

RESPONSIBLE INVESTMENT ESG REPORT 2023

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Please note throughout this report we rely on company self reported data submitted via iLEVEL (our preferred data and reporting platform). We have reviewed this data for quality and queried discrepancies where readily identifiable but this data has not been third party audited.

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VITRUVIAN PARTNERS' ESG COMMITMENT

VITRUVIAN PARTNERS’ COMMITMENT TO ESG

Since inception in 2006, Vitruvian has believed in the potential for a well-designed and well-implemented ESG approach to be of both positive societal and economical value to any business through the enhancement of revenues and reputation on the one hand, and the reduction of risks and costs on the other.

Vitruvian further believes that private equity managers such as itself are well-positioned to contribute to the active management of ESG opportunities and risks because of their influence over portfolio company investments. Moreover, such active influence and stewardship not only contribute to maximising investment returns for Limited Partner investors (“LPs”) but also to assist LPs in fulfilling their duty to act in the best long-term interests of their beneficiaries and thereby create a better society for current and future generations.

As a consequence of these beliefs, sound ESG considerations and active stewardship underlie many of the management practices embedded into Vitruvian’s business principles, governance procedures and everyday work practices, as they relate to Vitruvian’s own activities and also its interactions with portfolio companies. Vitruvian is committed to the objective of continuing improvement in its ESG practices. As a result, the Firm maintains its ESG and stewardship framework as a constantly evolving ‘work in progress’ which will continue to be developed and adapted over time.

Vitruvian’s ESG considerations operate in the service of pursuing world class financial returns (and risk adjusted financial returns).



OUR PRI COMMITMENT AND RATING

Vitruvian has been a signatory to the Principles of Responsible Investment (“PRI”) since 2017. In our last assessment we achieved **5 out of 5** available stars for “private equity”. For the new category “Confidence building measures”, we achieved **5 out of 5** stars. For “Policy Governance and Strategy” (last year this was “stewardship and investment policy”) we achieved **4 out of 5** available stars.

- ★★★★★ Private Equity
- ★★★★★ Confidence Building Measures
- ★★★★☆ Policy, Governance and Strategy

THE SIX PRINCIPLES FOR RESPONSIBLE INVESTMENT

- 1 We will incorporate ESG issues into investment analysis and decision-making processes
- 2 We will be active owners and incorporate ESG issues into our ownership policies and practices
- 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest
- 4 We will promote acceptance and implementation of the Principles within the investment industry
- 5 We will work together to enhance our effectiveness in implementing the Principles
- 6 We will each report on our activities and progress towards implementing the Principles

HOW WE APPROACH ESG INTEGRATION

- For private companies we integrate ESG through all stages of the investment lifecycle.
- For public companies we integrate a similar manner albeit tailored to listed markets.



PRE-INVESTMENT

ESG factors considered a core part of pre-investment due diligence for all investments	<div><div></div><div></div></div>
Screening / exclusions	<div><div></div><div></div></div>
Dedicated ESG due diligence questionnaire	<div><div></div><div></div></div>
ESG scorecard	<div><div></div><div></div></div>



POST-INVESTMENT

ESG terms within the Shareholder's Agreement (SHA)	<div><div></div><div></div></div>
ESG champion at majority holdings	<div><div></div><div></div></div>
ESG touchpoints at minority holdings	<div><div></div><div></div></div>
Onboarding	<div><div></div><div></div></div>



VITRUVIAN ORGANISATION

Direct engagement	<div><div></div><div></div></div>
Annual ESG reporting	<div><div></div><div></div></div>
Annual ESG forum	<div><div></div><div></div></div>
Controversy monitoring	<div><div></div><div></div></div>
AGM voting	<div><div></div><div></div></div>
SFDR Article 8 Annual Report	<div><div></div><div></div></div>

● Private companies ● Public companies

A large, flat-topped iceberg floats in the ocean under a cloudy sky. The iceberg's surface is textured with horizontal ridges and vertical grooves, suggesting a long history of accumulation. The water is dark and choppy, contrasting with the white and blue of the ice. The sky is a pale, overcast blue.

ESG WITHIN OUR FIRM

KEY MILESTONES IN OUR 2023 ESG PROGRAM

We advanced core objectives across a number of areas

BEYOND CARBON NEUTRAL

Having reduced our emissions in so far as possible we offset all remaining emissions on an annual basis, including purchasing equivalent to 125% of our footprint for 2023.

