



# Backing sustainable *futures*

Sustainability Report 2024





Sustainability serves as both a risk mitigator and a platform for value creation, making it a **powerful tool for building businesses** designed to thrive over the long term. At Inflexion, we are committed to backing sustainable futures for all our stakeholders.

Tim Smallbone, Chair, Responsible Investment Steering Committee



#### ABOUT THIS REPORT

This Sustainability Report published by Inflexion Private Equity Partners aims to outline our approach to sustainability throughout the investment process and also within the firm itself. This report also includes the regulatory TCFD disclosure in respect of Inflexion Private Equity Partners LLP under the FCA's climate-related disclosure rules. All portfolio company data in this report is correct as at 31 December 2024.



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# Driving positive change

Find out more about how we are driving positive change with our stakeholders

## An active and diverse firm

€16bn

**funds under management**

2023: €12bn

3

**fund strategies**

2023: 3

6

**sectors**

2023: 6

200+

**people collectively employed**

2023: 170+

€9.3bn

**realised value to date**

2023: €6.5bn

9

**global locations**

2023: 8

## A large portfolio with global reach

57

**businesses in the portfolio**

2023: 50

€2.1bn

**combined EBITDA of current portfolio**

2023: €1.1bn

~45,000

**people collectively employed**

2023: 34,000

560+

**acquisitions across 35+ countries to date**

2023: 430+

160

**countries served by portfolio**

2023: 160

41%

**female employees across the portfolio**

2023: 40%

Information as at 31 May 2025.



# Letter from our Managing Partners



John Hartz (left), Flor Kassai (middle) and Simon Turner (right), Managing Partners, Inflexion

**As we reflect on the past year, we are proud of the continued progress we've made. Our footprint expanded further, not only across Europe with a new office in Frankfurt, but also in New York in early 2025, marking an exciting step in Inflexion's journey as we continue to establish our global presence.**

This international growth is mirrored in our portfolio, with the majority of our investments in 2024 headquartered in Europe. We were also honoured to be named Best Pan-European Mid-Market LBO Fund at the Private Equity Exchange Awards and Mid-Market Buyout House of the Year at the British Private Equity Awards, a testament to the strength of our approach and the trust of our partners.

As Inflexion grows, so does our commitment to being a responsible steward of the businesses we back. Our portfolio now collectively employs almost 45,000 people and reaches 160 countries, meaning it is incumbent on us to help look after the environments they operate in, the people that drive them, and ensure effective governance is in place.

Over the years – as our portfolio has grown larger and more diverse – we've learnt that sustainability is not a one-size-fits-all approach. The challenges and opportunities vary significantly across businesses and evolve at different stages of their growth journeys. While risk management remains essential, we believe it is equally important to ensure that sustainability initiatives are tailored to each business and deliver real value. Our approach is rooted in both responsibility and opportunity, enabling our investments to drive long-term sustainable growth, helping to contribute to a more resilient economy.

Since the publication of our 2023 ESG Report, we closed Enterprise Fund VI and Inflexion Continuation Fund I, both classified as Article 8 Funds under the EU Sustainable Finance Disclosure Regulation, promoting positive social and environmental objectives. We also underwent another PRI assessment where we again scored highly, and in early 2025, a fifth company in our portfolio achieved B Corp certification.

Sustainability matters because it is a critical lens through which we assess resilience and create value, particularly in a time of geopolitical uncertainty, economic volatility, and climate-related disruptions. Our expansion across Europe brings new challenges, from concerns over energy security to complex and rapidly evolving regulatory regimes – but it also brings significant opportunities to invest in companies that are well-positioned for sustainable growth.

As we scale our presence in Europe and beyond, our mission remains clear: to support mid-market businesses in their ambitious growth journeys while holding them accountable for sustainable progress. We will continue to evolve our approach to keep ahead of stakeholder expectations, and hold ourselves to the highest standards of responsible investing, ensuring our growing portfolio maintains its licence to operate in the future.

## Office locations



**We view sustainability as a blend of responsibility and opportunity. By building well-managed businesses, we don't just safeguard their future – we unlock potential for growth and innovation. In doing so, we play a part in shaping a stronger, more resilient economy.**

John Hartz, Managing Partner, Inflexion

# Viewpoint: From managing risks to creating value



Jennie Galbraith, Sustainability Director, Inflexion

Integrating sustainability issues into business strategy is essential for resilience and growth. It's about more than compliance and managing risks – it's about creating value, building trust, and unlocking opportunities. Companies that prioritise these issues today will secure a competitive edge in a fast-changing global landscape.

## Sustainability as an imperative

A comprehensive approach to addressing sustainability impact is now considered crucial in the business world. However, doing it well requires having the right people, skills, and technology. Companies that automate the basics and move beyond compliance will gain a competitive edge as they integrate sustainability into their strategy and differentiate themselves in the marketplace.

## Responding to consumer demands

Today's consumers are more informed and values-driven than ever and responding to their demands is critical for business success. They want facts, not stories, so demonstrating positive impact is essential. Companies that fail to meet these expectations can face reputational risks such as reduced sales, consumer boycotts, and loss of trust, while those that embrace sustainability can build stronger relationships with their customers.

## Increasing regulation

With sustainability regulation evolving and increasingly covering the full value chain, businesses must act now to prepare for tomorrow's challenges. Building strong supplier relationships and conducting thorough due diligence will be critical, while non-compliance can result in financial penalties, reputational damage, and loss of investor confidence.

## Transparency is key

Investors increasingly demand clear, credible sustainability information, and businesses that fail to provide it risk losing trust and capital. Having effective systems in place to deliver robust, accurate and verifiable data is critical. Companies are moving away from using spreadsheets to using specialist software to capture and report sustainability performance.

## Strategically important for Boards

Internal sustainability performance and external stakeholders' expectations need to be regularly reviewed by the Board; annual reporting of data is no longer enough. Keeping pace with rising customer expectations and a rapidly evolving regulatory landscape is a growing challenge for Boards.

Companies that embrace sustainability as a strategic priority will not only comply with regulations but also unlock new opportunities for growth and innovation.

# Delivering economic and social value

Successful businesses are the backbone of growing economies, and private equity plays a crucial role in fostering them by providing both funding and expertise for growth. Since Inflexion's inception in 1999, we have partnered with over 120 entrepreneurial businesses, helping them to innovate, expand into new markets, and employ thousands of people.

## Private equity's role in levelling up

According to the latest data from industry association InvestEurope, almost half a million net jobs were created by private equity backed companies across Europe. This is an increase of 7.2% in jobs compared to just 2% in European companies overall.

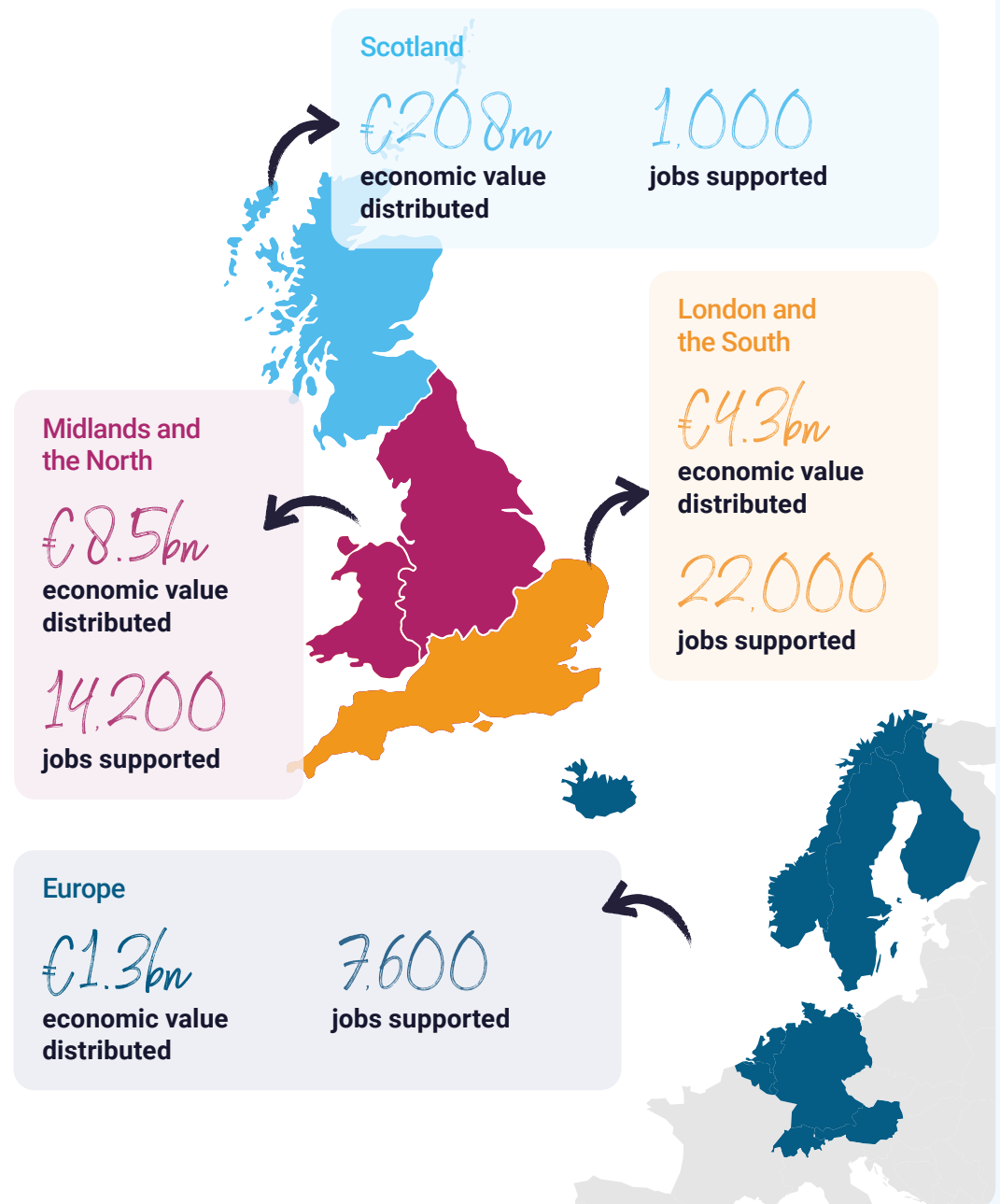
In the UK, private equity supported over 2.5 million jobs in 2025, representing 7% of the nation's GDP according to the BVCA, and the industry is uniquely positioned to support the levelling up agenda by addressing regional disparities and fostering more inclusive economic growth. By providing capital, expertise, and strategic support to businesses not only within, but crucially outside of London, the industry can help unlock potential in regions that have historically received less investment.

In the UK specifically, Inflexion has generated a significant impact on economic and social development across the UK, supporting over 37,000 jobs and contributing €13 billion to the economy. With almost 70% of the impact outside of London and the South, this represents a real and measurable contribution to levelling up.

## Spreading the benefits across the UK

The UK can achieve sustained economic growth by extending its benefits across every region. We're pleased that Inflexion's contribution to the economy has been across the regions, supporting local communities and jobs throughout the UK. The graphic to the right shows the breakdown of Inflexion's contribution in terms of jobs supported, and economic value distributed, calculated in line with the Global Reporting Initiative guidance.<sup>1</sup>

<sup>1</sup> Economic value distributed is the total money a company shares with others, like employees, suppliers, governments, and communities, through items such as wages, payments, and donations.



# Our sustainability journey

Sustainability is a journey, and we are proud to reflect on our own experience within Inflexion and in supporting our portfolio companies.

