Partnering for *positive change*

ESG Report 2023

"We've been backing ambitious businesses to accelerate growth for 25 years, so we know first-hand that proper management of environmental, social and governance matters is fundamental to long term success and can help create value. We call this partnering for positive change."

Tim Smallbone, Chair of Responsible Investment Steering Committee

About this report

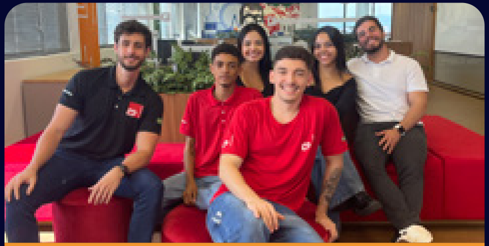
This is the second annual ESG Report published by Inflexion Private Equity Partners. It aims to outline our approach to ESG within the firm and how we manage ESG across our portfolio. This report also includes the regulatory TCFD disclosure in respect of Inflexion Private Equity Partners LLP under the FCA's climate-related disclosure rules. All data in this report is correct as at 31st March 2024.

Contents

Partnering in action

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

Setting net zero
Page 15



Boosting diversity in tech
Page 20

Becoming B Corp
Page 25

Integrating ESG to boost outcomes
Page 32

Engaging staff to drive ESG
Page 33

Foundation partnerships
Page 37

Pro bono and fundraising
Page 38

An active and diverse firm

£10bn
funds under management
2022: £8bn

3
fund strategies
2022: 3

£6bn
realised value to date
2022: £5.5bn

170
employees across nine global locations
2022: 150+

51%
female new joiners in the last two years
2022: 59%

20%
employees from ethnic minority backgrounds
2022: 20%

A large portfolio with global reach

54
businesses in the current portfolio
2022: 50

£1.3bn
combined EBITDA of current portfolio
2022: >£950m

160
countries reached by our portfolio
2022: 160

44,000
people employed across the portfolio
2022: 34,000

470+
portfolio acquisitions completed across 32 countries
2022: 430+

41%
female employees across the portfolio
2022: 40%

Message from our Managing Partners

Simon Turner (left) and John Hartz (right)

As Inflexion expands its footprint across Europe, it gives us an opportunity – and a responsibility – to encourage a more sustainable approach to growth. Private equity is in a unique position to help drive long term positive systemic change, and we hope to do this through robust ESG management.

Simon Turner, Managing Partner

As we mark Inflexion's 25th anniversary, it is remarkable to reflect on how much we've grown. It is also humbling to acknowledge the position of responsibility that puts us in. At Inflexion, we consider it a privilege to guide the environmental, social and governance stewardship of our portfolio. We understand that doing so is key to delivering sustainable value for the long term, not only for our investors and partners, but for communities we operate in and the planet.

Inflexion and its portfolio are working to make important strides not only to meet the needs of the moment, but to prepare for the future. We are proud to have achieved strong results from our recent Principles of Responsible Investment (PRI) assessment endorsing our commitment to investing responsibly. You can read more about this on page 11.

We are also delighted to announce that three of our portfolio companies achieved B Corp certification in 2023, reflecting high standards of ESG performance, transparency, and accountability. Learn more about their achievements on page 25.

Our portfolio as a whole has made good progress with their ESG management, with 21% moving up a level on the Inflexion ESG Framework and the others making good progress within their relevent levels. Additionally, the data we use to track this progress is now subject to third-party assurance, underlining our commitment to transparency and accountability.

We are aware that private equity investment can have a significant role to play in the UK's "levelling up" agenda. By injecting capital into businesses across the UK, it can help lessen regional disparities and drive more inclusive growth. Three of four of the new UK businesses we backed in 2023 are headquartered outside London.

Our aim is to lead by example and we were delighted to have received strong scores in our opening assessment by the PRI. As a partner to over 50 businesses, we have a responsibility to support them on their ESG journeys, and we continue to integrate ESG management deeper into our investment approach.

John Hartz, Managing Partner

Our latest fund, Partnership Capital Fund III, which had its final close in March, makes disclosures under Article 8 of the EU Sustainable Finance Disclosure Regulation, meaning it will promote ESG characteristics. This builds on our previous raise of Buyout Fund VI, which was one of the first funds in the mid-market to have consistent and effective ESG-related KPIs linked to its credit facility.

In addition, this report contains our Taskforce on Climate-related Financial Disclosures entity report on page 40, reflecting our regulatory disclosures in respect of Inflexion Private Equity Partners LLP under the FCA rules. We hope this leads to a more robust understanding of how our companies are managed for the benefit of all stakeholders.

Given that climate change is an important issue for Inflexion, we are delighted that our Foundation is also making positive contributions in this arena. The Inflexion Foundation's remit was expanded in 2023 to include protecting the environment, and it has formalised a series of strategic partnerships with environmental charities.

We would like to thank all our investors, management teams and partners for their continued support, and we look forward to another 25 years of accelerating sustainable growth.

Letter from our ESG Director, Jennie Galbraith

In order to make positive change in our portfolio, we feel it is critical to lead by example on ESG. This is why we have set our own net zero targets and diversity KPIs, and are using leading external frameworks to guide our approach.

Jennie Galbraith, ESG Director, Inflexion

ESG as a value driver

At Inflexion, we believe that ESG drives value – and this is reflected in the fact that our ESG team sits within the value acceleration team. We support the portfolio to actively manage risk and prepare for the evolving regulatory landscape, whilst also helping them to identify opportunities. This could be through developing new products or services that take advantage of ESG tailwinds, or focusing on diversity and employee culture to create resilient businesses that can thrive in today's challenging climate.

Throughout 2023, we have continued to upskill the portfolio on a range of ESG topics and work with management teams to refine their ESG strategies. In this report you'll see case studies from portfolio companies that are really leading the charge on ESG.

Improving the quality of ESG data

A priority over the past two years has been to have access to quality ESG data from across the portfolio to drive informed decision-making. By focusing our efforts on data collection and supporting the portfolio on measuring and reporting, we're now in a position where our ESG data set can be subject to limited assurance, see page 48. This means we have evolved our approach from reporting data availability last year to publishing performance data from our portfolio companies this year. This process has been valuable for both Inflexion and our portfolio companies, and we would encourage others to also seek data assurance to improve data quality.

Adopting collaborative initiatives

We understand the value of cooperating closely with international stakeholders to tackle rising ESG challenges as a collective. In 2022, we participated in the inaugural reporting year of the Institutional Limited Partners Association's (ILPA) ESG Data Convergence Initiative, and I'm pleased that we've increased our transparency by publishing our 2023 metrics on page 30 and we've recently signed up to the ILPA Diversity in Action initiative. On the topic of climate, we continue to engage with key stakeholders and have joined the Institutional Investors Group on Climate Change (IIGCC). Through the IIGCC Net Zero Framework for Private Equity, we've set our own net zero target to have 50% of our portfolio with net zero targets by 2030, and 100% by 2050.

How will the ESG landscape evolve?

Ever-changing compliance at the local level will give way to global regulation and standards

Focus will shift to global disclosures and due diligence across supply chains, levelling the playing field for all business, regardless of sector, size or location. ESG demands from regulators but also from changing stakeholder preferences will force innovation and businesses will need to be forward thinking to remain competitive. This will spur growth in 'green' jobs as the world manages the transition, and relevant technical skills will be in high demand.

