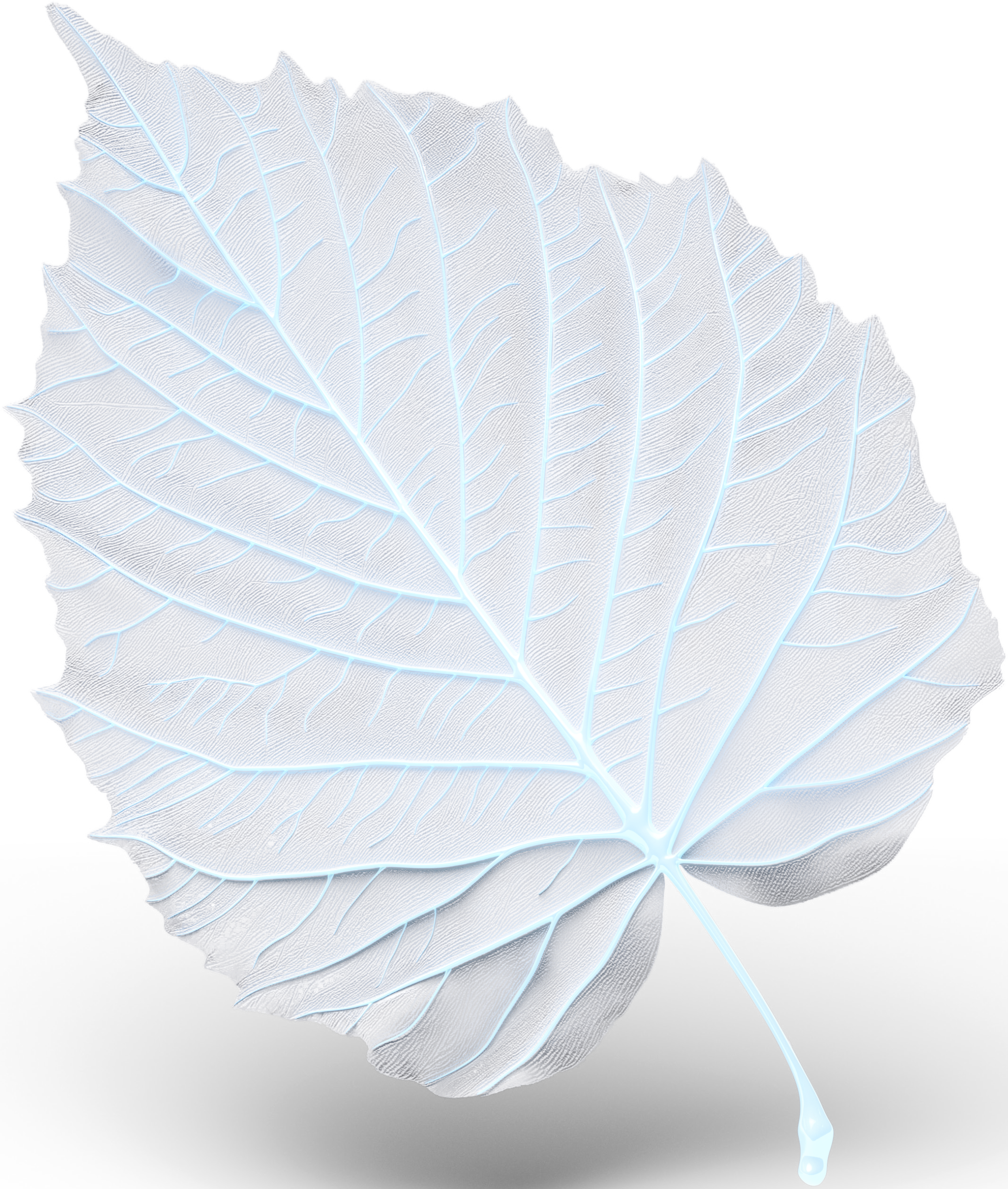
ESG Report 2024



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Vitruvian Partners' 2024 ESG Report

Our ESG practices operate in the service of making the highest standard of financial returns for our Limited Partner investors. Incorporation of ESG considerations into Vitruvian's investment philosophy are made in the context of being a net contributor to returns.

Evolution of ESG

Our values allow us to foster a collaborative and creative environment as we seek to build enduring partnerships both within the Firm and with our associates.

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Our Carbon Journey

We have continued to develop our capabilities in this space, aligned with our ambition of reducing our environmental impact.

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Our People

Our values allow us to foster a collaborative and creative environment as we seek to build enduring partnerships both within the Firm and with our associates.

We are the sum of our hugely talented and energised team. In 2024 we saw an 11% headcount growth, taking us from c.180 to c.200 individuals across the firm.

