. This has led to significant improvements over the last few years, from an average of 32% in 2021-2022 to 83% in 2023-2024. 60% of the companies purchase 100% renewable energy.

Carbon intensity (CO2/€100k turnover)

% Renewable energy (renewable electricity as % of Scope II electricity)

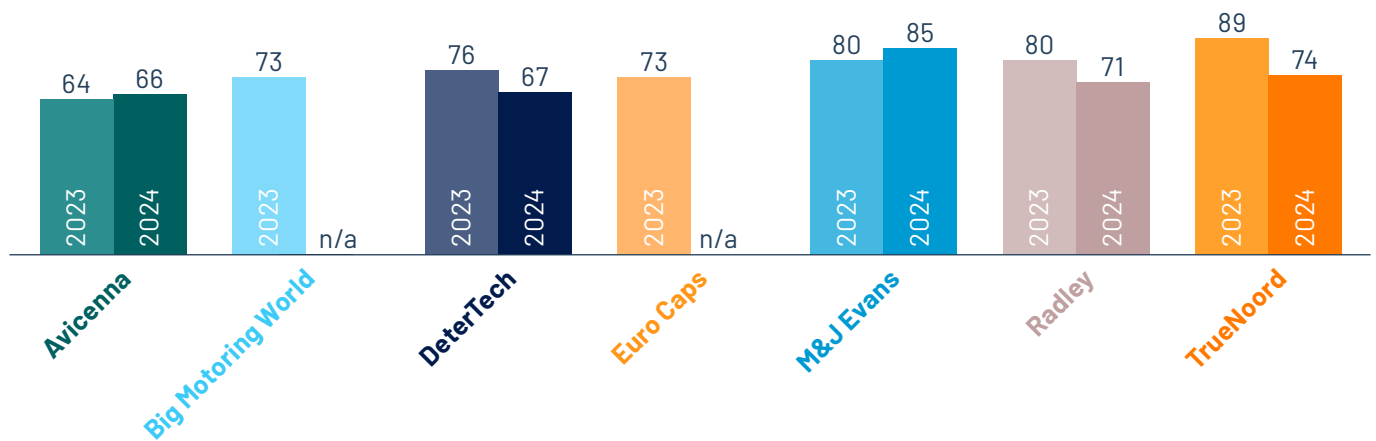




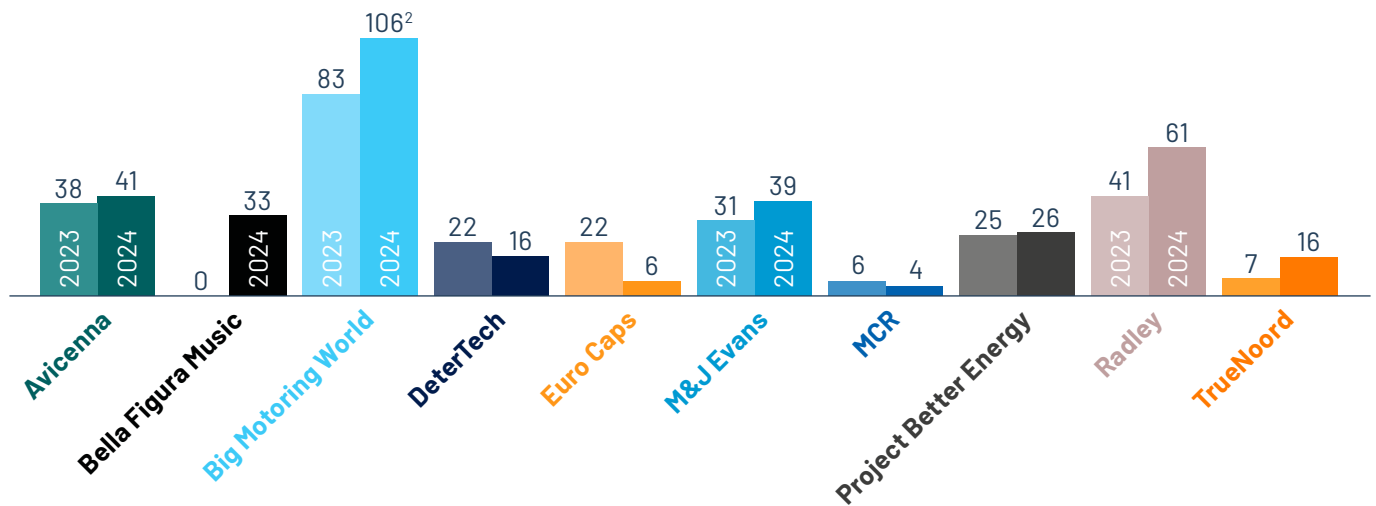
Employee engagement and attrition

- Several portfolio companies have not performed employee surveys this year (for various reasons), but they are scheduled for next year.
- Recent acquisitions such as MCR and Project Better Energy will introduce their first employee survey this year.
- Average scores for the companies that have undertaken surveys have shown a modest improvement in employee satisfaction.
- Results on employee satisfaction were mixed, with Avicenna and M&J Evans improving their scores, but DeterTech, Radley and TrueNoord losing some ground from high baselines.

Employee satisfaction (rating out of 100)¹



Attrition (%)



1. Employee satisfaction ratings were derived from various definitions. 2. Due to strong employee growth as a result of M&A throughout the reporting period, this figure is unusually high as the denominator is the total number of FTEs at the end of the previous calendar year, as per the EDCI definition

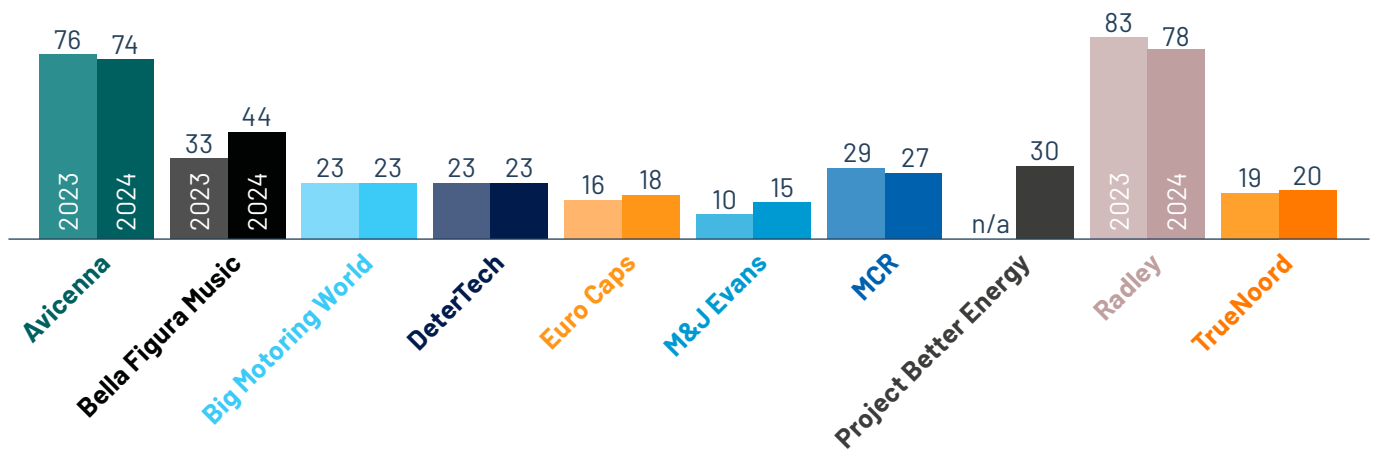


Gender diversity

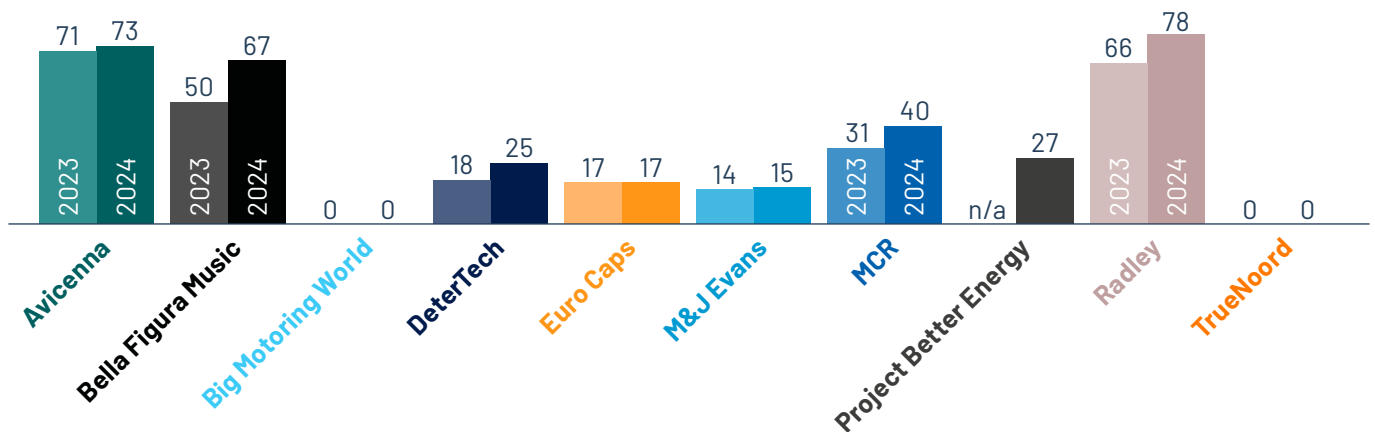
(Female representation as a percentage of total)