## 2014–2019

### 2014

- Inflexion publishes its first signed ESG Policy and starts considering ESG in all new investment decisions

### 2018

- The Inflexion Foundation is launched to formalise the firm's charitable giving programme



### 2019

- First annual ESG assessment is completed with the entire Inflexion portfolio

## 2021

### February

- Responsible Investment Steering Committee is established

### April

- Became a signatory to the Principles of Responsible Investment
- Became a signatory to the Initiative Climat International

### June

- 100% of portfolio companies now reporting on scope 1 & 2 GHG emissions



## 2022

### February

- Inflexion appoints Sustainability Director Jennie Galbraith to accelerate efforts

### May

- Signed the UN Global Compact formalising our commitment to the UN Sustainable Development Goals
- Mandatory ESG objectives included in annual review process



### June

- Signed up to the ESG Data Convergence Initiative



## 2023

### February

- First portfolio company achieves B Corp status
- The Inflexion Foundation broadens focus to include environment



### May

- The Inflexion Foundation makes its first grant in Europe

## 2024

### January

- Inflexion announces strong results from its PRI Assessment



- Two more portfolio companies achieve B Corp status
- ESG data externally assured for the first time

### February

- Inflexion Partnership Capital Fund III is classified as SFDR Article 8

### June

- Publication of our first TCFD disclosures

### September

- Inflexion Enterprise Fund VI is classified as SFDR Article 8
- Fourth portfolio company achieves B Corp status

### November

- Inflexion achieves even stronger results from its second PRI assessment

## 2025

### January

- Launched first Sustainability Value Creation workshops for new investments

### March

- Launch of Inflexion's Sustainability Academy in partnership with LDN Apprentices
- Inflexion's Continuation Vehicle is classified as SFDR Article 8
- Fifth portfolio company achieves B Corp status



# Working together to invest *responsibly*

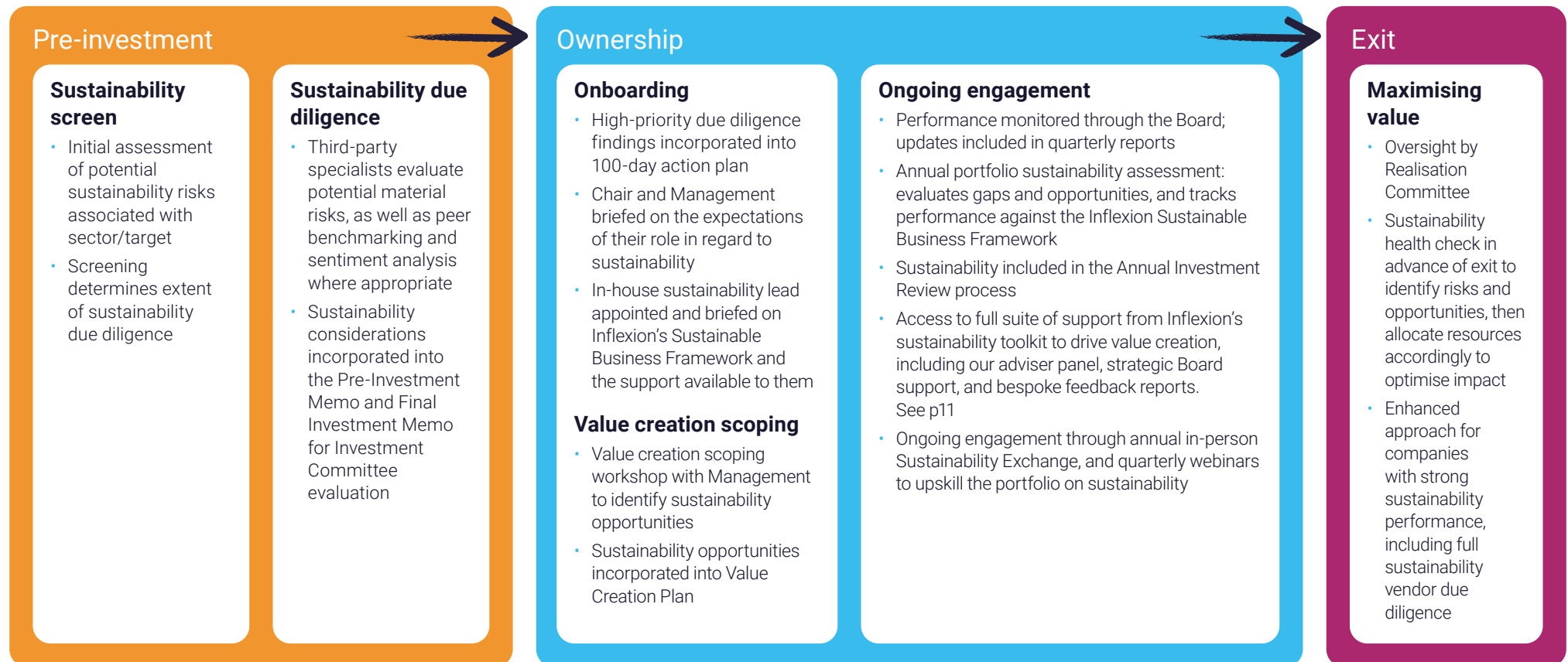
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# Sustainability in the investment process

At Inflexion, sustainability has long been embedded throughout the lifecycle of each investment, from pre-investment, during ownership, and through to exit. By integrating sustainability issues into the heart of the way we run our businesses, we are well-positioned to accelerate positive change throughout the portfolio. This is overseen by the investment team and supported by our dedicated in-house sustainability specialists.



# Driving value in the portfolio

Value acceleration is at the heart of how we work with portfolio companies to unlock their full potential. We understand that this is not a one-size-fits-all approach, which is why we work with management teams to identify their key drivers of growth and tailor our approach accordingly.

Sustainability is one of the many ways in which we can deliver value, alongside our other value levers of talent, commercial, digital, M&A and international expansion.

## How we accelerate growth

We provide access to Inflexion’s full value creation toolkit in order to help accelerate growth.

### Talent & network

We support in making strategic hires and understanding where and how to invest in developing the best teams to drive future growth

### Mergers & acquisitions

We proactively look to expand portfolio companies through M&A



### Digital enhancement

We help portfolio companies invest in their digital and technology footprints to enhance their data and AI capabilities

### Commercial strategy

We help portfolio companies identify and execute on high-impact top-line growth initiatives including pricing, proposition, sales, and retention

### International expansion

We provide comprehensive on-the-ground support with dedicated international experts covering Asia and the Americas

## Sustainability: We consider sustainability risks and opportunities throughout the investment cycle



### Develop sustainable products and services

Harnessing global ESG trends to identify new products and services can present an opportunity to capture market share and drive growth.



### Attract talent and foster innovation

A diverse and supported workforce helps attract top talent in the marketplace and support retention.



### Boost credentials

In a crowded marketplace, having independently accredited credentials can help boost brand credibility and attractiveness to increasingly socially and environmentally aware customers.



### Mitigate operational risks

Customers and regulators are demanding more transparency and commitment to best practices. Whether in relation to emissions or governance, businesses must mitigate risks.



# The Inflexion Sustainable Business Framework

Portfolio companies are guided on their sustainability journeys through Inflexion's Sustainable Business Framework.

The Framework's flexible structure allows portfolio companies to refine their sustainability strategies to suit their sector and stage of maturity, whilst being clear on what comes next. We ask all companies to meet the Good Practice level as a minimum by the time they leave the portfolio and strongly encourage them to adopt the more advanced practices of the Excel and Pioneer levels.

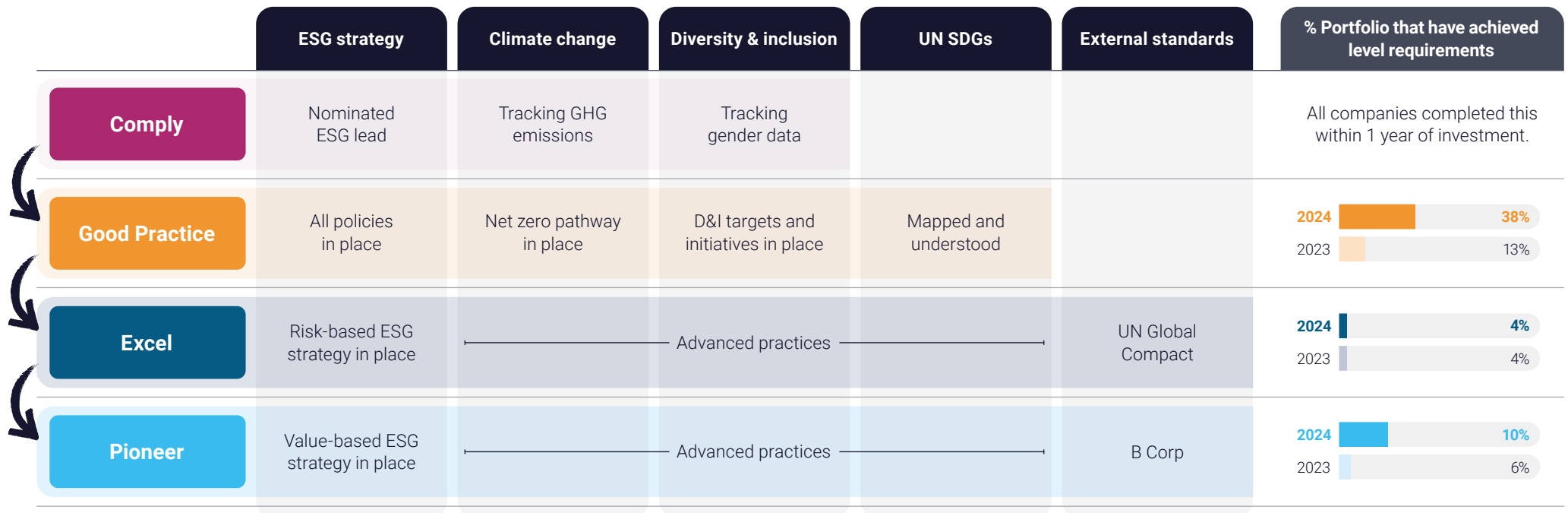
## Materiality

The issues of climate change and D&I are central to the Framework. We identified these following a materiality assessment based on peer review, international frameworks, investor priorities and emerging regulation. The outcome of the assessment also reflects the European nature of our portfolio, where we are seeing heightened awareness of climate and D&I amongst stakeholders as well as increasing regulation in these areas, regardless of sector.

Addressing these issues will drive value by ensuring that businesses are resilient to the physical and transition risks of climate change and have an employee culture that will support a high-performing business. Whilst these issues are undoubtedly the most financially material issues across the portfolio, we recognise that our companies touch on many other aspects of sustainability. This is why the UN Sustainable Development Goals also feature as a key pillar in our Framework, helping the portfolio accelerate action in the other areas of sustainability that may be relevant to them. Inflexion is committed to continuous improvement and during 2025 will enhance the requirements of this Framework; see more on p30.

## Progress against the Framework

All companies that we've invested in for at least a year are meeting our target to reach the Comply level of the Framework, and the majority are in the process of completing the Good Practice level or beyond (see graphic below). 38% of the portfolio have completed Good Practice, and many have gone even further, with c.10% having completed the Pioneer level.





# Sustainability toolkit

Our sustainability toolkit equips the portfolio with a range of resources designed to support them in progressing through the levels of our Sustainable Business Framework. It supports the development of sustainability expertise within the portfolio, facilitates best practice sharing, and strengthens collaborative opportunities.



It feels like Inflexion invest in creating a community and that's really important for us, especially for a company like ours that is dedicated to women.

Lilia Santos, CFO, Medik8



By fostering connections across the wider portfolio, Inflexion has created valuable opportunities for us to engage with peers, discuss common challenges, and collaborate on solutions. This support has not only enhanced our sustainability efforts but also made us feel part of a connected and supportive community.

Deborah Bray, ESG Co-ordinator, Giacom



## Standards

The Sustainable Business Framework sets out a roadmap for all portfolio companies, including specific milestones 12 months after investment and at exit. We also encourage the adoption of external standards such as the United Nations Global Compact and B Corp certification.

5  
B Corps



## In-person Inflexion Exchanges

Every year we host an in-person Sustainability Exchange where we bring together the sustainability leads from across the portfolio to network and share best practice.

50  
attendees



## Playbooks

We develop step-by-step guides on sustainability issues, such as setting a net zero target, materiality, and supply chains. These include best practice examples from other sectors and direction to further information.

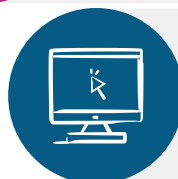
25  
playbooks



## Strategic Board support

We provide bespoke support to management teams seeking to develop new initiatives or enhance their approach to sustainability further. Through facilitated sessions we define their material issues and link their sustainability activities to their business strategy.

41%  
of portfolio companies  
received strategic  
Board support



## Online Inflexion Exchanges

We regularly host online training sessions to upskill the portfolio, featuring external guest speakers as well as sustainability leads from the portfolio.

7  
events  
per year



## Adviser panel

We have a panel of experts and consultancies that our portfolio can access for the right technical expertise for their operating environment, covering the full remit of sustainability.

30+  
vetted and  
approved advisers



## Bespoke feedback reports

Following the annual sustainability assessment, each company receives a tailored report with recommendations on how to address gaps and progress their journey further.

54  
individual  
feedback reports

# Understanding our impact

As members of the United Nations Global Compact, we are committed to supporting the UN Sustainable Development Goals (SDGs). Our portfolio touches on many of the issues addressed by the Goals, and we work with portfolio companies to accelerate action on those most relevant to them.

To identify the most relevant, during the first year of investment we map each company to the SDGs, understanding where they can have the biggest impact. Currently, the portfolio is collectively focusing on 12 of the 17 SDGs. The most common are: SDG 5 on Gender Equality, SDG 8 on Decent Work and Economic Growth, and SDG 13 on Climate Action. These three goals represent the areas where we can make the greatest contribution and therefore form our priority goals.

## Other relevant SDGs



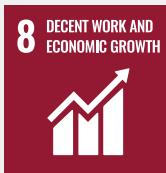
## Priority SDGs



An important indicator of gender equality is the proportion of leadership roles held by women. Inflexion is proud to have 16% female partners, and this good representation is seen across our portfolio. Over a third of our portfolio companies have over 30% women in the C-suite, and over 40% of the portfolio's overall workforce are women.

1/3

**of companies have over 30% women in C-suite**

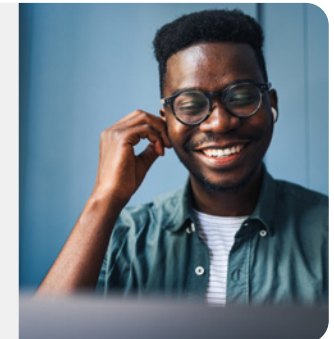


The UN recommends becoming a Living Wage certified employer as a key way for UK companies to support this Goal. Inflexion has been a Living Wage certified employer since January 2023, and we are pleased an additional three companies in our portfolio have achieved certification versus last year.