We have continued our international expansion, and have offices in London, Luxembourg, Madrid, Miami*, Mumbai*, Munich, San Fransisco*, Shanghai, Singapore and Stockholm.

The international diversity of the Firm's employees reflects our international ambitions and global footprint.

Vitruvian values

- Spirit
- Integrity
- Humanity
- Humility
- Collaboration
- Entrepreneurship
- Vision

*Vitruvian's San Fransisco and Miami offices are non-discretionary sub-advisors providing non-binding advice and recommendations. Vitruvian's operations in India are conducted via a non-discretionary sub-advisory arrangement with Nauka Advisors (OPC) Private Limited (commenced in Q4 2023).

Evolution of ESG

We maintain our ESG framework as a constantly evolving work in progress which will continue to be developed and adapted over time.

UN Principles for Responsible Investment

Vitruvian Partners has been a signatory to the UN-backed Principles for Responsible Investment (PRI) since 2017.

The table below shows our PRI scores since 2018. The PRI did not conduct a reporting exercise in 2022, and we were not required to report in 2024.

Area	2018	2019	2020	2021	2023	2023 industry benchmark
Policy/Strategy Governance	B (19/30)	B (20/30)	B (20/30)	4/5 (76%)	4/5 (75%)	66%
Direct – Private	A (23/30)	A (23/30)	A (23/30)	4/5 (71%)	5/5 (95%)	74%
Confidence Building					5/5 (100%)	80%

CONTINUOUS DEVELOPMENT

Vitruvian's evolving ESG Programme

2013 2018

- ESG policy established in 2013 and reviewed in 2016
- Nomination of ESG Champions at majority-held private portfolio companies from 2016
- Signatory to the UN-backed Principles for responsible investment (PRI) since 2017

2019

- Annual ESG data reporting process for majority-held private portfolio companies launched
- First ESG Forum held
- Dedicated sustainability thematic team established

CONTINUOUS DEVELOPMENT

Vitruvian's evolving ESG Programme

2020

- Measured 2019 and 2020 operational carbon emissions
- Unavoidable carbon emissions offset for the first time
- ESG strategy reviewed resulting in mission statement and three-year plan

2021

- Annual ESG data reporting expanded to include minority investments
- Stewardship Policy for listed equities
- Full-time dedicated ESG manager hired
- TCFD-aligned scenario analysis and workshops for all majority-held private portfolio companies conducted by external third-party specialist

2022

- ESG scorecard for listed equities launched as part of a formal pre-investment due diligence process
- ESG-linked exclusions list formally introduced for both listed and unlisted equities
- A full-time dedicated ESG analyst was hired

2023

- Climate physical risk dashboard for pre-investment ESG due diligence launched
- Online ESG onboarding resource launched to support portfolio companies
- ESG policy and ESG report published publicly
- A second full-time dedicated ESG analyst was hired
- Scored 5/5 on the PRI's Private Equity (95%) Module

2024

- Conducted a review of our ESG practices and policies
- Included a human rights indicator in our proprietary pre-investment due diligence tool
- FCA-required TCFD Report published
- SFDR Article 8 Report for VIP V
- Hosted our 5th ESG Forum

United Nations Sustainable Development Goals (SDGs)

Since 2022, we have conducted a high-level self-assessment of our private portfolio companies, aiming to identify a ‘primary SDG’ that is best aligned to the principal operations of each business. This mapping is informed by responses (by our portfolio companies) to our annual ESG questionnaire.

We identified that our portfolio's contribution to the SDGs is weighted towards:

- SDG 3 Good health and wellbeing
- SDG 8 Decent work and economic growth
- SDG 9 Industry, innovation and infrastructure

Portfolio SDG Mapping

8 Companies	3 Good health and well-being
1 Company	4 Quality education
6 Companies	8 Decent work and economic growth
21 Companies	9 Industry, innovation and infrastructure
1 Company	10 Reduced inequalities
4 Companies	11 Sustainable cities and communities
3 Companies	12 Responsible consumption and production
2 Companies	13 Climate action
2 Companies	16 Peace, justice and strong institutions

*Please note that this mapping exercise is intended to provide an indicative summary of the alignment of the primary business operations of our privately-held portfolio companies to a ‘primary SDG’. We have conducted this assessment using our judgement and understanding of our portfolio companies, though note mapping is subjective and is not equivalent to a detailed SDG alignment assessment.

Our Healthcare Thematics

The United Nations' Sustainable Development Goal 3 is to "Ensure Healthy lives and promote well-being for all ages".

Our Lifesciences and Healthcare thematics* have led to us making investments in a number of companies that offer services related to healthcare. We have a mix of current portfolio companies which contribute to SDG 3 (Good Health and Wellbeing) by:

- Offering direct patient-facing healthcare services;
- Providing products and services that make front-line impacts to patients;
- Leveraging AI to help patients and healthcare professionals understand and manage health; and
- Providing services and technology which are required for both healthcare related research and development.