We have seen some areas of real improvement (e.g. Bella Figura Music and MCR) in gender diversity at the management level. At the company level, gender diversity has been difficult to change because of labour shortages coupled with technical expertise requirements.

Company



Management¹



1. Management as defined by the portfolio company



Safety

(Company specific metrics)

Health and safety incidents have mainly remained similar to last year. M&J Evans, the portfolio company with the biggest (physical) health and safety risks, showed a 12% improvement. Increases at Big Motoring World, DeterTech and Euro Caps are partly driven by increases in activity and more diligent reporting, but are nonetheless being addressed.

	KPI	2023	2024	Trend	Target
Avicenna	Dispensing errors (errors per 10k items dispensed)	0.78	0.81	➡	1.00 ●
Bella Figura Music	Number of work-related injuries	0	0	➡	0 ●
Big Motoring World	Number of work-related injuries	17	35	➡	n/a
DeterTech	Number of work-related injuries	4	12	➡	0 ●
Euro Caps	Number of accidents resulting in absenteeism	0	4	➡	0 ●
M&J Evans	Accident Frequency Rate	1.07	0.94	➡	1.00 ●
MCR	Lost Time Injury Rate	n/a	2.0	n/a	2.0 ●
Project Better Energy	Number of work-related injuries	n/a	3.0	n/a	n/a
Radley	Number of work-related injuries	0	0	➡	0 ●
TrueNoord	Number of work-related injuries	0	0	➡	0 ●



Governance policies

	Avicenna	Bella Figura Music	Big Motoring World	DeterTech	Euro Caps	M&J Evans	MCR	Project Better Energy	Radley	TrueNoord
Anti-Bribery and Corruption	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place
Gifts	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place
Client DD/Anti-money laundering	In place	In place	In place	Not in place	Not applicable	Not in place	Not in place	Planned (< 1 year)	In place	In place
Anti-competitive price fixing / cartel formation	In place	In place	Not in place	Not in place	Not applicable	Planned (< 1 year)	Not in place	Not in place	Planned (< 1 year)	In place
Data Protection / Privacy (GDPR)	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place
Code of Conduct	In place	In place	Planned (< 1 year)	In place	In place	In place	In place	In place	In place	In place
Whistleblower	In place	In place	In place	In place	In place	In place	In place	In place	In place	In place
Regulatory compliance	In place	Planned (< 1 year)	In place	In place	In place	In place	In place	In place	In place	In place
Tax evasion	In place	Not in place	In place	In place	Not applicable	In place	Not in place	Planned (< 1 year)	Planned (< 1 year)	In place
Inclusion and diversity	In place	In place	Planned (< 1 year)	In place	In place	In place	In place	In place	In place	In place
Equal pay	In place	Not applicable	Planned (< 1 year)	In place	In place	In place	Not in place	In place	Planned (< 1 year)	Not in place
Social media	In place	In place	In place	In place	In place	In place	In place	In place	Planned (< 1 year)	Not in place
Health, Safety and Environment	In place	In place	Planned (< 1 year)	In place	In place	In place	In place	In place	In place	Not in place
Supplier Code of Conduct	In place	Not applicable	Not in place	Planned (< 1 year)	Not applicable	Planned (< 1 year)	In place	In place	In place	Not applicable
Human rights (UN Global Compact & ILO standards)	In place	Not applicable	Not in place	Planned (< 1 year)	Not applicable	Planned (< 1 year)	In place	In place	In place	Not applicable
ESG supplier criteria (certifications)	In place	Not applicable	Not in place	In place	In place	Planned (< 1 year)	In place	Not in place	In place	Not applicable
Supplier audits on ESG	Not in place	Not applicable	Not in place	In place	Not applicable	Planned (< 1 year)	In place	Not in place	In place	Not applicable
Sustainability / ESG policy	In place	Not applicable	Planned (< 1 year)	Planned (< 1 year)	In place	In place	In place	In place	In place	Not in place
% of policy in place	94%	83%	44%	72%	100%	67%	78%	67%	78%	71%

● In place
 ● Planned (< 1 year)
 ● Not in place
 ● Not applicable



Portfolio company ESG profiles

INTRODUCTION

ESG HIGHLIGHTS IN 2023 / 2024

KEY PERFORMANCE INDICATORS

PORTFOLIO COMPANY ESG PROFILES



Avicenna is a chain of c.140 community pharmacies across England and Wales, employing around 1,380 staff. This is a buy-and-build strategy focused on acquiring high-quality community pharmacies dispensing 8,000 or more items per month.

Industry ESG Relevance

- The most important ESG theme in the pharmacy sector is patient safety and well-being.
- Main objectives are to minimise errors such as dispensing incidents.
- Effectively managing employee Health and Safety risks in branches is also critical.
- UK pharmacies and registered professionals are regulated by the General Pharmaceutical Council (GPhC) who set standards and conduct inspections every three years.
- NHS England is responsible for ensuring all pharmacies are compliant to the NHS terms of service as per the pharmacy contract.
- Future developments include leveraging technology (such as AI) to improve dispensing safety and efficiency.
- Avicenna also supports professional and safety standards of the pharmacy sector by providing over 500 of its members with industry-leading regulatory support, including SOPs and training.