➤ [See pages 13 & 14](#)

HOSTED OUR FIFTH ANNUAL ESG FORUM

We held our fifth annual ESG forum. The central theme was “Driving Value from ESG Compliance”.

➤ [See page 12](#)

LAUNCHED VITRUVIAN’S ONLINE ESG TOOL

Online tool containing key ESG information such as how to develop an ESG program as well as upcoming global ESG regulations to support our portfolio companies in their ESG journey.

LAUNCHED OUR BETA STAGE PHYSICAL RISK MODEL

A tool developed in-house that provides an indicative illustration of a company’s physical risk profile.

ENHANCED ESG GOVERNANCE AND RESOURCING

We continued to expand our governance and resourcing including hiring a second full time ESG Analyst.

CONTINUED AND EXPANDED INTERNAL INITIATIVES

We continued with our membership in OUT investors an LGBT+ support network and Level 20, a female PE mentorship program.



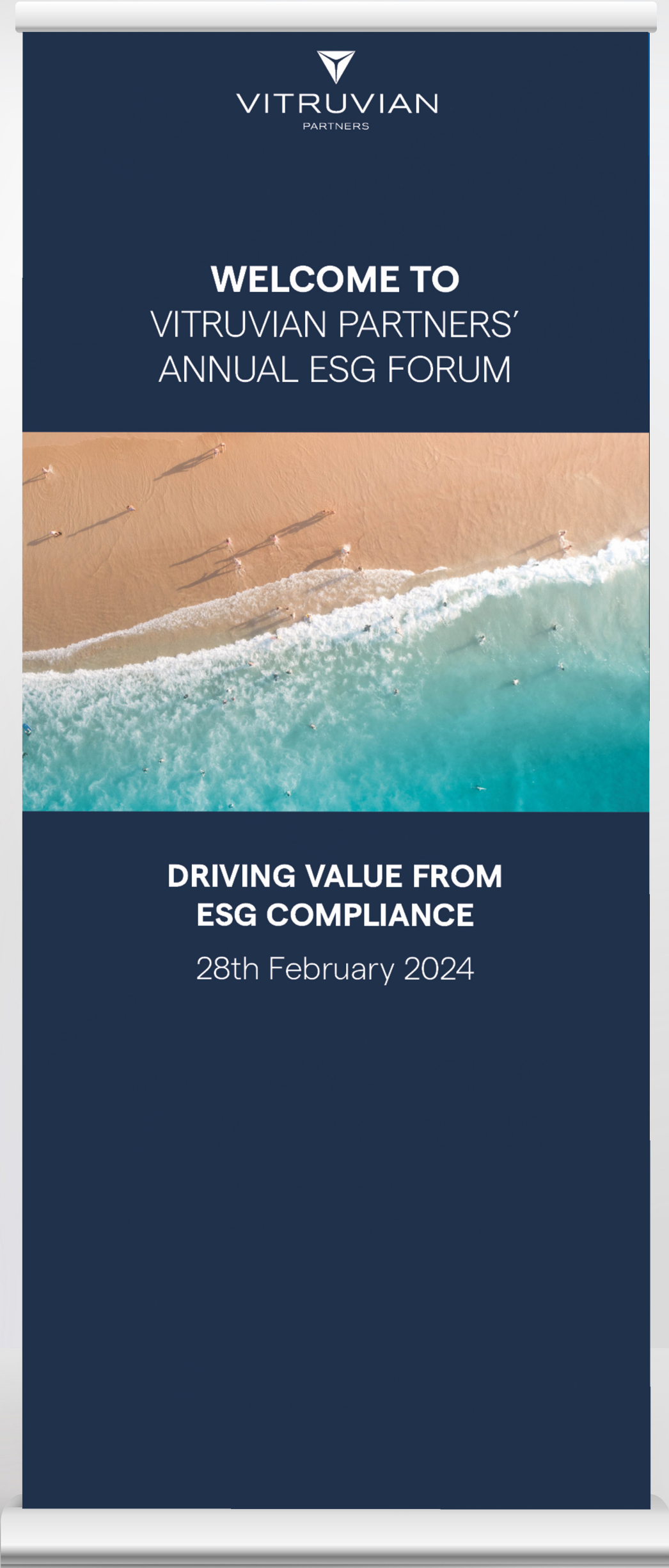
VITRUVIAN ESG FORUM 2024

We held our fifth annual ESG forum convening experts and Vitruvian portfolio companies.