* Our Lifesciences and Healthcare thematics sit alongside our broader investment thematics.

Sciensus is a leading European provider of clinical and pharmaceutical homecare solutions. The company supplies medications and patient support programmes, and offers treatments at home for those who might otherwise have to travel for care.

Doctari is the leading healthcare locums managed marketplace in the DACH (Germany, Austria, Switzerland) region, matching well-qualified medical professionals to mission-critical demand by medical institutions.

Ada is an artificial intelligence-driven personal health companion that helps people around the world understand and manage their health.

Dental Monitoring is the first AI-based solution to target dental professionals' needs along the entire patient journey, providing automated diagnostics as well as remote monitoring of dental situations.

Fotona is a market leading medical laser systems provider for hospitals, clinics and physician practices for aesthetics and medical purposes covering > 65 countries globally.

KCAS Bio is a leading specialist bioanalytics and biomarker services provider to pharma and biotech, offering contract research services within this space.

Medison is a global pharma company providing access to highly innovative therapies to patients in international markets.

ObjectiveHealth is an innovative specialty research network enabling clinical research as an alternative treatment pathway at the point of care, deploying proprietary advanced technology to identify and recruit patients for the clinical trials.

Our Approach to ESG Integration

We conduct pre-investment ESG due diligence and screening for all companies, regardless of whether they are privately or publicly held. Our ESG team analyses each company on a case-by-case basis, using data, tools and frameworks to determine the most material ESG issues by sector, region and company-specific circumstances.

Pre-investment

Area	Private	Public
ESG factors are considered a core part of pre-investment due diligence for all investments	▼	▼
Screening / exclusions	▼	▼
Dedicated ESG due diligence questionnaire	▼	
ESG scorecard		▼

Post-investment

Area	Private	Public
ESG terms within the Shareholder's Agreement	▼	
ESG champion at majority holdings	▼	
ESG touchpoints at minority holdings	▼	
Onboarding	▼	

Vitruvian Organisation

Area	Private	Public
Direct engagement	▼	
Annual ESG reporting	▼	▼
Annual ESG Forum	▼	▼
Controversy monitoring	▼	▼
AGM voting		▼
SFDR Article 8 annual report	▼	▼

Listed Equities Voting Process

Our default position is to vote in line with management recommendations, but where we are considering voting against or abstaining against management, or supporting shareholders' resolutions opposed by management, we will carry out specific diligence including contacting the company before an AGM takes place to ensure we have full understanding of the matter at stake.

- Key ESG-related votes are reviewed by the ESG team and investment team, and debated where necessary prior to voting recommendations.
- In cases where we proceed to vote against management, we document our rationale and make this available to the investee company. Given we are generally invested in SMEs with low ESG risk profiles, voting activity rarely includes controversial environmental or social votes or shareholder resolutions.
- All votes are instructed by our operations team based in Luxembourg (via decisions of the internal body of each separate legal entity dedicated to each separately listed investee company ultimately owned by each separate fund) and executed via ProxyEdge a Broadridge solution initiated from our Luxembourg team.

Portfolio Insights

These insights reflect statistics across private portfolio companies for all active funds, as at 31st December 2024.

At a Glance

Area	Majority* held	Minority	Notes
Proportion which have undergone pre-investment ESG Due Diligence	100%	100%	ESG due diligence is required for all potential investments to progress.
Proportion returning Annual ESG Questionnaire	100%	94%	We perform this engagement exercise annually, requesting ESG data from all our privately-held portfolio companies.
Proportion with ESG Champion/Touchpoint	100%	97%	ESG champions are typically identified prior to a company undergoing ESG onboarding with Vitruvian's ESG team.
Proportion of portfolio companies (held for over one year) reporting on progress against ESG objectives and KPIs	100%	n/a	Our majority-held private portfolio companies are required to set ESG objectives and KPIs (deemed material to their business), reporting on progress annually via the annual ESG questionnaire. Many of our minority-held private portfolio also set ESG objectives.
Number of 2024 ESG Flags	0%	6.3%	We flag companies for ESG purposes where we identify elevated ESG risk due to business activities or where a company has experienced a sufficient negative impact as a result of sub-optimal ESG practice. Due to the broad coverage of ESG activities across the portfolio, we do not set specific criteria to flag a company and instead utilise the judgement and expertise of our in-house ESG team. Please refer to product-level reports for details regarding any flags.

Our portfolio has:

Zero
exposure to companies in the fossil fuel industry

Zero
exposure to controversial weapons

*For the purpose of this report, majority companies are defined as those for which our managed funds hold greater than 50% undiluted equity shareholding.