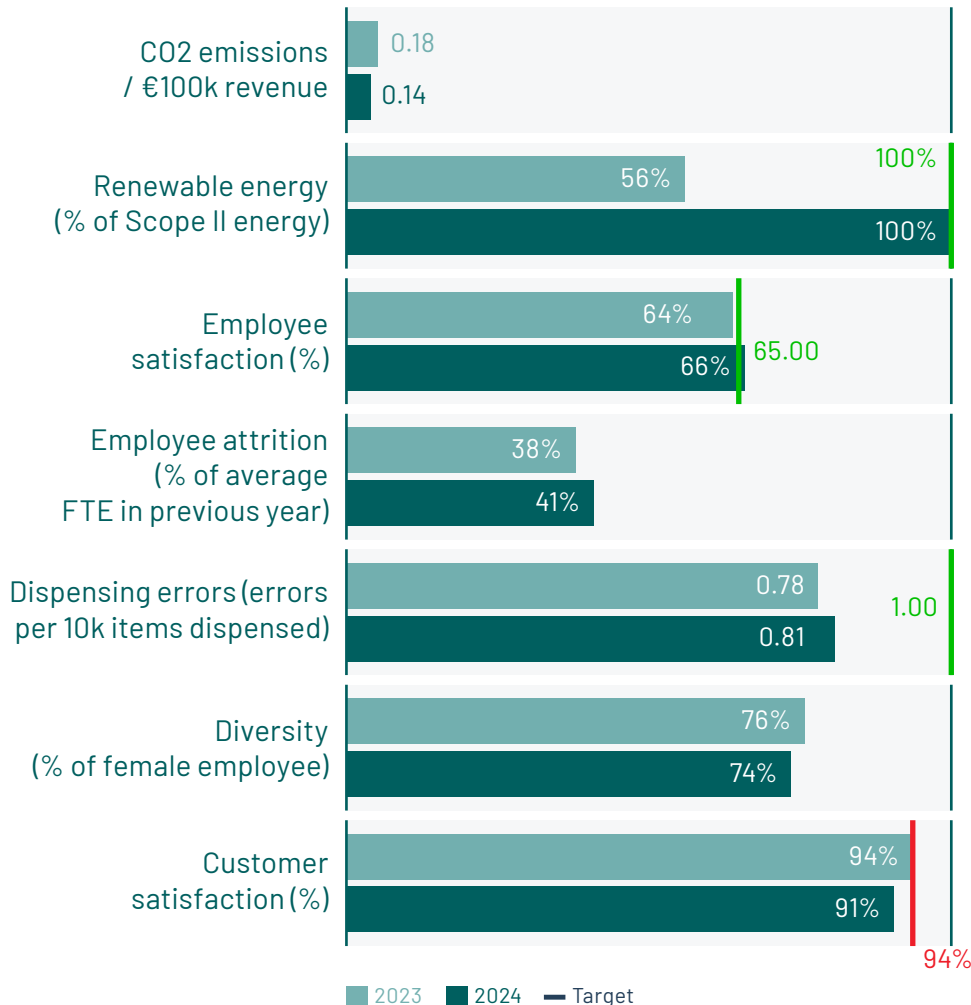
Achievements over the period

- Improved colleague benefits and policies following feedback from employee survey, including a long service scheme, refer a colleague and a new ideas platform to share innovative and creative ideas for improvement.
- Streamlined HR processes to make it easier for our stores to operate efficiently.
- Shared learning and best practice across regions to maintain high professional standards with patient safety in mind.
- Introduced the Pencycle scheme, which is dedicated to recycling used insulin pens, and Avicenna was named a leading performer.
- Participated in an inhaler recycling scheme in Wales.
- Rolled out mental health first aid training in Wales.
- Introduction of suppliers who work within ISO 14001 framework for environmental management.

Initiatives going forward

- Establishing an internal ESG team to review, raise awareness and drive initiatives every 3 months.
- Rolling out Titan PMR - an innovative patient medication system that introduces a digital prescription journey to replace paper. Titan PMR barcode scanning technology and clinical check automation also enhance patient safety by reducing dispensing incidents.
- Introducing a delivery app to optimise routes and reduce emissions.
- Continuing installation of smart meters and LED/sensor lighting across all stores.
- Implementing other digital platforms to reduce paper use, e.g. supporting travel vaccination consultations.
- Training and development of our senior support team and pharmacy managers, including the Great Manager programme, Leadership and new PMR system training.
- Focusing on purchasing pharmacy consumables made from recycled material and less plastic to improve sustainability.
- Reviewing waste management contracts to support split recycling.

Performance





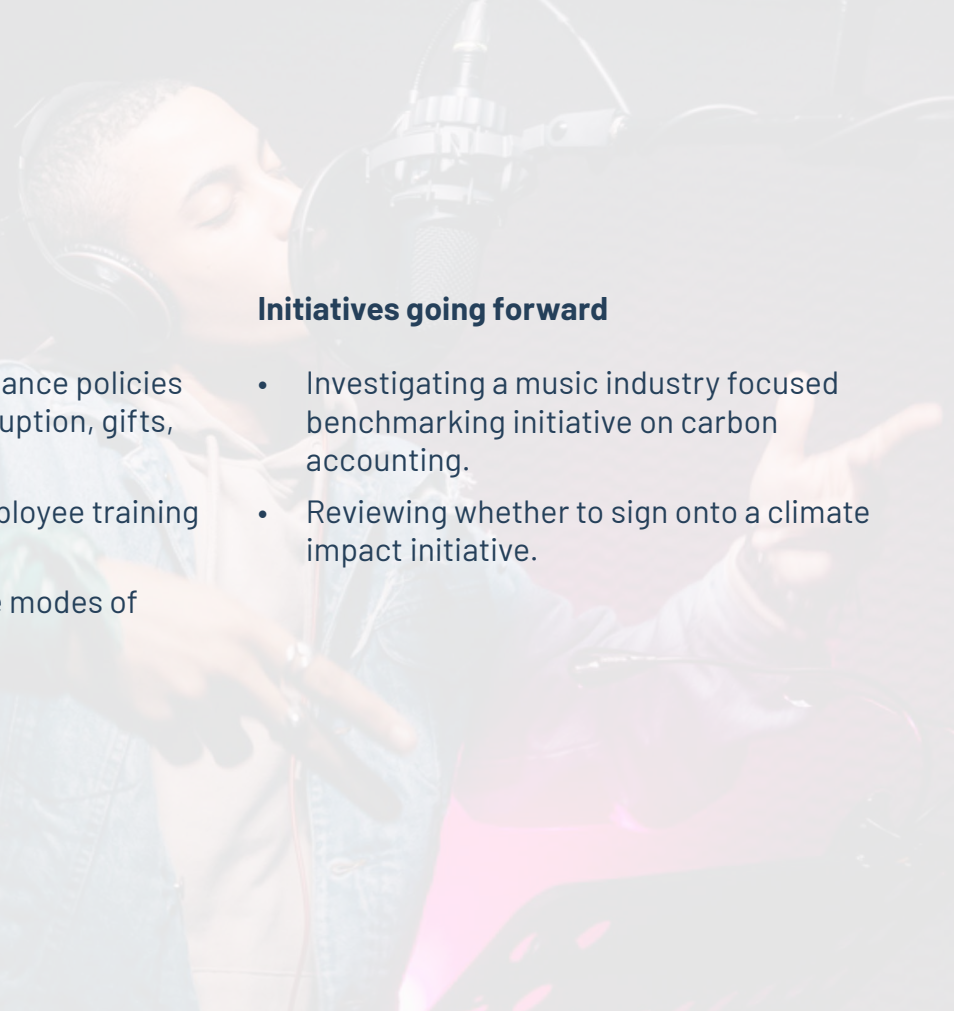
Bella Figura Music is an independent music company built to acquire and manage publishing and recording music rights. Since its inception in December 2021, the company has acquired 11 music catalogues, spanning various genres, vintages and geographies.

The London-based office is growing steadily, with numerous key hires during 2024.

Industry ESG Relevance

- Bella Figura Music's carbon footprint is limited, with a relatively low number of employees and consists mainly of occasional trips to the US on music-sourcing trips.
- Anti-bribery, corruption and good governance are important topics, as deals are often sizeable financial transactions with global money streams.
- Counterparty risk and reputation are key considerations when business is undertaken with high-risk artists.





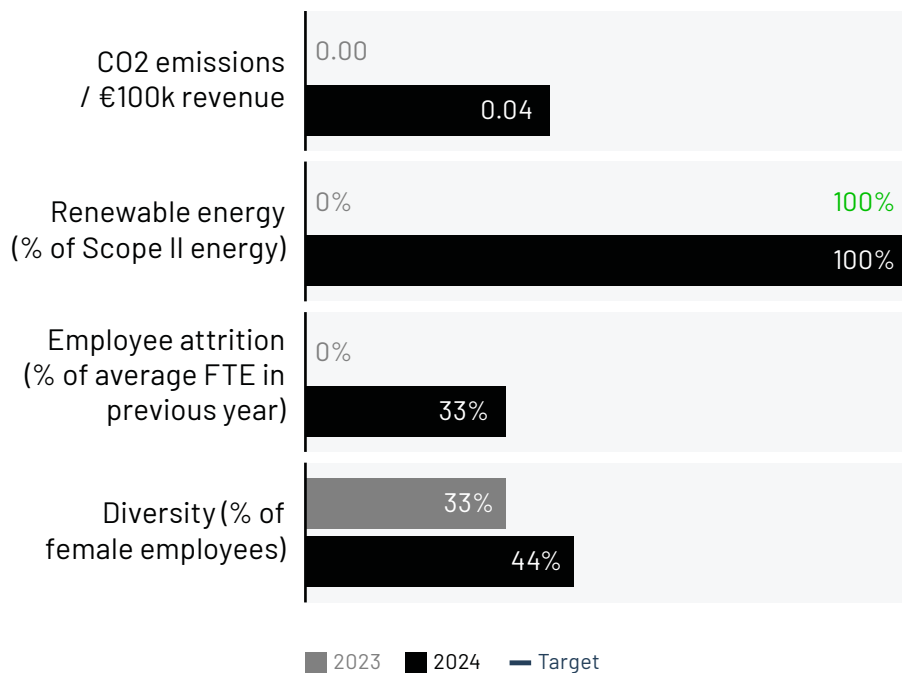
Achievements over the period

- Implemented six new governance policies including anti-bribery & corruption, gifts, data protection.
- Established a budget for employee training courses.
- Increased use of sustainable modes of transport.

Initiatives going forward

- Investigating a music industry focused benchmarking initiative on carbon accounting.
- Reviewing whether to sign onto a climate impact initiative.

