

IK Partners

An aerial photograph of a rugged coastline. The water is a deep, vibrant blue, contrasting with the dark, rocky terrain. The rocks are layered and eroded, creating a complex, organic pattern. The overall scene is dramatic and natural, with a strong sense of scale and texture.

# Sustainability Report

## 2023–2024

Creating Value with Responsibility

# About this Report

IK Partners (“IK” or “the Firm”) has prepared this report to provide stakeholders with a comprehensive summary of its progress in its approach to sustainability and integrating environmental, social and governance (“ESG”) considerations into the investment process.

This report highlights key achievements and insights from our portfolio companies as well as IK’s own operations, covering the period from the start of 2023 to the end of August 2024.

We take pride in our ongoing commitment to strengthening our approach, with the ultimate goal of creating value and delivering lasting returns to our investors and other stakeholders, in line with our fiduciary duties.



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# Foreword

Over the last few years, the private equity (“PE”) industry faced a perfect storm of challenges, including supply chain disruptions, labour shortages, energy constraints, inflation, the end of quantitative easing and rising interest rates. Despite these headwinds and a somewhat subdued mood in the market, IK continued to perform solidly, delivering consistently strong returns to investors during one of our most active periods on record.

Our success since the start of 2023 can also, in large part, be attributed to an increased focus on our portfolio, which led to the formation of an Operations and Capital Markets Committee to optimise resource allocation. This committee now also includes a representative from IK’s ESG Team. Additionally, we targeted transactions in real assets and traditional sectors with solid growth prospects and supported our portfolio in strategically capitalising on emerging sustainability trends. These efforts, combined with our mid-market positioning, helped IK maintain resilience during this challenging period.

In one of the most pivotal moves in our firm’s history, 2023 saw us sign a strategic partnership with Wendel, a French listed family office. A key feature of this partnership is the ability to: access significant permanent capital; secure a long-term solution for our Partner Group to grow; and maintain our autonomy and identity.

## Our Commitment to Sustainability

Equally important is our ongoing commitment to integrating sustainability principles. As a firm, we have long recognised that the pursuit of sustainability is a strategic priority that

helps to drive long-term value creation and mitigates risk. Our investment strategy takes sustainability-related trends into account, considering how they might shape conditions for our businesses across all IK sectors.

Our ESG and platform teams, supported by our Partner Group, work collaboratively to ensure that relevant ESG considerations continue to be deeply embedded throughout the entire lifecycle of each investment.

## Our Progress

Since the beginning of 2023, we have made significant strides in strengthening what we believe to be an industry-leading sustainability approach; from developing a new ESG roadmap for 2024-25, to hosting our first portfolio ESG Forum, publishing our inaugural Task Force on Climate-related Financial Disclosures (“TCFD”) Report and becoming an Early Adopter of the Task Force on Nature-related Financial Disclosures (“TNFD”).

We continue to be encouraged by the external recognition received from our investors as well as relevant industry initiatives, such as the UN Principles for Responsible Investment (“PRI”), which awarded IK 5/5 stars in the Policy, Governance & Strategy and Private Equity modules for our latest report.

Looking ahead, we remain committed to advancing our sustainability journey. By continuing to collaborate and engage with wider industry initiatives, we hope to facilitate change within IK, our portfolio companies and the wider investment community. This report not only showcases our achievements to date, but also sets the stage for future sustainability efforts.

We look forward to keeping you updated on our progress.



Christopher Masek  
Chief Executive Officer

“We continue to be encouraged by the external recognition received from our investors as well as relevant industry initiatives.”

Christopher Masek  
Chief Executive Officer



# Introduction to IK Partners

Established in 1989, IK is a European mid-market PE firm operating across eight offices, with over 200 employees collectively.

At IK, our 'People-First' ethos underpins our belief that success can only be achieved by placing people at the centre of everything we do. It is a mindset that runs throughout our teams and informs how we collaborate with our portfolio companies.

We selectively deploy our funds into companies with strong potential for development in existing and international markets, partnering with management teams and investors to create robust, well-positioned businesses with excellent long-term prospects. Since inception, we have raised more than €17 billion in capital and invested in over 195 European companies.



# At a Glance

## IK<sup>1)</sup>

**35 Years**

Track Record

**€9.6bn**

Assets under Management

**195**

Investments

**€17bn+**

Raised

**10**

Active Funds

**4**

Strategies

Mid Cap

Small Cap

Development Capital

Partnership Fund



**190+**  
Employees



**34**  
Nationalities



**7**  
Offices



**100+**  
Professionals (incl. Operations, Capital Markets and ESG)

## Portfolio<sup>2)</sup>

**67**

Portfolio Companies

**22**

New Investments

**8,144**

New Jobs<sup>3)</sup>

**56,925**

Total Employees<sup>3)</sup>

**134**

Add-Ons

**14**

Exits

**154**

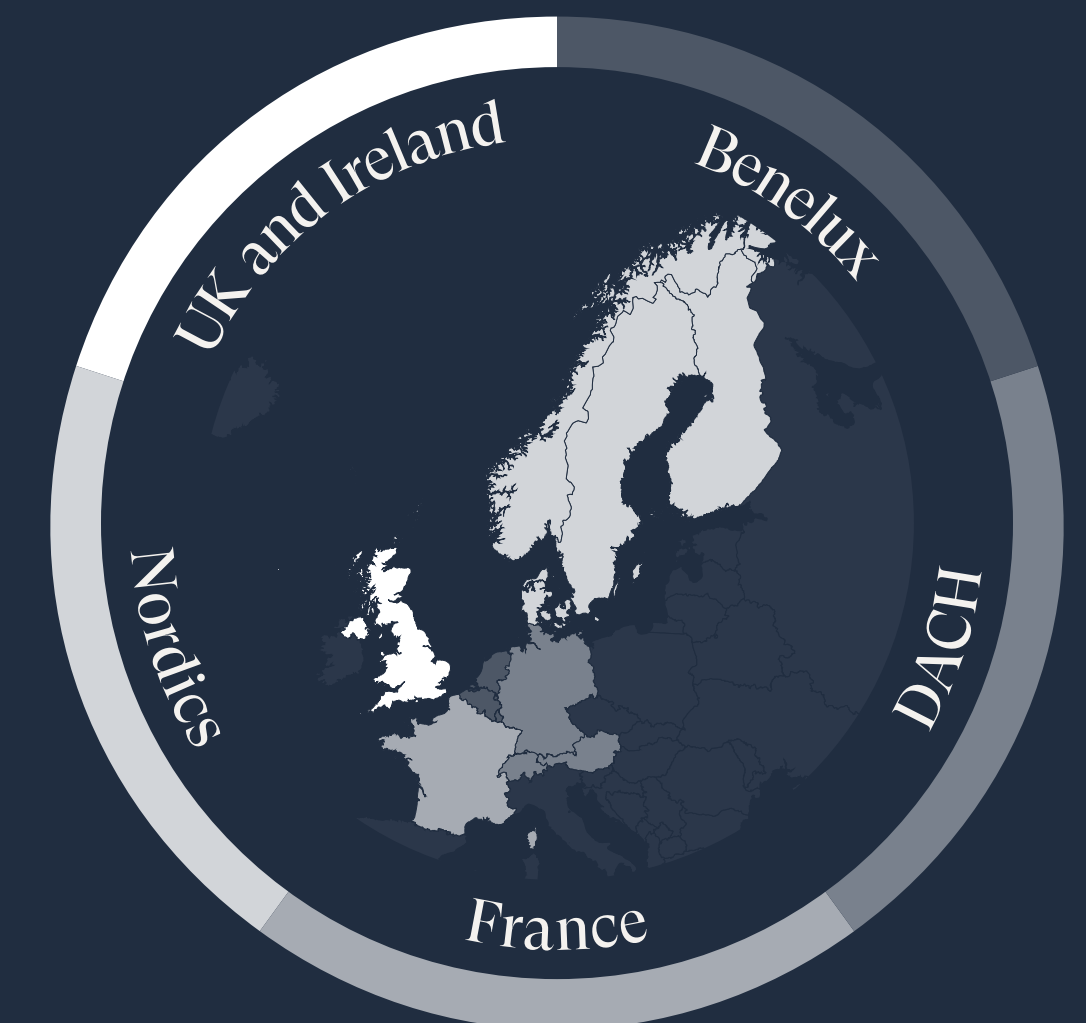
Countries Served

**4**

Sectors

**5**

Geographies



1) The data provided is from inception up until the end of August 2024.

2) The data provided covers the period from the start of 2023 to the end of August 2024, unless otherwise specified.

3) Based on the data reported by the portfolio companies in scope of the IK ESG Survey and the data available as of August 2024.

# ESG Highlights

## Strategy and Policy



New IK ESG Roadmap launched for the 2024-25 period



IK Climate Policy adopted in 2024



First ESG Forum for our portfolio companies in November 2023

## Financing<sup>1)</sup>

€6.8bn

ESG-linked finance secured

25

Portfolio companies with ESG-linked financing

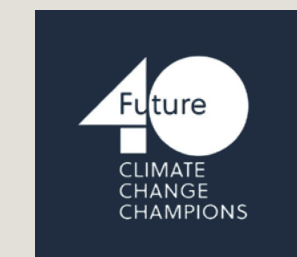
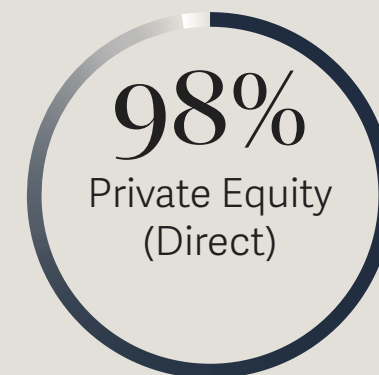
## Top Performers



Rating for 2022 UN PRI Report<sup>2)</sup>



### Summary Scorecard



Real Deals Future 40 Climate Change Champions

## People

30%+

Women NED board members across Mid and Small Cap funds<sup>3)</sup>

c.30%

Female C-suite executives across the entire IK portfolio<sup>4)</sup>

66%

Portfolio companies conducted Employee Satisfaction Surveys with an average response rate of 70%<sup>5)</sup>

96%

Portfolio companies measured Health and Safety metrics<sup>6)</sup>

## Climate and Nature

91%

Portfolio companies measured scopes 1 and 2 emissions<sup>7)</sup>

26%

Portfolio companies with targets verified by the SBTi or officially committed to setting SBTs<sup>8)</sup>



Altitude tool by AXA Climate implemented for climate and biodiversity screenings



First portfolio-wide biodiversity screening completed

58%

Portfolio companies measured scope 3 emissions<sup>7)</sup>



## Transparency

100%

Response rate to our Annual ESG Survey



Portfolio-wide monitoring of EDCI metrics<sup>9)</sup>



Early adopter of the TNFD framework



First IK TCFD Report published

1) Includes both the ESG margin ratchet mechanism in the financing documents and the key performance indicators ("KPIs") already in place, as of May 2024. 2) 5\* ratings for both the 'Policy, Governance & Strategy' and 'Private Equity' disclosures. 3) Women Non-Executive Director ("NEDs") board members across Mid and Small Cap funds as of Q2 2024. 4) Female C-suite executives defined as CEO and any senior executives reporting directly to the CEO, e.g. CFO, COO, CTO etc, based on the data reported by the portfolio companies in scope of the IK ESG Survey and the data available as of August 2024. 5) Based on the number of portfolio companies in scope of the IK ESG Survey and the data available as of August 2024. 6) Metrics include the total number of work related injuries, days lost due to injuries and work related fatalities, based on the data reported by the portfolio companies in scope of the IK ESG Survey and the data available as of August 2024. 7) As a percentage of the total unrealised value. 8) Targets verified by the Science Based Targets initiative ("SBTi") or officially committed to setting science-based targets ("SBTs") based on the total cost of capital as of December 2023, majority-owned investments only with more than 25% ownership stake and one voting board seat. 9) ESG Data Convergence Initiative ("EDCI").

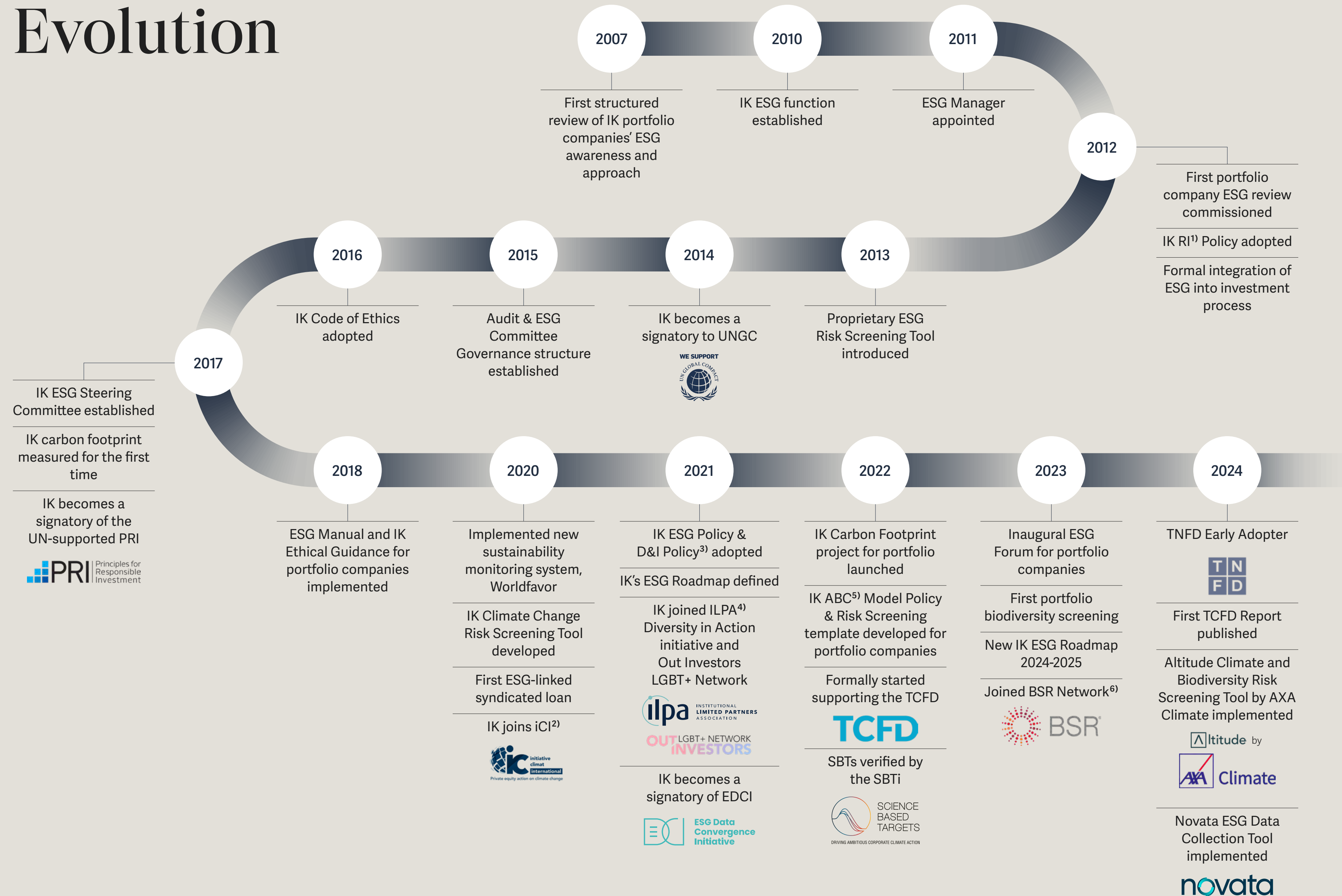
# 1

# Our Approach





# Evolution



**Jovana Stopic**  
ESG Director

“We are proud of our long-established and practical approach to sustainability, rooted in our fiduciary duties and commitment to maintaining transparency with our investors.

We recognise that sustainability factors can play an important role in making solid investment decisions and, therefore, strategically consider sustainability trends to identify businesses across IK sectors that we believe will benefit from strong sustainability tailwinds.

Looking ahead, we will continue to evolve our approach to future-proof our investments as well as protect and unlock value related to key sustainability themes.”

1) Responsible Investment (“RI”) Policy. 2) initiative Climat International (“iCI”). 3) Diversity & Inclusion (“D&I”) Policy. 4) Institutional Limited Partners Association (“ILPA”). 5) IK Anti-Bribery and Corruption (“ABC”) Policy. 6) Sustainable Business Network and Consultancy (“BSR”)

# Areas of Focus



1

## Strategic Consideration of Sustainability Trends

Our approach to sustainability complements our investment strategy and focuses on the assessment and integration of material sustainability topics throughout the investment process. We also recognise that sustainability-related value-creation levers can unlock new opportunities for our portfolio companies.

We actively identify long-term sustainability trends, such as the green transition, energy efficiency and circularity, which we believe will create tailwinds and new opportunities in the sectors where our teams have deep expertise.



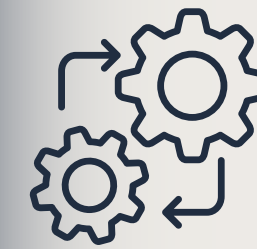
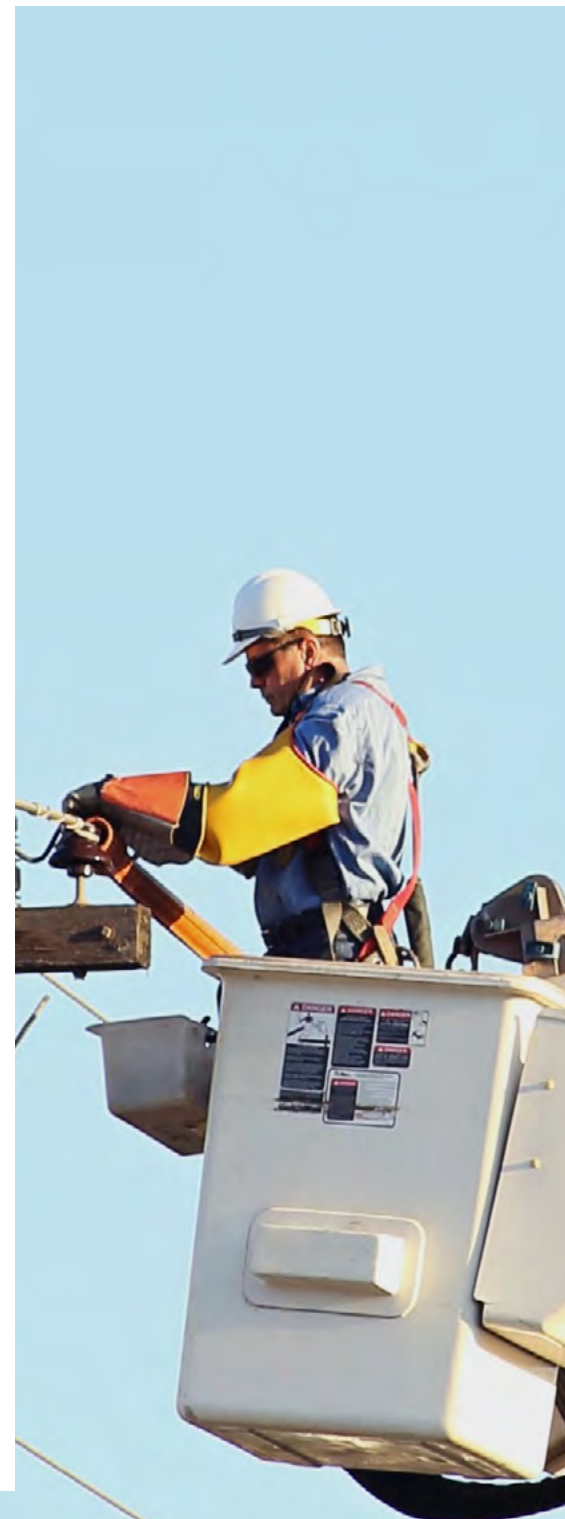
Status: Current  
Strategy: Small Cap  
Fund: IK SC III  
Sector: Industrials  
[View Investment](#)

## Energy Efficiency and Transition

Ipsium is a leading provider of specialist infrastructure services in the UK to highly critical assets within power, water and infrastructure markets.