43%

**companies are Living Wage certified\***

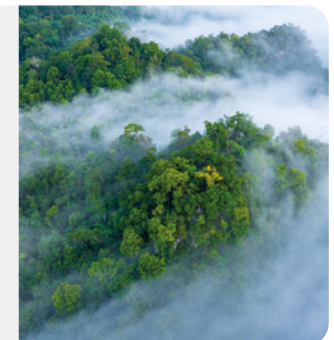
\* Excluding investments headquartered outside of the UK.



Reducing emissions is a critical way for businesses to contribute to this Goal, so we are proud that 100% of our portfolio companies are actively measuring their scope 1 and 2 emissions. Beyond this, 63% have carbon reduction plans, and 56% have developed net zero pathways.

56%

**of portfolio companies have net zero pathways**



The SDGs are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to, or support progress towards, the SDGs is inherently subjective and dependent on a number of factors. Inflexion makes no commitment or plan to take specific actions to contribute to or support progress towards the SDGs.

# Alignment with standards

By partnering with a range of globally recognised initiatives, we can enhance our impact, foster collaboration, and further embed sustainability across Inflexion and our portfolio.

The initiatives we partner with vary, from being engagement-led to keep abreast of best practice as outlined by the UN Global Compact and UN SDGs, to reporting against the credible frameworks of the Principles for Responsible Investment (PRI) and ESG Data Convergence Initiative (EDCI). Beyond this, we have broadened our participation to focus on our material sustainability topics of climate change and D&I. For the former we're doing this through the Institutional Investors Group on Climate Change Net Zero Investment Framework initiative and for the latter through our membership of the Institutional Limited Partners Association Diversity in Action initiative.

These memberships allow us not only to enhance our ability to address our material sustainability issues, but also to benefit from the shared knowledge and innovative solutions that these collective efforts bring.

## Industry engagement



We are a member of the UNGC and continue to support its 10 principles across the areas of human rights, labour, environment and anti-corruption.



We are an active member of the BVCA, the British industry body and public policy advocate for the private equity industry. We sit on the BVCA Council, Communications Advisory Group, Tax Committee and the Investor Relations Advisory Group.



As members of the UNGC, we support the UN Sustainable Development Goals. We map each portfolio company against the Goals, identify where they are best placed to contribute, and work with management to generate a more positive impact. See p12.



We are members of the Institute of Corporate Responsibility and Sustainability, which is chaired by Jennie Galbraith, our Sustainability Director. Being a member of the Institute gives us access to a wide range of tools and knowledge to help further our sustainability impact across the portfolio.

## International frameworks



We are a signatory of the UN Principles for Responsible Investing (PRI) and support its six principles. We are proud of the strong results of our PRI assessments, scoring highly across all modules we were assessed in:

- Policy, Governance and Strategy: 5/5
- Private Equity: 4/5
- Confidence Building Measures: 5/5



We are a member of the ESG Data Convergence Initiative, a standardised set of sustainability metrics for the private equity industry. Our portfolio's EDCI metrics are independently assured by a third party, see p31.

## Material issues



We are members of the Institutional Investors Group on Climate Change and adopted the Net Zero Investment Framework for private equity. This framework supports our ambition to ensure the portfolio is resilient to the impacts of climate change with a focus on decarbonisation and target setting.



In 2024, we signed up for the Institutional Limited Partners Association Diversity in Action initiative. See p22 to find out more.

# Working together to accelerate ESG *best practices*

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# Environment

94%

portfolio tracking  
scope 3 GHG  
emissions

2023: 74%

100%

portfolio tracking  
scope 1 and 2 GHG  
emissions

2023: 100%

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> [TCFD disclosures p37](#)

# Introduction to environment

2024 saw a series of extreme weather events, from flash flooding in Europe to destructive hurricanes and wildfires in the United States. They serve as a stark reminder of the need for meaningful climate action. Given that our portfolio spans 160 countries, we are aware of our responsibility to help mitigate climate risks.

## Climate in our Sustainable Business Framework

Opportunities and risks around climate will impact all of our portfolio companies, regardless of sector. We understand the need for each company to engage on climate action, which is why it is one of our material issues and a key pillar of the Framework.

## Measuring the emissions of our portfolio

As our portfolio companies progress on their sustainability journeys, we are proud that 100% continue to track their scope 1 and 2 emissions, and 94% are tracking their scope 3 emissions, a significant uplift vs 74% in 2023. These insights give us greater visibility and awareness of where the opportunities in our portfolio are so we can help companies think more strategically around their environmental impact, mitigate climate-related risks and drive reductions. This uplift has been the result of our portfolio companies increasingly seeing the need to address climate risks, and benefitting from our support and the shared experience of the wider portfolio.

Since the inception of the Framework in 2022, we have held multiple upskilling sessions on climate issues including carbon accounting and net zero. During these sessions we profile portfolio companies which are leading the way on climate action. For example, dss+, a consultancy firm, delivered a deep dive session on measuring emissions, and BES, a testing and inspection company, shared their experience of setting a long-term Science Based Targets initiative (SBTi)-approved target.

Alcumus, Blue Light Card, K2, Medik8 and Wood Thilsted have set near-term SBTi-approved targets, demonstrating their commitment to reducing their climate impacts.

### Spotlight on the portfolio: Medik8

Medik8 are leading the charge when it comes to their climate ambition, having pledged to reach net zero by 2040, a full 10 years earlier than set out in the Paris Agreement. To achieve this, Medik8 have removed all fossil fuels from the business, resulting in almost zero scope 1 emissions, and their operations are powered by 100% renewable energy (partly generated by an on-site solar array), also resulting in zero scope 2 emissions<sup>1</sup>. Their efforts have been recognised externally, with their near-term target being validated by the SBTi, and having achieved B Corp certification.



## Reaching net zero

Developing a net zero strategy helps businesses manage the risks associated with climate change across multiple time horizons. In the near term, it can help meet expectations of sustainability-conscious customers and employees, which could in turn drive customer and employee retention. In the medium term it helps avoid rising insurance costs and future carbon taxes, and in the longer term it will help mitigate the consequences of predicted climate-related supply chain and workforce disruption. This is why we ask all companies to develop a net zero pathway by the time of exit, and we are making strong progress: 56% of portfolio companies have established net zero pathways in line with the Paris Agreement (which calls for net zero by 2050). They plan to meet this by switching to electric fleets, moving to renewable energy tariffs, working with suppliers to reduce emissions, and limiting non-essential business travel.

## Managing risks and opportunities

Following the publication of our first TCFD Report last year, we have since looked at the risks and have identified relevant actions within the portfolio companies. For example, for companies based in areas with an increased risk of flooding and in sectors where working from home isn't possible, we asked that they update their business continuity plans to mitigate these risks. This ensures they have the necessary steps in place to minimise disruption to business caused by climate-related extreme weather. We have also trained the investment team so that they are mindful of climate risk in the sustainability due diligence phase when looking at potential targets.

<sup>1</sup> Market-based.



# Wood Thilsted: Leading by example



As a leading consultancy in global offshore wind engineering, it makes good business sense for Wood Thilsted to have an impressive sustainability strategy. Indeed it became a certified B Corp in 2024, and describes its efforts as a 'planetary necessity'.

**Already convinced they were doing a lot of business for good, Wood Thilsted weren't able to prove or demonstrate it. "B Corp is a framework that shows it's more than rhetoric. It means a lot to our employees," says Alastair Muir Wood, CEO and Co-Founder.**

He adds that it enhances recruitment by serving as proof of the business's values, which resonate with today's emerging workforce.

The path to B Corp was inspired by Inflexion, which invested in 2022, and whose in-house sustainability team championed the idea. "The two founders were completely engaged with what they perceived as synergies with what we are doing and want to do, so it really resonated with the senior team."

Its sustainability charter was finalised in 2023, and it includes carbon reporting in all its output, drawings, concept and Front End Engineering Design (FEED) reports. Its journey focuses on climate, nature and social, with each pillar having four aspects: measure, reduce, eliminate, and either sequester/offset (for carbon), maximise (nature) or seek positive acts (social).

Danny Bonnett, Director and Head of Special Projects, describes the process of applying for B Corp as "very valuable": "We were already implementing many of these initiatives, but the B Corp process pushed us to formalise them. For example, while we had considered remote carbon reduction with clients, this process ensured it was embedded in our quality systems. Initially, I was sceptical, fearing it was just a piece of paper, but in reality, it reinforced and structured what we were already doing."

Wood Thilsted recently launched a joint industry project to define what a truly nature-positive wind farm looks like from design through to decommissioning. The goal is not just to generate renewable energy but to integrate sustainability into every stage of development. "We're creating a practical playbook to guide this process, but success depends on client collaboration – we need real-world assets to demonstrate these concepts in practice rather than just theory," Danny explains.

It's ambitious, but so is Wood Thilsted. "We want to be part of the solution, which means actively driving change," says Danny. "Instead of focusing solely on developing high-IP, patentable innovations, we are shifting towards solutions that benefit the collective good. The B Corp ethos reinforces this approach, giving us the framework to prioritise long-term impact over short-term profitability. It requires patience, as these efforts take time to deliver results, but we're at the start of the journey."

42%

**emissions reduction  
target by 2030**

90%

**emissions reduction  
target by 2040**



# Inflexion in action

As a private equity firm with a portfolio spanning 160 countries and collectively employing almost 45,000 people, our influence and responsibility in mitigating climate risks are more significant than ever. As a result, we feel compelled to lead by example to foster sustainable practices as we strive to drive meaningful change across numerous sectors and geographies.

## Our emissions

2024 was another year of significant growth for Inflexion, with the addition of 46 new team members, a new office opening in Frankfurt, and a relocation of our Amsterdam office to support our expanding European presence. As a result of this, our scope 1 and 2 emissions have increased.

The majority of our emissions fall under scope 3, as this includes the emissions of our portfolio companies. This is why we have made the decarbonisation of our portfolio a strategic priority. In 2023, we set a net zero target aligned with the IIGCC's Net Zero Investment Framework (NZIF), committing to ensure that 50% of our portfolio companies establish Paris-aligned net zero targets by 2030, with the goal of reaching 100% by 2050.

To achieve this, we actively collaborate with our portfolio companies, equipping them with the tools and knowledge needed to develop robust net zero pathways, helping us to collectively meet these targets. See how we do this on p16.

## Inflexion's UK headquarters

We've made good progress to date in our UK headquarters based in London, which uses 100% REGO-backed renewable energy. The building itself is BREAMM 'excellent' rated, and we have a wildflower roof terrace to help the important work of our resident pollinators. Inside the building, we use sustainable office cleaning supplies, carbon neutral and carbon-balanced paper for our printing, and recycle our waste with First Mile.

We've recently become participants of the Sustainable City Charter, a coalition of businesses in Westminster City Council with a common goal of reducing emissions and promoting sustainability. This voluntary framework allows us to work closely with our landlord to implement measures to reduce emissions, promote sustainable procurement, and enhance waste reduction practices.

## Inflexion's European offices

We consider environmental factors whenever we open or move to a new office. Our Frankfurt office, which opened in 2024, is LEED platinum certified, the highest level of certification for sustainable building. Our new Amsterdam office is within a building that is A+++ energy-rated, is solar powered, and is equipped with charging stations at all parking spaces.



50%  
of portfolio with net  
zero targets by 2030

100%  
of portfolio with net  
zero targets by 2050





# Social

100%

portfolio tracking  
gender data

2023: 100%

73%

portfolio have  
D&I targets

2023: 49%

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# Introduction to social

We recognise the need to ensure that our portfolio's collective workforce of almost 45,000 people is properly supported, and that our portfolio companies continue to attract and retain top talent to drive the high-performing cultures we know are critical to business success.

Human capital plays a significant role as a leading value driver both within Inflexion and its portfolio companies. We are committed to ensuring that our portfolio adopt a high-performance culture, and therefore place a particular focus on our material topic of D&I, to ensure we are attracting and retaining the top talent and that once in role, our people feel supported to achieve their full potential.

## Measuring D&I in our portfolio

Our approach is data-driven, leveraging a range of employee indicators to pinpoint areas for improvement and to encourage successes in creating an inclusive workplace.

At a minimum, we ask portfolio companies to track and report gender data within the first year of investment. Beyond this, portfolio companies track other diversity metrics, such as ethnicity, disability and sexual orientation, for their Board, C-suite, and total workforce. This enables us to have granular insights and make informed decisions, helping portfolio companies to think more strategically around how they can create value in this space.

By thinking strategically about D&I, a natural next step is for portfolio companies to establish D&I targets and implement supporting initiatives. This is a requirement of the Good Practice level of Inflexion's Sustainable Business Framework, which all portfolio companies are expected to achieve by the time of exit.

These targets have the aim of attracting and retaining top talent across genders and backgrounds, with many focusing on creating a strong talent pipeline at junior levels and creating inclusive workplaces for all. Many companies adopt techniques similar to our own to make this happen, such as through balanced longlisting and interviewing techniques.

## Driving change through active management

D&I is regularly discussed with the portfolio Chairs and at Inflexion-hosted events such as our annual Diversity Exchange for rising female talent across the portfolio, and our People Leaders event for our Chief People Officers and HR Directors. We've also developed a series of guidance documents to support the portfolio in this space, including on developing a D&I policy, D&I strategy, and diversifying the talent pipeline.