Performance





Big Motoring World is a leading UK tech-enabled second-hand car platform with a growing retail footprint and a strong online proposition.

Founded in Kent in 1986 as a single 20-car site, Big Motoring World now operates a total of six high-volume, high-capacity dealership sites across the South East, East Midlands and South West London. They retail approximately 30,000 used vehicles annually, and the business also includes two vehicle preparation centres.

The company has also launched its own platform for direct-to-consumer vehicle purchasing and continues looking for ways to expand its physical footprint and product offering. The used car market has demonstrated resilience, with quick recoveries during economic downturns and continued demand in line with new car registrations.

Industry ESG Relevance

- Vehicle emissions are a continued focus as the net zero agenda accelerates. The used car industry is a key entry point into the electric vehicle market for lower-income consumers who can't afford new cars. Focusing on extending the lifecycle of cars reduces environmental impact by conserving resources and limiting emissions associated with manufacturing new vehicles.
- Preparing used cars ahead of display can be a resource and energy-intensive procedure. Efforts have been made to increase the use of recycled spare parts in the industry, and prep facilities are becoming more environmentally friendly by installing solar panels.
- Health and safety is a crucial component of the industry due to mechanical procedures during the preparation and transport of cars and the risk to staff and customers during test drives.
- Treating customers fairly is a main area of focus in the industry because of commission-based salary structure. With the FCA's Consumer Duty being introduced, it is key that robust systems and controls are put in place.
- Employee satisfaction and retention is a key topic, given high employee turnover in particular in the salesforce.



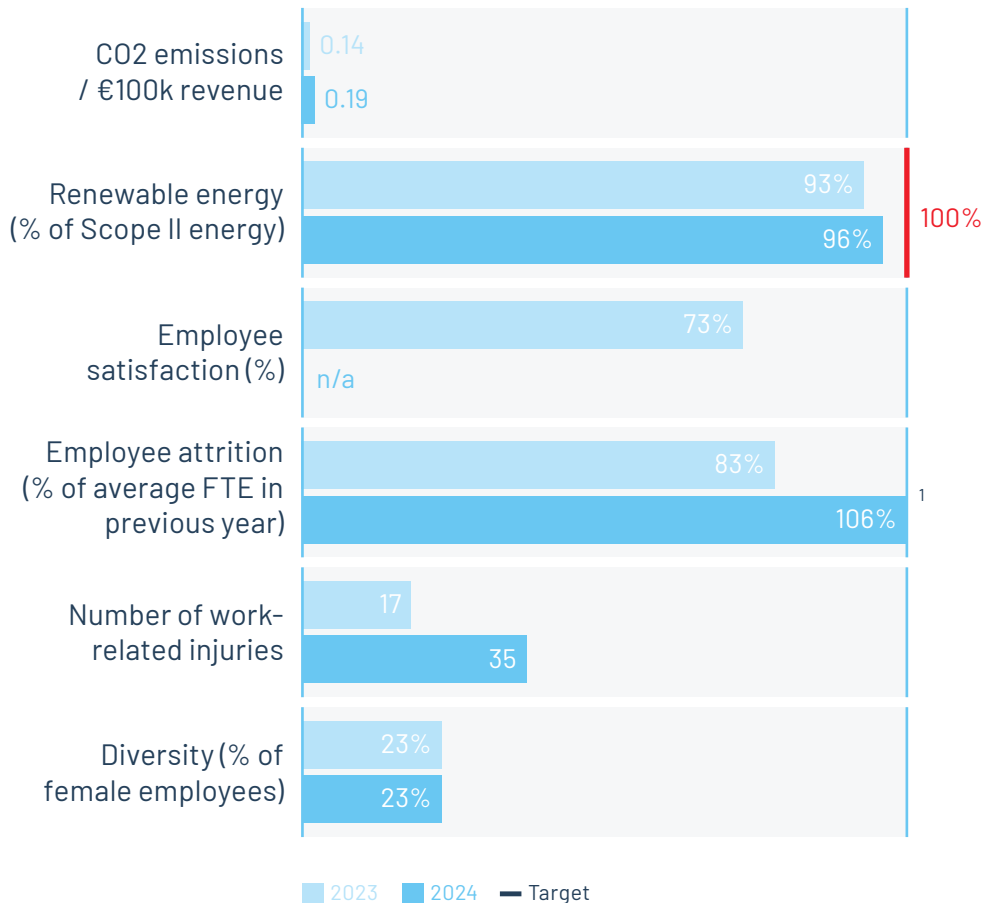
Achievements over the period

- Made first aid training available to everyone who wants it.
- Fitted defibrillators on all sites.
- Introduced compulsory training at induction, covering topics such as GDPR (data protection law), Diversity and Inclusion and Health & Safety training.
- Implemented new HR & Accounting system.
- Installed smart lighting and LED lighting at several sites.

Initiatives going forward

- Completing employee survey this year.
- Adding smart lighting to more sites.
- Creating an ESG policy and other relevant policies.
- Installing solar panels at the first site.

Performance



1. Due to strong employee growth as a result of M&A throughout the reporting period, this figure is unusually high as the denominator is the total number of FTEs at the end of the previous calendar year, as per the EDCI definition



DeterTech offers security technology to its customers in the UK, Ireland, Germany, Netherlands, Denmark and Sweden, mainly in the construction, infrastructure and property management sectors. The company has over 9,000 remote monitoring units deployed today.

A division of the business also provides a proprietary traceable liquid and forensic marking solution called SmartWater, which allows criminals or stolen property to be linked to crime scenes.

Industry ESG Relevance

- The core service of companies, in this industry is providing security to customers, protecting their property and deterring crime.
- Physical violence has historically been a key risk in the security sector, so replacing physical security guards with cameras helps mitigate this.
- Whilst the security sector has traditionally been male dominated, the workforce is now becoming more balanced as it shifts away from physical guards to remote monitoring.
- As DeterTech's solution is only active when motion is detected, the products consume very little energy (battery life of up to 4 years).
- Some carbon emissions are produced in transporting the devices to site, though this is much less than the alternative of manned guards who would need to commute on a daily basis.



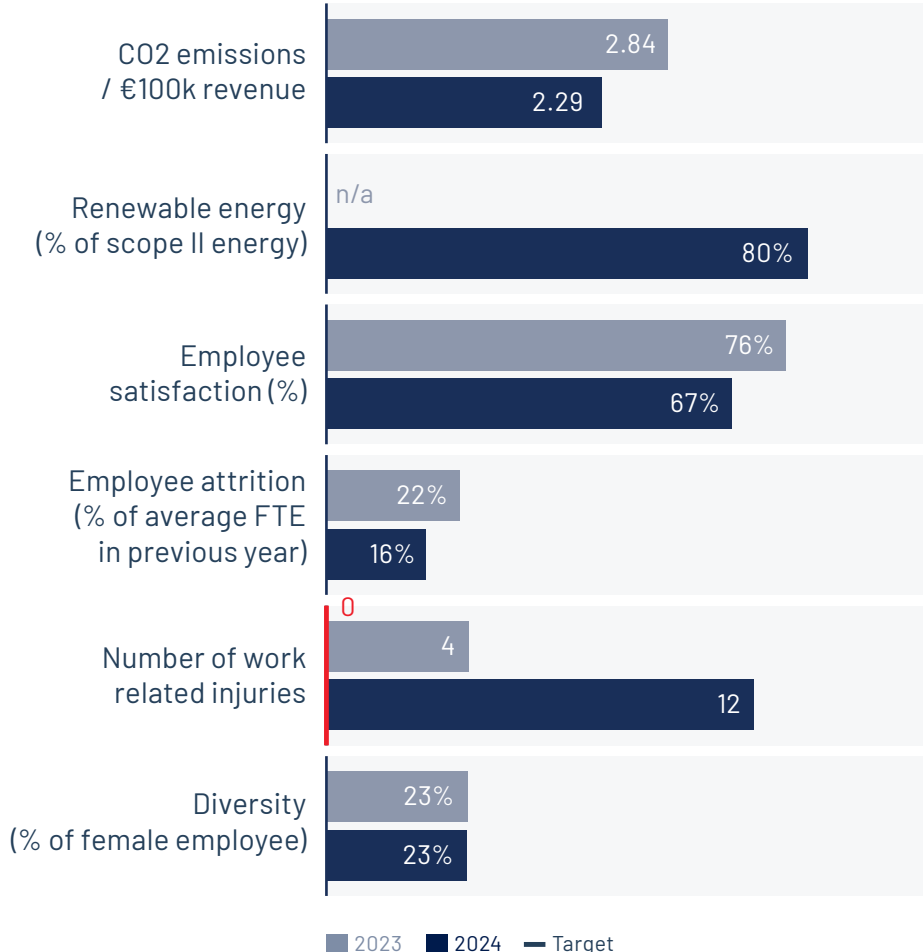
Achievements over the period

- Delivered regular newsletter containing a compliance section to increase staff engagement.
- Conducted company-wide low-emissions driving training programme.
- Moved into new more energy-efficient offices with additional electric vehicles charging points.
- Partnered with waste management provider committed to sending 0% to landfill at the Telford (UK) site.