Ipsium works in partnership with its customers to optimise asset performance, supporting the security, resilience and longevity of their critical networks.

Ipsium is excellently placed to support the UK's sustainable energy transition and assist organisations with achieving a low-carbon future.



2

## Integration of ESG into the Investment Process

Embedding ESG considerations into our investment process enables us to identify sustainability-related risks and opportunities, leading to informed investment decisions that protect and enhance long-term value across the portfolio.

During our ownership, active engagement is essential to unlocking the full potential of our portfolio companies. By working closely with management teams, our Investment and platform teams are well positioned to implement initiatives that drive sustainable business growth. This includes setting clear goals, providing guidance on best practices and regularly monitoring progress against key KPIs.

More detail on how ESG is integrated into each stage of the investment process is covered in [section two of this report](#).



3

## Strengthening Governance

We believe that strong governance is fundamental to successful risk mitigation and implementation of our sustainability agenda. Our active presence on the boards of our portfolio companies enables effective portfolio oversight and alignment on material ESG matters. This approach is further reinforced by our ESG teams' participation in monthly meetings of a cross-team committee closely monitoring the performance of our portfolio.

A detailed overview of ESG governance arrangements at IK can be accessed later on in the [Governance section](#).



## Fostering Collaboration

Our approach is guided by a collaborative ethos, both within IK and more broadly. Internally, we foster a culture of shared responsibility across the IK Platform and externally, we engage closely with our portfolio companies, industry experts and stakeholders. This enables us to identify relevant sustainability initiatives that can drive operational improvements, enhance brand reputation and create long-term value.

We believe that finding solutions to key sustainability challenges across the geographies and industries we invest in requires widespread collaborative action. Therefore, we actively participate in leading industry associations and initiatives.



## Launch of IK ESG Forum

To amplify collaboration within our portfolio, we organised our first IK ESG Forum, which took place in November 2023 and saw senior individuals from more than 25 of our portfolio companies in attendance.

As part of the event, workshops covered a variety of topics, including: unlocking value through corporate sustainability reporting; strategies for decarbonisation towards net zero; and impactful and effective communication on ESG.

They were delivered in collaboration with experts from The Footprint Firm, a Danish sustainability-focused advisory and investment company; South Pole, a Swiss carbon finance consultancy; and Ever Sustainable, a UK-based sustainability consultancy specialising in helping companies with sustainable business transformation.

Sessions also featured speakers from a range of IK portfolio companies, who shared case studies and best practices.

This event created a vital platform for knowledge sharing and mutual learning, whilst also sparking innovative thinking and fostering strategic partnerships, opening new avenues for growth. Following the success of the event and positive feedback received from the participants, we aim to run this forum on an annual basis.



## Maintaining Transparency

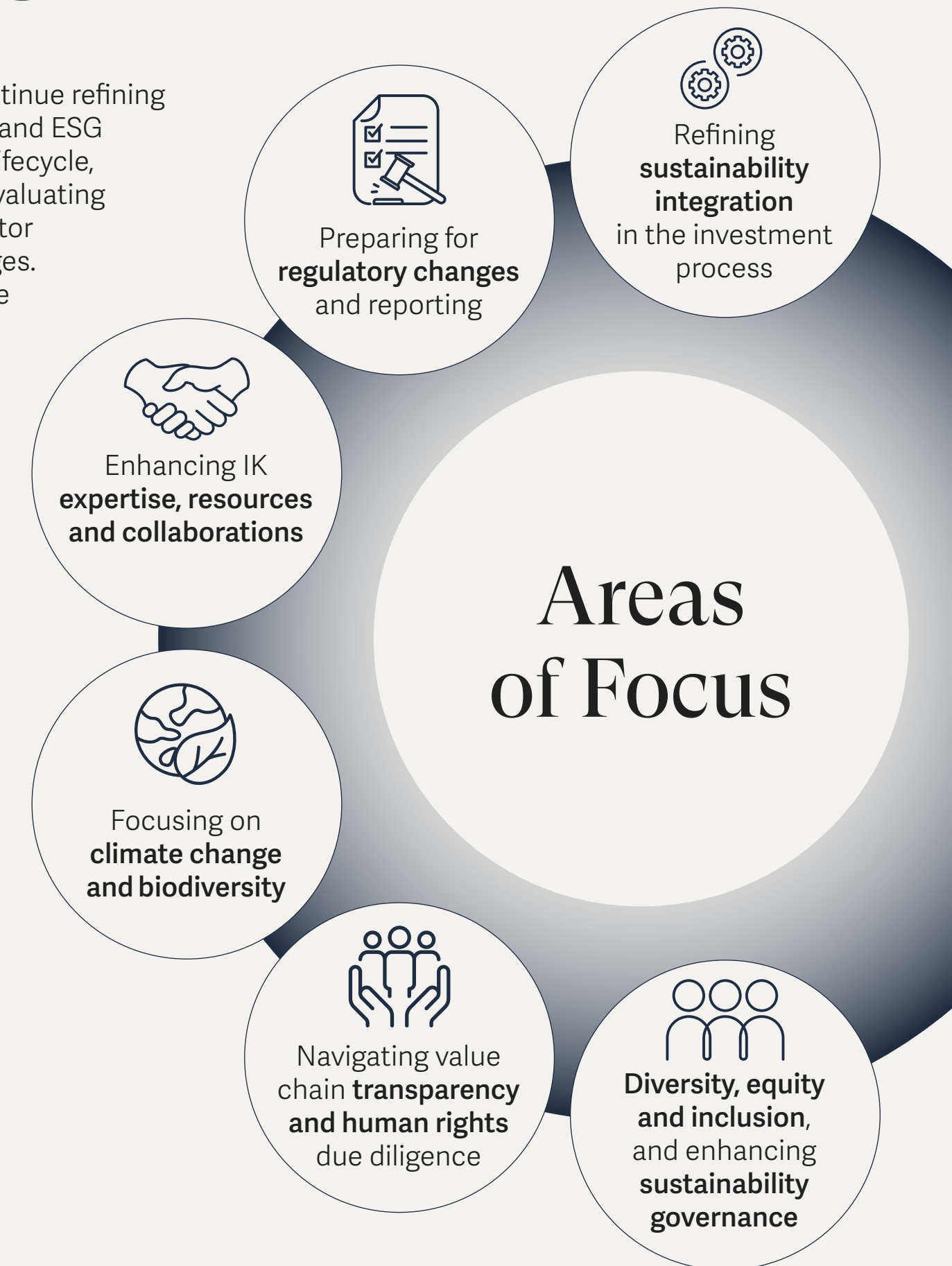
At IK, we are committed to maintaining high levels of transparency, which we believe further empowers the decision-making of our key stakeholders, particularly our investors. A long-established ESG data monitoring process across the portfolio enables us to communicate our progress and priorities. To serve this purpose effectively, we continuously improve data quality and evolve our data collection processes, while also supporting industry-leading reporting frameworks.

# Looking Ahead

Moving forward, we aim to continue refining our approach to sustainability and ESG integration in the investment lifecycle, consistently monitoring and evaluating developments, including investor priorities and regulatory changes. In doing so, we hope to achieve continued success in our investment strategy.

Having been among the first movers in many areas, we remain cautiously optimistic about the future and our ability to support the development of solutions to address key sustainability challenges within private markets.

In line with this, we have updated our ESG Roadmap 2024 – 2025, which will see us focus on six key areas, as outlined in the diagram.



# Governance

We believe good governance is essential to the success of our approach in an ever-evolving sustainability landscape. Building on a long-established foundation, we remain committed to continuously enhancing our governance practices.

At IK, the integration of ESG factors started with the development of the IK RI Policy in 2012, which sets out the key principles and commitments guiding us and our portfolio companies in instituting and maintaining high standards of governance and business ethics.

The policy also provides an exclusion list<sup>1)</sup> of sectors and activities IK will not invest in and covers companies that:

- Demonstrate a systematic denial of basic human rights
- Participate in child labour or forced labour
- Engage in a pattern of non-compliance with environmental regulations
- Have an unacceptably high greenhouse gas ("GHG") footprint and have failed to take reasonable steps to reduce these emissions (each as determined by IK)

Furthermore, the sectors listed below are considered potentially sensitive from a RI viewpoint and are not areas in which IK would contemplate a direct investment:

- Gambling
- Tobacco
- Alcoholic spirits
- Pornography
- Armaments and Firearms

Our practices were further reinforced by the adoption of the IK ESG Policy in 2021, which outlines our approach to the integration of ESG at each stage of our investment process and management of material ESG risks. It also provides an overview of our governance and responsibilities to ensure its effective implementation.

Building on the ESG policy, at the beginning of 2024, we also introduced an IK Climate Policy which governs our approach to identifying and managing climate change-related risks and opportunities. More detail on our climate policy and governance can be found in our recent [TCFD report](#).

## Policies<sup>2)</sup>



### IK Responsible Investment Policy

Adopted in 2012

Reviewed in 2023



### IK ESG Policy

Adopted in 2021

Reviewed in 2023

Updated in 2023



### IK Climate Policy

Adopted in 2024



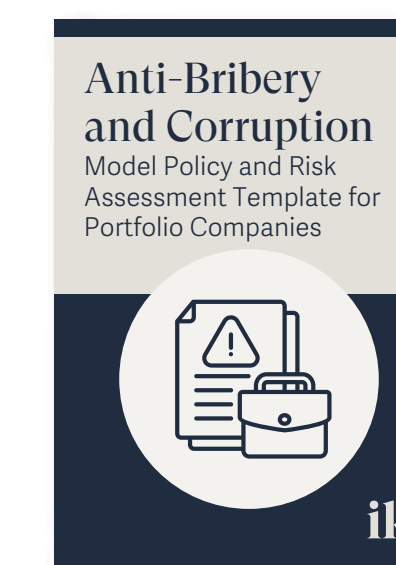
### IK Good Governance Framework

Developed in 2023



### IK Ethical Guidance for Portfolio Companies

Developed in 2018



### IK ABC Model Policy and Risk Assessment Template for Portfolio Companies

Developed in 2021

1) The list is not exhaustive and is qualified by the legal documentation governing IK Funds (including any applicable side letters) and investments therein and judgment must be applied for activities not on the list but which carry similar risks. 2) A non-exhaustive list of key selected policies.

## Oversight

Our CEO is responsible for the IK RI, ESG and Climate policies, overseeing their implementation together with support from our Partner Group.

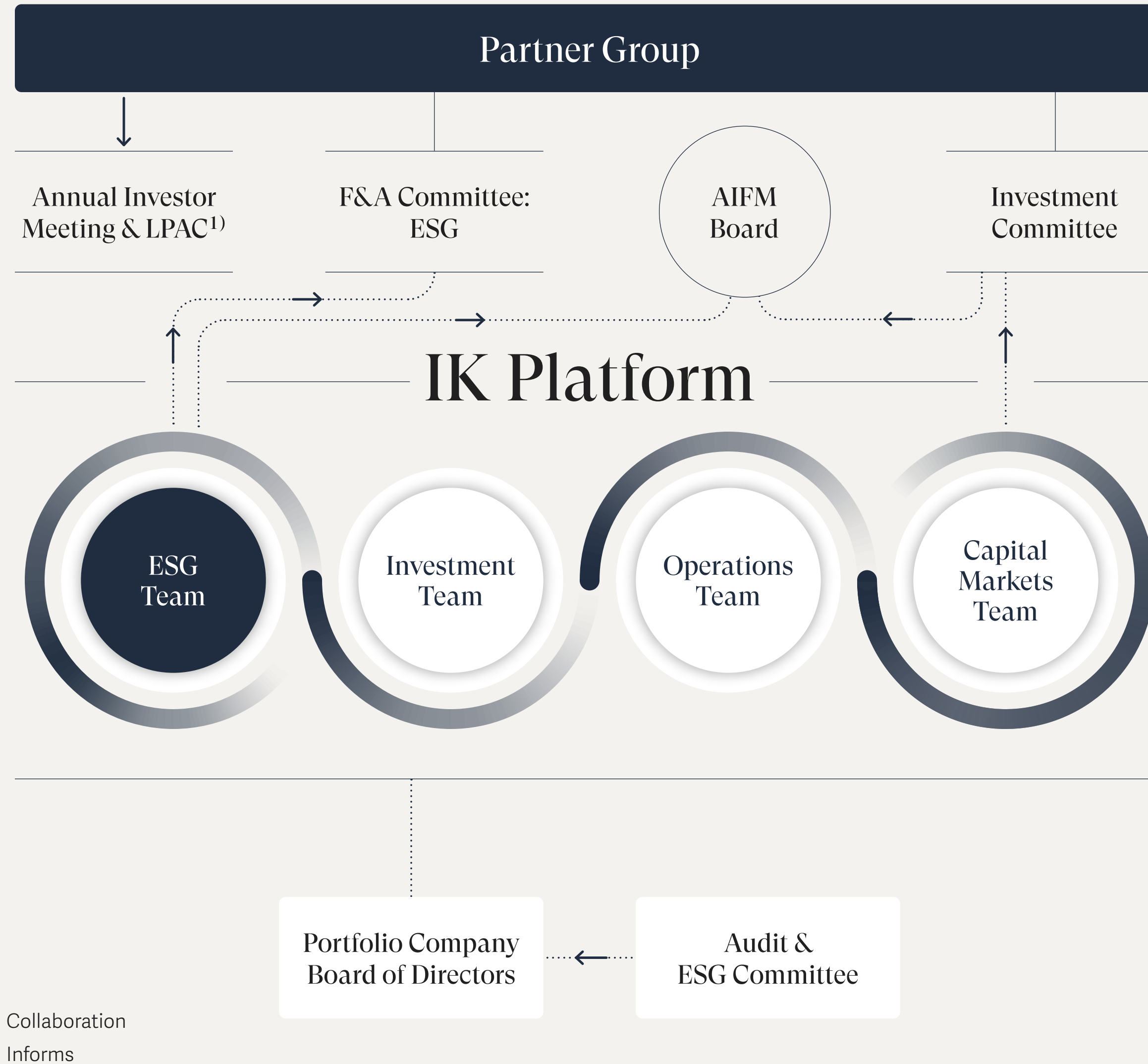
Two of IK's committees are integral to our ESG governance: the Finance & Administration ("F&A") ESG Steering Committee and the Investment Committee ("IC").

The ESG Steering Committee is comprised of our CEO, CFO, partner in charge of the Investor Relations team and our ESG Director. The committee meets monthly, actively shaping decision-making and providing strategic direction for key ESG projects and initiatives, while ensuring the effective implementation of our ESG approach and RI practices.

The IC is responsible for making investment recommendations to the Alternative Investment Fund Manager ("AIFM") after careful consideration of relevant financial and non-financial information, including ESG risks and opportunities.

The AIFM Board also receives regular updates from our ESG Director on the implementation of our sustainability-related policies and relevant regulatory developments.

FIGURE 1: GOVERNANCE STRUCTURE



## Implementation

Our investment professionals are responsible for the day-to-day implementation of the IK RI, ESG and Climate policies, as well as ensuring that decisions are made after a thorough examination of material sustainability factors.

Collaboration is at the core of the successful implementation of these policies. The IK Capital Markets, Operations and ESG Teams are seamlessly integrated throughout the entire investment process to support the Investment teams in conducting investment activities in line with our principles and commitments, systematically considering material sustainability elements.

Our ESG team is in charge of proposing updates to IK's ESG-related policies, advancing IK's monitoring and reporting approach as well as its strategic partnerships with industry peers and initiatives to drive progress.

As per the IK Remuneration Policy, ESG risk management considerations are embedded into the annual performance review process and remuneration structure.

1) Limited Partner Advisory Committee ("LPAC").

## Capacity Building

To support our Investment, Operations and Capital Markets teams, our ESG team provides tools, analyses, sector expertise and access to external partners, thus enabling informed decision-making to take place.

All new joiners complete a structured induction programme, which includes a dedicated session on our ESG approach and practices.

Refresher training is also provided to investment professionals on an ad-hoc basis by the ESG team or external partners. The last training for senior investment professionals took place in January 2024 and covered key developments to the integration of ESG in the investment process, as well as key sustainability trends and reflections on investing in the green transition. Further development of the sustainability training, available across all functions at IK, is one of the key features of our 2024-25 ESG Roadmap.

# 100%

New joiners completed ESG induction session in 2023

## Portfolio Board Engagement

By working closely with the management teams, we help our portfolio companies recognise the opportunities and risks associated with ESG issues. We take positions on our companies' Boards of Directors, enabling us to ensure that relevant ESG considerations are raised and integrated into board discussions. Where appropriate, IK encourages the formation of an 'Audit and ESG Committee'.

# 69%

Portfolio companies with an established Audit & ESG Committee<sup>1)</sup>

# 31%

Portfolio companies with an entire Board of Directors responsible for ESG<sup>1)</sup>

# 69%

Portfolio companies had ESG on the Board of Directors meeting agenda in the last twelve months

# 82%

Portfolio companies with IK Ethical Guidance adopted<sup>1)</sup>

## Gender Diversity of NEDs across Portfolio Boards of Directors

As a truly international team, we understand the value that diversity brings to a business and therefore, we encourage our portfolio companies to adopt a similar mindset by building teams that embrace new perspectives and recognise the value of different experiences.

In 2021, we set a goal of achieving 30% of women NEDs across our Mid Cap and Small Cap strategies.

Since then, through raising awareness of the topic of gender diversity and collaborating with our PCs, the representation of female independent directors has seen an increase from 10% to 29% and 4% to 50% in the respective strategies.