Driving Value from ESG - Expereo Case Study

expereo
faster to the future

Expereo is a leading provider of internet connectivity and managed services. ESG practices are one of the four main criteria for companies choosing their network partner, based on tender processes won (by Expereo) in the past two years.

ESG is part of the very initial assessment in many competitive tender processes, covering a variety of ESG practices, often focusing on emissions and emissions reduction. These ESG factors are assessed alongside the commercial proposition, service proposition, and cyber resilience and innovation.

Expereo has successfully entered into contracts with a number of multinational customers where ESG has been one of the main tender criteria.

Pre-Qualification/ RFP

Tender processes often consider ESG credentials, which can lead to commercial advantage in competitive bid processes.

ESG requirements can present in different formats. For example, as an ESG hurdle or as part of a ranked tender process—where ESG performance is seen as a competitive element of a tender bid.

Retention

Certain multnational enterprises have been clear that vendors with carbon reduction targets would be considered as preferred partners, and therefore have greater opportunity to bid for business.

Well-maintained ESG credentials are necessary to demonstrate continued ESG performance during check-ins with existing customers.

ESG practices are now frequently demanded at the initial Request for Proposal (RFP) stage of a tender process, making these practices highly important to winning contracts.

Contracts secured with large clients have relied on Expereo's strong ESG credentials.

Expereo has a comprehensive suite of ESG practices that has allowed them to successfully sell into large multinational organisations with stringent ESG criteria. This has been achieved by implementing the below practices, all of which have been reported to customers in either pre-contractual (RFP) processes or in engagement with customers.

ESG Compliance and Assurance

Expereo maintains a well-documented and comprehensive suite of ESG compliance processes. These are necessary to evidence a track record of positive ESG performance, all of which are necessary to demonstrate credibility within this space.

Supplier and Subcontractor code of Conduct

Suppliers are all onboarded, required to adhere to the supplier code of conduct and audited as least once annually.

External Certifications:

External certifications provide evidence for the enhanced reputation and credibility of the business (highly desired by clients). Expereo's certifications include:

- EcoVadis (Independent Audits)
- ISO27001 (Information Security)

> **"ESG criteria were a precursor to moving forward to stage 2 of a Request for Proposal (RFP)"**
>
> Expereo Management

Our Carbon Journey

We have continued to develop our capabilities in this space, aligned with our ambition of reducing our environmental impact.

2019
- Start of coverage for GP-level emissions measurement
- Commenced offsetting emissions by supporting high-quality projects

2021
- Climate risk and opportunity workshops for all private companies (TCFD)

2022
- Continued supporting high quality carbon offsetting projects, offsetting beyond our emissions

2023
- Published first public TCFD Report

2024
- Final close on VIP V SFDR Article 8 Fund which promotes environmental characteristics

Our Operational Emissions

Our third-party specialist, ClimatePartner, supports our offsetting projects and conducts emissions measurements in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, having measured our GP-level emissions since 2019. This includes our material Scope 3 emissions, the boundary of which includes business travel, purchases goods and services, employee commuting, and fuel- and energy- related activities.

Carbon metric	2019	2020	2021	2022	2023	2024
Scope 1, 2 and 3 (t CO_2e)	1576.8	526.9	385.8	1304.6	2190	1785.5

Our TCFD Report

In 2024 we published our inaugural TCFD Report, which can be seen in full on our website.

This report details our approach to managing climate-related risks and opportunities, in line with the recommendation of the Taskforce on Climate-related Financial Disclosures.

We disclose our approach to the identification of climate risks and opportunities in the short, medium and long term—including our approach to scenario analysis. We assess against three scenarios: the Orderly Transition, the Disorderly Transition and Hothouse World.

By way of summary, our approach (for majority-held private portfolio companies) is to conduct workshops with our portfolio companies to assess for material risks and opportunities within each climate scenario. We utilise a framework to allow us to focus on areas within six distinct categories: markets, physical impacts, regulatory, technology, reputation and social.

In 2023 we supported the Bagepalli reforestation project, purchasing offsets that covered beyond our emissions.

Vitruvian's supported carbon offset project (covering 2023) was the Bagepalli Afforestation project in India. The project has been assessed as 'Gold Standard' (as validated by TÜV SÜD Industrie Service GmbH) and contributes to multiple United Nations' Sustainable Development Goals (SDGs).

1. The project involves reforesting degraded agricultural land in five so-called taluks of the Chickballapur district in the Indian state of Karnataka.
2. The project supports a total of 1,296 farming families from 155 villages in cultivating and reforesting the land.

Local farmers plant mango, cashew, silver oak, tamarind, jamun and other seedlings and protect them from animal browsing by fixing thorny branches. This initiative helps combat climate change while also providing essential crops for farmers.

VITRUVIAN PARTNERS

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