Initiatives going forward

- Reviewing the supply chain by developing a Corporate Risk & Sustainability register and moving to UK-based suppliers (especially for plastics and metals).
- Developing a new monitoring device that utilises rechargeable power supply.
- Working alongside a consultant to create a Net Zero strategy, focusing on reducing energy consumption and waste management.
- Installing solar panels at headquarters' office.
- Purchasing more electric vehicles.
- Assessing the supply chain.
- Developing corporate governance by creating a Business Continuity Disaster Recovery plan.
- Expanding ISO14001 certification (standards to help organisations minimize their environmental impact) to include all European operations.
- Engaging regularly with Sustainability West Midlands and Sustainable Energy business groups.

Performance





Euro Caps was founded in 2012 and is currently the world's largest manufacturer of private label single serve capsules.

The company currently employs over 300 employees and produces more than 4 million capsules per day at its two sites in Rotterdam.

Products are primarily sold through food retailers but also via partnerships with coffee roasters and brands.

Industry ESG Relevance

- From a sustainability perspective, coffee is a high-risk industry with significant social and environmental issues throughout the supply chain.
- Consequently, multiple certification programmes aim to limit coffee's ESG impact, including UTZ, Fairtrade, and Rainforest Alliance.
- In the long term, maintaining current supplies of coffee might become problematic due to environmental pressures and climate change vulnerability.
- The main impacts of the coffee capsules industry are waste generation of the capsules and packaging.
- Public scrutiny and prospective regulation on single-use plastics are driving retailers away from packaging made from virgin plastic. Therefore, industry experts agree that the current plastic packaging of coffee capsules is not a future-proof solution.
- Consumer awareness and plastics legislation will impact the viability of different alternatives. This might potentially rule out alternatives and is likely to accelerate the transition to compostable packaging.



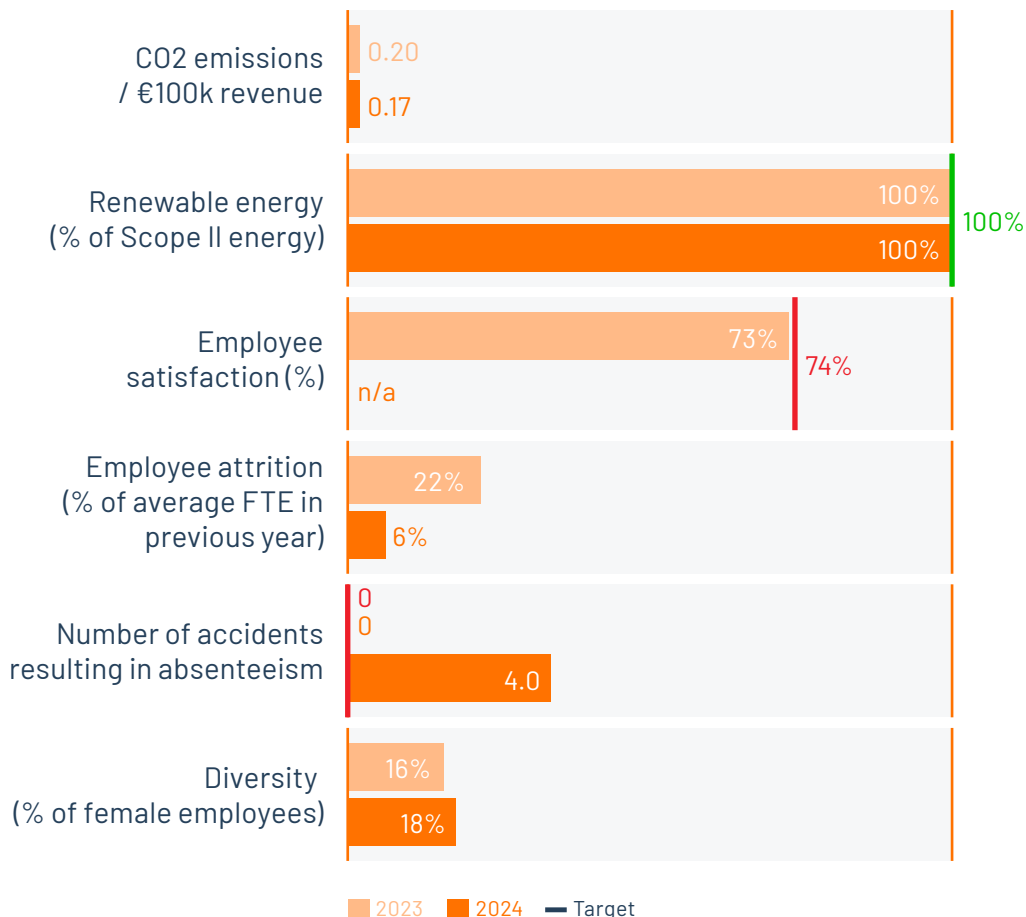
Achievements over the period

- B Corp certified.
- Awarded Top Employer for fourth consecutive year.
- Developed capsule with over 30% less plastic.
- Published first ESG report.
- Offset remaining emissions.
- Discussed HSE (Health, Safety and Environment) Key Performance Indicators and performance at every board meeting.
- Increased spending on training and development.
- Increased use of recycled aluminium.

Initiatives going forward

- Launching paper capsule.
- Increasing participation of farming families in Amazon WWF deforestation project to over 100.
- Securing Top Employer for fifth year in a row.

Performance





Founded in 2003, **M&J Evans** is a UK-based company offering a range of civil engineering, foundations and groundworks services to the residential building sector.

Operating across the United Kingdom, the company provides technical expertise to its clients, focusing on value-added engineering advice to enhance and optimise tailored solutions.

Ground engineering is a fragmented and significant market in the UK. The top 10 firms only account for 20% of the total industry, which is valued at £4.5bn. M&J Evans is one of the largest groundworks and civil engineering providers in the UK.

Industry ESG Relevance

- In groundworks engineering and the wider housebuilding sector, employee health and safety always comes first. This is reflected in the growing emphasis on Reporting of Injuries, Diseases and Dangerous Occurrences Regulation (RIDDOR) and other similar metrics in the tender process.
- In recent years, carbon emission has become a key theme for all major housebuilders, and many have declared their intention to become carbon neutral.
- Embedded carbon in building materials (particularly concrete) and running machinery or generators are the most significant ways housebuilders and subcontractors contribute to carbon emissions.