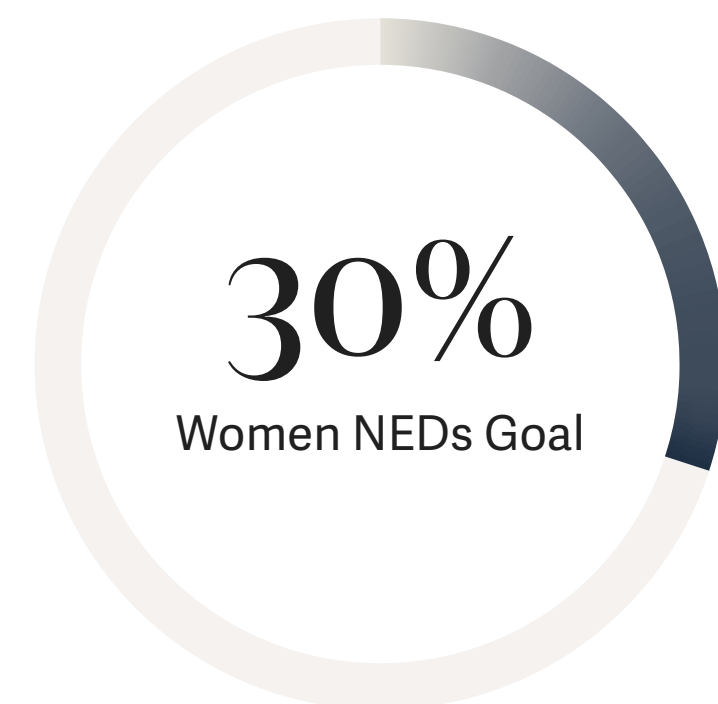
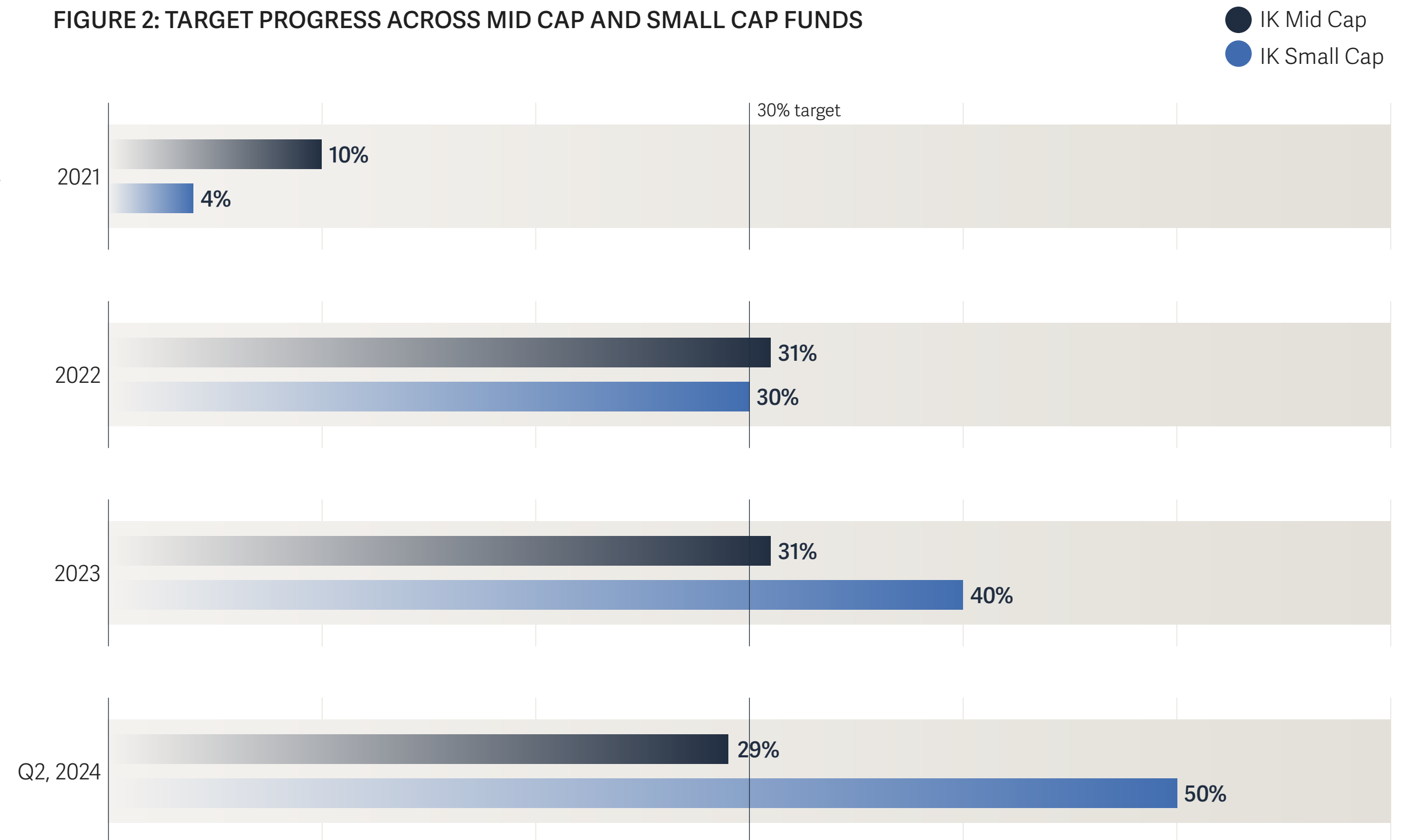


FIGURE 2: TARGET PROGRESS ACROSS MID CAP AND SMALL CAP FUNDS



<sup>1)</sup> The data is provided as of August 2024, excluding investments made in the last twelve months.

# Enhancing External Engagement

We believe that external collaboration is essential to finding solutions to complex sustainability challenges. We actively identify and contribute to industry initiatives and frameworks, knowledge-sharing forums and university partnerships which align with our strategic priorities and help us meet the transparency demands of our stakeholders.

We are proud to be a signatory and active member of several industry-leading frameworks and initiatives which promote responsible practices among businesses and financial institutions. We recognise that by demonstrating our progress against the stringent standards set by these frameworks, we provide our investors with high-quality, decision-useful ESG data.

## Reporting Frameworks



### Task Force on Climate-related Financial Disclosures

Formal supporter since 2022

We **published our first report** aligned with the recommendations of the TCFD in June 2024, as part of our regulatory obligations under the UK Financial Conduct Authority ("FCA") rules to disclose how we identify, assess and manage climate-related risks and opportunities. Additional product-level information was also made available on a voluntary basis to our funds' investors.



### United Nations Global Compact

Signatory since 2014

The UNGC encourages businesses worldwide to adopt sustainable and socially-responsible policies. As part of this initiative, we produce an annual 'Communication on Progress Report'. The results of our most recent assessment can be found [here](#).



### Principles for Responsible Investment

Signatory since 2017

The PRI is the world's leading proponent of RI, helping its members understand the investment implications of ESG factors and supporting them in incorporating these into their funding and ownership decisions, through a set of six principles and best practices. As a signatory, we report on our RI activities, which can be found in the latest '[Public Transparency Report](#)'.



### Taskforce on Nature-related Financial Disclosures

Early Adopter since 2024

The TNFD has developed a set of disclosure recommendations and guidance to encourage and enable businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. We will align our disclosures with the TNFD framework by 2025.



### ESG Data Convergence Initiative

Contributor since 2021

We continue to align our data monitoring with the EDCI, alongside more than 300 general partners who have committed to collecting a standardised set of ESG metrics. The EDCI aims to create a critical mass of meaningful, performance-based ESG data from private companies by converging on a standardised set of metrics for private markets. EDCI-aligned metrics are collected across all IK funds.



### Institutional Limited Partners Association Diversity in Action

Contributor since 2021

We report gender-related metrics in accordance with ILPA's Diversity Metrics reporting template. This aims to standardise reporting and guide the efforts of investors seeking to have a better understanding of the diversity, equity and inclusion ("DEI") performance of companies.

## Other Initiatives



### BSR Sustainable Business Network and Consultancy

Member since 2023

BSR works with members and partners in pursuit of a world in which all people can thrive on a healthy planet.



### Out Investors

Member since 2021

Out Investors ("OI") is a global organisation that was founded with the mission to make the alternative investing industry more welcoming for LGBT+ individuals



### initiative Climat International

Member since 2020

The Initiative Climat International (iCI) is a global, practitioner-led community of private markets investors that seek to better understand and manage the risks associated with climate change.



### Invest Europe - ESG Working Group

Member since 2017

The ESG Working Group supports Invest Europe in offering practical and tailored guidance to its members on integrating ESG considerations into their business decisions and on dealing with increasing EU regulatory requirements in the field of EU Sustainable Finance.



## Partnering with Leading Business Schools

Since 2023, we have been participating in student research programmes designed by business schools to provide an opportunity for students and companies to collaborate.

Throughout the reporting period, IK worked with students from masters programmes bridging sustainability and finance at two leading business schools – Imperial College Business School in London and EDHEC Business School in France. The research projects we implemented for students included: developing an avoided emissions framework; analysing supply chain risks in the Food sector; and researching sustainable packaging opportunities in the Food and Healthcare sectors.

As part of these programmes, we also aim to create opportunities for students to interact directly with our portfolio companies, enabling them to learn more about business operations

and stakeholder demands as well as improve their understanding of the potential practical applications of their research.

For example, Imperial Business School students, whose research project aimed to refine a framework for assessing and reporting avoided emissions, were able to work with MDT (IK VIII Fund), a leading manufacturer of smart building products for energy efficiency in residential and commercial properties. Together with insights from MDT, students found that MDT's heating automation systems have the potential to avoid 272,503 tCO<sub>2</sub>e in commercial and residential buildings annually. The results provided the company with quantitative evidence of its products' contribution to climate change mitigation – proving extremely valuable for communication with clients and other stakeholders.





# 2

# ESG Integration throughout the Investment Process

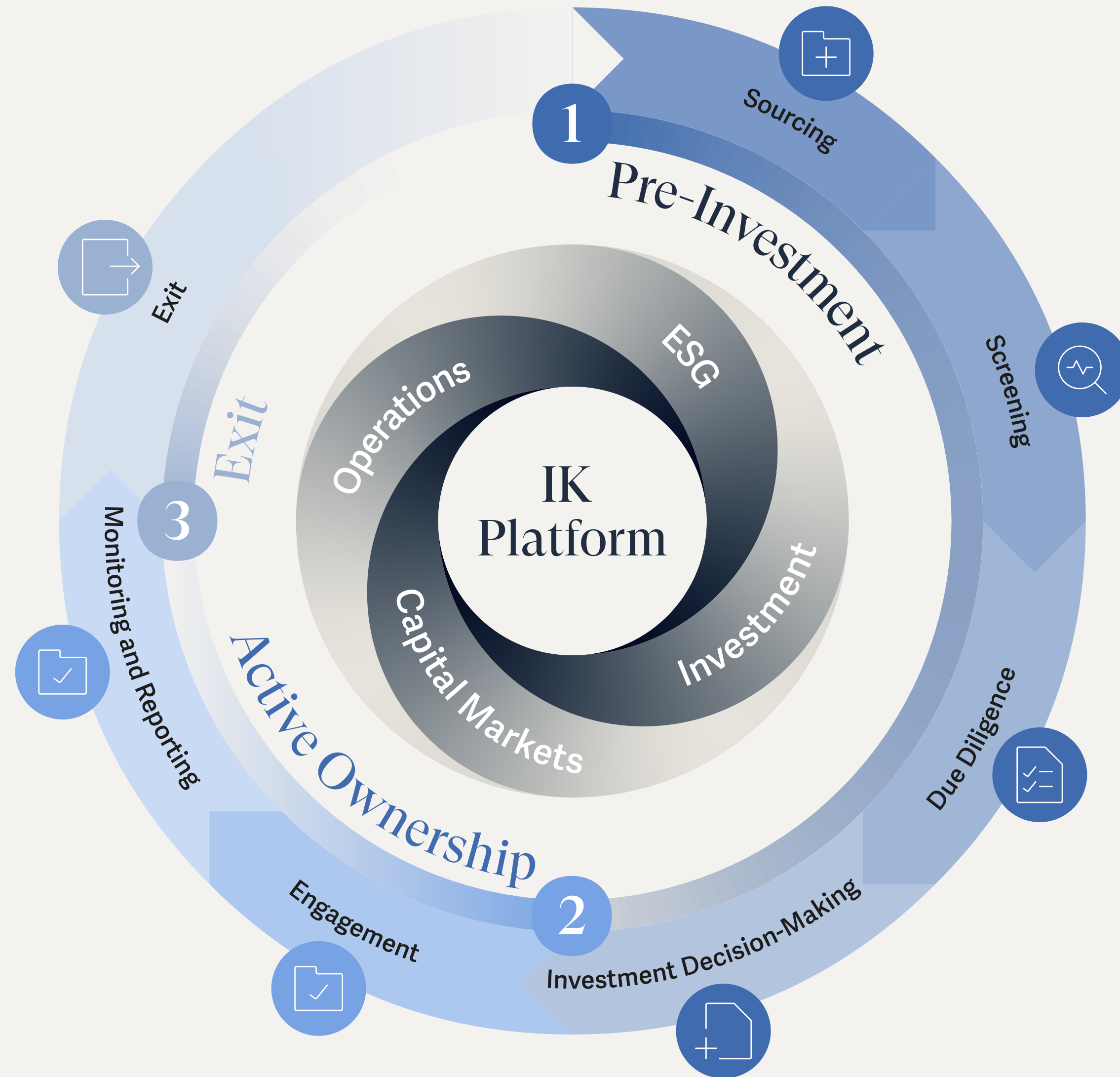


# Overview

At IK, material ESG considerations form an integral part of our investment decision-making processes and are fully embedded from the sourcing stage of potential investments all the way through to active ownership and exit.

We believe that our approach to sustainability is an important element in unlocking long-lasting value in our investments. We work cohesively across the IK Platform and with the management teams at our companies to ensure its successful implementation.

FIGURE 3: IK PLATFORM TEAMS AND STAGES IN THE INVESTMENT PROCESS



# Pre-Investment

100%

Investments

100%

Investments

79%

Investments

100%

IC Memos Included ESG



## Sourcing

- Sustainability trends, market factors and relevant regulatory developments are strategically considered when sourcing new investments.
- All potential investments sourced are checked against the exclusions list outlined in the IK RI Policy.

## Screening

- Environmental and social (“E&S”) topics are scoped using IK’s proprietary screening tool based on the sector of a potential investment, which has been in place since 2013.
- The E&S tool is further reinforced by screening for material sustainability topics using the Sustainability Accounting Standards Board Materiality Finder and other relevant frameworks.
- Climate change risk screening has been conducted since 2021, previously using IK’s Climate Change Risk Screening tool and, since January 2024, the Altitude tool by AXA Climate. The Altitude tool allows us to screen all potential investments for exposure to physical and transition climate risks and opportunities as well as biodiversity risks.
  - Physical climate risk screening is performed for all physical assets of a company, based on their geographical location and type. This provides an average risk score across 16 acute and chronic natural hazards in three forward-looking scenarios.
  - Transition risks and opportunities are screened based on a company’s sector of operations, using the AXA Climate experts, public research and socio-economic models with the average risk and opportunity scores produced as a result.
  - Biodiversity risk screening combines a company’s asset-level geographical location and sector information to provide insights into nature-related transition risks, such as impacts on biodiversity, threatened species, areas of interest for biodiversity as well as nature-related physical risks, including dependency on ecosystem services.

## Due Diligence

- ESG due diligence (“DD”) is typically supported by a suitable external partner with industry and sustainability expertise as well as a local presence to deep dive into the material ESG topics, business operations and maturity.
- Depending on a company’s business operations, ESG topics can be integrated into other DD streams, particularly commercial and legal, where suitable.

## Investment Decision-Making

- Insights from the screening tools as well as ESG DD are a mandatory element of IC materials.
- All investments are made after careful consideration of material factors, including ESG risks and opportunities.
- Any identified corrective actions are implemented after investment closing and, where appropriate, embedded within the Full Potential Plan (“FPP”).

## Closing

- Relevant clauses should be embedded into Shareholders’ Agreements to enable alignment with portfolio company management on IK’s sustainability and data reporting commitments.

# ▶ ESG-Linked Financing

Since our 2021 majority stake investment in Kersia (IK IX Fund), financed through the first-of-its-kind sustainability-linked syndicated Term B loan in France, we have been working towards systemic implementation of ESG-linked financing for the majority of new investments.

Mechanisms like sustainability-linked loans or ESG-linked margin ratchets provide additional alignment of interests among lenders, investors and our portfolio companies. Furthermore, they create financial incentives for our companies to improve sustainability performance while benefiting from a discount on the cost of the debt.

By working cooperatively with lenders and management teams, the IK Capital Markets and ESG Teams enable the identification of company-specific targets that are both relevant and appropriately ambitious, driving progress on sustainability and value creation. Throughout ownership, we continue to engage with companies on their targets and support them in implementing relevant initiatives, where necessary, and monitoring performance.

## €6.9bn

ESG-linked financing for portfolio companies<sup>1)</sup>

## 25

Portfolio companies with ESG-linked financing<sup>1)</sup>

<sup>1)</sup> Includes both the ESG margin ratchet mechanism in the financing documents and the KPIs already in place, as of May 2024.



Status: Current  
 Strategy: Development Capital  
 Fund: IK SC III  
 Sector: Business Services  
[View Investment](#)

## Successful Use of the ESG-Linked Financing Mechanism

Remazing is a leading marketing services and software provider for the Amazon marketplace. When acquiring the company, we recognised its ambitious goals, particularly for an organisation of its size, to enhance its sustainability capabilities. We were committed to supporting these efforts to demonstrate leadership and address the needs of both internal and external stakeholders. To achieve this, we integrated tailored ESG targets into the company's financing mechanism across the following sustainability topics:

- Decarbonisation Strategy with SBTs
- DEI
- Business Ethics and ABC

In 2024, our teams helped Remazing implement relevant initiatives, such as developing a decarbonisation strategy and adopting an ABC policy, enabling the company to meet its first-year targets.



Jin Hong  
 Associate, Capital Markets

“We’re seeing a growing interest among our lenders to implement ESG-linked financings, with quantitative KPIs and benchmarks for material sustainability topics.

We are working to further incorporate the mechanisms in new investments, as they foster motivation to develop sustainable practices within our portfolio companies, while enhancing value and delivering measurable benefits for all stakeholders.

The success of the mechanism is a true testament to the collaborative work within IK as well as with the management of portfolio companies and their lenders.”

# ▶ Active Ownership



During the active ownership stage, our goal is to help our portfolio companies develop a sustainability agenda that addresses material sustainability topics and aligns with their wider business growth strategy, while also enabling them to meet the priorities of their key stakeholders.

To help companies reach their sustainability objectives, we have developed an approach that has collaboration at its core and is centred around four key pillars.



## Realising Ambition

Building on findings from external DDs and third-party ESG reviews, where appropriate, we encourage companies to develop a roadmap of actions to effectively unlock opportunities for value protection and creation throughout our ownership.