AI will bring many benefits around ESG, but also introduce a new element of G

While AI will accelerate progress in many areas, particularly around reporting, it brings with it new considerations around governance: how do businesses manage the ethics around AI and data privacy? Carefully considering this will be crucial for businesses of the future.

ESG will be treated as a regular Board item, with AI supporting efficient reporting and ESG specialists freed up to do more innovative projects that drive real value

Board ESG committees will be a thing of the past as ESG matters are managed as part of regular business. Climate, nature (and possibly more) data will be treated the same as financial data e.g. global standards, assured, reported in financial statements and managed by finance teams.

Our sustainability journey

2014

- Inflexion publishes its first signed ESG policy
- Started considering ESG in all new investment decisions

2018

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

inflexion — FOUNDATION —

2019

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

2021

February
- Responsible Investment Steering Committee formed

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

May
- Offset 22 years of carbon emissions

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

October
- First UK corporate to sign a Sustainable Aviation Fuel agreement with NESTE

Signatory of: PRI Principles for Responsible Investment

iCi initiative climat international

2022

February
- Jennie Galbraith joins as ESG Director

May
- Mandatory ESG objectives included in annual review process for relevant employees

- Joined the Institutional Limited Partners Association's Data Convergence Initiative
- Signed the UN Global Compact formalising our commitment to the UN Sustainable Development Goals

ESG Data Convergence Initiative

SUSTAINABLE DEVELOPMENT GOALS

2023

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

May
- The Inflexion Foundation makes its first grant in Europe

2024

January
- Inflexion performs highly in its first PRI assessment
- Two more portfolio companies achieve B Corp status
- Sets IIGCC net zero target
- ILPA Diversity in Action initiative

March
- Inflexion's latest fund Partnership Capital III is a SFDR Article 8 fund

April
- ESG data externally assured for the first time

June
- Publication of our first TCFD disclosures

IIGCC

Looking forward 29

Working together to invest *responsibly*

IN THIS SECTION

ESG in the investment process

In order to accelerate positive change throughout our portfolio, ESG forms an important part of our investment decision process. ESG considerations are included in our investment and value creation criteria throughout the lifecycle of each investment, from inception to exit. The investment team oversees this and is supported by our in-house ESG specialists, ensuring that ESG is not merely considered but fully embedded in our investment process.

Pre-investment

ESG screen

- Initial assessment of potential ESG risks associated with sector/target
- Screening determines extent of ESG due diligence
- Identify opportunities for value creation through ESG tailwinds

ESG due diligence

- Third-party specialists evaluate potential material risks, as well as good practice and value enhancement opportunities
- Findings incorporated into ESG due diligence Investment Committee report
- ESG considerations incorporated into the Pre-Investment Memo and Final Investment Memo for Investment Committee evaluation

Stewardship

Onboarding

- Follow-up on any urgent due diligence findings and include in 100 day action plan
- Include any relevant ESG opportunities in Value Creation Plan
- Brief Chair on the expectations of their role in regards to ESG
- Appoint an in-house ESG lead and brief them on Inflexion's ESG Framework and the support available to them

Ongoing engagement

- Performance monitored through the Board; updates included in quarterly reports
- Annual portfolio ESG assessment: opportunities evaluated, corrective actions taken and performance against the Inflexion ESG Framework tracked
- ESG included in the Annual Investment Review process
- Access to full suite of support from Inflexion's ESG Toolkit to drive value creation, covering our adviser panel, strategic Board support, and bespoke feedback reports. See page 08

Exit

Maximising value

- Oversight by Realisation Committee
- ESG health check in advance of exit on all investments covering: readiness for future ESG regulations and progress on Inflexion's ESG Framework
- Enhanced approach for companies with strong ESG performance, including publicly disclosing ESG credentials, ESG vendor due diligence and increased transparency on carbon performance and climate risk

Driving value in the portfolio

Our ESG Toolkit provides the portfolio with a suite of support to help them progress through the levels of our ESG Framework and drive value. It's designed to upskill the portfolio on relevant ESG topics, share best practice, and enhance collaborative opportunities.

> ***The collaborative approach of Inflexion's team has been instrumental in identifying the areas of ESG to focus on, and a whole host of support is provided to us, whether that be through insightful webinars or identifying synergies with other portfolio companies.***

Leah Saunders, ESG Manager, ITM

9
events per year

120+
attendees across the portfolio

Our ESG Toolkit

Standards
The ESG Framework sets out a roadmap for portfolio companies, including specific milestones at 12 months after investment and exit. We also encourage the adoption of external standards such as the UN Global Compact and B Corp.

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

Bespoke feedback reports
Following the annual ESG assessment, each company receives a tailored report on how to address gaps and progress their journey. Additional regulatory horizon scans are also provided to help them prepare for future ESG compliance.

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

Online Exchanges
We host online training sessions to upskill the portfolio, featuring external guest speakers as well as leaders from the portfolio to share their knowledge and experiences.

In-person Exchanges
Last year we hosted our second in-person ESG Exchange, and have continued to host virtual training sessions for the whole portfolio.

Strategic Board support
We provide bespoke support to management teams seeking to enhance their approach to ESG. Through facilitated sessions we help them to define material issues and link ESG activities to their business strategy.

19
playbooks available to guide ESG activity

30+
vetted and approved advisers to support on all aspects of ESG

The Inflexion ESG Framework

The Inflexion ESG Framework was designed to guide our portfolio companies on their ESG journeys.

The flexible structure allows companies to develop and refine their ESG strategies, regardless of their level of ESG maturity. We ask all companies to, as a minimum, meet the Comply level within 12 months of investment and the Good Practice level by the time they leave the portfolio, and strongly encourage them to adopt the more advanced practices of the Excel and Pioneer levels.

Materiality

At the heart of our Framework are the issues of climate and diversity & inclusion (D&I). We identified these following a materiality assessment based on a peer review, international frameworks, investor priorities and emerging regulation. The outcome reflects both the sectors we invest in, which are largely service and people-based businesses and our geographic focus which is predominantly in the UK and Europe, where we are seeing increasing carbon and D&I regulation, as well as heightened awareness of these issues amongst stakeholders.

By addressing these issues effectively we hope to drive value by ensuring that businesses are resilient to the physical and transition risks of climate change and have an employee culture that will support a high-performing business. Whilst climate and D&I are the most financially material issues across the portfolio, we recognise that our companies touch on many other aspects of ESG.

This is why the UN Sustainable Development Goals (SDGs) are also included in our Framework to guide our portfolio in addressing additional areas that may be relevant to them.

Progress against the Framework

Our portfolio is progressing well through the Inflexion ESG Framework. All companies that we've invested in for at least a year are meeting our target to reach the Comply level of the Framework, and 72% are working through the Good Practice level. Other companies have progressed their ESG strategies even further and are operating at the Excel and Pioneer levels. We are incredibly proud that three companies have achieved B Corp status: Sparta Global, Lintbells and Medik8, and that BES Group have had their net zero targets approved by the Science Based Targets initiative.