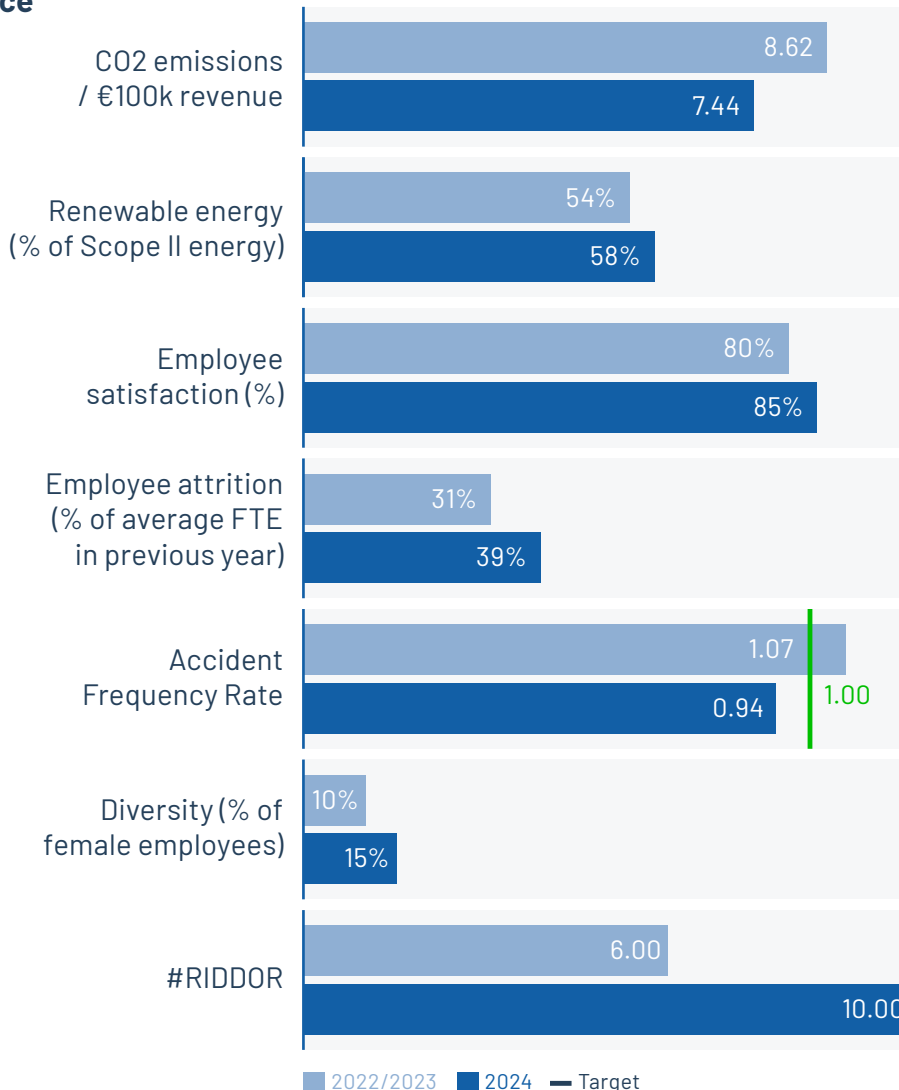
Achievements over the period

- Reviewed carbon footprint and set reduction targets towards a broader Sustainability Road Map.
- Installed solar panels at Aldridge HQ offices.
- Introduced comprehensive, continuous online training platform to provide education on key subjects and support career development at all levels.
- Upskilled Health & Safety team members to provide mental health support on-site.
- Launched new employee benefits platform: M&J Works Perks.
- Published first Gender Pay Gap report, which is publicly available.
- Ranked as 8/10 for employer of choice from Employee Engagement Survey.
- Named as Business Champion by Construct Zero (industry zero carbon change programme) in recognition of commitment to decarbonization.
- Achieved 'Gold Partner' status for the Supply Chain Sustainability School's (SCSS) Plant Charter and led first SCSS collaboration sessions with key clients.
- Ensured 50% of company cars are either electric or hybrid.

Initiatives going forward

- Implementing business-wide Sustainability Road Map.
- Creating network of internal Sustainability Champions to encourage employee engagement with ESG matters and foster collaboration across different business areas.
- Reducing greenhouse gas emissions by 12% - the Net Zero target set for 2045.
- Developing a fuel & carbon emission dashboard to track fuel usage by construction site and identify areas emitting the most carbon.
- Planning to enroll on Green & REGO (Renewable Energy Guarantees of Origin) certified energy contracts for several office-based sites.
- Leading first fully vertical SCSS collaboration sessions with key clients and suppliers.
- Publishing new supplier code of conduct governance policy.
- Launching mental wellbeing calendar with a focus on key events to support and drive mental health awareness.
- Introducing a new community initiative supporting local schools in educating young children on the dangers of playing on construction sites.
- Targeting to recruit a minimum of four apprentices.
- Continuing to support our nominated charity through the next company-wide charity event and a commitment to volunteering.

Performance





Founded in 1996, **MCR Group** is a leading outsourced services company based in Ireland with a workforce of over 3,000 employees.

The company provides services across security, cleaning, personnel, and engineering to a broad range of multi-site customers in the commercial, construction, property management, healthcare, governance, and retail end markets. MCR also expanded into the life sciences and data centres end markets and added grounds maintenance to its service proposition.

The company has an environmentally sustainable service offering – ÍON (meaning pure in Irish) – for clients targeting energy and carbon footprint reduction, recycling and re-using.

Industry ESG Relevance

- Employee well-being is a primary ESG theme in the outsourced services industry.
- Implementing robust health and safety measures, providing adequate training and development opportunities, and promoting a culture of safety are key objectives to reduce incidents in the workplace and enhance employee engagement.
- Ensuring compliance with all relevant labour and employment laws and regulations is also critical.
- Promoting diversity and inclusion and protecting client and employee data by ensuring compliance with data protection regulation is also essential.
- While outsourced services companies have a limited direct environmental impact, they can still have an indirect influence by selecting suppliers prioritizing energy efficiency and sustainable practices.





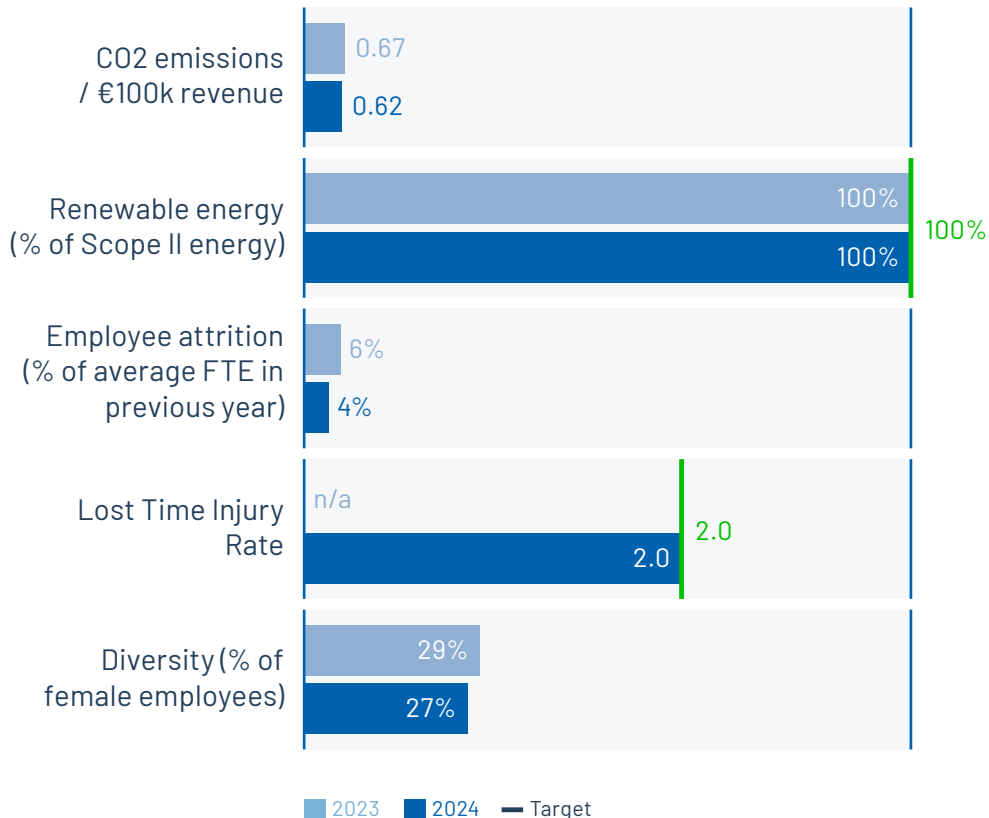
Achievements over the period

- Introduced cleaning products made from vegetables (replacing all chemical products) at 39 sites.
- Adopted new policy that single-use plastics can only be used in essential incidences.
- Added 6 new electric vehicles in 2023.
- Digitalised all learning materials, employee handbooks, site safety folders and toilet checklists to reduce paper consumption.
- Appointed an internal DEI (Diversity, Equity and Inclusion) Ambassador and created a Women’s Group who meet throughout the year.
- Established an internal green team that will be supported by an external consultant.

Initiatives going forward

- Increasing the number of sites that use cleaning products made from vegetables instead of chemicals.
- Holding first employee engagement survey towards end of the year.
- Creating a carbon reduction strategy and ESG roadmap with targets and timelines.
- Transitioning to a paperless environment by digitalising contracts.
- Launching a MCR Green Checklist to ensure clients are adopting more sustainable practices.
- Hosting Lunch & Learn sessions on sustainability related topics.

Performance





Project Better Energy is one of the UK's largest installers of residential solar panels and batteries, with over 60,000 panels installed annually. The company also operates a commercial solar division, focusing on SMEs such as care homes, schools, and industrial buildings.