19

Portfolio companies with ESG actions integrated into the FPP<sup>1)</sup>

16

Portfolio companies undertook double materiality assessments



## Ensuring Alignment

We engage with portfolio companies to define sustainability objectives in line with recognised frameworks and analyse the related needs and preferences of their stakeholders.

19

Portfolio companies completed the EcoVadis assessment<sup>2)</sup>

11

Portfolio companies with ISO Environmental Management System certification<sup>2)</sup>

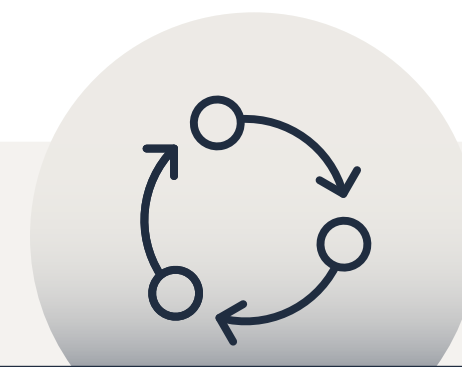


## Providing Guidance

We provide ongoing support and advice to portfolio companies on how best to approach both topics relevant across the portfolio and company-specific ones, where attention is needed following the IK ESG Survey and annual review process. Additionally, insights into key developments in the industry, sustainability and regulatory landscapes are regularly provided.

Carbon footprint support project in partnership with South Pole

Model Anti-Bribery and Corruption policy and risk assessment tool developed together with Valorys Catalyts



## Sharing Knowledge

We organise an annual ESG Forum as well as ongoing information sessions and webinars for our portfolio companies throughout the year. This provides them with a space to learn from industry experts and peers, fostering collaboration and excellence in managing sustainability-related challenges.

25

Portfolio companies attended the IK ESG Forum in 2023

EU Deforestation Regulation webinar by LRQA was organised for portfolio companies



Albina Stukalkina  
Associate, ESG

“We recognise that companies are at different stages of their sustainability journey and may not always have the capacity and resources to embed, let alone develop, sustainability strategies. We therefore aim to connect with the management teams and other relevant individuals to better understand their needs and provide them with the most suitable tools, guidance and best-practice approaches to help them achieve their sustainability goals.”

<sup>1)</sup> Excluding investments made in the last twelve months (as of August 2024), based on the number of companies for which this information was available.

<sup>2)</sup> Based on the data reported by the portfolio companies in scope of the IK ESG Survey and the data available as of August 2024.

# Climate Change in Focus

**At IK, we believe that climate change has detrimental effects on people, the planet and the economy.**

The increasing frequency and severity of physical climate impacts, along with the scale of effort required for climate mitigation and adaptation efforts, creates a systemic risk with potential material financial implications for IK, our portfolio companies and investors.

It is therefore no surprise that, based on insights from across our portfolio, the most frequently mentioned expectations from stakeholders, such as clients and customers, relate to GHG emissions data and decarbonisation pathways.

With the objective of enhancing and delivering sustainable value to our investors and businesses, in line with our fiduciary duties, we developed an approach to identifying, assessing and addressing material climate change risks and opportunities. The approach targets both pillars of our activities — our corporate operations and, more importantly, the management of our investment portfolio — where the biggest exposure to climate impacts lie for us.

Engagement plays a key role in our climate approach, as we aim to support our portfolio companies in managing climate risks to protect their value, while also unlocking opportunities associated with the transition to a low-carbon economy.

When engaging with our portfolio companies, we focus on:

- 1 Raising awareness of climate change risks and opportunities
  - Decarbonisation strategy session as part of the ESG Forum for portfolio companies
  - Ad-hoc webinars and information sessions
- 2 Integrating climate change risks and opportunities into the ESG roadmap, where relevant
- 3 Measuring and reporting GHG emissions
- 4 Identifying emissions reduction opportunities
- 5 Developing and implementing decarbonisation strategies
- 6 Setting SBTs and getting them verified by SBTi
- 7 Unlocking climate-related opportunities
- 8 Engagement with the portfolio companies' Boards of Directors

## Measuring GHG Emissions

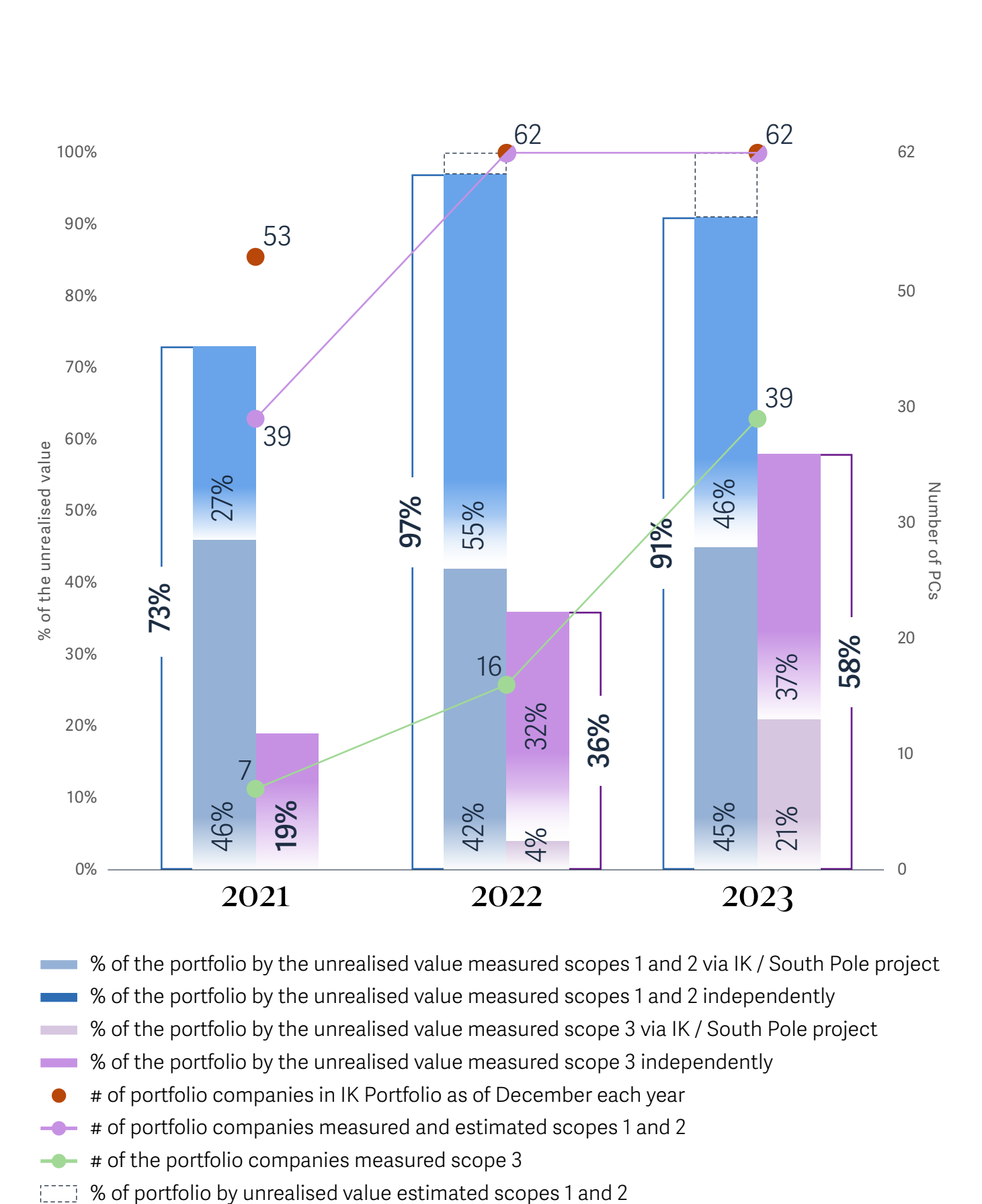
GHG emissions monitoring is essential for understanding contributions to climate change impacts and taking meaningful action to mitigate them. As investors in a wide array of companies across various sectors, we support companies across our four strategies — where we hold both majority and minority stakes — to measure and report at least scopes 1 and 2 GHG emissions annually, with scope 3 encouraged.

In 2021, after recognising that many of our portfolio companies were new to emissions monitoring, we launched a carbon footprint support project with South Pole, a leading climate consultancy.

In 2024, 28 portfolio companies participated in the project and received tailored reports detailing their absolute emissions, total energy consumption and renewable energy usage from 2023 operations. The reports also indicated emissions-reduction opportunities to align with SBTs and meet the 1.5°C emissions pathway.

We also saw a rising number of our portfolio companies measuring their emissions outside of the project devised by IK, as they are developing their own decarbonisation strategies and recognise the importance of supporting their stakeholders on this journey. As a result, 91% of IK portfolio companies<sup>1)</sup> measured their scopes 1 and 2 emissions and 58% measured scope 3 in 2024.

**FIGURE 4: IK PORTFOLIO GHG EMISSIONS MONITORING PROGRESS<sup>2)</sup>**



1) By unrealised value as of December 2023. 2) Based on the portfolio as of December 2023 and the emissions data available as of August 2024.

# ▶ Portfolio Highlights



## Emissions Reduction in Operations and Product Offering

Kooi Camera Surveillance (IK X Fund) is a fast-growing pan-European provider of temporary video surveillance and rising early-detection fire alarm systems, including a range of Units for Observations.

While aiming to reduce its direct operational scopes 1 and 2 emissions to zero by 2030, Kooi is developing a decarbonisation strategy that also targets its product range, shifting away from diesel-run power systems to cleaner and renewable alternatives.



## Enabling Renewable Energy Infrastructure

Ampelmann (IK VII Fund) is a high-tech company focusing on the development, construction, rental and sale of offshore access solutions.

The company plays a crucial role in the transition to a low-carbon economy by providing access solutions to offshore wind farms with the highest standards of safety.

Ampelmann has concentrated its own decarbonisation efforts on electrifying its fleet and optimising their lifecycle to minimise resource consumption and associated impact.

By changing from diesel powered to electric powered systems with energy recouperation, Ampelmann has achieved a 90% reduction in power requirement to operate the same system.



## Climate Action in the Procurement Process

Medica (IK IX Fund) is a leading healthcare services provider in the UK, Ireland and the US, offering teleradiology, managed imaging services and imaging services for clinical trials.

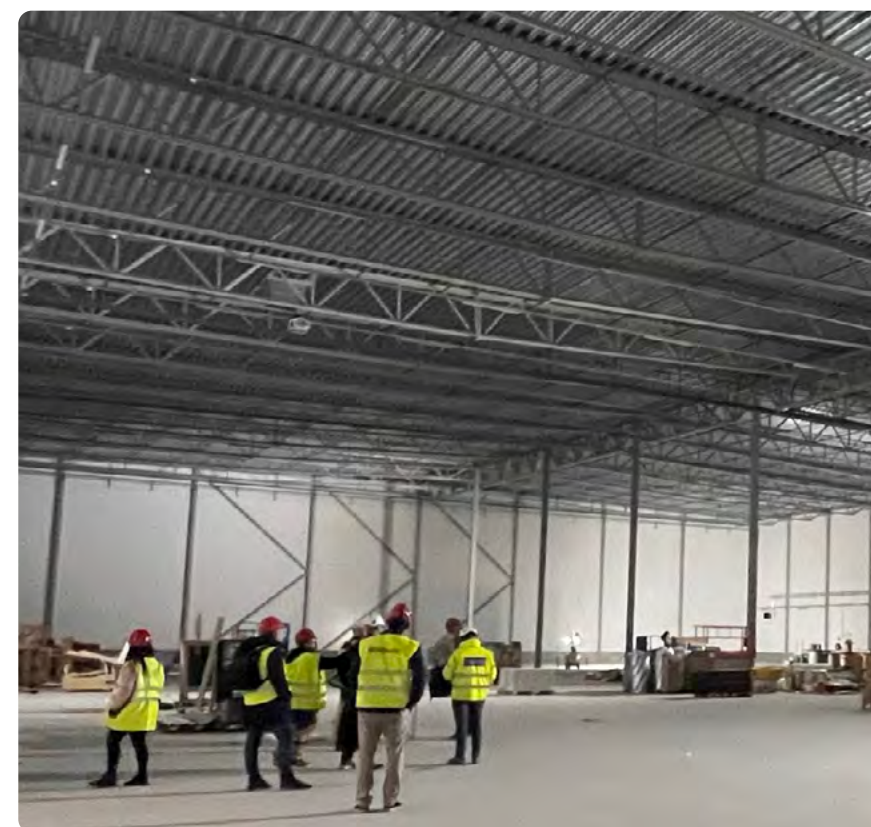
As part of Medica's commitment to serving its large public sector client base, IK has worked with the business to set a net zero target and complete the NHS Evergreen Sustainable Supplier Assessment, which allows the NHS to engage with its suppliers on their sustainability ambitions. As a result, the company successfully achieved its desirable result in 2023.

## Meeting Clients' Demand for Circularity

Advania (IK IX Fund) caters to both public and private clients through a full suite of IT solutions including managed services, professional services and value-added reselling.

Aiming to extend the lifespan of IT equipment and combat the escalating electronic waste crises and associated GHG emissions, Advania is introducing "The Dreamhouse project", a pioneering recycling centre with refurbishment capabilities.

The facility aims to align with the international environmental certification BREEAM-SE at the Excellent level and the Swedish standard NollCO2. It is planned to be powered by solar energy, incorporating geothermal heating and passive cooling systems and offering electric vehicle charging.



## Helena Nordin

Chief Sustainability Officer  
Advania Sweden  
Head of Compliance and  
Corporate Responsibility  
Advania Group

“The ‘Dreamhouse Project’ is a perfect example of when climate mitigation targets go hand in hand with developing our business. The goal for the Dreamhouse is that by 2030, half of the hardware sales will be reused products. That is the single most important contribution towards Advania Sweden’s climate goals validated by SBTi.”

# Progress against IK Portfolio Coverage SBTs

**We are committed to achieving our Paris Agreement-aligned emissions reduction targets, approved by the SBTi in 2022.**

Our portfolio coverage target is for 26% of eligible investments<sup>1)</sup> by invested capital to have SBTi-validated targets by 2026 and 100% by 2040, from a 2021 base year.

Throughout the reporting period, we supported a rising number of portfolio companies in setting emissions reduction targets to showcase leadership to their customers and other stakeholders. We have also seen an increasing demand from our lenders to use SBTs as part of ESG-linked financing solutions further incentivising decarbonisation efforts.

We regularly conduct information sessions with our portfolio companies to guide them through the SBT-setting process as well as providing tools, manuals and other resources to help them to define targets. Decarbonisation strategy and SBTs were also addressed in a dedicated session at the ESG Forum in 2023, led by South Pole experts.

As a result of our efforts, we have made excellent progress towards achieving our portfolio coverage targets and are on track to fulfil our commitment. As of the end of 2023, 26% of our portfolio companies by invested capital had their targets verified by the SBTi or have officially committed to setting SBTs.



**Bertrand Liber**  
President,  
Ascentiel Groupe

**“Companies have a crucial role to play in implementing actions that contribute to limiting global warming. As a player in the Insurance sector, which is on the front line of the consequences of global warming, it is natural for Ascentiel Groupe to be resolutely part of this dynamic. The SBTi’s validation of our commitments by 2030 honours and obliges us. We are proud to be taking action to reduce our carbon footprint, including moving to an energy efficient building in 2023.”**

## Companies that contribute to 26% of IK’s Portfolio Coverage

Targets verified by SBTi



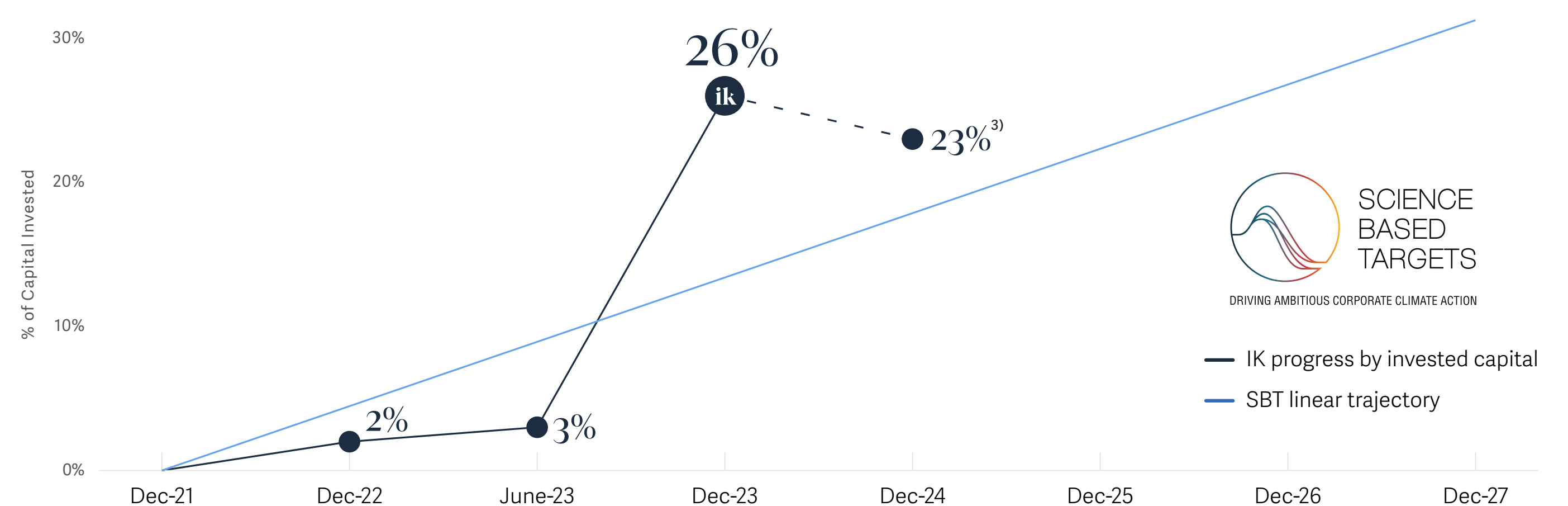
Formally committed to SBTi



Minority-owned portfolio companies that have set or are committed to setting SBTs<sup>2)</sup>



**FIGURE 5: PORTFOLIO COVERAGE TARGET PROGRESS**



1) Majority-owned investments with more than 25% of ownership and 1 board seat with voting rights.

2) These companies do not contribute to IK’s portfolio coverage scope 3 target. 3) The expected portfolio coverage is based on the portfolio and capital invested as of June 2024, excluding companies signed for exit and assuming Kooi and Remazing set the targets or publish the official commitment.



# ▶ Monitoring and Reporting

ESG data monitoring plays a key role in understanding the performance of our portfolio companies and in focusing our engagement priorities. A well-established data collection process also enables us to regularly report reliable data to our investors and other stakeholders, supporting them in achieving their own sustainability and financial goals.