The fifth annual ESG forum focused on the theme of “Driving Value from ESG Compliance”. Over 60 attendees including ESG champions from our portfolio companies, a selection of LPs, and several internal Vitruvian colleagues attended the event.

Speakers discussed various topical issues, such as current trends in corporate sustainability and ESG credentials from a procurement perspective. Additionally, several workshops were conducted, covering CSRD, EU Taxonomy and TCFD reporting.

This year we welcomed attendees in person to The Conduit, in London, with a live stream available for those joining remotely.



OUR CARBON JOURNEY

Our climate approach

We aim to first reduce our emissions as far as possible and seek to implement environmental best practices, having been operationally carbon neutral¹ as a Firm since 2019 and carbon negative¹ from 2022.

Our third-party specialist, ClimatePartner, supports our offsetting projects and conducts emissions measurements in line with the GHG Protocol. This includes material Scope 3 emissions including flights, data centre energy use, employee commuting and working from home. For 2019 - 2021 we offset all residual emissions via an accredited afforestation project in Kenya, which was awarded Gold level status by the Climate, Community and Biodiversity Standards (CCB) for exceptional biodiversity and climate benefits and is accredited by the Gold Standard, VCS and REDD+. In 2022, we offset our emissions with high quality carbon credits generated by the Rimba Raya Forest Protection project in Indonesia. The project

saves 3.5 million tonnes of CO2 per year with nearly 100% of the project area being wetland mangrove reserves, particularly good at storing carbon.

In 2023 we offset our remaining emissions with the Reforestation Bagepalli project in India. The project involves reforesting degraded agricultural land in India, which support over 1,200 families from 155 villages in cultivating and reforesting the land. The project has been certified by Gold Standard VER. Please see the next page for full details on this project.

In 2023, our London office was supplied with renewable electricity.

1. This is language that we have used to describe our emissions status following our carbon offsetting exercise in previous years. We acknowledge that this is an evolving space, and whilst we will be adjusting the language used to describe our emissions status in the coming years. This does not represent any change in our GHG emissions strategy.



OFFSET PROJECT

Bagepalli Reforestation Project

Vitruvian’s supported offset project for 2023 is the Bagepalli Reforestation project in India. The project which is estimated to annually reduce over 92,000 tonnes of CO2 emission, is restoring forest areas that were damaged or deforested in the past.

The project involves reforesting degraded agricultural land in five so-called taluks of the Chickballapur district in the Indian state of Karnataka. The productivity of the land is very low due to scare water resources and poor soil conditions for agriculture. The land belongs to the poorest farmers and agricultural workers in the region, who have to make a living from cultivating this land.

The project supports a total of 1,296 farming families from 155 villages in cultivating and reforesting the land. They plant mango, cashew, silver oak, tamarind, jamun, and other seedlings and protect them from animal browsing by fixing thorny branches. During the rainy season in September, they dig deep pits and fill them with sand, red soil and manure. They also installed water

tanks and hired vehicles to fetch water from nearby wells.

The project has been verified by TÜV SÜD Industrie Service GmbH, under the Gold Standard VER. It also contributes to three different UN Sustainable Development Goals: SDG 12 – Responsible Consumption and Production, SDG13 – Climate Action and SDG 15 – Life on Land.

CONTRIBUTIONS TO THE UN SDGS



The project contributes to the conservation of natural resources. It also enables a more efficient land use than has been the case so far.



The project saves about **92,100** tonnes of CO2 emissions per year.



The project helps preserve an entire ecosystem which provides a habitat for many animal and plant species. At the same time, the area is better protected against erosion.



PORTFOLIO COMPANY OVERVIEW



OVERALL ESG RISK PROFILE OF THE PORTFOLIO

The overall ESG profile of our portfolio and investment strategy remains positive with low ESG tail risk.