	ESG strategy	Climate change	Diversity & inclusion	UN SDGs	External standards	Number of companies that have started each level*	Number of companies that have completed each level*
Comply Mandatory	Nominated ESG lead	Tracking carbon / GHG	Tracking gender data			47	47
Good Practice Mandatory	All policies in place	Net zero pathway in place	D&I targets and initiatives in place	Mapped and understood		45	11
Excel Optional	Risk-based ESG strategy in place	Advanced practices			UN Global Compact	5	5
Pioneer Optional	Value-based ESG strategy in place	Advanced practices			B Corp	3	3

* This data set includes companies that we've invested in for at least a year, as at 2023 year end (31.03.2024)

Understanding our impact

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

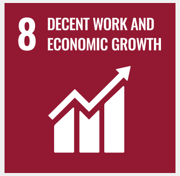
To identify the most relevant, we map each company to the SDGs within the first year of investment, understanding where they can generate the most change. Across the portfolio, companies are focusing on 12 of the 17 SDGs and of these, SDG 5 on Gender Equality, SDG 8 on Decent Work and Economic Growth, and SDG 13 on Climate Action are the most common. These three goals are the ones where we can make the greatest contribution and therefore form our priority Goals.

Relevant SDGs

Priority SDGs

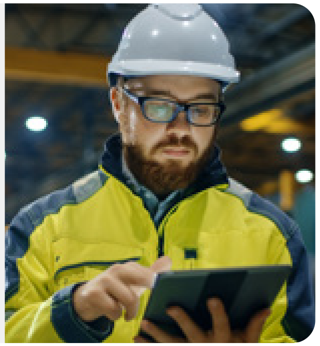
A key indicator of gender equality is the proportion of managerial positions held by women. 17 of our portfolio companies have over 30% women in the C-suite, and over 40% of the portfolio's overall workforce are women. Given we invest in sectors that are traditionally male dominated, we are pleased with this great progress.

31
companies have more than 30% women in their workforce



One of the main ways in which the UN recommend UK-based companies contribute to this Goal is by becoming a Living Wage certified employer. In addition to Inflexion itself being a Living Wage certified employer, we are proud that 13 companies in our portfolio are also certified. To encourage more companies to begin this journey, we hosted a webinar whereby one of our companies, Sparta Global, shared their experience around the benefits of becoming certified.

12
companies are Living Wage certified



One of the key ways in which companies can contribute to this Goal is to reduce their emissions. This is why we're incredibly proud that 100% of our portfolio are measuring their emissions, 30 have carbon reduction plans, and 18 have developed net zero targets.

18
companies with net zero targets

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

Alignment with standards

We understand that collaboration and transparency are key drivers in making positive change.

This is why we actively engage with a range of ESG-related initiatives to amplify our contribution, extend our reach, and further embed ESG across Inflexion and our portfolio.

Initially the collaborative initiatives we joined focused on responsible investment, and in recent years we have broadened our participation to seek to address our material ESG issues. For D&I we're doing this through our most recent membership of the Institutional Limited Partners Association Diversity in Action initiative, and for climate through the Institutional Investors Group on Climate Change Net Zero Framework initiative. These memberships allow us to benefit from the shared knowledge and innovative solutions that these collective efforts bring, as well as allowing us to contribute to the evolution of best practice across the industry.

PRI

We are a signatory of the UN Principles for Responsible Investing (PRI) and support its six principles. We are proud of the strong results of our first PRI assessment in 2023, scoring highly across the modules we were assessed against:

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

United Nations Global Compact

We are a member of the UN Global Compact (UNGC) and continue to support its ten principles across the areas of human rights, labour, environment and anti-corruption.

SUSTAINABLE DEVELOPMENT GOALS

As members of the UNGC, we support the UN Sustainable Development Goals. Our portfolio touches on many of the issues sought to be addressed by the Goals and we work with management teams to generate a positive impact on the most relevant goals to their businesses. We map each portfolio company against the Goals and identify where they are best placed to contribute, see page 10.

IIGCC

In 2023, we joined the Institutional Investors Group on Climate Change and adopted the Net Zero Investment Framework for private equity. This framework supports our target setting and allows us to track the portfolio alignment towards net zero. See page 16.

ESG Data Convergence Initiative

In 2022 we became a member of the ESG Data Convergence Initiative to help advance an initial standardised set of metrics to enable comparative reporting within the private equity industry. Our ESG KPI table on page 30 aligns to this framework.

ICRS Institute of Corporate Responsibility and Sustainability

In 2022, we joined the Institute of Corporate Responsibility and Sustainability, which is chaired by Jennie Galbraith, our ESG Director.

bvca

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

ilpa

In 2024, we signed up for the Institute for Limited Partner's Association Diversity in Action initiative. See page 22 to find out more.

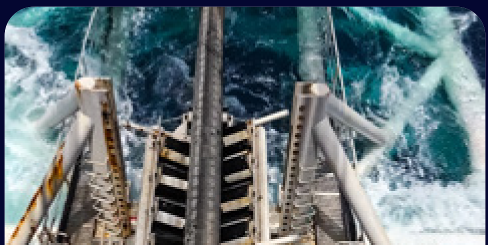
Working together to accelerate ESG *best practices*

IN THIS SECTION

Environment

IN THIS SECTION

TCFD disclosures page 40



Setting net zero
Page 15

100%
portfolio tracking scope 1 and 2 GHG emissions
2022: 100%

74%
portfolio tracking scope 3 GHG emissions
2022: 70%

Protecting the environment

Climate action is increasingly urgent, particularly in light of the global temperature rise exceeding 1.5ºC throughout 2023. With our growing portfolio reaching 160 countries and employing over 44,000 people, our influence and responsibility in driving sustainable practices and mitigating climate risks is more pronounced than ever.

Climate in our ESG Framework

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

Measuring the emissions of our portfolio

The ability to track greenhouse gas emissions is a key element of our ESG Framework. In order to comply, our portfolio companies are required to put in place processes to track greenhouse gas emissions data within the first year of investment and we collate their scope 1, 2 and 3 emissions data annually via the ESG assessment. 2023 was a milestone year in this journey as the data collected was subject to third-party limited assurance for the first time, giving us increased confidence in the accuracy of the data we report.

By doing this, we not only gain a better picture of our own scope 3 emissions, but we also gain insights on where the opportunities in our portfolio are so we can help them think more strategically around their environmental impact and drive reductions.

This is an important step in our journey towards understanding our collective impact and setting net zero targets across our portfolio.

To enable the portfolio to provide quality emissions data, we delivered two training workshops on carbon accounting, one of which was supported by our portfolio company dss+. This was supplemented by a dedicated guidance booklet as an ongoing reference point for our portfolio to advance their carbon practices.

Reaching net zero

Climate change and extreme weather events such as hurricanes, floods and fires are expected to have a direct impact on 70% of all economic sectors worldwide. From the ongoing energy crisis to the outcomes of COP28, there is mounting pressure for companies to set net zero targets. There are solid financial reasons why we should support our portfolio to develop net zero plans. Doing so can help mitigate the many potential impacts of climate change including consequences of any supply chain and workforce disruption, rising insurance costs, and future carbon taxes. In the short-term, it may also help meet expectations of sustainability-conscious customers and employees, which could in turn drive customer and employee retention. This is why we ask all companies to develop a net zero pathway by the time of exit.