All of our portfolio companies are required to complete the annual IK ESG Survey. Since 2020, the survey has been conducted via the online reporting platform Worldfavor and, starting from 2025, Novata.

The survey includes metrics based on the key industry frameworks and regulations, such as EDCI, TCFD and Principal Adverse Impact (“PAI”) indicators under the EU Sustainable Finance Disclosure Regulation (“SFDR”).<sup>1)</sup>

Each portfolio company is subject to an in-depth annual review by IK in March, which includes an ESG section specific to each company, providing an overview of material sustainability topics, current maturity based on the ESG data reported and industry benchmarks as well as recommendations for improvement.

We strive to maintain high levels of transparency and improve data quality for each reporting period.

## 100%

Response rate to our Annual ESG Survey

Our survey includes

## 70+

ESG metrics across seven thematic areas:



ABC and Business Ethics



Corporate Social Responsibility



Data Privacy and Cybersecurity



Diversity and Labour Relations



Environment and Climate Change



Occupational Health and Safety



Supply Chain Management, Modern Slavery and Human Rights

<sup>1)</sup> IK Investment Partners AIFM, together with IK Investment Partners Limited and their principal group companies (“IK”), will consider ESG factors as part of the Fund’s investment process but, at this stage, will not consider adverse impacts of investment decisions on “sustainability factors” as specifically contemplated by the EU SFDR (Regulation (EU) 2019/2088). More information is available here: <https://ikpartners.com/no-consideration-of-sustainability-adverse-impacts/>

# ▶ Aligning to Industry Frameworks

Due to the global impact of climate change, the deterioration of the natural environment and their potential material implications for assets and financial participants, there is a need for the industry to increase transparency around the exposure to nature-related risks and associated management practices.

To support this, we have taken steps to align our reporting on environmental metrics with the continuously evolving industry frameworks. We are dedicated to continuously improving our approach adopting new tools and techniques to maintain our leading position within the sector.

## Increased Climate Disclosure

We are proud to have published our first standalone TCFD Report in June 2024, which provided a comprehensive overview of our performance against climate requirements in accordance with the FCA.

The report included our findings from the portfolio-wide climate scenario analysis we conducted at the asset-level, using the Altitude tool by AXA. The results indicated a low to medium exposure to physical and transition climate risks overall.



Tailored fund-level disclosures were also made available to our investors, detailing fund-level emissions data as well as exposure to climate risks and opportunities.

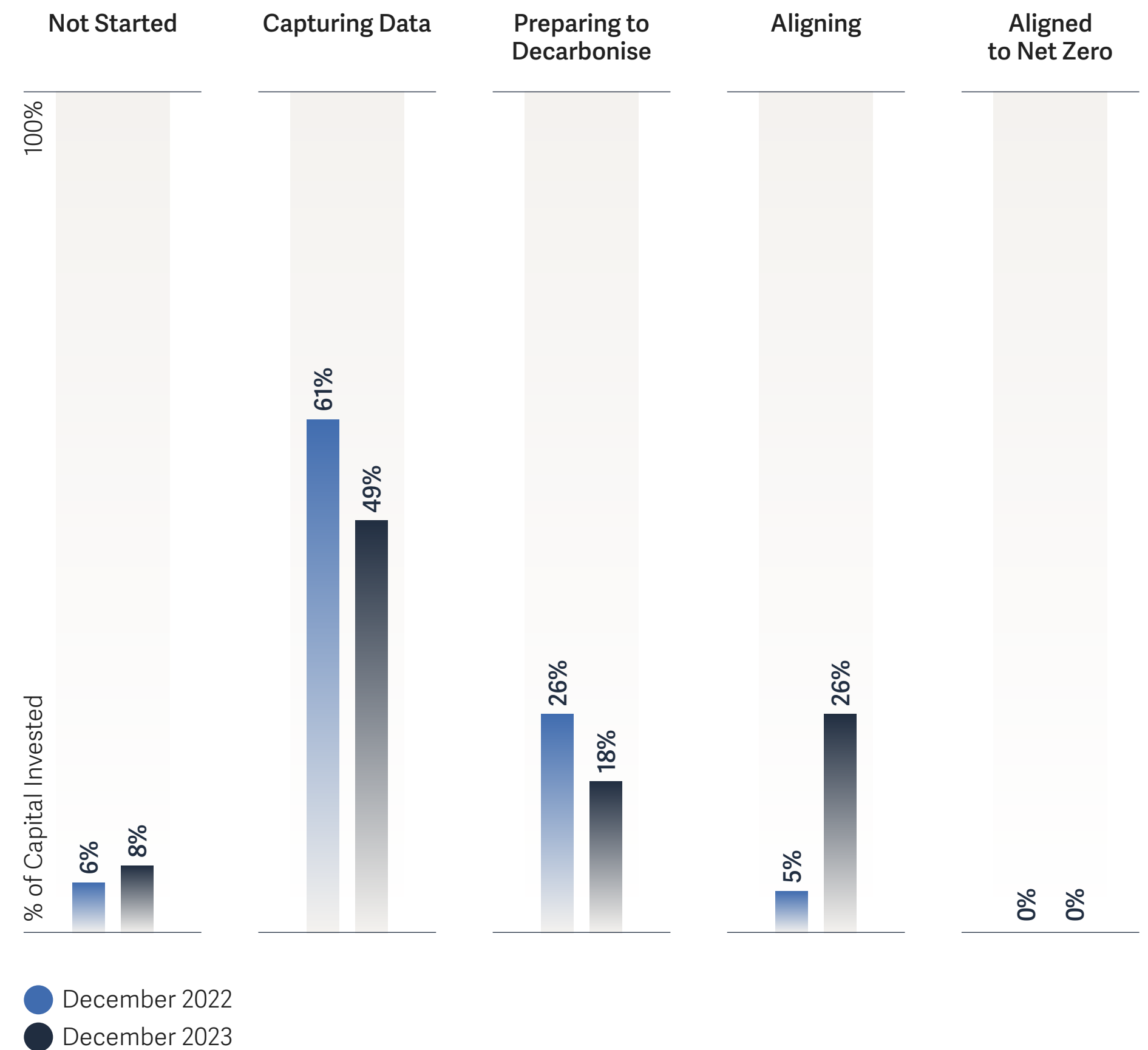
As part of the TCFD disclosures, we were able to report 100% of IK's financed emissions covering scopes 1 and 2 across our entire portfolio for the second year in a row and 64% of scope 3.<sup>1)</sup>

We actively monitor portfolio progress and, starting this year, are proud to report it using the Private Markets Decarbonisation Roadmap ("PMDR") framework.

Launched in November 2023 by the iCI and Sustainable Markets Initiative's Private Equity Task Force, the PMDR provides an industry-wide framework to classify portfolio companies along their trajectory to net zero.

The PMDR summary provides an overview of our entire portfolio, including both majority- and minority-owned investments, and their progress by the end of 2023 across five decarbonisation roadmap categories. We are continuously making progress, with the significant value of total invested capital shifting from 'Preparing to Decarbonise' to 'Aligning' between 2022 and 2023, showcasing the success of our engagement with portfolio companies focused on setting SBTs.

FIGURE 6: IK PORTFOLIO AGAINST THE PMDR ALIGNMENT SCALE



<sup>1)</sup> By unrealised value as of December 2023.

# ▶ Aligning to Industry Frameworks

## TNFD Early Adopters

At IK, we recognise nature loss as a source of systemic risk. Over the past few decades, unprecedented biodiversity loss caused by human activity has brought about risks to lives, economies and our climate. With more than half of global GDP being moderately or highly reliant upon natural capital,<sup>1)</sup> there has been a noticeable increase in focus among investors, businesses and regulators alike to improve the understanding of impacts and interdependencies between business and nature. Nature loss is the result of numerous and complex processes that will require comprehensive and coordinated efforts to address effectively.

As a diversified investor, we are keenly interested in understanding nature-related risks and opportunities in our portfolio and, like many others, we have faced challenges related to measuring and reporting on relevant metrics. The TNFD has developed a set of disclosure recommendations and guidance that encourages and enables businesses and financial institutions to assess, report and act on their nature-related dependencies, impacts, risks and opportunities.

In January 2024, IK became an Early Adopter of the TNFD recommendations, making us one of the first companies in the industry committed to making the relevant disclosures.

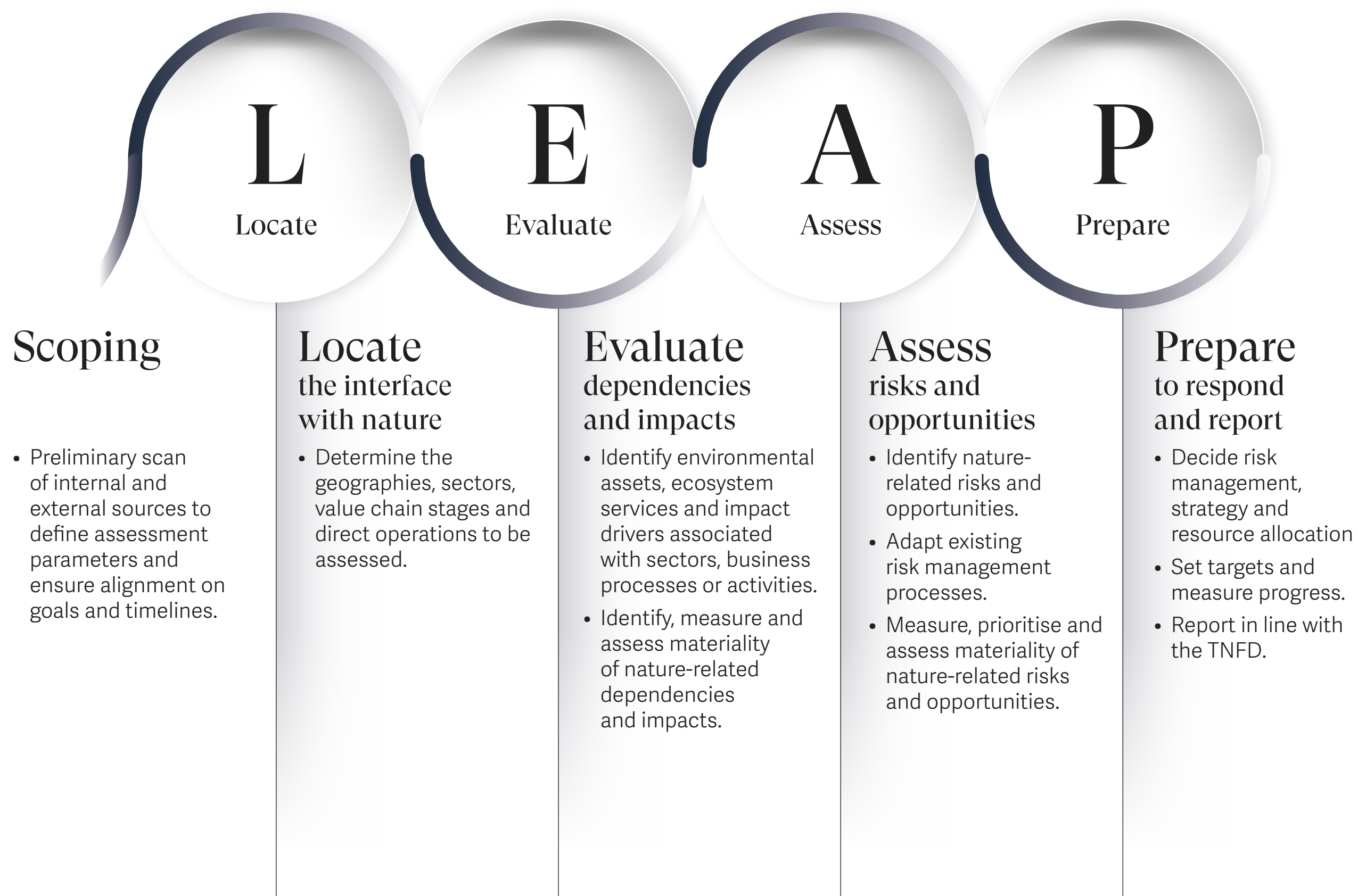
In 2023, we piloted a portfolio biodiversity screening of all companies across our Mid and Small Cap strategies. This process assessed companies and the impact of their operations and related dependencies on the natural environment, and screened companies' location proximity to UNESCO World Heritage Sites, Natura 2000 and Key Biodiversity Areas.

In 2024, we further enhanced the portfolio analysis by integrating biodiversity risk and opportunity screening into the investment process and extending biodiversity screening to the entire portfolio through the Altitude tool by AXA Climate.

We will continue to engage with portfolio companies to raise awareness on the topic and help them identify nature-related risks and opportunities. We will also support them in improving their capabilities for collecting and reporting good quality data and developing their own nature-related strategies.

We look forward to further aligning our disclosures to the TNFD recommendations soon by 2025.

FIGURE 7: LEAP APPROACH



<sup>1)</sup> PwC (2023) Managing nature risks: From understanding to action, available at: <https://www.pwc.com/gx/en/strategy-and-business/content/sbpwc-2023-04-19-Managing-nature-risks-v2.pdf>.

Source: [Guidance on the identification and assessment of nature-related issues: The LEAP approach.](#)

# Exit

Transparent and consistent communication is central to our exit strategies.

- As part of our exit preparations, we include a mandatory ESG section that outlines key achievements and provides relevant ESG metrics.
- Where appropriate, we work with external partners to conduct vendor DD assessments.



# 3

## ESG Materiality across the IK Sectors



# Introducing IK Sectors

## Business Services

- BPO
- Financial Services
- IT Services

## Healthcare

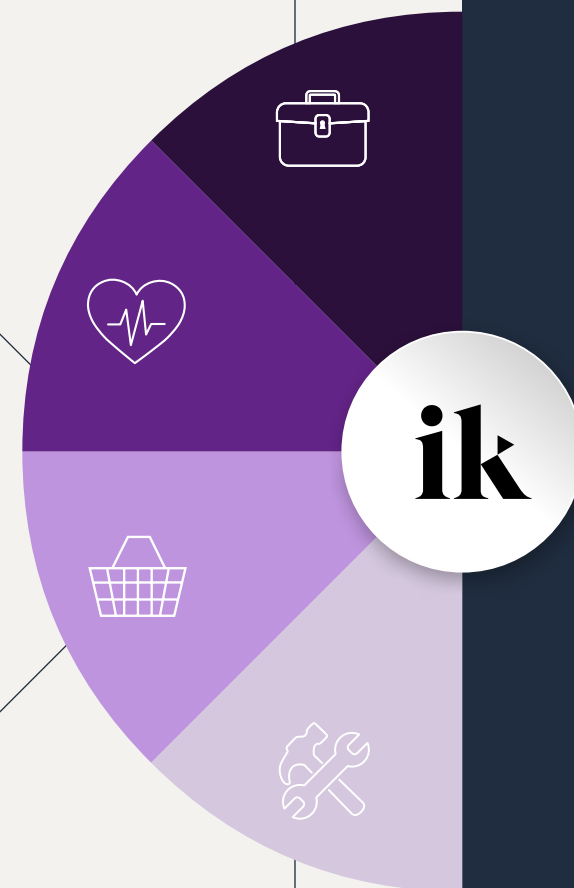
- Med-Tech & Safety
- Healthcare Services
- Pharma Services
- Healthcare IT

## Consumer

- Education
- Food & Food Ingredients
- Consumer Services
- Wellbeing

## Industrials

- Industrial Asset Services
- Building & Automation
- Testing & Measurement
- Energy Efficiency & Transition



# Portfolio

Business Services Acture 	Business Services Advania 	Business Services AdviseSense 	Business Services Ampelmann 	Business Services Cinerius 	Business Services Coin4 Solutions 	Business Services Conet 	Business Services DA Languages 	Business Services GeoDynamics 	Business Services iad 
Business Services IG&H 	Business Services IM Global 	Business Services Neverhack 	Business Services OPEN 	Business Services Plus Que Pro 	Business Services Qconcepts 	Business Services Questel 	Business Services Remazing 	Business Services Responda 	Business Services Sitevision 
Business Services Third Bridge 	Business Services TrueSec 	Business Services Valoria 	Business Services Yellow Hive 	Healthcare Alanta 	Healthcare BIOBank 	Healthcare Defibrion 	Healthcare Innovad 	Healthcare Kersia 	Healthcare LAP Laser 
Healthcare Marle 	Healthcare Medica 	Healthcare MWM 	Healthcare Ondal 	Healthcare Plastiflex 	Healthcare Sofia 	Healthcare Unither 	Healthcare Vivalto Sante 	Consumer Ascentiel 	Consumer Batisante 
Consumer Carspect 	Consumer Domia 	Consumer Formue 	Consumer Forthglade 	Consumer GEDH 	Consumer GoodLife 	Consumer Linxea 	Consumer Mademoiselle Desserts 	Consumer Mecenat 	Consumer Skill & You 
Consumer Wishcard 	Industrials A-Safe 	Industrials Blanchon 	Industrials Checkmate 	Industrials EQGO 	Industrials Eurofeu 	Industrials Ipsum 	Industrials Kooi 	Industrials MDT Technologies 	Industrials MMS 
Industrials MUPRO 	Industrials Optimum Groupa 	Industrials Pinard 	Industrials Renta 	Industrials Safic Alcan 	Industrials Schwingshandl 	Industrials STEIN 	Industrials Veldeman 		

Recently Acquired  
 Recently Exited

# Business Services

## Material Sustainability Topics<sup>1)</sup>

- ABC & Business Ethics
- Data Protection & Privacy / Cybersecurity
- Talent Attraction & Retention
- Diversity, Inclusion & Employee Engagement
- ESG Regulatory Requirements & Compliance
- Climate Transition Opportunities
- Electronic Waste
- Product Design & Lifecycle Management
- GHG Emissions
- Selling Practices & Product Labelling



## ESG Performance Highlights<sup>2)</sup>

**94%**  
Portfolio companies with a Code of Conduct adopted

**94%**  
Portfolio companies reported having a Data Protection and Privacy Policy and Cybersecurity Policy

**79%**  
Portfolio companies conducted an Employee Satisfaction Survey

**53%**  
Portfolio companies reported internal DEI objectives and targets

**67%**  
Portfolio companies measured Gender Pay Gap

## Best Practice Examples from the IK Portfolio

### Questel



Status: Current  
Strategy: Mid Capital  
Fund: IK IX  
[View Investment](#)

### Investing in Employee Growth

Founded in 1978 and headquartered in Paris, France, Questel is a leading intellectual property ("IP") management company, delivering complete software and tech-enabled services for each stage of the innovation lifecycle.

The company's employees are central to its success and to attract and retain talent, Questel provides them with various skills development pathways. These include in-house trainings developed by a dedicated team, various e-learning platforms, monthly cybersecurity training, Executive IP Training Library and Questel CSR Library.

In addition to providing internal training, to further boost development, innovation and knowledge sharing, Questel sponsors and encourages its employees to attend external events on topics such as artificial intelligence, blockchain, IP perspectives and innovation. The company also welcomes interns and apprentices from local universities every year.