In addition, Project Better Energy supplies EV chargers and electric heating products through wholesale channels and new home builders, providing comprehensive solutions for the transition to more sustainable energy.

Industry ESG Relevance

- Project Better Energy's entire business operates within the renewable energy and decarbonisation sector, helping to reduce residential carbon emissions.
- The company's supply chain is predominantly based in China (common in this industry), so the main environmental and social concerns are working conditions and manufacturing emissions.
- Health and Safety is a key element for the electricians, roofers and scaffolders who carry out installations on rooftops and deal with high-voltage electrical equipment.
- Equipment is generally stored before installation, so correct Health and Safety measures are required for operations within these warehouses.
- As an FCA-regulated industry, there is significant focus on treating customers fairly during the sales process, especially after an industry-wide investigation into alleged mis-selling practices.
- There is also a need to ensure customers are treated fairly during and after installation, for example, if damages are caused or products under warranty are faulty.



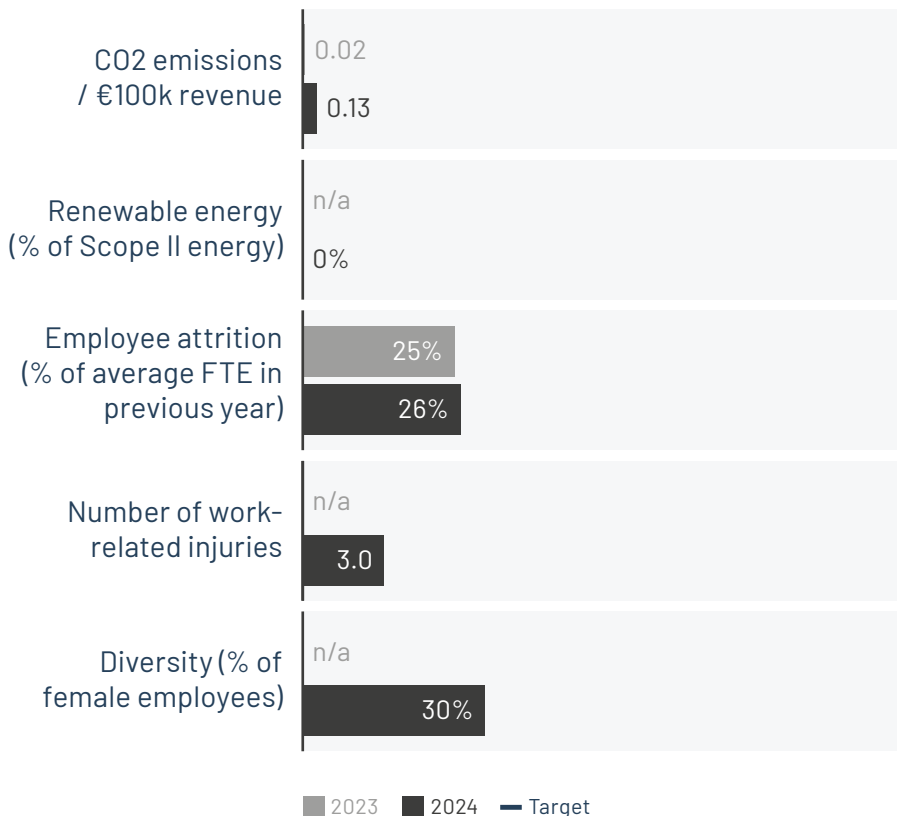
Achievements over the period

- Project Better Energy reduced its CO2 footprint - DNO approval granted for installation of Solar PV & Battery storage at our second site in Burton upon Trent - 100kw installation reduced our footprint by 19,145kg per annum.
- Improved employee communication through introduction of HR system, HiBob, this allows single source of truth for all comms from Board Level to employees.
- Implemented an employee engagement team to plan, promote and introduce initiatives throughout the company, by launching star awards, peer to peer recognition and team building activities through local charities.
- Anonymous engagement survey launched September, feedback to be reviewed and actioned upon to promote employee engagement, morale, and culture.
- Project EV provided 3 of the largest EV chargers currently in the UK, for the installation at Park Go group.
- Additional HR Advisor enrolled to action key deliverables for the company and its employees.
- Emergency Mental Health first aider course scheduled for 12 people across three sites, actively promoting mental health training and awareness.

Initiatives going forward

- Actively reducing our CO2 footprint by reducing paper usage and printing.
- Actively reducing CO2 footprint by applying for DNO approval for installation of Solar PV at our new site, Grafton house, Stockport.
- SGA conducted throughout Project Better Energy to reassess, retrain, and further train employees.
- Policy review and training/awareness to be completed post review, through HR system.
- Performance management framework to be implemented to drive job satisfaction, engagement, and company performance.
- Obtain ISO 45001 & 14001 to further illustrate our commitment to health and safety / environmental management.
- Scheduling charity events for 2025 to help support team building and local charities.

Performance





Radley is a leading British affordable luxury handbag and accessory brand. Established in 1998 in the heart of London, the business is now evolving into a lifestyle brand across multiple product categories.

The business is digitally-led with enormous design creativity, reaching customers within a disciplined multi-channel international distribution. Radley is rapidly growing its direct-to-consumer strategy across multiple platforms including a significant online presence.

This strategy, alongside a sustained elevation focus in both product and marketing, has seen a successful expansion into the US market through partnerships with Macy's department stores, direct online sales, digital platform partners and retail stores.

Industry ESG Relevance

- Major focus is on the use of cow leather, which is one of the most impactful materials used in fashion and is also exposed to risks of poor labour standards in the supply chain.
- Testing procedures for chemical substances are required to manage products safety and quality risks.
- Auditable certifications are required to ensure socially acceptable working conditions in tanneries.
- Transparency and traceability are becoming a concern for many consumers and are becoming a licence to operate.
- Driven by an increasingly eco-conscious audience, alternative 'leather' bags such as sustainable and recycled options are gaining popularity.
- In the future, the semi-luxury goods industry will increasingly market leather alternatives and replace chemicals with vegetable-based tanning solutions.