Driving change through active management

We use our Board seats to affect strategy and decision making when it comes to climate action, ensuring each of the portfolio companies' ongoing planning considers their impact, as well as how their businesses may be affected by climate risks. This is overseen by the Inflexion ESG team, ensures accountability, and puts our portfolio in good stead amidst the raft of regulation in this space such as the Taskforce for Climate Related Financial Disclosures, which our portfolio will be increasingly impacted by.

Moving towards net zero

Despite the Inflexion ESG Framework only being formed two years ago, 38% of our portfolio companies are already meeting the climate requirement of the Good Practice level by establishing a net zero pathway in line with the Paris Agreement (which calls for net zero by 2050). Examples of their carbon reduction measures include switching to electric vehicle fleets and moving to renewable energy providers.

Setting net zero

BES Group

Founded in 1859, BES Group has been putting the safety of its customers first for well over a century.

The provider of premium quality engineering testing, inspection and certification services helps over 35,000 firms globally to manage risk, with this reach meaning it has a big role to play in leading by example.

BES has been independent since 2015, when Inflexion led the carve-out of then British Engineering Services from RSA plc. Embracing ESG as a formal focus is helping the Group to gain recognition for its longstanding efforts as well as acting as a force to do more. A materiality assessment canvassed opinions of stakeholders to understand where BES stood and where it needed to go.

Proof of progress includes becoming part of the UN Global Compact network, aligning on the UN's SDGs, and gaining ESGmark® Certification and Living Wage Employer accreditation in 2023.

The leadership team has also cast its attention to carbon and is on a net zero pathway. A big part of this was establishing Science Based Targets for reducing its greenhouse gas emissions, a rigorous undertaking that took roughly two years.

Determining the Group's baseline position was a priority as it enabled BES to understand which areas to address as it embarks on the pathway. A thorough assessment of the company's current position and future plans has seen BES commit to reducing both direct emissions from owned or controlled sources by 42%, and all other indirect emissions that occur in a company's value chain by 25%, by 2030. It targets net zero by 2040.

The path was a long and winding one: BES Group's Science Based Targets (SBTs) were baselined for 2022, submitted to the SBT initiative in August 2023, and entered the validation phase in January 2024 to demonstrate solid sustainability commitments to regulators, consumers and investors. Final validation of the targets was received in March 2024.

Last year saw Inflexion support BES's creation of a data science team which was crucial to maximising efficiency. The new planning software matches engineer skills with regional needs resulting in significantly reduced travel-related emissions. This is important as BES's business travel makes the biggest impact on its carbon footprint. The firm has additionally launched an internal Electric Vehicle Salary Sacrifice scheme to help promote the adoption of green electricity across its offices.

With 88% of the firm's emissions in scope 3, there is a big focus on procurement and supply chains in the years ahead as BES strives for net zero by 2040.

42%

emissions reduction target by 2030

90%

emissions reduction target by 2040

8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

What we're doing inside Inflexion

COP28 highlighted the importance of finance in addressing climate change, and we acknowledge the role we can play in this. Whilst we can generate the biggest impact through our portfolio, we equally want to lead by example and minimise our own environmental impact.

Our emissions

2023 was a year of growth for Inflexion, with the welcoming of 33 new joiners as well as the opening of a second London office and Stockholm office, and one in Germany in 2024. As a result of this growth we are anticipating an increase in our emissions, and we are therefore recalculating our emissions in order to reflect our current scale of operations. See page 47 for more details.

Whilst we've made good progress to date in our UK headquarters, which uses 100% Renewable Energy Guarantees of Origin-backed renewable energy, there is a need to better understand the scope 1 and 2 emissions of our new offices, and take action to minimise any negative climate impact.

We know that the largest proportion of our emissions are scope 3, which includes emissions from our portfolio companies. This is why we are prioritising the decarbonisation of our portfolio, and in 2023 we set a net zero target aligned with the IIGCC's Net Zero Investment Framework (NZIF) to have 50% of our portfolio establish Paris-aligned net zero targets by 2030, reaching 100% by 2050. We work with all our portfolio companies to equip them with the knowledge to develop their net zero pathways and help us collectively meet these targets. See how we do this on page 08.

As part of our NZIF pledge, we are also committed to transparently reporting the progress being made by our portfolio companies in their efforts towards setting net zero targets. Having aligned to NZIF in 2023, we are pleased to report that 9% of our portfolio companies are 'aligning' with net zero and 30% are 'aligned'.

50%
of portfolio with net zero targets by 2030

100%
of portfolio with net zero targets by 2050

Reducing our emissions

Inflexion implemented a number of changes to how we work, to ensure that we minimise our environmental impact:

- We switched our head office electricity supplier so that all of our electricity comes from renewable sources
- Our head office is also a BREAMM 'excellent' rated building. BREAMM is the world's longest established method of assessing, rating, and certifying the sustainability of buildings
- We planted a wildflower roof terrace to help the important work of our resident pollinators
- We use more sustainable office cleaning supplies, purchase Climate Pledge Friendly office supplies, use carbon neutral and carbon-balanced paper for our printing, and recycle our waste with First Mile
- Our new Frankfurt office which opens shortly is LEED platinum certified, the highest level of certification for sustainable buildings

Summary: Climate-related financial disclosures

With the Inflexion portfolio now reaching 160 countries and employing over 44,000 people, we are acutely aware of the potential impact of climate change on our portfolio companies and the people they employ, as well as the risk and opportunities it creates.

This page includes a summary of the regulatory TCFD disclosures in respect of Inflexion Private Equity Partners LLP under the FCA's climate-related disclosure rules. The full disclosure prepared in accordance with the FCA rules can be found at page 40. This summary is provided for information purposes only and does not purport to be a compliant TCFD entity report for the purposes of the FCA rules.

Governance

Climate-related risks and opportunities are integrated into our pre-existing governance structures, both inside Inflexion and within our portfolio companies. We have a multi-layered governance structure that integrates ESG management throughout the investment process, from early diligence through to exit. Inflexion Partners and Investment Directors that sit on portfolio company Boards also have ESG objectives link to their remuneration. Within portfolio companies, Board chairs are responsible for ESG management in their businesses. Inflexion provides support and training to all parties throughout the process.

Find out more on page 41.

Strategy

The uncertainty of the timing and magnitude of climate change impacts present challenges in understanding the climate-related risks in any investment strategy and portfolio. In 2023, we undertook scenario analysis to help us better understand how potential climate-related risks and opportunities may emerge under two different scenarios – Paris aligned 1.5°C and Business as Usual 4°C – to 2050.

As part of this analysis, we looked at the potential impact of physical risks on our portfolio. We also looked at the potential impact of transition risks resulting from the world moving to a low carbon economy.

The analysis showed that Inflexion has limited exposure to material climate-related risks across the portfolio in the short and medium term. This is due to the nature of the sectors our portfolio operates in and its largely European geographic footprint. It also showed that there is potential positive benefit to be gained from decarbonising the portfolio.

Find out more on page 43.

Metrics & Targets

The measurement and transparent reporting of greenhouse gas (GHG) emissions in line with the GHG Protocol methodology is central to our approach of effectively managing climate risks and opportunities.

Inflexion has set a number of targets for its portfolio:

- All portfolio companies to track GHG emissions within one year of investment
- All portfolio companies to have set a net zero target by the time of exit
- 50% of the portfolio to have set a Paris-aligned net zero target by 2030
- 100% of the portfolio to have set a Paris-aligned net zero target by 2050

Find out more on page 47.