Questel clients also benefit from dedicated training on the offered IP tools and a rich knowledge base to successfully address their IP challenges.



### GeoDynamics

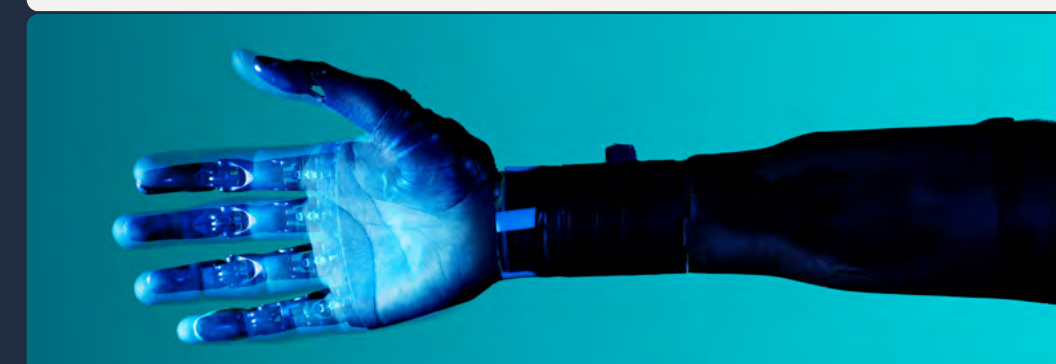


Status: Current  
Strategy: Small Capital  
Fund: IK SC II  
[View Investment](#)

### Strengthening Governance

Established in 2004 and headquartered in Kortrijk, Belgium, GeoDynamics is a leading software provider specialising in location-based software solutions for mobile workforces.

Throughout 2023, GeoDynamics focused its efforts on strengthening its governance policies and practices as the company continued to grow and professionalise its operations. The company successfully implemented a Business Code of Conduct along with a separate Supplier Code of Conduct and ABC and Human Rights Policy. Following this, an action plan was developed for the implementation of policies, their evaluation and reporting on their progress.



1) Material sustainability topics cover both risks and opportunities, based on the findings from ESG Review and ESG DD, portfolio as of December 2023.

2) Based on the data reported by the portfolio companies across Mid, Small and Development Capital strategies in scope of the IK ESG Survey and the data available as of August 2024.

# Healthcare

## Material Sustainability Topics<sup>1)</sup>

- ABC & Business Ethics
- Quality & Safety Management
- Occupational Health & Safety
- Data Protection & Privacy / Cybersecurity
- Environmental Impacts
- Product Design & Lifecycle Management
- Material Sourcing & Efficiency
- ESG Regulatory Requirements & Compliance
- Supply Chain Management
- Waste Management



## ESG Performance Highlights<sup>2)</sup>

78%

Portfolio companies reported having an Anti-Bribery and Corruption Policy

56%

Portfolio companies reported having a Quality Management System Certificate or similar

78%

Portfolio companies reported having a Health and Safety Policy

100%

Portfolio companies measured Health and Safety metrics

100%

Portfolio companies reported having a Data Protection and Privacy Policy

## Best Practice Examples from the IK Portfolio

### Kersia



Status: Current  
 Strategy: Mid Capital  
 Fund: IK IX  
[View Investment](#)

### Product-Focused Innovation

Founded in 1985 and headquartered in Dinard, France, Kersia is a global leading expert in food safety across the food value chain, providing biosecurity, disinfection, hygiene solutions and feed supplements for the food, brewing and beverage, farming and healthcare industries.

Since 2018, Kersia launched its international Corporate Social Responsibility ("CSR") program "ACT for a positive impact" backbone of the strategy of the group. Kersia provides holistic solutions combining products and services preventing diseases and contamination for both animals and humans at every stage of the food supply chain.

To drive innovation, Kersia employs a multi-layered approach:

- Continuous reformulation of existing solutions to keep being at the forefront of ever-evolving stringent regulatory requirements regarding sustainability of substances;
- Disruptive innovation (eg. Biotech) to create and capture new market demand for groundbreaking sustainable solutions, limiting the use of fossil-fuel based chemistry;
- Promotion of innovative cleaning methods (single phase cleaning, additives, biofilms removals) to reduce use of water, time and energy at client sites as well as the use of low-added value chemicals; and
- Innovation processes structured around strict KPIs regarding substances impact on People Safety and Planet. In Europe +40% of the turnover already meets the more stringent regulatory classifications for People Safety and Planet protection and is aligned with major clients blacklisted substance list, with the objective to reach a 50% top line green portfolio by 2030 at Group level, from 33% today of which rest being more traditional cleaning & disinfection solutions requested by the clients.



### Plastiflex



Status: Current  
 Strategy: Small Capital  
 Fund: IK SC III  
[View Investment](#)

### Circularity for the Future in Tubing Technology

Established in 1953 and headquartered in Beringen, Belgium, Plastiflex Group ("Plastiflex") is a market-leading global supplier of high-end customised tube system solutions to the healthcare, industrial and appliances end-markets.

Plastiflex realises the importance of minimising the environmental impact of its products and is committed to identifying and integrating circular opportunities while continuing to meet customer quality requirements. Initiatives include incorporating recycled resin (up to 40% for hoses and vacuum cleaners), utilising repurposed materials like waste fishing nets (up to 40% for industrial hoses) and replacing PVC with recyclable polyolefin.

Further improvements are being made through the implementation of weight reduction and lifespan extension through material engineering.

1) Material sustainability topics cover both risks and opportunities, based on the findings from ESG Review and ESG DD, portfolio as of December 2023.  
 2) Based on the data reported by the portfolio companies across Mid, Small and Development Capital strategies in scope of the IK ESG Survey and the data available as of August 2024.  
 3) Excluding medical appliances.



# Consumer

## Material Sustainability Topics<sup>1)</sup>

ABC & Business Ethics

Data Protection & Privacy /  
Cybersecurity

Customer Welfare

Diversity, Inclusion &  
Employee Engagement

ESG Regulatory Requirements  
& Compliance

Quality & Safety Management

ESG Governance

Climate Transition Opportunities

Occupational Health & Safety

Climate Change Vulnerability



## ESG Performance Highlights<sup>2)</sup>

# 80%

Portfolio companies with a Code of Conduct adopted

# 100%

Portfolio companies reported having a Data Protection and Privacy Policy

# 80%

Portfolio companies reported having a Cybersecurity Policy

# 40%

Average gender diversity of portfolio companies' employees

# 27%

Average gender diversity of portfolio company C-suite employees

## Best Practice Examples from the IK Portfolio



### Formue



Status: Current

Strategy: Partnership Fund

Fund: IK PF I

[View Investment](#)

### Proactive Risk Management

Founded in 2000 and headquartered in Oslo, Norway, Formue is a leading wealth manager offering an extensive range of services to wealthy individuals and families.

Operating from its offices across Norway, Sweden and Denmark, Formue prioritises the security of customer information and digital assets. It has implemented a robust cybersecurity strategy that encompasses the confidentiality, integrity and availability of customers' information throughout the entire data lifecycle: storage, processing and transmission. The company utilises both internal tools and an externally-managed security operations centre for 24/7 security monitoring and incident response.

In addition, to remediate against the latest security vulnerabilities, Formue has introduced a comprehensive strategy that includes cybersecurity defence systems, employee training, supplier assessment and regular security audits. This is led by the Chief Information Security Officer, certified under ISO 27001 and is in alignment with best practice frameworks such as NIST Cybersecurity Framework.

### Ascentiel Groupe



Status: Current

Strategy: Small Capital

Fund: IK SC II

[View Investment](#)

### Promoting Customer Centricity and Responsible Insurance Solutions

Founded in 1970 and headquartered in Rueil-Malmaison, France, Ascentiel Groupe ("Ascentiel") is a leading online insurance brokerage platform providing property and casualty coverage for individuals and small businesses in France.

The group prioritises customer satisfaction and retention, continuously monitoring feedback and responding to reviews within 48 hours. This approach to enhancing customer satisfaction has enabled Ascentiel to maintain a high average rating of 4/5 on eKomi, a global leader in online ratings and reviews.

Furthermore, the company implements innovative solutions to assist customers facing termination due to non-payment or claims, allowing them to maintain their insurance coverage.



1) Material sustainability topics cover both risks and opportunities, based on the findings from ESG Review and ESG DD, portfolio as of December 2023.

2) Based on the data reported by the portfolio companies across Mid, Small and Development Capital strategies in scope of the IK ESG Survey and the data available as of August 2024.

# Industrials

## Material Sustainability Topics<sup>1)</sup>

- Supply Chain Management
- Occupational Health & Safety
- Product Design & Lifecycle Management
- GHG Emissions
- Climate Transition Opportunities
- ABC & Business Ethics
- Energy Management
- Quality & Safety Management
- ESG Regulatory Requirements & Compliance
- Material Sourcing & Efficiency



## ESG Performance Highlights<sup>2)</sup>

82%

Portfolio companies reported having a Health and Safety Policy

100%

Portfolio companies measured Health and Safety metrics

91%

Portfolio companies reported having a Health and Safety Management Programme to improve performance

100%

Portfolio companies measured GHG emissions

77%

Portfolio companies measured energy consumption

## Best Practice Examples from the IK Portfolio

### Pinard Beauty Pack



Status: Realised  
 Strategy: Mid Capital  
 Fund: IK VIII  
[View Investment](#)

### Responsible Design for a Circular Future

Pinard Beauty Pack ("Pinard") specialises in the design, development and manufacturing of high-end plastic bottles mainly for the cosmetics and personal care markets.

Pinard champions eco-design principles to minimise environmental impact throughout a product's lifecycle. They embrace circular approaches by utilising recycled PET and bio-based Green HDPE materials, which are certificated by the ISCC Plus standard. This certification enables Pinard to create new materials from chemical recycling or from renewable materials, as an alternative to mechanical recycling.

Pinard is recognised as the top 1% of companies in the Plastic Products Manufacturing sector by EcoVadis in 2024, achieving a Platinum certificate.



### Renta



Status: Current  
 Strategy: Mid Capital  
 Fund: IK IX  
[View Investment](#)

### Commitment to Leading within a Circular Economy and Digitalisation

Founded in 2016, Renta is a full-service equipment rental company offering construction machines and equipment, modular on-site facilities, scaffolding and weather protection as well as related on-site services including pumping and water management services.

Leading within circularity and digitalisation was recognised as one of the core pillars of Renta's sustainability strategy, adopted in April 2023, together with mitigating environmental impact, excelling in health and safety and prioritising responsible corporate governance. Renta's primary business model of renting equipment revolves around concepts of a circular economy contributing to the increased use-intensity of equipment during its lifespan and reduced carbon emissions.

In 2023, Renta confirmed that 28.3% of its turnover, 16.8% of CAPEX and 27.2% of OPEX were aligned with the transition to a circular economy objective under the EU Taxonomy. In addition, the company has made carbon dioxide ("CO<sub>2</sub>") emissions data available to its customers, allowing them to track their performance and reach their own sustainability goals.

1) Material sustainability topics cover both risks and opportunities, based on the findings from ESG Review and ESG DD, portfolio as of December 2023.

2) Based on the data reported by the portfolio companies across Mid, Small and Development Capital strategies in scope of the IK ESG Survey and the data available as of August 2024.

# 4 ESG Case Studies



Case study



MDT Technologies

# Business Evolution toward EU Taxonomy Alignment

Status  
Current

Country  
Germany

Strategy  
Mid Cap

Fund  
IK VIII

Sector  
Industrials

Entry Date  
March 2020

# 42%

Reduction in scopes 1 and 2 GHG emissions targeted by 2030, verified by the SBTi

# Up to 50%

Energy savings from MDT's smart building products

  
Website  
[mdt.de](http://mdt.de)



# 9

## Consecutive Years

Awarded the TOP 100 innovation prize for German SMEs

Headquartered in Cologne, Germany, MDT is a leading manufacturer of smart building products for energy efficiency in residential and commercial properties. The company was awarded the TOP 100 innovation prize for German SMEs for the ninth consecutive year in 2024.

As part of IK's investment in MDT, post-acquisition, an independent ESG Review was conducted by ERM, which identified the following value creation and protection opportunities.

- **Key value creation:** Energy management, product lifecycle design and management.
- **Key value protection:** Product compliance, supply chain management and business ethics.

As part of IK's engagement and the carbon footprint project with South Pole, MDT started monitoring scopes 1 and 2 GHG emissions in 2022, extending to scopes 3 in 2023. Leveraging findings of the carbon footprint reports, MDT was able to identify efficient emissions reduction measures.

Supported by our ESG team, the company successfully set SBTs later verified by the SBTi in 2022, committing to reduce scope 1 and 2 emissions by 42% by 2030 from the 2021 base year. By switching to renewable energy and heat pumps, MDT has already made progress in reaching its targets.



With the Buildings sector representing approximately 35% of energy-related European GHG emissions in 2021,<sup>1)</sup> there is a strong emphasis from the regulators on reducing emissions and energy usage in buildings to help achieve carbon neutrality by 2050.

Based on the industry-recognised KNX standard,<sup>2)</sup> products manufactured by MDT deliver energy savings of up to 50% by automating heating functions, lighting and shading control to adjust to real-time occupancy and environmental conditions.

Leveraging the energy-saving features of its products and the company's mission to increase awareness of its contribution to the 'green agenda', IK and MDT initiated a process of alignment with the EU Taxonomy.

The EU Taxonomy is a classification system of environmentally sustainable economic activities that contribute to at least one of the six environmental objectives below, do no significant harm to the other objectives and adhere to good governance practices.

---

Climate change mitigation

---

Climate change adaptation

---

Sustainable use and protection of water and marine resources

---

Transition to a circular economy

---

Pollution prevention and control

---

Protection and restoration of biodiversity and ecosystems

**35%**  
Energy-related GHG emissions coming from the Buildings sector in Europe<sup>1)</sup>

Back in 2022, with the support of PwC, the first Taxonomy eligibility check was conducted for MDT, confirming that 90% of the company's revenue comes from KNX building automation and control products, which are considered an enabling activity that substantially contributes to the climate change mitigation objective under the Taxonomy.

The identified share of eligible revenue was found to be significantly higher than the average in MDT's Industrials sector, where the pool of Taxonomy-aligned companies was very limited.<sup>3)</sup>

- 22% Industrials sector average alignment
- 11% MSCI ACWI<sup>4)</sup> index average alignment
- Less than 3% of the EU fund portfolio with Taxonomy alignment of more than 5%.

Since then, MDT has achieved significant progress in aligning with the Taxonomy and has introduced best-in-market ESG practices. These include conducting biodiversity and physical climate risk assessments, implementing water waste management processes, assessing the availability and feasibility of the circularity features of its products as well as screening human rights risks in operations and the supply chain. MDT has also strengthened its governance processes by establishing a grievance mechanism and implementing robust policies tackling bribery, corruption and human rights.

IK continues to support MDT with its Taxonomy-alignment, aiming to affirm its position as a leading sustainable business and attract sustainability-focused investors in a market with limited options.

**90%**  
MDT revenue is in Taxonomy-eligible activities

**22%**

Industry average for Taxonomy-alignment in the Industrials sector in 2022<sup>3)</sup>

1) European Environmental Agency (2023): Greenhouse gas emissions from energy use in buildings in Europe, available at: <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-energy>. 2) KNX Energy Management (2021): Energy Efficiency with KNX, available at: <https://knxconsultants.com/wp-content/uploads/2021/02/KNXEnergyEfficiency.pdf>. 3) EU Taxonomy Maximisation for MDT Technologies by strategy& and PwC (2022). 4) Morgan Stanley Capital International All Countries World Index (MSCI ACWI): Captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets.

Case study



Mademoiselle Desserts

# Growing a Desserts Business with Sustainability at its Core

Status  
Realised

Country  
France

Strategy  
Mid Cap

Fund  
IK VIII

Sector  
Consumer

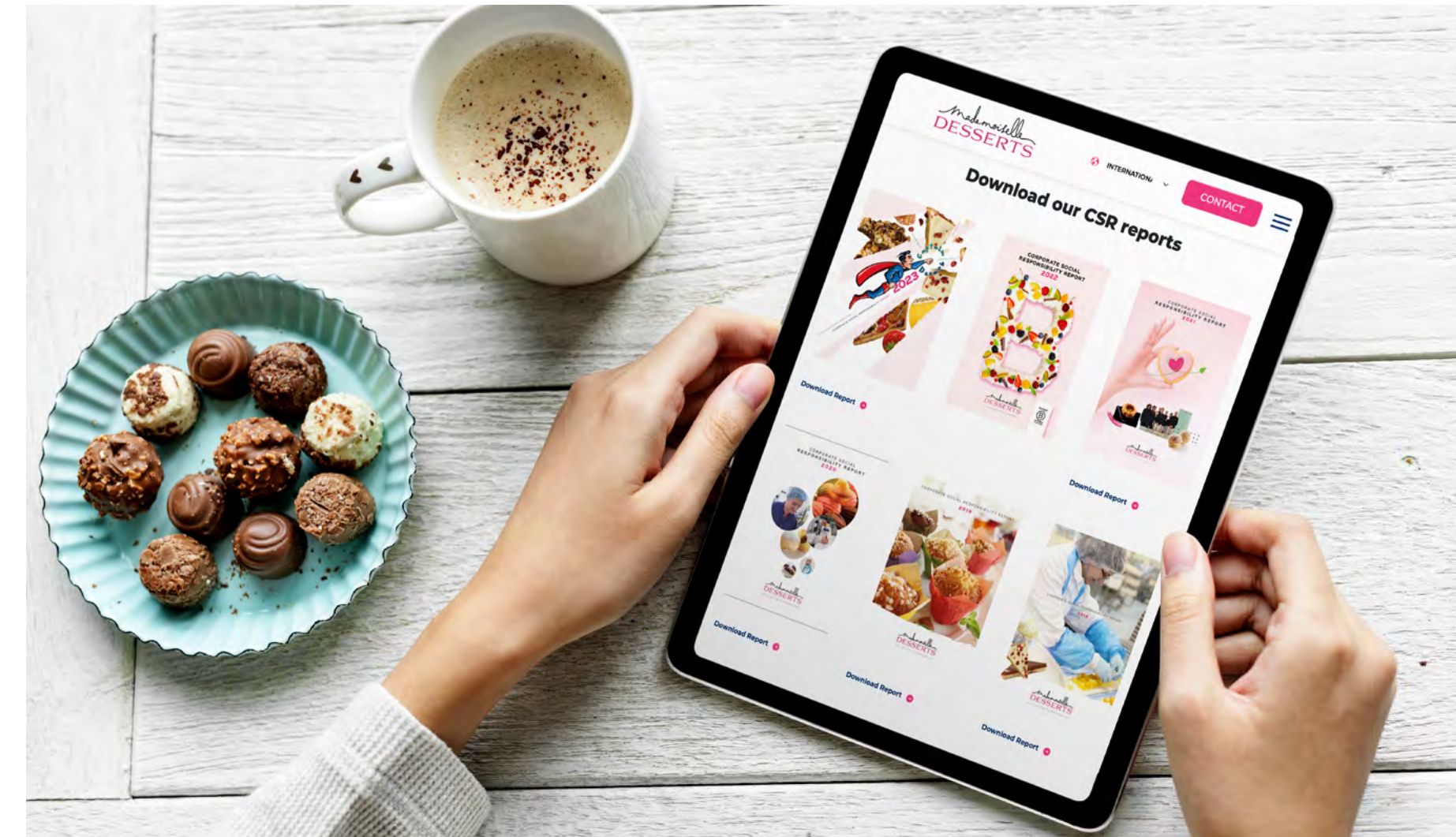
Entry Date  
July 2018



CSR Report 2023



Website  
[mademoiselledesserts.com](http://mademoiselledesserts.com)



Established in 1984 and headquartered in Montigny-le-Bretonneux, Mademoiselle Desserts is a leading manufacturer and distributor of premium frozen industrial finished and semi-finished pastries in Europe.