**We recognise that people are the cornerstone of any successful business. By investing in the development, wellbeing, and diversity of talent across our portfolio, we empower companies to build resilient, high-performing teams.**

**Freddy West, Managing Director, Portfolio Talent, Inflexion**

## Spotlight on the portfolio: TC Group

Accountancy firm TC Group is leading the way when it comes to making D&I a business priority. They are committed to social mobility, having hired 155 apprentices, with a further 1,409 employees receiving professional development. In addition, the largest company in the Group drives their commitment to D&I via their Employee Board which empowers individuals to represent their colleagues and take D&I initiatives to the Executive team. These include employee awards, mental health and wellbeing programmes, and a series of networking events aimed at engaging emerging talent within TC Group and the wider community.



## The Inflexion Sustainability Academy

We have recently launched the Inflexion Sustainability Academy, a skills initiative that brings together a community of employees from across the portfolio, each with a role to play in championing sustainability within their organisation. Created with the support of our delivery partner LDN, an Ofsted Outstanding training provider, the Academy gives portfolio participants an opportunity to grow their skillset through a Level 4 Corporate Responsibility and Sustainability Apprenticeship, all whilst delivering a positive impact for their business. We are proud that in its first year, the Academy has 25 participants signed up from 13 of Inflexion's portfolio companies.



# dss+: Building an inclusive future



By prioritising grassroots initiatives, leveraging diverse talent, and maintaining a relentless focus on inclusion, dss+ shows how much a truly inclusive organisation can achieve.

**Diversity and Inclusion are integral to the dss+ mission of saving lives and creating sustainable futures. For example, safety initiatives often emphasise the value of diverse perspectives, fostering environments where everyone feels accountable and empowered.**

“Having strong representation of women in our client teams helps us shift gears and deliver better solutions,” explains Emma Cuttler, Chief People Officer at the operations transformation consulting services business. The firm has been backed by Inflexion since 2023.

The focus on diversity at dss+ extends to other under-represented groups as well, with the aim of fostering an inclusive approach to talent across the board. The company’s business model, which includes the utilisation of experienced, independent contractors, as well as recent acquisitions such as ETSCAF, a French workplace safety consulting firm, has enabled it to employ mid- to late-career professionals and leverage their wealth of expertise. “Mid- to late-career talent bring invaluable knowledge and perspective,” Emma explains, highlighting how this also connects to the company’s value proposition of providing deep industry and operations expertise to its clients.

True D&I matters as a growing number of people are drawn to businesses whose values resonate with their own. dss+ seeks to boost diversity at the earliest stages of recruitment, with job postings reviewed to use inclusive language that resonates with women and encourages applications. Hiring teams are trained to adopt inclusive practices, and enhanced referral bonuses for female hires are offered.

Hiring diverse talent is one thing; retaining it is another. dss+ promotes a culture where employees feel connected – no mean feat given its presence in 41 countries. Through initiatives like “Conscious Consultant Roundtables” and a dedicated wellbeing app, employees can voice their concerns and share ideas. These tools foster a sense of community and address challenges unique to different regions.

The dss+ grassroots approach to D&I sets it apart from larger firms with a top-down model. “It’s driven by people who see an opportunity. It comes from the bottom up and helps us understand the operational reality of our business,” Emma shares.

KPIs are tracked including the percentage of women in senior roles, attrition rates, and the impact of mentoring programmes. Regular compensation benchmarking helps dss+ keep tabs on equity across genders and roles.

“Every new hire and acquisition brings opportunities to raise the bar. It’s a two-way learning street that helps us continue to improve.”

25%  
increase in women  
in senior management  
in 2024

100%  
employees to  
receive D&I focused  
training





# Inflexion in action

We recognise that attracting, developing and retaining the best talent is a key driver of our success. By building a strong culture and offering career development opportunities, we have continued to create value within Inflexion.



**Embracing diversity and inclusion is essential to who we are as a firm. By valuing different perspectives and experiences, we create a collaborative environment that drives innovation and strengthens decision-making.**

Kirsty Tikerpae, Partner, Inflexion



**I've had the opportunity to contribute to meaningful sustainability initiatives, collaborate with talented professionals, and see first-hand how private equity can drive positive change.**

Mia Brash, Sustainability Intern, Inflexion

41%

female employees

55%

female new joiners in 2024

## Living Wage

As an accredited Living Wage employer, Inflexion ensures that all employees, including contracted staff and those providing services on their premises, are paid at least the living wage.



## ILPA Diversity in Action

In 2024, we signed up to the ILPA Diversity in Action initiative, bringing together industry stakeholders who share a commitment to advancing diversity, equity and inclusion in the private equity industry. As part of this, we have committed to:



- Mandatory gender split of 50% male and 50% female candidates at the longlist stage enforced with recruiters when providing candidates
- Diverse interview panels to be in place for all professional hires
- Unconscious bias training for all employees and structured interview training for all hiring staff every two years

## 10,000 Interns Foundation

Inflexion is privileged to partner with both the 10,000 Black Interns programme and the 10,000 Able Interns programme, respectively creating paid internships for Black students and graduates as well as those with disabilities. To date we've welcomed twelve interns to the Inflexion team, as well as a sustainability intern in 2024, Mia Brash, who supported the team in building data models to track portfolio sustainability performance.



## Level 20

We are proud to support Level 20, a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry which creates opportunities for women in this industry to interact and learn from others. They have a target of 20% female leadership in investment firms, and we contribute to their diversity survey, helping to ensure transparency on this topic in the industry.



## Disability Confident

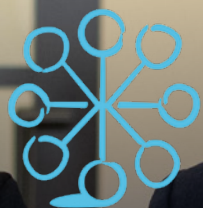
Inflexion is a Disability Confident Committed employer. Disability Confident organisations play a leading role in changing attitudes for the better, improving behaviour and cultures in their businesses, networks and communities.



## Spotlight on International Women's Day

To mark International Women's Day, we hosted a series of inspiring events. In collaboration with IntoUniversity, a charity dedicated to empowering young women from disadvantaged backgrounds, we welcomed 15 alumni to our office for a morning of connection and learning. The event featured a panel discussion on resilience and networking alongside interview skills workshops led by female colleagues. Additionally, we released a special episode of the Inflexion Point podcast, featuring Ocorian CEO Chantal Free and Inflexion Managing Partner Flor Kassai, who shared insights into their career journeys. We also ran a Q&A offering candid recollections and advice from three of Inflexion's female leaders.





# Governance

100%  
of portfolio have a  
nominated ESG lead  
2023: 100%

84%  
median portfolio  
cybersecurity score  
2023: 81%

## In this section

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# Introduction to governance

Strong governance goes beyond compliance – it underpins resilient and well-run businesses. By fostering transparency, accountability and robust risk management in decision-making processes, we reinforce the trust that our investors and stakeholders place in us and our portfolio.

## Governance in the investment process

We embed strong governance principles for all portfolio companies throughout the investment lifecycle. Before any investment, we hold discussions with key stakeholders and management teams regarding governance structure, independence and transparency. Following this, we conduct thorough risk-based due diligence carefully tailored to the particular sector and risk profile of each investment. We also screen key individuals using specialist external teams to ensure any governance risks (including anti-bribery and corruption) are flagged as early as possible in a process.

During our investment period, we work closely with our management teams to ensure appropriate and effective implementation of policies in line with our Sustainable Business Framework. Our investment professionals that sit on portfolio company boards are also provided with a dedicated sustainability escalation plan for reporting any actual or potential breaches.

## Governance in the Sustainable Business Framework

Governance is captured under the 'ESG strategy' pillar of the Framework. For our portfolio companies to meet the Comply level, they must appoint a sustainability lead within the business. This is typically at the C-suite level to ensure that sustainability matters are discussed regularly amongst senior stakeholders and have the appropriate level of accountability in order to drive Inflexion's sustainability requirements.

Beyond this, and to meet the Good Practice level of our Framework, companies are expected to create and maintain all key governance policies before exit; see adjacent.

## Board effectiveness

Fundamental to good governance is Board effectiveness. We appoint at least one of our investment professionals to the Board of all companies we invest in to drive meaningful change. Inflexion representatives are supported throughout their tenure and receive regular training and specialist advice. We also appoint experienced Chairs to each business with responsibility for managing the Boards. As part of the onboarding process, all management teams and newly appointed portfolio Chairs are informed of our expectations with respect to their role, including implementing the Sustainable Business Framework.

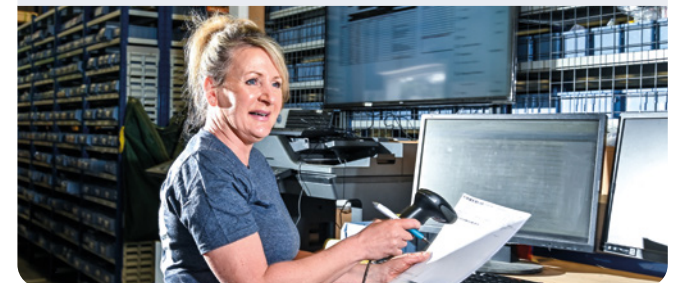
On sustainability specifically, one of the key ways in which we support the portfolio is by conducting regulatory 'horizon scanning' for each company. We map the current and future sustainability regulatory landscape across relevant jurisdictions to identify any areas for the portfolio to prioritise. This ensures they are prepared for forthcoming regulation and have the relevant governance processes in place to comply swiftly if needed.

We work with portfolio companies to develop this core list of sustainability policies, ensuring the appropriate level of governance over these fundamental issues:

- Diversity, Equity & Inclusion policy
- Health & Safety policy
- Maternity leave policy
- Paternity leave policy
- Whistleblowing policy
- Anti-bribery and corruption policy
- Anti-money laundering policy
- Conflict of interest policy
- Cybersecurity policy
- Data protection policy
- Environment policy

### Spotlight on the portfolio: Cutwel

Following the completion of our pre-deal due diligence on Cutwel, a specialist cutting tool distributor, we identified an opportunity for the business to further strengthen its approach to supply chain management. Working alongside Inflexion's Sustainability Director, Cutwel implemented a comprehensive approach to supply chain due diligence, including identification of high-risk geographies in the supply chain, assessment approaches and engagement mechanisms.



# Defining materiality

Defining materiality is key to developing an effective sustainability strategy. Identifying which sustainability topics matter most, both to a business and its stakeholders, enables companies to prioritise action and communicate impact.

A Double Materiality Assessment (DMA) is a key tool for this, highlighting issues that are significant from both financial and broader impact perspectives.

While regulations like the EU Corporate Sustainability Reporting Directive (CSRD) have increased the focus on materiality, its value goes beyond compliance. Despite not being in scope of CSRD, several Inflexion portfolio companies, including Medik8, Detectortesters, and Blue Light Card, have proactively undertaken DMAs, recognising the benefits of understanding and acting on what matters most to their business and stakeholders.

## Blue Light Card uses regulation as a framework

Blue Light Card is an online consumer discount marketplace serving the emergency service community. Sustainability is core to the company mission and values, and the team wanted to further enhance their approach by defining the focus areas most important to their key stakeholders. Although they are not in scope of CSRD, they recognised the value in conducting this materiality exercise.

Blue Light Card are now embarking on a three-year framework to cover all of their material issues with a particular focus on information security and employee engagement, which came out as the most material issues.



## YER supports clients to boost ESG journeys

Netherlands-based specialist secondment and recruiting agency YER has been growing with minority funding from Inflexion since 2023. The business operates a data-driven talent platform domestically, in the US, and in Germany, with two acquisitions in the latter in 2024, bringing its number of seconded professionals there to c.4,000.

As a result of their materiality assessment of risks and opportunities, YER identified that they had the opportunity to support clients with their own sustainability journeys. They set up a CSRD academy to develop talent on the subject and place them with their clients to help them comply with CSRD.



## Enviolo future-proofs its sustainability efforts

E-bike components specialist Enviolo's 'envision' strategy outlines ambitious sustainability targets for 2030 and was inspired by its DMA undertaken in 2024, which leadership saw as an opportunity to establish, refine and future-proof its sustainability strategy. Enviolo aims to reduce scope 1 and 2 emissions by 30% and scope 3 emissions by 15% compared to 2022 levels. They plan to achieve 25% average recycled content in products and packaging and extend the life of 4,000 products through refurbishment.





# Inflexion in action

Strong corporate governance underpins success at Inflexion, both at the firm and portfolio level. It means fostering transparency, upholding integrity, and embedding accountability into every aspect of our operations. This is reflected in our robust governance framework and culture, ensuring we reinforce trust with our investors, stakeholders, and portfolio companies.

## Governance at Inflexion

The firm is guided by two key committees: the Executive Committee (ExCo) and the Investment Committee (IC), which include our Managing Partners and other senior partners. The ExCo is responsible for defining and overseeing Inflexion's strategic direction and operational management, while the IC focuses on evaluating preliminary and final investment recommendations. This supports a strong pipeline of investment activity aligned with our strategy and objectives.

The deliberate separation of the ExCo and IC ensures independence between organisational and investment teams, which encourages rigorous and thorough testing of our investment theses by experienced members of the firm.

Beyond Committees, we have a comprehensive governance training programme with elements relevant to all colleagues. This reinforces all employees' understanding of best practice across a range of topics including tax, investment terms and processes, and directors' duties. To embed this, our annual compliance sign-off is mandatory and must be completed by all colleagues at Inflexion.