Risk Management

Inflexion's climate strategy focuses on incorporating climate considerations throughout the investment cycle. All new investments are subject to thorough ESG due diligence. Any critical risks are dealt with pre-deal or in the legal documentation, any high risks are included in the 100-day plan, and any medium or low risks are monitored and addressed as part of our stewardship.

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

Find out more on page 45.

Social

IN THIS SECTION

100%
portfolio tracking gender data
2022: 100%

49%
portfolio have D&I targets
2022: 20%

Boosting diversity in tech
Page 20

Promoting workplace diversity

As a people-centric business employing over 44,000 people across the portfolio, we feel a responsibility to ensure that the wellbeing of this vast and diverse workforce is supported, and that our portfolio companies continue to attract and retain high-performing talent.

Human capital as a value driver

We continue to prioritise human capital, recognising its significant role as a leading value driver both within Inflexion and its portfolio companies. With a commitment to fostering a supportive environment, we actively work to identify and implement best practices, with a particular focus on enhancing diversity and inclusion (D&I).

D&I in the ESG Framework

D&I has been identified as a material issue in the Inflexion portfolio and is a key pillar of our ESG Framework. Our portfolio companies take action by strengthening their policies and governance frameworks and introducing initiatives to enhance D&I, particularly around gender. Over time, we expect this to lead to a higher proportion of women in senior positions throughout the portfolio.

> ***I think Inflexion is doing a great job by putting the diversity and inclusion topic on every Board's agenda. By doing that, every portfolio company is aware of just how important it is.***
>
> **Yvon Schoenmakers, Legal Counsel, Calco**

Measuring D&I in our portfolio

To meet the Comply level of the Inflexion ESG Framework, we ask our portfolio companies to, at a minimum, track gender data within the first year of investment. To this end, we collate gender data and where available, ethnicity data, for all of our portfolio companies. This data is broken down by level of seniority, from the Board, to the C-suite, to the total workforce. Having this visibility means we have more granular insights and are better placed to make informed decisions. This helps our portfolio companies to think more strategically around their D&I impacts and how they can create value in this space.

Beyond data tracking, the next step is for portfolio companies to establish D&I targets and implement initiatives to help meet those targets. This is a requirement of the Good Practice level of the ESG Framework, which all portfolio companies are expected to achieve by the time of exit.

Driving change through active management

We are committed to promoting D&I across our portfolio and encourage balanced longlisting and interviewing techniques similar to our own. Pertinent issues are regularly discussed with the portfolio Chairs and at Inflexion-hosted events such as our annual Diversity Exchange for rising female talent across the portfolio, and our People Leaders event for our Chief People Officers and HR Directors.

Spotlight on the Portfolio

Financial and risk consultancy PMC Treasury are driving positive outcomes in D&I through their partnership with the AMOS Bursary. They have provided two students from under-represented ethnic groups with a seven-week internship, helping them gain exposure to treasury consulting and client-facing work within an office environment.

This experience has already demonstrated its benefit to their careers as one of the interns, Joshua, has decided to leave Nottingham University and join the JP Morgan Financial Services Apprenticeship Degree in partnership with Exeter University scheme, having discovered the value and better personal suitability of a combination of a practical and academic environment.

At the most recent Diversity Exchange, we invited female leaders for discussions on imposter syndrome, and workshops on owning your leadership journey.

We've also developed a series of guidance documents to support the portfolio in this space, including on developing a D&I policy and creating a comprehensive D&I strategy. At a recent event we welcomed a number of C-suite women from the portfolio to share their experiences of growing businesses, including the success stories and common pitfalls that many entrepreneurs face.

> ***At Inflexion, we are not just investing in companies; we are investing in people. By championing a culture that embraces differences, we can unlock the full potential of our human capital. D&I is an important issue to us because we know that diverse teams lead to dynamic ideas and robust growth.***
>
> **Freddy West, Talent Director, Inflexion**

Boosting diversity in tech

Successfully boosting diversity requires more than targets. Its benefits can only be realised through a truly inclusive workplace.

K2 Partnering Solutions' position as a provider of end-to-end consultative technology solutions to over 500 businesses across the globe gives them a unique perspective on the hiring landscape.

The firm's talent network of 1 million contractors serves corporations from offices in North America, Latin America, Europe, and Asia Pacific. This means K2 has a lot of breadth and depth of experience to draw on, as well as the backing of Inflexion and its network since 2017.

Fernanda Pellegrini is K2's Vice President of People Strategies and explains that while formal discussions on diversity and inclusion weren't initially part of the agenda, K2's global nature had ingrained the value of regional differences long before the term DE&I became a buzzword. "We embraced diverse viewpoints, recognising that innovation comes from varied viewpoints from different backgrounds," she says.

K2 began to formalise its policies around diversity in 2018, shortly after receiving minority capital from Inflexion. The firm has since seen the gender split of its internal technical workforce shift from 18% women in 2022 to 27% in 2023. This progress stemmed from many factors: K2's training business launched an IT Academy targeting women and teaching them sought-after Salesforce skills, managers were coached on bias, and the firm created a web page featuring testimonials from successful women, inclusive images and gender-neutral language. The gender split is a metric the firm will incorporate into its yearly DE&I reporting as they strive to reach a 50:50 split.

Fernanda understands that diversity is not just about gender, and so the firm also has a programme for hiring for professionals with disabilities. The impetus was two-fold: the firm was already committed to diversity, and legislation passed in Brazil, one of K2's key markets, necessitated businesses of a certain size to ensure a set percentage of its workforce is from this cohort.

K2 set out to understand its targets as well as how best to achieve them. Simultaneously the business focused on fostering a culture of inclusion to raise awareness, addressing biases and promoting empathy and understanding. Partnerships were struck with disability advocacy organisations which provided valuable insights, guidance and support in designing and implementing inclusive recruitment strategies. These efforts mean that today 5.6% of K2's workforce is comprised of disabled people, comfortably above the 2% target required by Brazilian regulation.

50%

increase in female internal technical workforce from 2022-2023

5.6%

of the workforce identify as disabled

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

What we're doing inside Inflexion

We know that our success is down to attracting, developing and retaining the best talent. Engaging employees through a strong culture and career development opportunities are fundamental to our ability to create long term value.

> *A diverse team brings a plethora of perspectives that can drive innovation, foster creativity, and lead to better decision-making. Having a team that reflects a wide array of experiences and viewpoints is crucial when it comes to making investment decisions.*
>
> Kirsty Tikerpae, Partner, Inflexion

41%
female employees

51%
female new joiners in the L2Y

We are proud to support Level 20

Level 20 is dedicated to improving gender diversity in the European private equity industry. They create opportunities for women in this industry to interact and learn from others. They have a target of 20% female leadership in investment firms.

ILPA Diversity in Action

In 2024 we signed up to the ILPA Diversity in Action initiative, bringing together industry stakeholders who share a commitment to advancing diversity, equity and inclusion in the private equity industry. See more on page 22.

Inflexion is privileged to take part in the #10,000 Interns Foundation

Inflexion partners with both the 10,000 Black Interns and the 10,000 Able Interns programmes, creating paid internships for students from minority groups. To date we've welcomed seven interns to the Inflexion team.