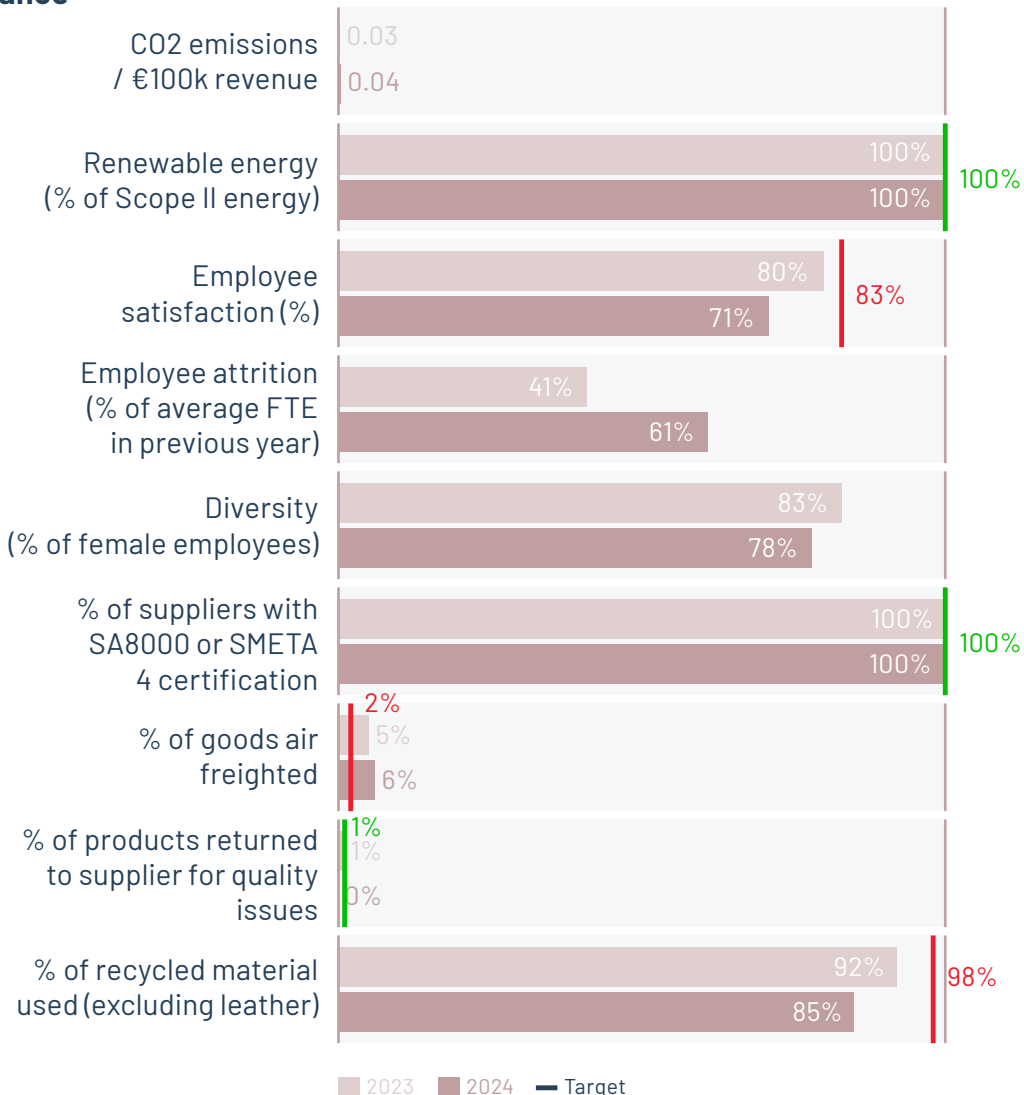
Achievements over the period

- Grew the Responsible Product Collection so that 24% of handbags and small leather goods are from this range.
- Maintained support from all partners to sign into the Compliance and ESG programme.
- Sourced 100% of leather from Leather Working Group-rated tanneries, with all leather the bi-product of the food industry.
- Ensured all cotton used was approved by the Business Social Compliance Initiative (BSCI), which aims to improve social standards in global supply chains.
- Moved 50% of senior leadership team to electric vehicles and charging points added at Milton Keynes facility.
- Continued shift to recycled and sustainable packaging materials (100% of customer delivery, gift boxes and carrier bags are now recyclable, including some compostable shipping bags).
- Reduced greenhouse gas emissions per web parcel by using more zero-emissions vehicles with our delivery partners.
- Introduced baling and recovery of plastic and cardboard waste to be recorded and recycled.
- Committed to Rimba Raya project (protecting 65,000 hectares of rainforest in Indonesia from deforestation) for 5 years.
- Conducted half-yearly Colleague Engagement surveys to help identify improvement opportunities and leverage positive feedback as part of focus on being a 'great place to work'.

Initiatives going forward

- Setting overall carbon reduction strategy and Net Zero plan in FY25.
- Continuing focus on energy optimisation in the warehouse.
- Reviewing shipping solutions to further reduce carbon emissions for web shipments.

Performance





TrueNoord is an aircraft leasing firm focused on regional aircraft that carry between 50 and 150 passengers.

The company has developed an extensive customer base of airlines including: Air France-KLM, British Airways, IndiGo, Ethiopian Airlines, Porter and Republic Airways. As a full-service lessor, TrueNoord has a highly regarded technical, financial and asset management platform.

Short-haul flights performed by our aircraft represent a significant portion of our industry. About 50% of all passenger journeys by air are under 300 nautical miles. This is particularly the case in South East Asia and Latin America – where some of TrueNoord’s fleet is deployed – because ground transport infrastructure is less developed.

Industry ESG Relevance

- The industry is subject to stringent safety regulations and standards and has a significant climate change impact.
- Continuous airframe and engine efficiency improvements that have already generated major emissions reductions will be complemented by better flight route optimization and the increased use of bio-and other sustainable fuels.
- In the long run, electric motors powered by batteries and hydrogen will drive Green House Gas reduction for airlines, particularly for smaller aircraft that fly short-haul services.
- Anti-bribery, corruption and good governance are topics of importance as leasing firms make large global financial deals.
- Counterparty risk and reputation are key considerations when business is undertaken in high-risk jurisdictions.



TrueNoord

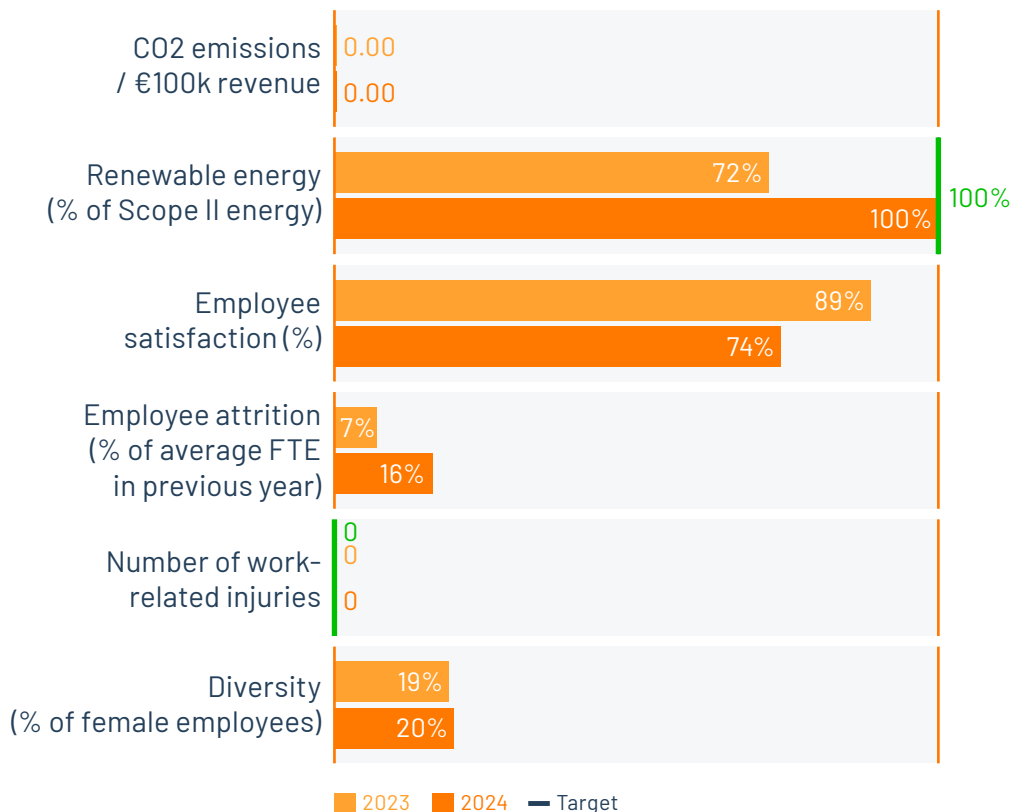
Achievements over the period

- Co-sponsored research into industrial-scale production of Power-to-Liquid Sustainable Aviation Fuel (SAF) in Ireland, which could significantly reduce aviation-related carbon emissions.
- Led the creation of a recently launched training module on sustainable aviation fuels and new propulsion technologies for the Aircraft Leasing Ireland (ALI) ESG education program.
- Completed the purchase and lease of six energy-efficient E195-E2 aircraft, which reduce carbon emissions by over 20% compared to previous-generation planes.
- Enhanced ESG reporting systems, incorporating a range of new metrics to align with future regulatory standards and improve transparency, tracking and benchmarking for stakeholders.
- Launched series of initiatives to significantly improve employee engagement, including a new HR tool to streamline internal communications, performance tracking, and career development opportunities.
- Continued sponsorship of the Air and Space Law Master's program at Leiden University, as part of ongoing commitment to fostering academic excellence and professional development in aviation and aerospace.

Initiatives going forward

- Continuing active engagement with the ALI Emissions Metrics Working Group to help develop standardized emissions data to meet regulatory demands and align with best practices in sustainability and transparency.
- Rebalancing fleet portfolio to increase proportion of emissions-friendly aircraft, focusing on turboprops, which significantly lower carbon emissions compared to traditional jet engines.
- Collaborating with manufacturers to advance next-generation propulsion systems, including electric and hydrogen-powered aircraft, as part of long-term strategy to reduce emissions and environmental impact.
- Improving data quality for greenhouse gas emissions across fleet and operations to refine environmental impact measurement and reporting, driving more informed decision-making around sustainability and compliance.
- Exploring systems that allow the purchase of sustainable fuel credits, even when conventional fuel is used, to support greener aviation practices.

Performance



For any questions about this report,
please contact Alexandra Campbell

+44 7557 064 800

alexandra.campbell@freshstream.com



Lodewijk de Graauw

Partner, Head of Value Creation & ESG



Paul Tutein Nolthenius

ESG Director



Alexandra Campbell

ESG Coordinator