## Leveraging AI to drive business efficiencies

AI governance is central to how we manage and deploy artificial intelligence at the firm. We have clear policies and processes to ensure responsible, secure, and business-aligned AI use. An

AI policy guides staff on appropriate tool usage, mitigating risks and ensuring compliance. All new AI tools or software must be approved by the IT SteerCo to meet our security and governance standards.

Our internal data platform, used regularly by deal teams, includes a proprietary tool for identifying M&A targets for our portfolio companies and is key to our origination process.

We have also developed a secure, Azure-hosted internal chatbot – integrated with expert calls and our CRM – available as a web app, mobile app, and SharePoint plugin. It is widely used across the company, driving productivity.

## Governance of sustainability

Sustainability is governed by the Responsible Investment Steering Committee (RISC), which was set up in 2021 to oversee the development and implementation of sustainability both within the firm and across the portfolio. It is chaired by the Head of Portfolio and Value Acceleration, and comprises senior colleagues from across the firm including each of the Heads of Funds, General Counsel, Operations Director, Investor Relations Partner and Chair of the Investment Committee. The RISC is the main channel through which sustainability issues are considered and discussed, and where relevant, escalated to ExCo for approval.

Inflexion's committees are structured to ensure the appropriate level of oversight across the firm's key focus areas, as well as an effective process for escalating issues to the relevant decision-makers.

### Investment Committee (IC)

**The IC meets weekly** and more regularly as required, to discuss preliminary and final investment recommendations, with a view to encouraging a robust pipeline of investment activity. These recommendations consider any climate-related findings from the due diligence process. The IC ensures Inflexion maintains a consistent application of its investment strategy, supporting maintenance of its track record of strong returns.

### Executive Committee (ExCo)

**The ExCo meets at least 10 times a year.** This committee looks after strategic objectives and operational management, including resourcing requirements for the firm and climate risk management response.

### Operations Committee (OpCo)

**The OpCo meets monthly and as required.** The OpCo is instrumental in overseeing the management of operational risk, and reports into the ExCo. The OpCo oversees certain sustainability issues within Inflexion, such as D&I, as well as emissions arising from business travel.

### Responsible Investment Steering Committee (RISC)

**The RISC meets every two months and as required.** Inflexion's RISC sets the Firm's core sustainability agenda, ensures it is carried out across all business functions, and makes recommendations to the ExCo and IC for approval as appropriate.



# Cybersecurity

Robust cybersecurity is often seen as a proxy health indicator for wider business operations. We work with our portfolio companies to enhance their cybersecurity so they are more resilient against attack and can better protect their value.

Cyber resilience extends beyond just technological upgrades, it involves developing skills of people and refining processes which are especially important for the rapidly growing companies in our portfolio. This is why we provide comprehensive guidance and support.

## Managing risks

Prior to any potential investment, we conduct a review to provide insights into a business's cybersecurity vulnerabilities. We then conduct comprehensive cyber due diligence, examining a company's internal processes. If material risks are identified, immediate remediation pre-closing is conducted, and insurance is reviewed to ensure risks are covered.

Post investment, our cybersecurity strategy is for our portfolio to adopt a principle of monitored autonomy, strategically balancing between self-governance and comprehensive support from our end. This approach empowers the companies to understand and manage risks effectively while benefiting from our expert guidance, knowledge, and support. Recognising the challenges in today's fast-evolving landscape, we acknowledge that absolute security is unattainable. This is why our objective is to significantly reduce cybersecurity risks and equip our portfolio companies to effectively respond to adverse events.

A key cornerstone of this is our annual cybersecurity review which benchmarks companies against their industry peers. We also conduct perimeter scans to provide insights on over 20 categories such as patch management, application security and credentials management, and connect portfolio companies requiring support with our broad network of associates.

Our goal is to provide consistently valuable support to all portfolio companies, tailoring our efforts to meet their unique challenges regardless of size or stage of growth.

## Driving value

Inflexion has strong relationships with major cloud and software vendors, and these allow us and our portfolio companies to source critical components at an advantageous price. Our portfolio companies seek to improve their cybersecurity position each year during the investment period. This allows them to present a consistent and confident image of a company that avoids value-detrimental discussions around operational risks at exit.

## Annual cyber review

All our portfolio companies undergo an annual cyber review which we run in partnership with a trusted adviser, covering:

- Strategy
- Governance
- Risk management
- Third parties
- Operational
- Development

It also assesses the cyber risk exposure of each business, including critical vulnerability, ransomware and business email compromise.

After the review, each portfolio company receives a bespoke cyber scorecard with actionable recommendations to address their weaknesses. For those that require additional support, we connect them with our broad network of associates who can help action changes. This process is overseen at the portfolio Board level, with the support of the investment team and Inflexion's Technology & Cybersecurity Director.

## Spotlight on the portfolio: Movera

When a cyber attack impacted a cloud hosting provider to over 80 conveyancing firms, Movera, a tech-enabled provider of conveyancing services, mitigated the issue within days to restore 100% of operations, while many competitors were still not fully online even months later. Inflexion's cyber expert supported Movera to bring in external experts and ensure the safety and security of systems and data, with affected customers contacted and the client relations team expanded to support additional enquiries.

Movera's swift and effective handling of the crisis ultimately cast a positive light on its preparedness for such an incident, with its market share growing markedly in the time since. It also attracted new strategic partnerships with innovators in other parts of the market.

# Performance and *targets*

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# Portfolio company sustainability awards

Our portfolio's sustainability efforts continue to be widely recognised by external parties.



**Acorn**  
Great Place to Work



**CNX Therapeutics**  
B Corp certified  
Great Place To Work –  
Best Workplaces for  
Women



**DWF**  
CDP C-rating 2024  
Times Top Employer  
for Gender Equality



**Radius**  
Investor In People  
Accreditation  
EcoVadis Bronze



**Aspen Pumps**  
EcoVadis Bronze



**Chambers**  
London Living Wage  
Employer  
Disability Confident



**Easyfairs**  
Exhibition News ESG  
Award  
UFI Best Sustainability  
Award



**Sparta**  
EcoVadis Gold Medal  
Kings Award for  
Promoting Opportunity



**Axiom GRC**  
Investors in People  
Living Wage Employer



**Cutwel**  
Great Place to Work



**Giacom**  
Living Wage Employer  
Disability Confident



**Upperton**  
Living Wage Employer



**BES Group**  
SBTi-validated net  
zero target  
Living Wage Employer



**Detectortesters**  
Cyber Essentials certified  
Living Wage Employer



**Marston**  
UN Global Compact  
Pledge to net zero



**Village Vets**  
Deloitte Best Managed  
Company Award



**Blue Light Card**  
Investors in Wellbeing



**dss+**  
One of the Best Managed  
Companies in Switzerland  
Top Brands in Bioenergy  
Sector, Brazil



**Medik8**  
Positive Luxury Brand  
of the Year  
Women in Green Business  
– Apprentice of the Year



CO<sub>2</sub>-PRESTATIELADDER

**YER**  
CO<sub>2</sub>-Prestatieladder



# Looking ahead

Since formally establishing the Sustainability team in 2022, we've made great progress both within Inflexion and across the portfolio.

From publishing our first TCFD report to having five portfolio companies secure B Corp status, we've continued to manage risk whilst identifying opportunities for sustainability to drive value. As we continue to keep abreast of the evolving landscape of standards and stakeholder expectations, we will use 2025 as a year to further embed sustainability as a key value driver.

## Strengthening our focus on value creation

As part of our commitment to further embed sustainability into our investment process, we will continue to conduct dedicated sustainability value scoping workshops with the management team after each deal. These workshops aim to identify sustainability-related commercial opportunities to feed into the value creation plan. By doing so, we ensure that these considerations are not only addressed but actively leveraged to drive value throughout the entire investment lifecycle. This approach allows us to go beyond risk management, establishing a robust approach to sustainability value creation for every investment.



**We are proud of the progress we've made, but we know there is always more to do. Looking ahead, we remain committed to driving meaningful change, creating value for all stakeholders, and positioning our portfolio companies for long-term success.**

**Flor Kassai, Managing Partner, Inflexion**

## Uplifting the Sustainable Business Framework

Having launched Inflexion's Sustainable Business Framework in 2022, we are proud of the portfolio's progress, with all companies having met the Comply level of the Framework within the first year of investment, and most progressing through the Good Practice level and beyond. Whilst we're proud of this success, we are equally aware of the need to keep up with evolving best practice. This is why we will be refreshing the Framework and providing additional maturity paths for each element to give companies a clear route for how they can progress.

## Continuing to focus on carbon and our portfolio workforce

In 2024, we had a strong focus on carbon, commissioning a third party to review portfolio companies' net zero pathways and issue bespoke improvement plans, as well as establishing a preferred partner panel for carbon accounting, with a particular focus on improving scope 3 measurement. To further nuance our approach, in 2025 we plan to conduct climate risk impact assessments on selected higher-risk portfolio companies.

We will support portfolio companies in building high-performing teams by addressing key areas such as employee engagement and performance management. We will also ask selected portfolio companies to conduct human rights impact self-assessments to keep up with changing standards, such as the PRI's increased focus on human rights and forthcoming supply chain regulations in the EU.



# Key performance indicators

Our KPIs are aligned with the ESG Data Convergence Initiative metrics, which are designed to promote transparent and comparable data across the private equity industry.

Transparent reporting is central to our commitment to sustainability. We believe that sharing this information openly is essential for driving improvement, building trust with our stakeholders, and supporting ongoing enhancements to our ESG practices. Looking ahead, we plan to incorporate trend data to better demonstrate our progress over time.

Bureau Veritas UK Limited (Bureau Veritas) has provided limited assurance of selected sustainability disclosures included in this Sustainability Report for the financial year 2024 (see KPI below). The information and data reviewed in this assurance engagement covered the period 01 Jan 2024 – 31 Dec 2024. The full Independent Assurance Report including Bureau Veritas' assurance conclusion, assessment standard, scope of work, summary of work, and exclusions and limitations can be found via this link: [inflexion.com/media/ogkp2idl/final-assurance-report\\_inflexion-v10.pdf](https://inflexion.com/media/ogkp2idl/final-assurance-report_inflexion-v10.pdf)

		GHG emissions		Net zero			Renewable energy	Net new hires				Employee engagement	Work-related accidents			Diversity	
		Scope 1 emissions (tCO <sub>2</sub> e)	Scope 2 emissions, market-based (tCO <sub>2</sub> e)	Decarbonisation strategy	Short-term GHG emission reduction target	Long-term net-zero GHG emission reduction target	% Renewable energy	Organic net new hires	Total net new hires	Turnover number	Annual percent turnover	Employee survey	Number of work-related injuries	Number of work-related fatalities	Days lost due to injury	% Women on Board	% Women in C-suite
Company name	Sector																
Buyout																	
1	Industrials	351	1081	Yes	Yes	Yes	0%	-34	-34	113	20%	Yes	9	0	36	17%	20%
2	Business Services	134.9	0	Yes	Yes	Yes	24%	181	-189.8	478	90%	Yes	0	0	0	25%	0%
3	Technology	0	0	Yes	Yes	Yes	100%	24	24	52	24%	Yes	0	0	0	14%	33%
4	Industrials	785.34	785.06	Yes	Yes	Yes	12%	105.3	279.9	95	20%	Yes	1	0	2	0%	0%
5	Consumer	3.2	38.6	Yes	Yes	Yes	54%	20	20	34	18%	Yes	0	0	0	13%	33%
6	Business Services	2373.5	169.08	Yes	Yes	Yes	41%	-41.8	1.2	329	21%	Yes	38	0	70	17%	17%
7	Healthcare	3	41	Yes	Yes	Yes	75%	13.6	13.6	8	22%	Yes	0	0	0	14%	50%
8	Business Services	204.3	3.2	Yes	Yes	Yes	8%	8	8	44	32%	No	1	0	1	0%	33%
9	Industrials	100.21	35.96	Yes	Yes	Yes	39%	4	21	17	11%	Yes	0	0	0	10%	11%
10	Technology	60.741	16.989	Yes	Yes	Yes	69%	-15.64	-15.64	94.4	21%	No	0	0	0	0%	33%
11	Business Services	69.02	104.83	Yes	Yes	Yes	0%	75.3	75.28	97.38	20%	Yes	0	0	0	0%	14%
12	Technology	19	110	No	No	Yes	NA	27	27	39	17%	No	0	0	0	0%	20%
13	Consumer	0	0	Yes	Yes	Yes	100%	70.9	70.9	60	31%	Yes	0	0	0	13%	50%
14	Healthcare	192	482 <sup>1</sup>	Yes	Yes	Yes	37%	19.5	19.5	45.5	17%	Yes	0	0	0	43%	33%
15	Financial Services	0	974	No	No	No	28%	418.103	113.91	370.38	22%	Yes	0	0	0	33%	40%
16	Business Services	3	76	Yes	No	Yes	39%	12	3	77	22%	No	0	0	0	0%	25%
17	Industrials	36.46	0	Yes	Yes	No	100%	7	7	11	17%	Yes	0	0	0	20%	13%
18	Industrials	174.81	44.81 <sup>1</sup>	No	No	No	2%	-4	-4	63	29%	Yes	9	0	0	0%	0%
19	Business Services	105	0	Yes	Yes	No	2%	114	201	351	31%	Yes	6	0	2	0%	22%
20	Business Services	89.92	330.97	Yes	Yes	Yes	84%	475.03	543.03	880.4	21%	Yes	0	0	0	0%	45%
21	Business Services	64	259	Yes	Yes	No	0%	-106	42	275	45%	No	0	0	0	13%	20%
22	Technology	0	6.35	No	No	No	88%	26	26	12	6%	Yes	0	0	0	0%	13%
23	Healthcare	16	4546.78	Yes	Yes	Yes	0%	156	156	120	18%	Yes	1	0	0	20%	20%