Wellbeing Week

We hosted a Wellbeing Week to raise awareness of the benefits and wellbeing initiatives that are available to our employees. This included mini health MOTs, pension one-to-ones, and webinars on mental health, stress, and carer support.

Inflexion is a Disability Confident Committed employer

Disability Confident organisations play a leading role in changing attitudes, behaviour and cultures in their businesses, networks and communities.

Inflexion is an accredited Living Wage employer

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

Deep dive: Equal hiring opportunities

Equal hiring opportunities are a priority for leading organisations looking to harness the power of a diverse and inclusive workplace.

We believe that not only are they ethical – and the law in the UK since the Equality Act 2010 – but should lead to enhanced creativity, innovation, and productivity within teams. According to LinkedIn, organisations in the top quartile for gender diversity have a +25% likelihood of financially outperforming their peers, while those in the top quartile for ethnic diversity have a +36% likelihood of financial outperformance.

A key benefit of equal hiring opportunities is a more diverse workforce.

This makes good business sense, and finance teams within companies often shift from most cynical to the biggest diversity champions. This change occurs once they see proof, which is often in the form of reduced churn, easier hiring, and revenue per employee going up.

Hiring becomes easier if systemic barriers are removed which have historically limited certain groups from accessing certain professions.

These acts are easier said than done, with unconscious bias and historical hiring norms making it challenging to make hiring truly equal. Non-biased recruitment processes look for the value someone can bring to an organisation rather than hiring based on their traditional credentials alone. This can create pathways for individuals from underrepresented communities to thrive, helping to address social inequalities and enhance the overall competitiveness and resilience of the workforce by harnessing talent from every corner of society.

Inflexion's Talent team works closely with the portfolio to ensure businesses have an organisational structure suited to their growth plans and that they can bring in the right talent to lead the journey. Inflexion is supporting this, with proven processes applied systematically to ensure the right fit as well as mitigate bias in the hiring process. We invite the portfolio to come together multiple times per year to connect and share their experience in this area so they can learn from each other.

Equal hiring opportunities have become a strategic necessity for organisations in today's world as the need for diversity and the enriched performance it brings become increasingly clear.

Equal hiring commitments

In March 2023, Inflexion signed up to the ILPA's Diversity in Action Initiative, and as part of this we have committed to the following:

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

> ***Businesses that champion equal hiring opportunities will be at the forefront of positive societal change and organisational success.***
>
> **Flor Kassai, Head of Buyout Fund, Inflexion**

Spotlight on the Portfolio

This commitment to equal hiring is shared throughout our portfolio. For example, leading pharmaceutical company CNX Therapeutics draft job descriptions using inclusive language, and ensure interview panels are diverse to reduce the potential for bias. Similarly, healthcare company Rosemont Pharmaceuticals conduct mandatory unconscious bias training on an annual basis.

Governance

IN THIS SECTION

Becoming B Corp
Page 25

100%
portfolio have nominated ESG lead
2022: 100%

81%
median portfolio cybersecurity score
2022: 76%

Driving good governance

Inflexion believes that good corporate governance is not just a regulatory formality, but is critical for sustainable growth and investor confidence. This means allowing for clear insight into decision-making processes and risk management to strengthen the trust placed in our portfolio by our investors and stakeholders.

Governance of the investment process

We maintain strict governance expectations for all portfolio companies throughout the investment cycle. Before any investment, we conduct thorough risk-based due diligence, carefully tailored to the particular sector and risk profile of the company. Our pre-investment process includes mandatory screening of key organisations and individuals using specialist external teams to ensure any governance risks are flagged as early as possible.

During our investment period, we work closely with our management teams to ensure appropriate and effective implementation of governance procedures and portfolio directors are also provided with a dedicated ESG escalation plan for reporting any actual or potential breaches.

Governance in the ESG Framework

Governance is captured under the 'ESG strategy' pillar of the ESG Framework. For our portfolio to meet the Comply level, they must appoint an ESG lead within the business, typically at the C-suite or C-suite-1 level to ensure that ESG matters are discussed at senior levels of the organisation.

To meet the Good Practice level of our ESG Framework, companies are expected to create and maintain all key ESG policies before exit listed.

For our companies in more recent funds i.e., Buyout Fund VI and Partnership Capital Fund III, we have additional ESG KPIs that we track, including reducing carbon intensity and having diverse senior executive teams.

Driving change through active management

Board effectiveness is fundamental to our investment thesis which is why we appoint one of our investment professionals to the Board of almost all companies we invest in. We also engage directly with our Chairs and all newly appointed Chairs are informed of our expectations with respect to the role.

On ESG specifically, one of the key ways in which we support the portfolio is by conducting regulatory 'horizon scanning' for each company. We map the current and future ESG regulatory landscape across relevant jurisdictions to identify areas to prioritise within their ESG strategy. This helps to prepare them for any forthcoming regulation, and seeks to ensure they have the relevant governance processes in place to comply quickly if needed. This is key for value creation, especially in advance of exit.

We work with our portfolio companies to develop the following core list of policies:

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

Spotlight on the Portfolio

The Corporate Sustainability Reporting Directive (CSRD) has recently come into force, and a number of our European portfolio companies, will fall into scope. In preparation of this, e-bike company Enviolo has undertaken a significant workstream to enhance their ESG strategy. This has involved a double materiality assessment, which has allowed them to focus on key risks and opportunities and to shape their strategy. Similarly, recruitment agency YER have also undergone this assessment, and have identified a business opportunity in the process. They are setting up a CSRD academy to develop talent on the subject and place them with their clients to help them comply with CSRD.

Becoming B Corp

Three companies in the Inflexion portfolio have achieved B Corp certification, reflecting extremely high standards of social and environmental performance, transparency, and accountability.

The firms are among just 2,000 in the UK and 8,200 globally to have been certified by international nonprofit organisation B Lab. Each B Corp business must meet and maintain high standards across five key impact areas (governance, workers, community, the environment and customers) to retain its B Corp certification.

Medik8

Premium skincare business Medik8 underwent an Inflexion-led buyout in 2021 and has gone on to create a state-of-the-art manufacturing facility which opened last year. Sustainability has been core to Medik8's ethos from the outset, with ambitious goals covering carbon action, waste reduction, ethical behaviour and social investment. Medik8 aims to achieve net zero by 2040. It has reduced its absolute emissions year on year since its 2021 baseline, through measures such as only using 100% renewable energy, generating renewable energy on site, no fossil fuel usage, banning purchased airfreight and supplier engagement.

Lintbells

Animal nutrition business Lintbells, behind the YuMove brand of mobility supplements for pets, received funding from Inflexion in 2017. The business integrates sustainability as a cornerstone of its business strategy and is working towards a net zero pathway centred on science-based targets. Lintbells has also set itself the target of having 100% sustainable ingredients by 2027. This will be achieved by switching to ingredients that are free from GM, palm oil and deforestation and by using more ingredients that are certified to land, marine, and livestock certifications.

Sparta Global

Sparta Global, a leading tech services company helping organisations to build technology and business capability, received backing from Inflexion in 2020 and was the first portfolio company to receive B Corp accreditation. Believing that the future of tech talent must be reflective of society today, Sparta Global hires, trains, and deploys diverse technology talent to more than 100 public and private sector organisations across the UK and Ireland. Testament to its social impact is Sparta Global's overall score of 109.4 in its B Impact Assessment, far above the minimum requirement of 80 points and more than double the median score for businesses completing the assessment.