From its 12 bakeries in Benelux, France and the UK, the company supplies its products to a wide range of customers across Europe, Asia and North America; from coffee shops and restaurants to retail and catering.

Since 2007, Mademoiselle Desserts has been committed to sustainable decision-making, linking financial performance to environmental and social impact and considering stakeholder expectations. For several years, the company has shared its **CSR best practices**, initiatives and indicators, whilst actively monitoring upcoming regulations. It has been a member of the UNGC since 2014, demonstrating its long-term commitment to sustainability.

As part of IK's investment in Mademoiselle Desserts, post-acquisition, an independent ESG Review was conducted by ERM, which identified the following material sustainability topics for our engagement:

GHG emissions and energy management

Supply chain management

Product quality and material sourcing

Product packaging

Employee health, safety and wellbeing

# 12 Bakeries

Across Benelux, France and the UK, supplying customers across Europe, Asia, and North America

## UN Global Compact

Member since 2014

Certified



Corporation

## Certified B Corp

Since 2022

Reducing environmental impact is the core pillar of the company's sustainability commitments and efforts targeting both its operations and products. Since the end of 2022, Mademoiselle Desserts has been developing a decarbonisation strategy using the Agence de la Transition Ecologique ("ADEME") ACT Pas-à-Pas method, well-suited to companies in the food production industry. By joining the ADEME Accelerator Programme, the company was able to define its emissions reduction trajectory in line with the SBTi and, in 2023, committed to setting near-term targets covering scope 1, 2 and 3 as well as agricultural product-related emissions.

To bring the strategy and its commitments to life at a corporate level, Mademoiselle Desserts introduced 'Captain Decarb', who raises awareness of the company's progress in this area and promotes collaborative action.

Through the Clean M, Nutri M and Pack M programmes, the company has been working to simplify ingredient lists and improve the nutritional profile of its products as well as the packaging used. It is striving to eliminate synthetic additives like emulsifiers and colorants while focusing on local sourcing and transparent ingredient lists. Under these programmes, Mademoiselle Desserts has reduced sugar in some key products by up to 30%, enhanced the Nutri Score of several offerings and improved the traceability of its ingredients, reinforcing a commitment to both nutritional quality and responsible sourcing.

In 2023, the company reported that 92% of its rigid plastic packaging made of recyclable plastic and is recycled, outperforming its original target of 90%. 40% of virgin fibre paper used by the business comes from FSC/PEFC-certified sources, with a goal of 100% by 2025. This builds on progress from 2022 when all aluminium and paper packaging in its products became recyclable.

**92%**  
of rigid plastic packaging is recycled, exceeding the target of 90%

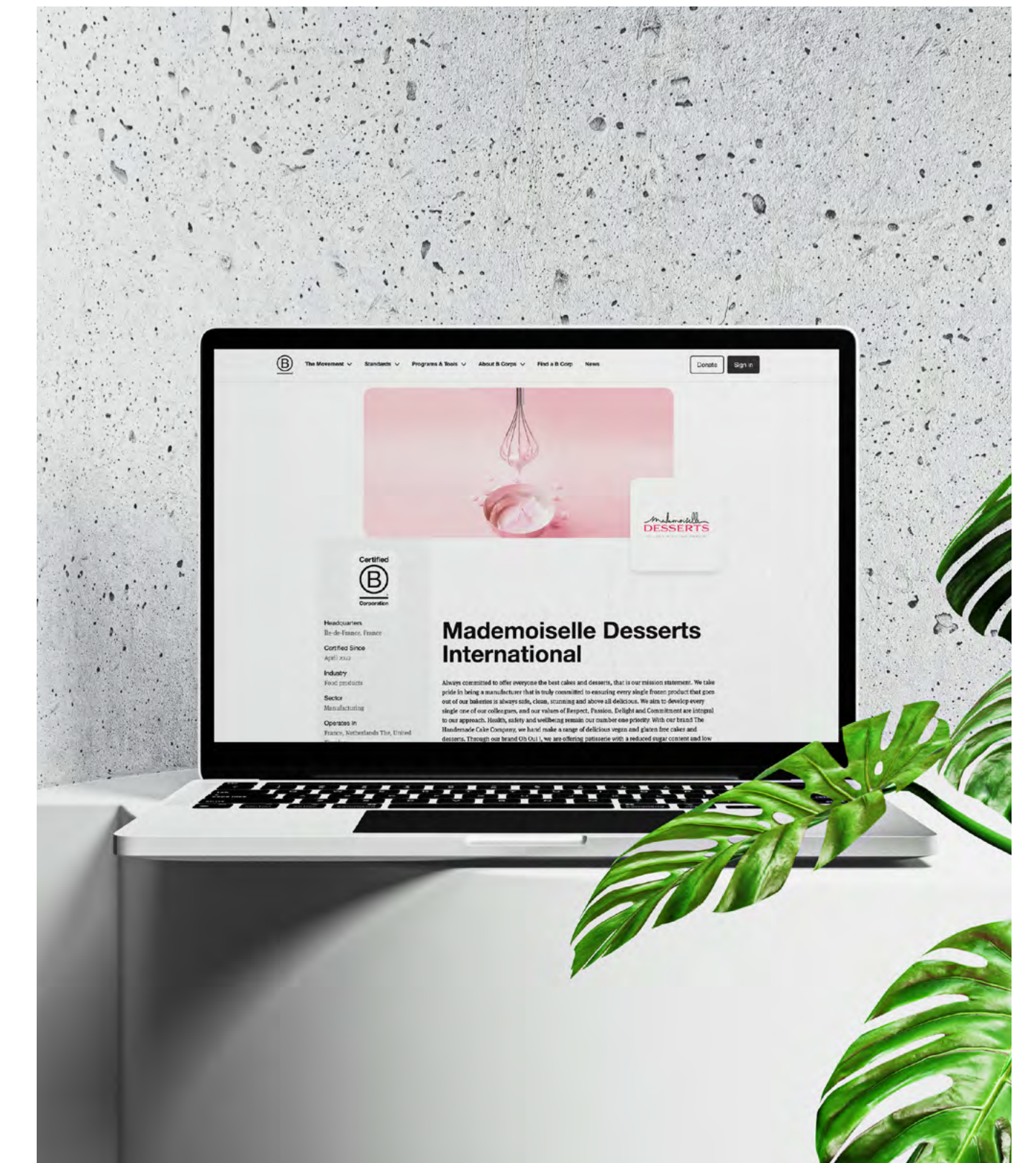
**Up to 30%**  
reduction in sugar for key products under the Clean M and Nutri M programmes



Mademoiselle Desserts has taken steps to establish a responsible purchasing charter and has rolled out an enterprise resource planning system to improve the traceability of ingredients and the reliability of information on its packaging, also increasing food safety.

Following IK's investment in 2018, the company successfully advanced its sustainability and business ethics practices and became a **certified B Corporation** in 2022.

Going forward, Mademoiselle Desserts will continue working to meet its quantitative goals and to reinforce its sustainability commitments across the core topics.



# 5 Sustainability at IK





# Our People

Our people are central to the success we experience at IK. The diverse, dynamic and entrepreneurial nature of the Firm enables us to achieve our collective goals and unleash the potential we see in people and businesses we work with, in turn allowing us to unlock value in our investments and generate strong returns for our investors.

We promote a culture that nurtures passion, develops technical skills and is driven by an ambitious spirit.

 **190+**  
Employees

 **34**  
Nationalities

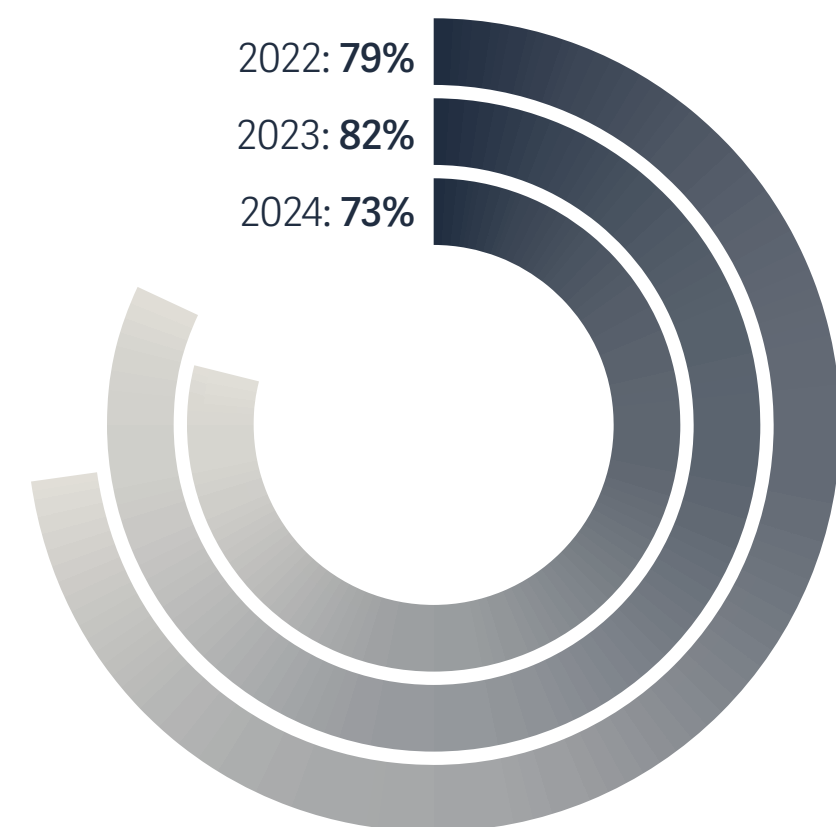
 **8**  
Offices

 **49**  
New Joiners

Since 2022, we have conducted an annual Employee Engagement Survey to better understand how employees at IK feel about their work environment, job satisfaction and general sentiment regarding the Firm. The introduction of the survey has garnered positive reactions thus far and we're pleased to report response rates of 79%, 82% and 73% in 2022, 2023 and 2024 respectively.

The results of the survey have played a significant part in shaping new initiatives across the firm and act as a good barometer of internal engagement and employee sentiment. Following feedback from the Employee Engagement Survey, we implemented several new training initiatives, including sessions on presentation technique, negotiation, ESG and Capital Markets.

FIGURE 8: SURVEY RESPONSE RATES



## Promoting Diversity and Inclusion

We recognise the importance of promoting diversity and inclusion ("D&I") in the workplace. Having diverse teams in an inclusive environment, where everyone feels valued, respected and empowered, fosters innovation, enables better decision making and improves performance. We strive to build teams that reflect the diversity of the world we live in and, during the reporting period, we were pleased to note that the gender split at IK was 55:45 men to women employees, with women making up 29% of the Investment team and 23% of partners and directors across the business. Our total number of nationalities also reached 34.

FIGURE 9: TOTAL WOMEN EMPLOYEES

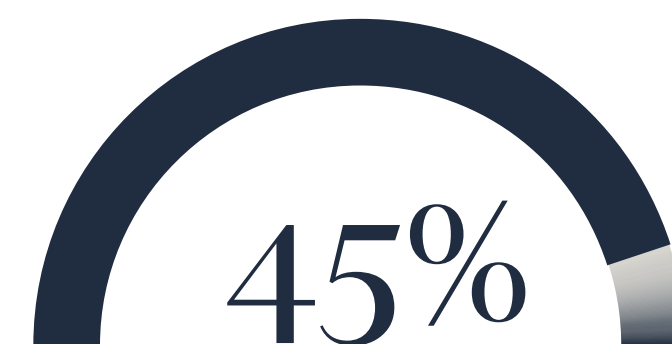
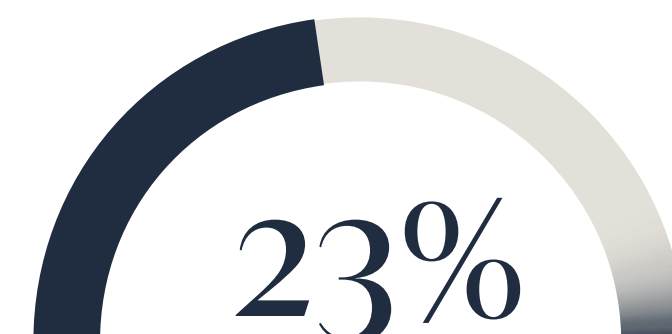


FIGURE 10: WOMEN AT PARTNER AND DIRECTOR LEVELS



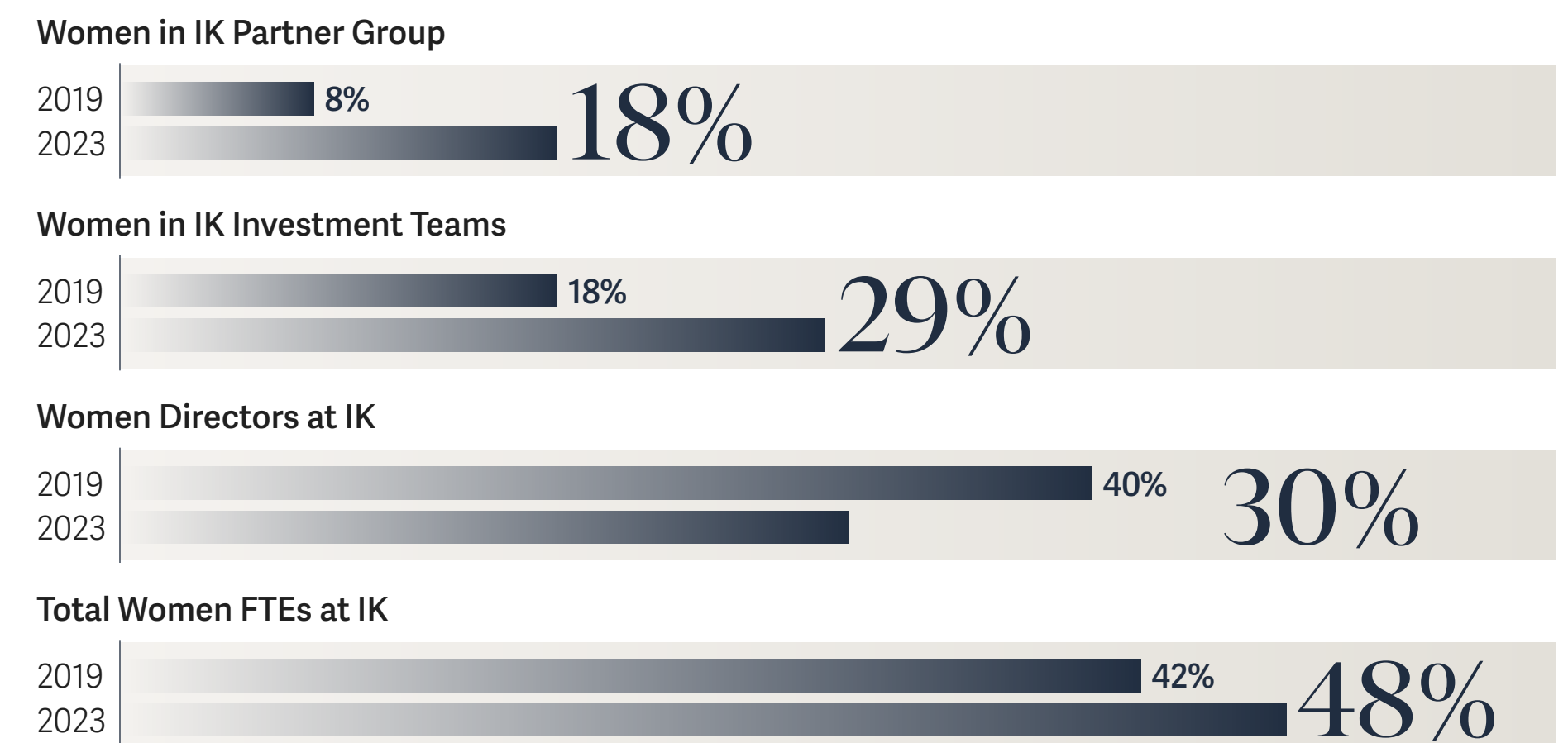
Since 2022, we have provided annual e-learning training covering various D&I topics such as microaggressions. The training has a historical completion rate of 99% and, from 2024, we extended the training to include topics around harassment and disability.

In June 2023, we established a D&I Committee, comprising eight individuals from different functions and seniority levels, who meet twice a year. In these meetings, they discuss participation in initiatives that address a range of issues, including but not limited to, social mobility, D&I awareness and training, as well as charity.

In April 2024, we invited **The Ability People** to deliver a disability awareness session for all our colleagues. This session saw a panel of four individuals come together to share their own experiences and provide insights on disability inclusion within the workplace.



FIGURE 11: WOMEN REPRESENTATION BY ROLE TYPE IN 2023 VS 2019



The IK employees diversity data is provided as of December 2023.

# Business Ethics, Governance and Policies

## Business Ethics

Upholding ethics and ensuring compliance with all relevant legislation is imperative to our business. We have a well-established compliance function which is critical to maintaining our business integrity. We continuously work to ensure robust compliance processes that are followed by all our employees.

## 5 eLearning Modules

Covering anti-money laundering, conduct rules, anti-bribery and corruption, conflicts of interest and tax evasion

# 100%

Completion rate of eLearning modules in 2023<sup>1)</sup>


## Cybersecurity and Privacy


At IK, we understand the significant risks that cybersecurity and data protection challenges present to our daily operations and the trust that exists between partners and investors. We are committed to strengthening our resilience against these emerging threats through various proactive measures.





**Peter Tucker**  
IT Director

“Earlier this year, we achieved ISO27001 accreditation across all of our offices, representing a pivotal point in the governance journey of our IT service at IK. This not only ensures that our internal cybersecurity processes and procedures are kept up to date, but also demonstrates the seriousness with which we view cybersecurity and the threat that a breach poses. The certification has established a strong foundation for us to ensure compliance with the Digital Operational Resilience Act by January 2025.”