# Key performance indicators

		GHG emissions		Net zero			Renewable energy	Net new hires				Employee engagement	Work-related accidents			Diversity	
		Scope 1 emissions (tCO <sub>2</sub> e)	Scope 2 emissions, market-based (tCO <sub>2</sub> e)	Decarbonisation strategy	Short-term GHG emission reduction target	Long-term net-zero GHG emission reduction target	% Renewable energy	Organic net new hires	Total net new hires	Turnover number	Annual percent turnover	Employee survey	Number of work-related injuries	Number of work-related fatalities	Days lost due to injury	% Women on Board	% Women in C-suite
Company name	Sector																
Enterprise																	
24	Technology	61.754	52.691 <sup>1</sup>	No	No	No	61%	-23	-10	60	21%	No	0	0	0	0%	0%
25	Healthcare	0	122 <sup>1</sup>	No	No	No	13%	57	0	0	7%	Yes	0	0	0	29%	43%
26	Financial Services	11.6	28.5	No	No	No	9%	14	14	9	13%	No	0	0	0	0%	17%
27	Healthcare	665.3	80.7 <sup>1</sup>	No	No	No	NA	5	19	72	29%	Yes	36	0	26	40%	40%
28	Business Services	1735.19	100.554	No	No	No	2%	-116	634	122	NA	No	5	0	49	0%	0%
29	Business Services	16.12	13.68	Yes	Yes	Yes	44%	-155	-155	402	65%	No	0	0	0	14%	25%
30	Technology	70.103	503.631	No	No	No	0%	-14	36	124	16%	Yes	1	0	0	13%	17%
31	Business Services	10.591	154.209	No	No	No	0%	31	577.8	200	24%	Yes	0	0	0	0%	14%
32	Healthcare	159	308	Yes	Yes	Yes	33%	13	13	9	10%	Yes	1	0	14	33%	40%
33	Technology	36.07	2.82 <sup>1</sup>	No	No	No	NA	17	12	15.8	23%	Yes	0	0	0	0%	0%
34	Business Services	10.35	12.76 <sup>1</sup>	Yes	Yes	Yes	8%	-6	-6	33	18%	Yes	0	0	0	25%	25%
Partnership Capital																	
35	Consumer	344	2984	Yes	Yes	Yes	20%	104	104	705	40%	No	2	0	18	29%	20%
36	Technology	1311	834 <sup>1</sup>	No	No	No	NA	-81	-81	915	33%	Yes	9	0	22	0%	15%
37	Financial Services	116	193 <sup>1</sup>	No	No	No	18%	234.9	234.9	530	39%	Yes	0	0	0	20%	17%
38	Business Services	262.3	98.9	Yes	Yes	Yes	61%	-56	-25	221	27%	Yes	6	0	4	13%	43%
39	Technology	0	4	No	No	No	NA	21.1	21.1	3	6%	Yes	0	0	0	33%	33%
40	Business Services	2	150.7	No	No	No	0%	-8.5	-8.5	83.92	32%	Yes	0	0	0	29%	50%
41	Business Services	0	21	No	No	No	NA	13.1	13.1	15.8	17%	Yes	0	0	0	43%	63%
42	Technology	54.067	8.048	No	No	No	0%	-4	-4	107	17%	Yes	0	0	0	0%	38%
43	Technology	30	338	Yes	Yes	Yes	1%	-27	5.1	199.03	25%	Yes	3	0	1	0%	10%
44	Financial Services	4299	981	Yes	Yes	Yes	0%	-686	-522	1781	33%	Yes	53	0	NA	0%	25%
45	Business Services	0	0	Yes	Yes	Yes	100%	64	70	110	22%	Yes	0	0	0	20%	33%
46	Healthcare	12	72	No	No	No	59%	1	1	24	14%	No	0	0	NA	0%	0%
47	Business Services	3952	308	Yes	Yes	Yes	2%	-368	155	987	29%	Yes	1	0	141	0%	0%
48	Technology	924.4	0	Yes	Yes	Yes	100%	161	161	201	25%	Yes	0	0	0	13%	17%

<sup>1</sup> Location-based method used.

NB. This data set includes companies that we've invested in for at least a year, as at 2024 year end (31 March 2025).

A photograph of three people sitting around a wooden table in a meeting. A woman with long blonde hair, wearing a blue floral dress, is in the center, gesturing with her hands while speaking. To her left, a woman with dark hair and glasses, wearing a black jacket, is listening. To her right, a man with dark hair and a beard, wearing a grey jacket, is also listening. The table has papers and a glass of water on it. The background is slightly blurred, showing an indoor setting with large windows.

# Working together to support communities

## IN THIS SECTION

- 34 The Inflexion Foundation
- 35 Strategic partnerships in action
- 36 Inflexion in action



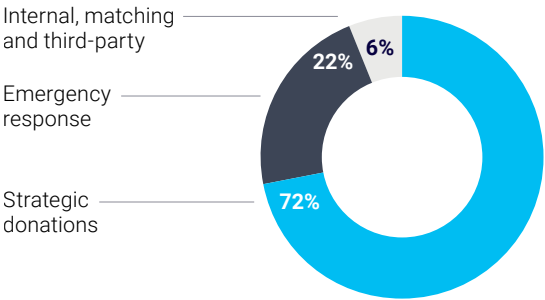
# The Inflexion Foundation

Established in 2018, the Inflexion Foundation formalised Inflexion’s long-standing charitable giving programme. Today it is dedicated to making a positive impact on the lives of disadvantaged young people and protecting the environment in the communities where we operate and beyond through committing funding and resource.

## Foundation governance

The Foundation has a dedicated Committee which oversees the strategy of the Foundation as well as its execution. It reviews all funding applications before they are nominated to the Inflexion Foundation’s Trustees for approval, and oversees our relationships with the charities the Foundation supports. The Committee comprises rotating internal Inflexion employees alongside an external adviser. Inflexion’s General Counsel is the company secretary and supports the Trustees by overseeing governance and regulation.

## Proportion of funding since inception (%)



## Strategic partnerships



## 2024 highlights

€2.8m  
donated

22  
charities supported

5  
new strategic  
partnerships announced

44%  
of employees engaged  
in charitable activities

# Strategic partnerships in action

## IntoUniversity

IntoUniversity is a national education charity providing local learning centres where young people are inspired to achieve. The organisation now operates 45 learning centres in 28 UK towns and cities.

After working together for three years, Inflexion Foundation has committed to another five years and substantially increased its financial contribution.

Inflexion colleagues amplify the impact of the Foundation's grant by providing an invaluable introduction to the world of work through business simulations, 1-1 mentorship for school leavers, and on-site insight days to develop soft skills.

€470K

committed p.a. for five years



## Impetus

Impetus transforms the lives of young people from disadvantaged backgrounds by investing in the best education and employment non-profit organisations. They give these organisations long-term funding, pro bono support and their strategic expertise, and influence policy to deliver systemic change, so that more young people get the education, qualifications, and opportunities they need for a fulfilling life.

The Inflexion Foundation has supported Impetus since 2017, both with financial donations and pro bono support. Our grants support Impetus' core activities as well as supporting a number of its partners, which in 2024 included: City Gateway, The Access Project and AllChild (formerly West London Zone).

Over the last eight years, Inflexion has raised nearly €1.8m for Impetus by fundraising for the triathlon event. Inflexion Assistant Director David Collins is also a member of the Impetus Futures Committee, supporting the organisation's governance and strategic direction.

€1.2m

committed p.a. for three years



## Roundhouse

The Roundhouse is the UK's leading independent creative powerhouse – a charity combining unique live performances with life-changing opportunities for young people. It's the largest provider of non-formal creative opportunities for young people aged 11-30 in the country – working with more than 10,000 each year.

The Inflexion Foundation is a longstanding supporter of the Roundhouse, with a €1.8m donation providing the green light to break ground for Roundhouse's new creative centre. Inflexion fundraising has also raised €950k over the last five years.

Simon Turner, Managing Partner at Inflexion, has chaired the Roundhouse Board of Trustees since 2017. Fellow Inflexion Managing Partner Flor Kassai also serves as a Trustee on the board. Andrew Priest, Inflexion Partner, is on the Entrepreneurs' Circle, supporting an upcoming series of Creative Talent Development programmes.

€300K

committed p.a. for three years



# Inflexion in action

## IntoUniversity

Twice a year we welcome a group of secondary students to the Inflexion offices to take part in a fast-paced business simulation to create and pitch a winning business idea. Inflexion volunteers support the students throughout the day and help them develop important soft skills such as leadership, teamwork and presentation skills.

Last year, we also held a special Introduction to Private Equity Day where senior students were invited to the Inflexion offices to learn about how private equity investment works and to take part in 'pitching to Investment Committee' style challenge.

20

Inflexion volunteers in 2024



## Impetus Triathlon

In September 2024, Inflexion employees together with participants from nine portfolio companies completed the annual Impetus Triathlon. Through the generosity of Inflexion's portfolio companies and valued network, a combined total of €95,000 was raised. This was matched by the Inflexion Foundation, reaching a total of €190,000, once again making Inflexion the highest fundraiser for the Impetus Triathlon.

€190,000

raised in 2024

16

Inflexion volunteers in 2024



## Kinetic Football Tournament

In May 2024, Inflexion hosted its third football tournament together with the Kinetic Foundation which was attended by teams from Inflexion's adviser network. Each team was asked to make a €1,200 donation to Kinetic, resulting in €24,000 being raised for the charity.

€24,000

raised in 2024

20

Inflexion volunteers in 2024



## Roundhouse South Downs Challenge

For the fifth year running, an ambitious group of Inflexion colleagues undertook the annual Roundhouse fundraising challenge. This year the team took to the South Downs raising a total of €165,000, thanks to the generosity of Inflexion's network and matched funds from the Inflexion Foundation.

€165,000

raised in 2024

30

Inflexion volunteers in 2024







## TCFD Entity Level

# Report

### In this section

- 38 Governance
- 40 Strategy
- 42 Risk management
- 44 Metrics and targets

This is Inflexion's second TCFD report, representing our firm's commitment to transparency and accountability in assessing and managing the financial impacts of climate change on our business and investment portfolio.

In this report, we detail our approach to how climate-related factors are considered within our firm's strategy, risk management, and governance structures.

The disclosures for Inflexion LLP, including any third-party or Group disclosures cross-referenced complies with the requirements under the FCA's Policy Statement PS21/24.

All data in this report is correct as at 31 March 2025.



**Tim Smallbone, Head of Portfolio, Inflexion**

# Governance

Climate-related risks and opportunities are integrated into our pre-existing governance structure. This ensures that climate risk is actively managed, and that there is oversight of climate-related risks and opportunities at the most senior levels of the firm, both for prospective investments, as well as current portfolio companies.

## Governance of climate & sustainability at Inflexion

Inflexion has a longstanding Investment Committee and Executive Committee which include our managing partners and other senior partners as members. Inflexion's separation of Investment Committee and Executive Committee ensures structural independence between organisational and investment management teams and encourages thorough and rigorous

testing of our investment theses by experienced members of the firm across various disciplines and teams.

The Investment Committee (IC) discusses investment recommendations with a view to encouraging a robust pipeline of investment activity in line with the firm's strategic objectives. It owns the decision-making process for assessing prospective investments and making the decision on whether investments should proceed. These decisions consider any climate-related findings from the due diligence process (see p42) and there is

a requirement that sustainability issues are featured in all Investment Committee papers.