> ***The B Corp certification recognises that our corporate mission, values and long term vision remain aligned with what we wanted to achieve when we launched almost a decade ago. We believe service providers that deliver the highest ethical and sustainability standards bring more value to communities and economies, and we look forward to joining a network of like-minded organisations.***
>
> **David Rai, CEO, Sparta Global**

What we're doing inside Inflexion

Inflexion is committed to strong corporate governance, and to us that means applying transparency and upholding integrity. This is reflected in our strong governance culture and governance framework.

Governance at Inflexion

Inflexion has an Executive Committee (ExCo) and Investment Committee (IC), which includes our Managing Partners and other senior partners as members. The firm's ExCo is responsible for setting and monitoring Inflexion's strategic objectives and operational management. The IC discusses preliminary and final investment recommendations, with a view to encouraging a robust pipeline of investment activity in line with the firm's investment strategy and strategic objectives.

Separating the ExCo and IC was a deliberate decision to ensure independence between organisational and investment management teams, and encourages thorough and rigorous testing of our investment theses by experienced members of the firm across various disciplines.

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

As well as a full compliance manual, the firm operates a suite of internal policies and procedures applicable to all employees. These include:

- Anti-bribery and corruption
- Anti-harassment and bullying
- Anti-money laundering
- Code of ethics
- Cybersecurity
- Equality, diversity and inclusion
- ESG
- Gifts, entertainment and hospitality
- Health & Safety
- Whistleblowing

Governance of ESG

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

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

Investment Committee (IC)	**The IC meets weekly** and more regularly as required, to discuss preliminary and final investment recommendations, with a view to encouraging a robust pipeline of investment activity. These recommendations consider any climate-related findings from the due diligence process. The IC ensures Inflexion maintains a consistent application of its investment strategy, supporting maintenance of its track record of strong returns.
Executive Committee (ExCo)	**The ExCo meets at least 10 times a year**. This committee looks after strategic objectives and operational management, including resourcing requirements for the firm and climate risk management response.
Operations Committee (OpCo)	**The OpCo meets monthly and as required**. The OpCo is instrumental in overseeing the management of operational risk, and reports into the ExCo. The OpCo oversees certain ESG issues within Inflexion, such as D&I within the firm as well as emissions arising from business travel.
Responsible Investment Steering Committee (RISC)	**The RISC meets every two months and as required**. Inflexion's RISC operates to set the firm's core ESG agenda, ensures it is carried out across all business functions, and makes recommendations to the ExCo and IC for approval as appropriate.

Deep dive: Governance in the age of AI

Generative Artificial Intelligence (GenAI) has emerged as a new super-trend that is predicted to transform the way we work. The technology is already making waves in areas such as marketing, consumer insights, design and innovation, R&D and back-office automation. Given the prevalence of use cases, it is critical to ensure that suitable governance structures are put in place to manage the variety of risks this new technology brings. We look at three key governance priorities in the age of AI.

Transparency

The intricate nature of GenAI models can make it difficult to understand how they generate outputs and assess reliability. To foster transparency, governance systems must mandate comprehensive documentation of AI architectures, training datasets, and decision-making processes. Additionally, accountability measures are essential to ensure that creators are held responsible for the consequences of their GenAI systems.

The regulatory landscape is adapting to these challenges. In December 2023, the EU set a precedent with the world's first extensive legal framework for AI, the EU Artificial Intelligence Act. This groundbreaking legislation bans AI systems that present an "unacceptable risk" within the EU and enforces robust safety requirements for those classified as "high" or "limited" risk.

> ***We are excited about the opportunities that Generative AI present for both Inflexion and the portfolio, and we will continue to capitalise on these to drive value in the portfolio***
>
> Jan Beitner, Data & AI Director, Inflexion

Data security and privacy

GenAI systems rely on large datasets that can often contain personal information. While incredibly helpful in personalisation, data protection measures must be addressed, such as encryption, access controls and data anonymisation.

Companies must adhere to existing regulations such as the GDPR and the UK Data Protection Act 2018. Non-compliance, especially in the use of personal data without consent, can lead to significant financial and reputational damage, making high privacy standards a business imperative.

Human capital management

Beyond this, GenAI has tremendous potential to impact how workers do their jobs. By its nature, GenAI can replace the work of humans at an extraordinary rate. It is important to communicate and reassure employees during its development and roll out, or to retain employees to manage these systems as the 'human-in-the-loop' oversight.

Spotlight on the Portfolio

Chambers and Partners, a legal rankings and data business backed by Inflexion between 2018 and 2023, developed an AI system to support the generation of its legal ranking reports. What would take employees hours now took seconds, and staff were understandably concerned.

Management began communicating early. The CTO held multiple sessions with the affected departments to explain the time-saving benefit of the new technology and answer any questions that arose. Staff were retrained to monitor the AI's output and maintain standards.

Chambers and Partners was sold in 2023 in a transaction valuing the business at over £400 million. Inflexion then re-invested with a minority position.

Spotlight on the Portfolio

Curinos is a market-leading financial services data and analytics provider, backed by Inflexion in 2021. In 2023 it launched an AI-powered solution that enables its clients to deliver ongoing optimal, hyper-personalised omnichannel marketing experiences in minutes.

Maintaining data security in this highly regulated environment is critical and Curinos has developed robust data governance. It does not accept personally identifiable information (PII) from clients but rather uses file introspection to detect possible PII. Each client accesses a different backend platform with independent data processing, so there is no risk of cross-access. The business is GDPR compliant and customers maintain control over their data. Team members undergo stringent training on the use of data.

Cybersecurity

Robust cybersecurity is often seen as a proxy health indicator for wider business operations. This is why we work with our portfolio companies to enhance their cybersecurity, so they are more resilient against any potential phishing or hacking attempts.

Cyber resilience extends beyond just technological upgrades, it involves developing skills of people and refining processes which are especially important for rapidly growing companies like those in our portfolio. This is why we provide comprehensive guidance and support, especially for portfolio companies that may not yet have a dedicated cybersecurity function.

Identifying and managing risks

Ensuring the appropriate level of cybersecurity is critical to ensure that companies are working safely. Even before we make an investment, we conduct external scans to provide insights into cyber security posture vulnerabilities on all prospective deals. We then conduct comprehensive cyber due diligence, examining a company's internal processes. If material risks are identified, immediate remediation pre-closing is conducted, and insurance is reviewed to ensure risks are covered.

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

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

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

Cyber as a value driver

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

Annual Cyber Review

All of our portfolio companies undergo an annual cyber review which we run in partnership with a trusted advisor, to benchmark their cyber posture against their industry peers. The review assesses their strengths and weaknesses in the key areas of:

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

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

After the review, each portfolio company receives bespoke cyber scorecard with actionable recommendations to address their weaknesses. For those companies that require additional support in improving cybersecurity posture, we connect them with our broad network of associates who can help in actioning this. This process is overseen at the portfolio Board level, with the support of the Investment Team. Inflexion's Technology & Cybersecurity Director is directly responsible for this and monitors these processes as a central part of his role.