 Cybersecurity training upon joining, covering the GDPR, information security management systems and phishing

 Annual cybersecurity refresher training with a 95% completion rate in 2023<sup>1)</sup>

 New AI Policy adopted in 2024

 Quarterly phishing campaign and Scam of the Week email for all staff

## IK Policies <sup>2)</sup>



**Code of Ethics**

July 2024



**D&I Policy**

June 2024



**ABC Policy**

March 2023



**Compliance Manual**

Sept 2024



**Global Family Leave Policy**

June 2024



**Employee Handbook**

July 2024



**Conflicts of Interest Policy**

Sept 2024



**Personal Account Dealing Policy**

June 2024



**Global Working From Home Policy**

June 2024



**Whistleblowing Policy**

October 2023



**ISO27001 Policies**

January 2024

1) Permanent IK employees. 2) A non-exhaustive list of some of our key policies and documents.

# Local Communities

Societal contribution is important to us, not just as a business but also as individuals. We are proud to engage with a number of not-for-profit organisations across all our geographies which sees our colleagues offer up their time and expertise to help those in need.

## Hamburg



### Die ARCHE

A nonprofit that supports children from disadvantaged backgrounds across Germany by offering meals, educational support, leisure activities and family assistance, aiming to help them reach their full potential and lead independent lives.

**Contribution:** Provided financial support for equipment and summer camps, volunteered at their summer party, donated food boxes and plan to donate office furniture.



## Amsterdam



### The Social Grocer

A social supermarket which provides affordable food and other essentials in a dignified, retail-like environment. They also offer social support and connection opportunities, helping to address both immediate needs and long-term food insecurity.

**Contribution:** Prepared the store, distributed groceries and engaged with customers.

## London



### The Connection at St. Martin's

This charity helps people experiencing homelessness in London, offering services ranging from immediate support (meals, showers) to long-term aid (job training, mental health assessments), with the goal of helping individuals transition off the streets and into stable housing and employment.

**Contribution:** Regular kitchen volunteering, decorating for Christmas, IT support (plus equipment donation and an internship offering) and offering office space for meetings.

## Paris



### Les Restos du Coeur

A French charity founded to provide food packages and hot meals to the homeless and low-income individuals, with some additional projects including housing assistance.

**Contribution:** Participation in several national donation drives in supermarkets across Paris, collecting food, personal care and hygiene products.



### Café Joyeux

A social enterprise providing employment and training to individuals with Down syndrome and autism through its cafés.

**Contribution:** Financial donations, purchase of Café Joyeux coffee and event participation.



### Mosaïques9

An association helping families at risk of social exclusion, focused on educational support for children and integration assistance for adults.

**Contribution:** Financial donations, recently offered to volunteer.



### PLAY International

This organisation sports and games to educate children on issues like equality, health and environmental awareness.

**Contribution:** In 2024, a team of four participated in the Vertigo Race to raise money for PLAY.



### AFM-Telethon

A patient organisation fighting neuromuscular diseases and supporting scientific research and patient care.

**Contribution:** Financial support.



### Etablissement Français du Sang

The national blood service in France, providing blood and related products to healthcare establishments.

**Contribution:** Regular blood donations. In the first year, we donated 3 litres. In 2021, this increased to 10 litres, 8 in 2022 and 8.5 in 2023.



## Luxembourg



### Luxembourg Times BusinessRun

A 5k charity race for corporate teams, hosted by the Luxembourg Times and run side-by-side with our Wendel counterparts. In which Wendel donated €2 per participant to charity, including to the Fondation Cancer Luxembourg, the official charity partner.



### ELA Luxembourg Association

ELA Luxembourg supports research and raises awareness for leukodystrophies, a group of rare genetic disorders affecting the nervous system.

**Contribution:** "Mets Tes Baskets" events where employees' steps raise funds for the cause.



## Nordics



### NU Läxhjälp

This service provides homework help and educational support to students from vulnerable areas, promoting integration through direct engagement with the business community.

**Contribution:** Supported youth education through mentoring and educational programs.



### Pant-for-Pant

A recycling initiative that employs socially vulnerable individuals to collect cans and bottles, helping them gain work experience and transition into stable employment.

**Contribution:** Engaged in recycling initiatives that provide job opportunities for vulnerable individuals.


# Our Environmental Footprint


2023 was a record-breaking year for climate change, with the global average temperature rising to ~1.45°C above the pre-industrial baseline. Although most of our GHG emissions come from our portfolio, we recognise that we also must take meaningful action to reduce the environmental impact of our corporate operations.

Since 2016, we have been dedicated to annually reporting our operational GHG emissions in line with the GHG Protocol, and we are committed to continuing to measure and reduce our emissions in line with our public commitments. In 2023, IK's total emissions amounted to 977 tCO<sub>2</sub>e, encompassing scope 1, 2 and 3

(categories 1-14). The largest portion of our emissions was attributed to business travel, followed by employee commuting and the procurement of goods and services. More information on the methodology and any limitations of our calculations can be found in [our 2023 TCFD report](#).

## IK Operations

 **977** tCO<sub>2</sub>e  
Total operational emissions<sup>1)</sup>

 **55%**  
Total electricity from renewable energy

 **11%**  
Year-on-year reduction in scopes 1 and 2 emissions, contributing to the achievement of IK's target


 **700** tCO<sub>2</sub>e  
Emissions avoided from 100 Solvatten units purchased

FIGURE 12: IK HISTORIC GHG EMISSIONS (TCO<sub>2</sub>E) AND EMISSIONS INTENSITY (TCO<sub>2</sub>E/FTE)

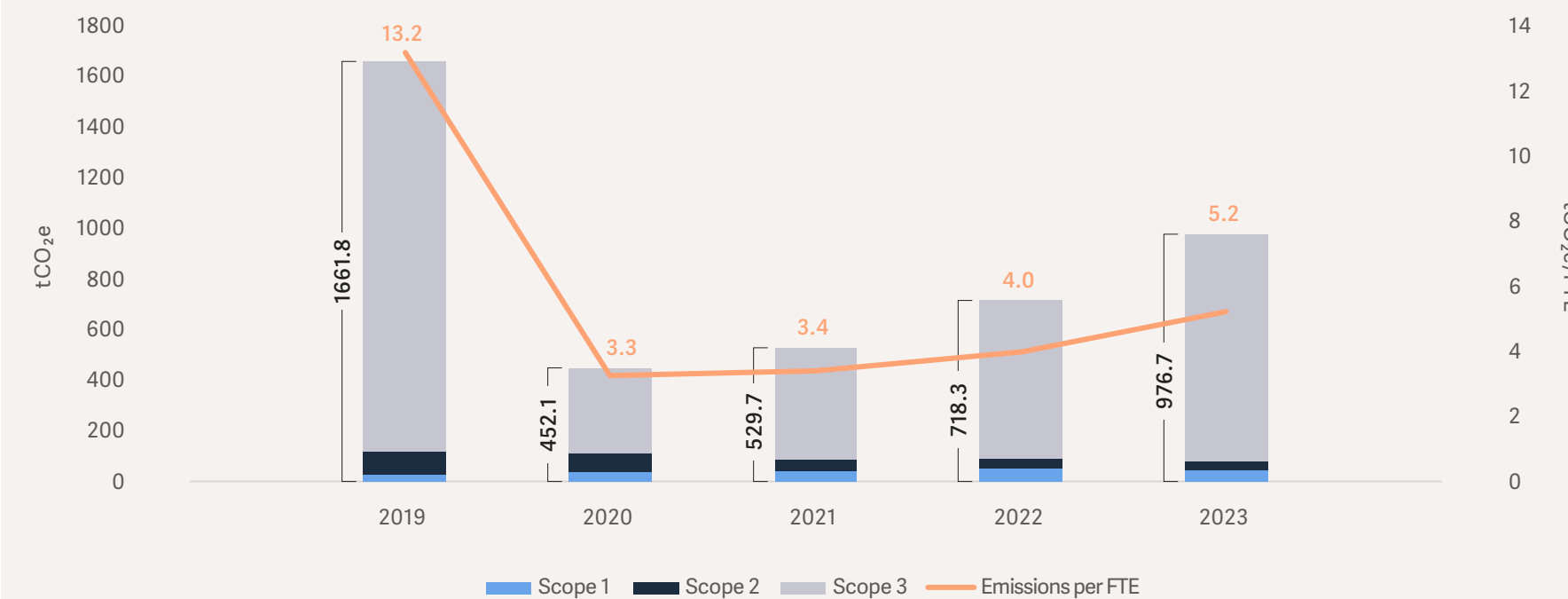
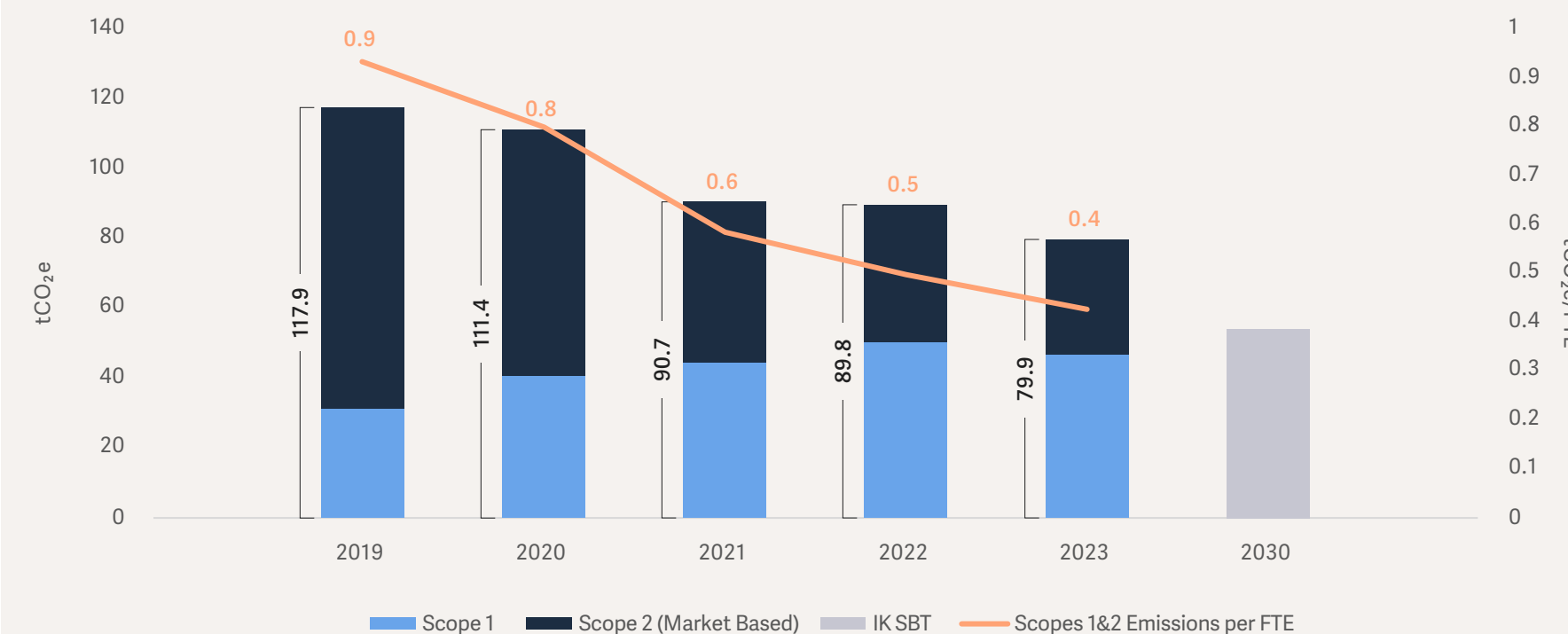


FIGURE 13: IK'S PROGRESS AGAINST ITS SCOPE 1 AND 2 EMISSIONS REDUCTION TARGET AS OF DECEMBER 2022



## IK's Emissions Reduction Target



In 2022, together with our portfolio coverage target, we established an operational SBT with the aim of reducing IK's scopes 1 and 2 GHG emissions by 54% by 2030 from a 2019 base year.

We are proud to report that we are making progress towards meeting our target. In 2023, we sourced renewable energy across our three largest offices.

Locally at each office, we focused on improving waste sorting and recycling practices, monitoring paper consumption and encouraging the use of water fountains with reusable bottles and coffee cups available to all employees. Furthermore, our employees continued to benefit from the leasing schemes for bicycle and electric vehicles.

**54%**

Emissions reduction target for IK's scope 1 and 2 emissions

<sup>1)</sup> Covering scope 1, 2 and 3 (categories 1-14).



## Contributing to GHG Emissions Avoidance with Solvatten

Beyond reporting and pursuing efforts to reduce GHG emissions, IK also supports innovative solutions that contribute to carbon avoidance and removal. In 2023, we purchased 100 new Solvatten units for distribution in Kenya. These combine portable water treatment with a water heating system.

Since 90% of rural Kenyan households use firewood for their energy needs, trees are cut down and burned, emitting CO<sub>2</sub> and increasing families' exposure to unhealthy indoor smoke, which also leads to lost productivity.

The 100 units we purchased, according to the report from Solvatten, helped reduce CO<sub>2</sub> emissions by 700 tonnes, saved 4,900 trees, and resulted in 31,500 fewer sick days, all while giving 550 people access to clean, hot water.



# 6

## Appendices



# Summary of Terms and Abbreviations

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## ABC

Anti-Bribery and Corruption

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## AIFM

Alternative Investment Fund Manager

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## AuM

Assets under Management

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## B Corp

B Corporation

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## CO<sub>2</sub>

Carbon Dioxide

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## COVID-19

Coronavirus Pandemic

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## CSR

Corporate Social Responsibility

---

## DD

Due Diligence

---

## DEI

Diversity, Equity and Inclusion

---

## D&I

Diversity and Inclusion

---

## DNSH

Do No Significant Harm

---

## EDCI

ESG Data Convergence Initiative

---

## E&S

Environmental and Social

---

## ESG

Environmental, Social and Governance

---

## F&A

Finance and Administration

---

## FCA

Financial Conduct Authority

---

## FPP

Full Potential Plan

---

## GDPR

General Data Protection Regulation

---

## GHG

Greenhouse Gas

---

## GP

General Partner

---

## IC

Investment Committee

---

## iCI

Initiative Climat International

---

## IK

IK Partners

---

## ILPA

Institutional Limited Partners Association

---

## ILPA DiA

ILPA Diversity in Action

---

## IP

Intellectual Property

---

## KPIs

Key Performance Indicators

---

## LP

Limited Partner

---

## LPAC

Limited Partner Advisory Committee

---

## NED

Non-Executive Director

---

## OI

Out Investors

---

## PAIs

Principle Adverse Impacts

---

## PE

Private Equity

---

## PMDR

Private Markets Decarbonisation Roadmap

---

## PRI

UN-supported Principles for Responsible Investment

---

## RBA

Responsible Business Alliance

---

## RI

Responsible Investment

---

## SBTi

Science Based Targets initiative

---

## SBTs

Science-based Targets

---

## SDGs

Sustainable Development Goals

---

## SFDR

Sustainable Finance Disclosure Regulation

---

## SPTs

Sustainability Performance Targets

---

## TCFD

Task Force on Climate-related Financial Disclosures

---

## TNFD

Task Force on Nature-related Financial Disclosures

---

## tCO<sub>2</sub>e

tonnes of carbon dioxide equivalent

---

## UNGC

United Nations Global Compact




# Stakeholder Engagement

Stakeholder	Description of Engagement
Investors	<ul style="list-style-type: none"> <li>ESG included in regular investor updates</li> <li>Ad-hoc engagement</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee Engagement Survey</li> <li>ESG induction training for all new joiners</li> <li>E-learning courses on compliance and DE&amp;I topics for all employees</li> <li>Training on sustainability trends and the regulatory and space for all IK employees</li> <li>Training on the integration of ESG in the investment process to junior investment professionals</li> <li>Training on the key developments to integrate ESG in the investment process, sustainability trends and reflections on investing in green transition for senior investment professionals, delivered in partnership with McKinsey</li> </ul>
Sustainability Initiatives and Industry Bodies	<p><b>UN Global Compact</b></p> <ul style="list-style-type: none"> <li>UNGC <a href="#">Communication on Progress Report</a></li> </ul> <p><b>UN Principles for Responsible Investment</b></p> <ul style="list-style-type: none"> <li><a href="#">Annual Transparency Report</a></li> </ul> <p><b>ESG Data Convergence Initiative</b></p> <ul style="list-style-type: none"> <li>Data for 2023 submitted</li> </ul> <p><b>European Data Collective</b></p> <ul style="list-style-type: none"> <li>Data for 2023 submitted</li> </ul>
Regulators	<p><b>Initiative Climat International</b></p> <ul style="list-style-type: none"> <li>Co-chaired the Regulatory Working Group in the UK until February 2024</li> <li>Since March 2024, chairing the Nature and Climate Working Group</li> </ul> <p><b>Invest Europe</b></p> <ul style="list-style-type: none"> <li>Human Rights Working Group Member</li> <li>SFDR Working Group Member</li> </ul>
External Communication	<ul style="list-style-type: none"> <li><a href="#">The Drawdown, Reporting in good nature</a>, by Silvia Saccardi</li> <li><a href="#">Financial Times, TCFD reporting for private capital firms</a>, by Harriet Assem and Tom Taylor, BVCA, Jennifer Flood, Investindustrial, Jovana Stopic, IK Partners and Eimear Palmer, Pantheon</li> </ul>
Speaking in Industry Forums	<p><b>Sustainability-related Panels</b></p> <p>Private Equity Europe Forum; Private Equity European ESG Summit; Real Deals Value Creation Summit; ISSB Standards, TCFD &amp; Climate Risk Reporting 2024</p>
Suppliers	Reaching out to suppliers of IK Investment Partners Ltd. in preparation for the UK <a href="#">Modern Slavery Act Statement</a>

## Crosscutting Sustainability Themes in the Portfolio Mapped Against the UN SDGs

At IK, we have identified three core topics of engagement across the portfolio that we believe are relevant to each company: board-level gender diversity, climate change and bribery and corruption.

These topics have been salient to us and are linked to the following UN Sustainable Development Goals (“SDGs”):

	<p><b>SDG 5: ‘Achieve gender equality and empower all women and girls’</b></p> <hr/> <p><b>IK Action:</b> Promote gender balance at all levels of management within IK and across the Boards of Directors of our portfolio companies.</p>
	<p><b>SDG 13: ‘Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy’</b></p> <hr/> <p><b>IK Action:</b> Implement a Science Based Target (SBT) and reduce greenhouse gases across our own operations and our portfolios’, in line with a 1.5°C pathway.</p>
	<p><b>SDG 16: ‘Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels’</b></p> <hr/> <p><b>IK Action:</b> Commit to zero incidents of bribery throughout the organisation and provide support for your PCs through policies (e.g. Anti-Bribery and Corruption) and a risk assessment framework.</p>



# Disclaimers

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