This is achieved through the following target company characteristics:

- Predominantly headquartered in countries with stable democratic governments as well as, well established and enforced laws.
- Asset light and/or technology businesses with highly skilled professional workforces.
- Avoiding “controversial” activities or sectors, where environmental and socially-focused ESG are material, including applying exclusions for certain activities or sectors.
- Where we have ownership and/or influence, we encourage close collaboration and partnership with portfolio companies to align interests, including in supporting companies in developing a long-term sustainable growth plan.

The following summary EU reporting standard metrics evidence the low ESG risk profile of the portfolio.

			
MAJORITIES	0% of companies have operations in areas of high biodiversity value	0% of companies have any ties or links to controversial weapons	0% of companies have any ties or links to fossil fuels
MINORITIES	0% of companies have operations in areas of high biodiversity value	0% of companies have any ties or links to controversial weapons	0% of companies have any ties or links to fossil fuels

SUMMARY ESG STATUS OF THE PORTFOLIO AS AT Q4 2023

Majority privately held investments¹

Overall, the ESG status of our majority-held investments is very positive.

There are six companies with particularly strong ESG programs relative to their size, sector and resourcing.

Where needed we followed up with the companies to obtained details around the incidents. We were satisfied with the actions undertaken.

	Pre-Investment DD	ESG Champion	ESG Status 2021	ESG Status 2022	ESG Status 2023
Company 1	Yes	Yes	N/A		
Company 2	Yes	Yes	N/A	★	★
Company 3	Yes	Yes	N/A	★	★
Company 4	Yes	Yes			
Company 5	Yes	Yes			
Company 6	Yes	Yes	★	★	★
Company 7	Yes	Yes			
Company 8	Yes	Yes			
Company 9	Yes	Yes		★	★
Company 10	Yes	Yes			
Company 11	Yes	Yes	★	★	★
Company 12	Yes	Yes	★	★	
Company 13	Yes	Yes			
Company 14	Yes	Yes			
Company 15	Yes	Yes			★
Company 16	Yes	Yes			

★ Excellent Good progress Improving/Early stage Material concerns
N/A: New Vitruvian investment for 2022 hence no rating

1. We define majority as companies in whom we had over 50% holding as of 31 December 2023 and have not exited between 31 Dec 2023 and 31 March 2024.

SUMMARY ESG STATUS OF THE PORTFOLIO AS AT Q4 2023

Minority privately held investments¹

Overall, the ESG status of our minority-held investments is positive. There are 10 companies with particularly strong ESG programs relative to their size, sector and resourcing.

There are six companies with ESG-related flags and three companies which we have been unable to assess due to limited or no ESG data reported.

Where needed we followed up with the companies to obtained details around the incidents. We were satisfied with the actions undertaken.

	Pre-Investment DD	ESG Champion	ESG Status 2021	ESG Status 2022	ESG Status 2023
Company 17	Yes	Contact	N/A	N/A	
Company 18	Yes	Contact	N/A		
Company 19	Yes	Contact	N/A	★	★
Company 20	Yes	Contact			
Company 21	Yes	Contact	N/A		
Company 22	Yes	Contact	N/A		
Company 23	Yes	Contact	N/A		★
Company 24	Yes	Contact	N/A		
Company 25	Yes	Contact	N/A		
Company 26	Yes	Contact	N/A		★
Company 27	Yes	Contact	N/A		
Company 28	Yes	Contact	N/A		
Company 29	Yes	Contact		★	★
Company 30	Yes	Contact			
Company 31	Yes	Contact			
Company 32	Yes	Contact		★	
Company 33	Yes	Contact	★	★	★
Company 34	Yes	Contact			
Company 35	Yes	Contact	★	★	★
Company 36	Yes	Contact			
Company 37	Yes	Contact			★
Company 38	Yes	Contact			★
Company 39	Yes	Contact			
Company 40	Yes	Contact	★	★	★
Company 41	Yes	Contact			
Company 42	Yes	Contact			
Company 43	Yes	Contact	★	★	
Company 44	Yes	Contact			
Company 45	Yes	Contact		★	
Company 46	Yes	Contact			
Company 47	Yes	Contact			★

★ Excellent Good progress Improving/Early stage Material concerns Company did not report
N/A: New Vitruvian investment for 2022 hence no rating

1. We define minority as companies in whom we had less than 50% holding as of 31 December 2023 and have not exited between 31 Dec 2023 and 31 March 2024.



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