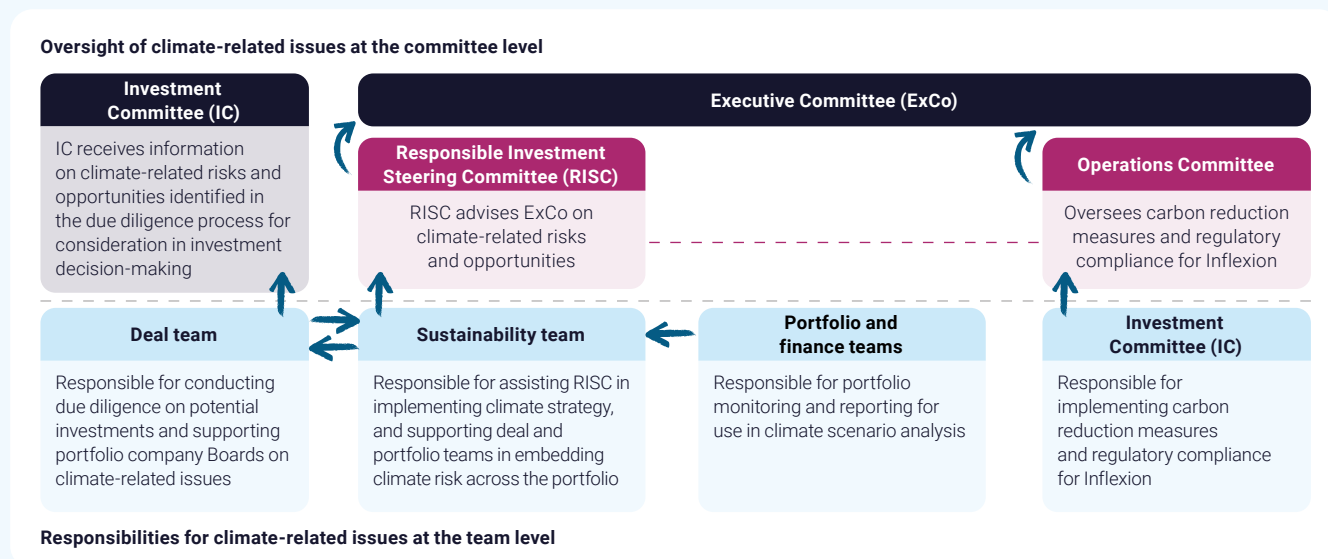
**The Executive Committee (ExCo)** is responsible for setting and monitoring Inflexion's strategy and operations. It provides leadership of Inflexion's climate risk management response and is responsible for ensuring Inflexion's climate commitments are achieved, including decision-making around which actions are implemented and review of performance towards targets.

**The Responsible Investment Steering Committee (RISC)** sits beneath the ExCo and IC and oversees the development and implementation of sustainability across Inflexion and its portfolio. The RISC is chaired by the Head of Portfolio and Value Acceleration and comprises senior colleagues across the firm such as the Head of Buyout, Investor Relations Partner, Legal Counsel, and Chair of the Investment Committee. The RISC meets every two months. RISC also has the mandate to make recommendations to the ExCo and IC for approval as appropriate, which includes raising climate-related risks and opportunities where warranted by the materiality of the matter.

## Inflexion teams

Additionally, Inflexion's sustainability team is primarily responsible for coordinating the management of climate risk with oversight from RISC which acts as a governance and decision-making committee.

Depending on the nature of the climate-related issues and the stage of the investment cycle, the responsibility for managing climate risks can involve the deal and portfolio teams, with oversight from the sustainability team and direct interventions if required.





# Governance

## Governance of sustainability in the portfolio

The Chairs of portfolio companies are responsible for ensuring that sustainability and climate issues are effectively embedded throughout the business and that the Inflexion Sustainable Business Framework is applied appropriately. In 2024, all Chairs were issued a detailed briefing as to their responsibilities with respect to climate issues, in particular the need for robust carbon accounting covering scope 1, 2 and 3 emissions.

We require that within the first year of investment, the portfolio companies appoint a nominated lead responsible for sustainability issues, including climate. This typically involves expanding the role of an existing C-suite member, often the CPO, CFO, or COO, or the appointment of a Head of Sustainability.

We also appoint at least one Inflexion investment professional to all portfolio company boards. A core part of this person's role is to put Inflexion's sustainability objectives front and centre of board-level decision-making. This ensures that sustainability remains on the agenda at the board level, and is regularly tabled and reviewed during board meetings. Portfolio boards are expected to oversee the portfolio company's Value Creation Plan, including the sustainability and climate-related initiatives where relevant. The Inflexion sustainability team also engage directly with portfolio companies to advise on climate and carbon management issues.

## Remuneration

Inflexion Partners and Investment Directors that sit on portfolio company boards have sustainability objectives, including climate, incorporated into their performance reviews and compensation mechanisms. The objectives require that they progress the sustainability approach of their respective portfolio companies according to the requirements of Inflexion's Sustainable Business Framework, with success measured based on information collected from the portfolio companies in the annual sustainability assessment. For climate specifically, if a portfolio company is already doing full carbon accounting, the objective would be to then set a net zero pathway within the next year. Similarly, if a company is tracking their scope 1 and 2 emissions, the objective would be to track their scope 3 emissions within the next year. This is a targeted and time-bound approach, which we believe will drive the right behaviours.

## Training

As we integrate climate risk and opportunity more fully into the investment process, it's important that our investment team understands climate science and can use portfolio company data to drive decision-making. To facilitate this, in 2024 we provided climate training to both the investment team and all members of the Responsible Investment Steering Committee. We also have a training programme with the portfolio which involves deep-dive webinars on sustainability issues every quarter, which often cover climate-related topics such as carbon accounting and developing net zero pathways. We are committed to continuing these training sessions on an annual basis.

In addition to this formal training, we provide guidance documents to the portfolio on these topics, most recently on transition planning (see p11). These have been instrumental in upskilling the portfolio, with 100% tracking scope 1 and 2 emissions within a year of investment, 94% tracking scope 3 emissions, and 56% with net zero pathways.

By embedding climate considerations into our governance, training, and remuneration structures, we ensure that climate-related risks and opportunities are at the forefront of our investment strategy, reflecting our commitment to responsible stewardship and long-term value creation.





# Strategy

## Climate risks and opportunities

The uncertainty of the timing and magnitude of climate change impacts presents challenges in understanding the climate-related risks in any investment strategy and portfolio. We've undertaken scenario analysis to help us better understand how potential climate-related risks and opportunities may emerge and evolve under two different scenarios (Paris-aligned 1.5°C and Business as Usual (BAU) 4°C) to 2050.

### Definition of physical and transition risks

Scenario analysis seeks to capture the potential impacts of physical risks, or the change in frequency and/or intensity of different climate change-related events, either acute (e.g. floods) or chronic (e.g. sea level rises). Transition risks are the potential impacts resulting from the world moving to a low-carbon economy (e.g. policy, regulatory or market shifts).

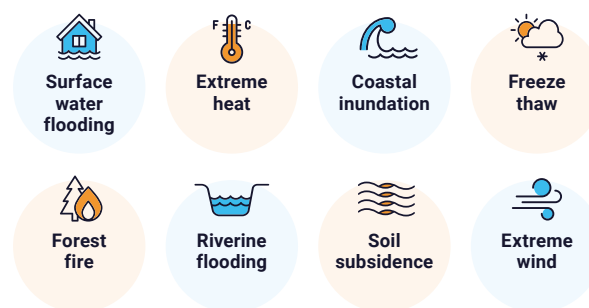
## Scenario analysis methodology

We analysed both physical and transition climate-related risks and opportunities on our funds at a regional and sectoral level under two scenarios. The analysis considered portfolio-specific costs including labour and raw materials. Our process for identifying these risks is set out below and in the 'Risk Management' section.

The Paris-aligned 1.5°C scenario assumes measures such as carbon taxation schemes are implemented globally to limit the average global temperature rise to 1.5°C. The 4°C BAU scenario assumes emissions continue to rise and there is limited government intervention on climate change that does not exceed current levels.

As part of our scenario analysis, we looked at the potential impact of physical risks such as extreme heat, coastal inundation, freeze thaw, riverine flooding, extreme wind, forest fire, soil subsidence and surface water flooding on our portfolio.

As part of scenario analysis, we looked at the potential impact of physical risks on our portfolio, such as:



For transition risks, we utilised a global economic model which incorporates an analysis of carbon emissions from economic activities and the potential impact of constraining emissions to different levels on different macroeconomic factors. This includes the impact of the two different climate scenarios (4°C and 1.5°C) on supply and demand, labour and energy prices by sector and region. We assessed how the costs of labour and energy as well as demand for specific goods and services could change across the two different climate scenarios in the sectors and regions that our portfolio companies operate in.

Combining the physical and transition risk assessments, along with qualitative carbon pricing and energy price trend analysis, we identified the risks and opportunities most likely to have an impact on our portfolio companies based on their geographical location and sector.

In line with the recommendations of the TCFD, we consider these risks over short-, medium-, and long-term time horizons. These time horizons consider the typical investment lifecycle of our portfolio. Our short- and medium-term time horizons reflect the next 0-5 and 5-10 years respectively to align with the typical hold and exit phases of our investments, which tend to vary between these two periods. Our long-term assessment ensures our approach to climate risk goes beyond our investment period, which is embedded into the long-term planning of the organisation and can facilitate the transition to net zero.

### Our draft time horizons consider the typical investment cycle of our portfolio

#### Time horizon/years and detail

#### Short term 0-5 years

Aligns with our business operations aimed at creating and retaining value of investments across the portfolio by assessing climate-related risks and opportunities during the hold and exit phases.

#### Medium term 5-10 years

Aligns with our business operations aimed at creating and retaining value of investments across the portfolio by assessing climate-related risks and opportunities during the hold and exit phases.

#### Long term 10+ years

Ensures climate change and climate risk can be embedded into the long-term planning of the organisation and facilitate the transition to net zero.

# Strategy

## Scenario analysis results

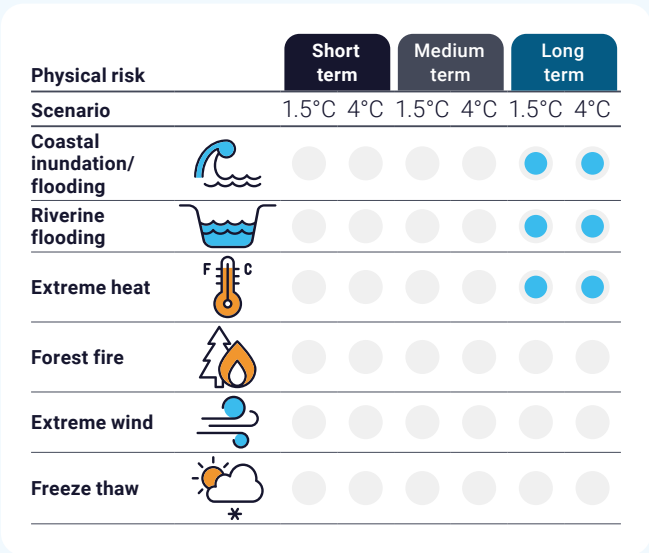
The results of our scenario analysis have highlighted that we have limited exposure to material climate-related risks across the portfolio in the short- and medium-term. This is due to our investment strategy which focuses on Europe-based service-oriented businesses. The physical risk impacts that could manifest are not expected to have a significant impact on these sectors and, as they are not ‘carbon intensive’, transition risks (specifically carbon taxes) are not anticipated to have the impact that will be seen in other parts of the economy.

Of all the physical risks modelled, coastal and riverine flooding and extreme heat could have the largest impact on our portfolio companies under both scenarios, although none of these hazards were likely to have a material impact.

- Riverine flooding** – The UK, where most of our portfolio companies are based, is particularly susceptible to flooding, which could make offices and other sites unreachable. The impact of this will depend on the effectiveness of business continuity measures, and we are confident that the disruption to our portfolio companies would be minimal given the ability for their employees to work from home.
- Extreme heat** – In regions such as the US, Continental Europe, and Middle East, more frequent heatwaves could result in business interruptions. However, these regions constitute a relatively small percentage of our portfolio.

For transition risks, we are mainly exposed to potential rising costs due to the introduction of carbon taxes in regions such as the UK and EU. We understand that current and future acquisitions in the European region will need to actively decarbonise at a much faster rate than other parts of the world. Failure to do so could potentially lead to cost increases driven by carbon taxes.

There is potential positive benefit to be gained from decarbonising the portfolio earlier as the price of renewable fuels may be less than non-renewable fuels, reducing costs. Leaning into the net zero transition could result in beneficial opportunities, with revenue growth potentially higher in a 1.5°C scenario for our existing portfolio, as the economies in the UK and Europe are expected to grow relatively faster through the net zero transition.



● Low risk    ● Negligible risk

## Resilience and transition planning

Scenario analysis has helped us better understand the climate-related risks and opportunities in our investment strategy and portfolio. Our climate strategy in the short to medium term is to continue to support portfolio companies to decarbonise and take advantage of transition opportunities, particularly lower costs of renewable fuels.

Methodologies and data for scenario analysis are still evolving. In line with our commitment to robust climate risk assessment, Inflexion conducted additional climate scenario analysis during the year to capture the evolution of the portfolio in 2024. This included the calculation and analysis of additional forward-looking metrics – Climate Value at Risk (CVaR) and Implied Temperature Rise (ITR) – to provide an update to fund- and portfolio-level analysis.

### Definition of ITR and CVaR

The ITR is an indicator that translates a set of modelled greenhouse gas emissions (or emissions reduction commitments) into the corresponding increase in global average surface temperature by 2100, as derived from recognised climate-model scenarios. It provides a single metric – expressed in degrees Celsius – against which current or pledged emissions trajectories can be compared to a benchmark temperature.

The CVaR represents, on a present value basis, the spread in earnings cashflows modelled to occur between two climate scenarios. It therefore provides an indication of an asset’s or fund’s exposure to different climate scenarios being realised, either as downside risk or upside opportunities.

While our overall exposure to climate-related risks is low, this does not mean we will be inactive – we recognise the critical need to decarbonise and will continue to accelerate our response to climate change. Our scenario analysis was performed at a sectoral and regional level, and we are looking to explore the climate-related risks and opportunities affecting each of our portfolio companies in the future (where a potential material impact is identified).

# Risk management

## Identifying and assessing climate-related risks

Our climate strategy focuses on incorporating climate considerations throughout the investment cycle. This includes incorporating an initial climate risk assessment in sustainability due diligence, including assessing the carbon intensity of the asset and regions of operation. It also includes post-investment support for portfolio companies to measure their GHG emissions and develop decarbonisation pathways, as well as reducing our own operational emissions.

Our approach covers all funds, and we use scenario analysis to help direct our efforts. The draft time horizons used consider the typical investment cycle of our portfolio and cover physical as well as transition risk. The short- and medium-term horizons align with Inflexion's hold period and the long-term time horizon ensures climate risk can be embedded into the long-term planning of the organisation.

## Pre-investment

All new investments are subject to thorough sustainability due diligence, the scope of which is tailored to address the typical risks applicable to the target business, industry and sector. Outputs from that due diligences process are incorporated into Investment Committee papers for review. Our mandatory sustainability due diligence process includes a high-level assessment of climate risks – this gives us an indication as to whether further scenario analysis is required and the speed at which decarbonisation strategies should be pursued. In addition, carbon and climate policy, management and performance, where deemed material to business operations, will be reviewed as part of the due diligence process.

All material sustainability issues, including climate, identified in pre-deal sustainability due diligence are notified to the Firm's Investment Committee, which considers them when evaluating whether to approve any investment. Where sustainability risks are identified they will, where necessary, be addressed through the transaction documentation, either via contractual protection or the implementation of recommendations in the 100-day post-closing action plan.

During this process, risks are categorised as being either low, medium, high, or critical depending on their financial materiality, and their categorisation dictates how they are mitigated. Any critical risks are dealt with pre-deal, or in the legal documentation; any high risks are included in the 100-day plan; and any medium or low risks are monitored and addressed as part of our ongoing stewardship.

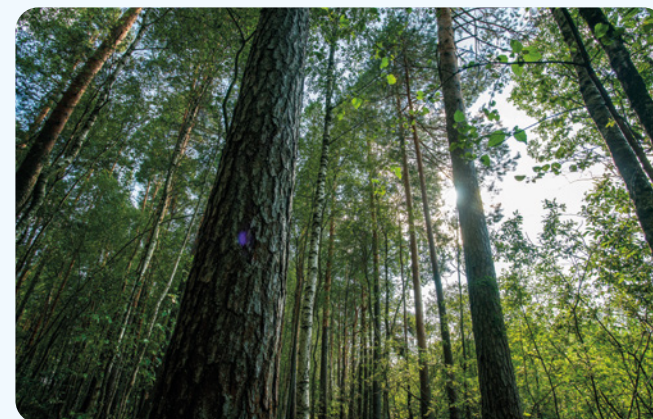
## During investment

In addition, we have conducted scenario analysis on our current portfolio. The results of our scenario analysis indicate that our portfolio has limited physical climate risk due to being predominantly based in the UK, and in sectors with limited climate exposure, such as services and technology. With regards to transition risk, there is potential positive benefit to be gained from decarbonising the portfolio due to rising non-renewable fuel costs. As such, we focus on monitoring the risks identified during due diligence, which often includes formalising carbon accounting and developing a net zero pathway.

## Managing climate-related risks

At Inflexion, decarbonisation is not just about risk management. We understand that there are opportunities and value to be captured by decarbonising. The Executive Committee provides leadership of Inflexion's climate risk management response and is responsible for ensuring Inflexion's climate commitments are achieved. The sustainability team is primarily responsible for coordinating the management of climate risk with oversight from RISC, which acts as a governance and decision-making committee. The responsibility for managing climate risks varies between the deal, portfolio and sustainability teams depending on the nature of the climate-related issue and the stage of the investment cycle.

Reinforced by the outcomes of the scenario analysis, our focus continues to be to support portfolio companies in the development of carbon accounting methodologies, and decarbonisation strategies, and to set net zero targets. This approach will increase the long-term resilience to both physical and transition risks and allow our portfolio companies to take advantage of the opportunities.





# Risk management

Inflexion sustainability specialists provide support to the portfolio across a variety of areas including:

- Provision of guidance documents and toolkits
- Regular webinars to deep dive on different aspects of carbon management
- A preferred consultant/interim personnel panel to facilitate access to external advisers
- Coaching and capacity building for those responsible for climate and sustainability in the business
- Bespoke regulatory horizon scanning reports to help portfolio companies prepare for forthcoming climate regulation
- Annual feedback reports on sustainability performance and priority actions for the coming year

We have set targets for our portfolio outlined on the next page, and have also incorporated a climate-related KPI into the capital call facilities for selected new investments whereby we require companies to reduce their carbon intensity on an annual basis for their scope 1 and 2 emissions.

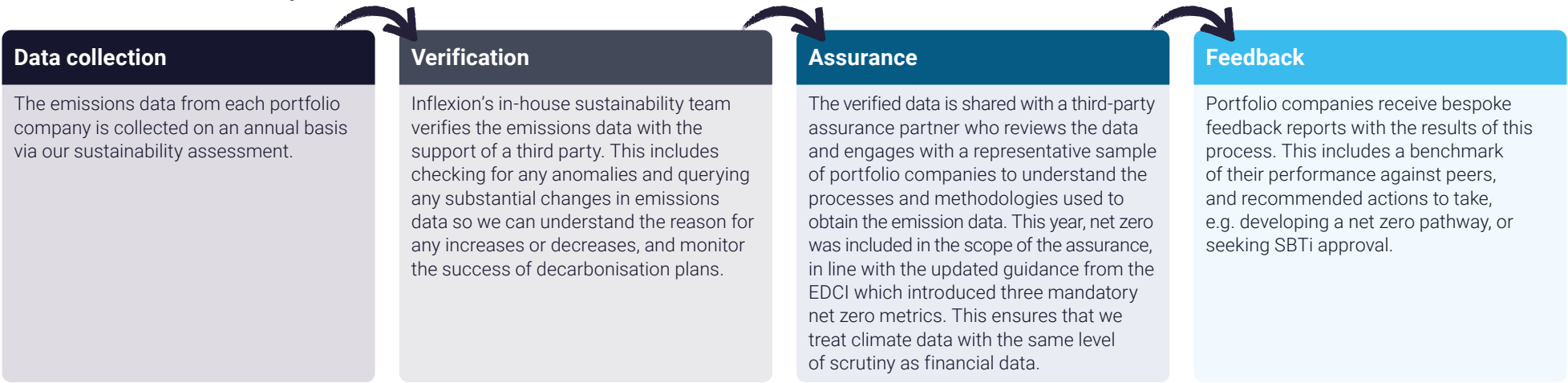
We monitor progress and performance via Inflexion’s annual climate assessment which collects and analyses this data from all portfolio companies. The sustainability team flags any issues to the relevant Inflexion investment professional to address at the portfolio company Board level.

## Risk management integration

Climate risks are fully integrated into the investment process and are dealt with in the same way as other risks, under Inflexion’s risk management approach. For example, climate risk findings are flagged to the relevant Inflexion investment professional to address at the portfolio company Board. Relevant climate risks, alongside other sustainability factors, are also incorporated into the exit planning process.

Whilst we recognise the importance of ensuring our portfolio is resilient to climate change, we do not consider it a principal risk. This is because climate-related risk to the portfolio is generally low given the level of diversification and a weighting towards low-risk sectors. We will continue to conduct climate modelling on an ongoing basis and consider escalating climate to a principal risk if necessary.

### Annual climate assessment process



# Metrics and targets

## Metrics

The measurement and transparent reporting of GHG emissions in line with the GHG Protocol methodology is central to our endeavours to effectively manage climate risk and opportunity. We disclose these metrics to investors via our annual Sustainability Report, as well as the Institutional Limited Partners Association ESG Data Convergence Initiative.

2024 was another year of significant growth for Inflexion, with the addition of 46 new team members, a new office opening in Frankfurt, and a relocation of our Amsterdam office to support our expanding European presence. As a result of this, our scope 1 and 2 emissions have increased.

Whilst we continue to monitor our direct emissions, we are acutely aware that the majority of our emissions fall under scope 3, as this includes the emissions of our portfolio companies. This is where we can have the greatest impact, which is why we've made the decarbonisation of our portfolio a strategic priority. To deliver on this, in 2023, we set net zero aligned targets for our portfolio companies; see the 'Targets' section below.

	2023 (tCO <sub>2</sub> e)	2024 (tCO <sub>2</sub> e)
Scope 1	0	0
Scope 2	69.8	86.3
Scope 3		
Category 6: business travel	3.7	4.4
Category 15: investments <sup>1</sup>	12,566	18,850
Weighted Average Carbon Intensity (WACI)	5	8

<sup>1</sup> This represents financed emissions, reported in line with the Partnership for Carbon Accounting Financials standard.

## Data quality

We are committed to upholding data integrity, which is why we have our portfolio companies' scope 1 and 2 emissions and net zero targets assured by a third party. Whilst we have this assurance, we are continually enhancing our approach to identifying and managing climate-related risks and opportunities in a way that is commensurate with our investment strategy and scope of operations. Further, we regularly review and consider whether there are any additional metrics that could be materially useful for our stakeholders to receive and will report against such metrics in the future. To this end, we are reporting the weighted average carbon intensity of the portfolio in this report for the first time; see above.

## Targets

The majority of our GHG emissions come from our scope 3 category 15 (investments), which are the financed emissions from our portfolio. Given this, we work with our portfolio companies to measure and manage their emissions, and have set a number of targets related to the Inflexion Sustainable Business Framework to help guide our efforts. These are:

- All portfolio companies to track GHG emissions within one year of investment
- All portfolio companies to have set a net zero target by the time of exit

We recognise the importance of decarbonising and are taking action to reduce our carbon emissions. In 2023, we enhanced our approach by joining the Institutional Investors Group on Climate Change and set a firm-wide net zero target that comprises:

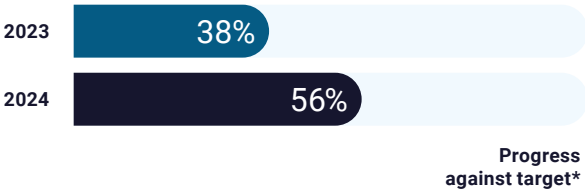
- 50% of the portfolio to have set a Paris-aligned net zero target by 2030
- 100% of the portfolio to have set a Paris-aligned net zero target by 2050

## Climate targets and progress

100%  
to track GHG emissions within one year of investment



100%  
to have set a net zero target by the time of exit



\* Refers to number of companies that have set a net zero target.



# Disclaimer

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The specific, binding ESG goals, targets, commitments, incentives, initiatives or outcomes for the Funds managed and/or advised by Inflexion for the purposes of Regulation (EU) 2019/2088 on Sustainability related Disclosures in the financial services sector ("SFDR") are those stated in the Governing Documents and regulatory disclosures made pursuant to SFDR of such Fund. Investors should refer to these materials for further information on how ESG activities are incorporated into investment strategies, screening, decision making, stewardship and engagement. Inflexion's intention to integrate consideration of ESG matters into its investment process is subject to applicable legal, regulatory, fiduciary and contractual requirements and is expected to change over time. The criteria utilised or judgement exercised by Inflexion may not align with the views, internal policies or preferred practices of any particular third party or with market trends and such factors may not be applied consistently.

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# Disclaimer

ESG and climate-related calculation methodologies and data collection practices as a whole are evolving, and other asset managers are implementing different frameworks, methodologies, and tracking tools. The selection of such different but acceptable measurement techniques can result in materially different measurements. Further, these techniques are subject to measurement uncertainties resulting from inherent limitations in the nature and methods used to determine such data. The precision of different measurement techniques may also vary. No reliance may be placed for any purpose whatsoever on the information or opinions contained in this Sustainability Report or on its completeness, accuracy or fairness, no representation or warranty, express or implied, is made or given by or on behalf of Inflexion or any other person (whether or not referred to in this Sustainability Report) as to the completeness, accuracy or fairness of the information contained in this Sustainability Report or the opinions expressed in it and no responsibility or liability is accepted by any of them for any such information or opinions. Where data is obtained directly from a portfolio company, this data may be inaccurate, and the collection of such data may be limited due to human error and/or rounding errors when processing the data. In these situations, the quality and/or consistency will vary between portfolio companies based on potentially diverging approaches.

Any information provided in respect of ESG or climate performance of portfolio companies is intended to be illustrative only. In considering any performance information contained herein, prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that a Fund will achieve comparable results or that target returns, if any, will be met. Any investment in a Fund is subject to various risks, none of which are outlined herein. A description of certain risks involved with an investment in a Fund can be found in the applicable Offering Memorandum; such risks should be carefully considered by prospective investors before they make any investment decision. Additionally, references and descriptions of any ESG achievements or improved practices or outcomes of any Inflexion's portfolio companies are not necessarily intended to indicate that Inflexion has been the sole or primary contributor to, or even substantially contributed towards, such achievements, practices or outcomes. Inflexion's ESG engagement may have been one of many factors, including other factors such as engagement by portfolio company management and other key third parties and advisers, that may have contributed to the success described in each of the selected case studies.

Information included in this Sustainability Report relating to ESG goals, targets, intentions or expectations, including with respect to net zero targets and related timelines, reflect current thinking and may be subject to change, and other than where binding commitments have been made in accordance with SFDR no assurance can be given that such goals, targets, intentions or expectations will be met.

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