> ***Cybersecurity is your business card that everyone can see. We help our portfolio companies to improve cybersecurity posture by providing a comprehensive set of tools to de-risk operations and grow with confidence.***
>
> **Mike Arshinskiy, Technology & Cyber Director, Inflexion**

Looking forward

In 2023 we made good progress in ESG, from achieving strong PRI results to having three companies secure B Corp status. However, ESG is a continuous journey and we aim to stay ahead of the evolving landscape of ESG standards, regulatory requirements, and stakeholder expectations in this space.

> ***We've built on our strong momentum around ESG over the last year, and we will continue to push ourselves and our portfolio companies to create value that benefits all stakeholders.***
>
> John Hartz, Managing Partner, Inflexion

Focus on carbon

In 2023 we had a strong focus on carbon, conducting multiple carbon accounting sessions with portfolio companies commissioning a third party to review those portfolio companies with net zero pathways, and issuing bespoke improvement plans. In 2024 we'll continue to drive progress in this space, particularly on ensuring all portfolio companies have robust carbon accounting systems and that more develop net zero pathways. To this end, we have brokered deals with specialist consultancies to formalise carbon accounting systems and bring those less advanced on their carbon journey up to a strong baseline level.

Focus on D&I

Following our focus on carbon in 2023, in 2024 we will further increase our focus on D&I – the other core issue in our ESG Framework. Off the back of the ESG assessment results, we will be having individual feedback sessions with each portfolio company to better understand their performance, and identify opportunities to enhance their D&I strategies.

Continue our support of the PRI

We're pleased to have achieved strong results in our first PRI assessment in 2023. Since receiving our results, we've been working to improve our efforts further around confidence-building measures, evidenced by the assurance of our ESG data for the first time. We will continue to identify areas to improve and welcome the next assessment as we continue to support the PRI's six principles.

Encourage portfolio ambition on the ESG Framework

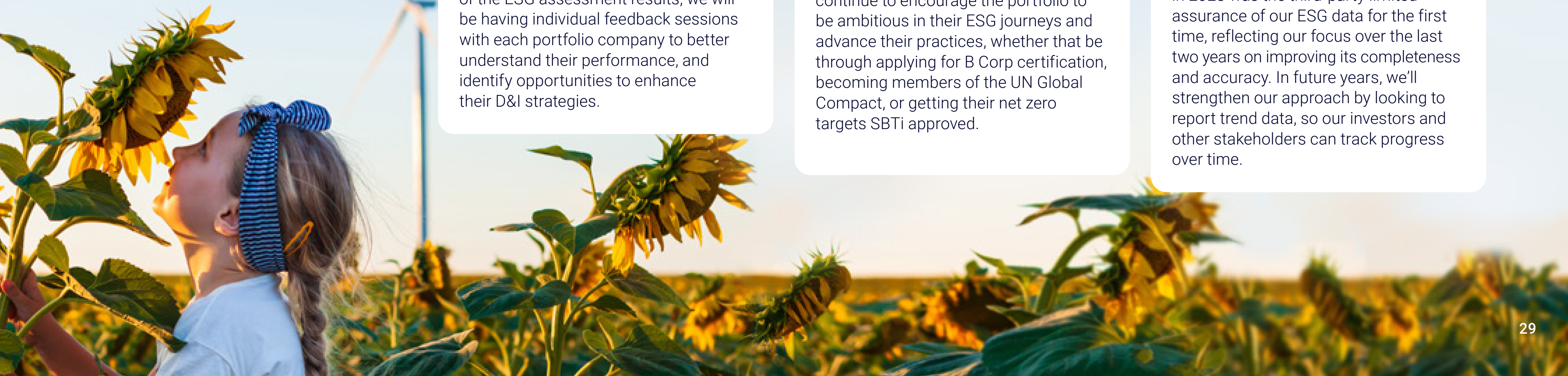
The portfolio has continued to progress on the ESG Framework, with all companies that we've invested in for at least a year having met the Comply level of the Framework and are now progressing through the Good Practice level. We'll continue to encourage the portfolio to be ambitious in their ESG journeys and advance their practices, whether that be through applying for B Corp certification, becoming members of the UN Global Compact, or getting their net zero targets SBTi approved.

Enhance portfolio support

We want 2024 to be all about collaboration. In addition to our annual in-person ESG Exchange and regular portfolio-wide webinars, we'll introduce smaller deep dive sessions. These will be industry- or geography-specific and focused on shared issues. For example, we'll be hosting a workshop on the EU's CSRD, to identify synergies and share learnings as affected portfolio companies embark on their double materiality assessments. We'll also continue to conduct regulatory horizon scanning, and will expand the scope of this to make sure it captures potential future regulation. We will also enhance the feedback we give to portfolio companies to give them more detailed insights on where the risks and opportunities lie.

Increase transparency

An important milestone for Inflexion in 2023 was the third-party limited assurance of our ESG data for the first time, reflecting our focus over the last two years on improving its completeness and accuracy. In future years, we'll strengthen our approach by looking to report trend data, so our investors and other stakeholders can track progress over time.



Key performance indicators

This table is aligned with the ESG Data Convergence Initiative (EDCI), a standardised set of metrics that promote transparency and comparability across the private equity industry.

By publishing these KPIs in our ESG report, we aim to provide clear and quantifiable performance data, demonstrating our progress and accountability in these critical areas.

The aggregated data set has been subject to an independent limited assurance conducted by a third party, which means we have confidence in its accuracy and completeness, and trust this underlines our commitment to ESG to our investors and stakeholders. We believe that transparent reporting is essential for driving improvement and fostering trust among our stakeholders, and we are dedicated to continuously enhancing our ESG practices. In future, we intend to incorporate trend data into our reporting to demonstrate progress over time.

		GHG emissions		Energy	Diversity			Work-related accidents			Net new hires			Employee engagement
EDCI Definition	Sector	Scope 1 Emissions ($mtCO_2e$)	Scope 2 Emissions ($mtCO_2e$)	% renewable energy consumption	% ethnic minorities on Board	% women on Board	% women in C-suite	Number of work-related injuries	Number of work-related fatalities	Days lost due to injury	Organic Net New Hires	Total Net New Hires	% annual turnover of FTEs	Conducting an employee survey (Y/N)?
Buyout														
1	Industrials	690.9	510.5	1.2%	0%	0%	0%	1	0	52	71	131	15%	Y
2	Industrials	203.0	37.0	0.0%	0%	17%	17%	0	0	0	-27	50	27%	Y
3	Technology	0.0	126.6	0.0%	17%	0%	25%	0	0	0	7	7	9%	Y
4	Industrials	189.0	1517.0	0.0%	0%	0%	24%	0	0	4	0	0	15%	Y
5	Consumer	3.0	60.5	38.7%	0%	25%	75%	0	0	0	50	50	21%	Y
6	Business Services	2387.9	274.1	12.5%	0%	13%	14%	3	0	149	138	277	16%	Y
7	Business Services	128.0	2.8	100.0%	0%	17%	33%	0	0	0	-95	-95	54%*	Y
8	Healthcare	149.0	4.0	75.0%	0%	25%	43%	0	0	0	14	15	4%	Y
9	Business Services	312.7	23.8	100.0%	20%	0%	29%	0	0	0	21	21	NA	Y
10	Industrials	82.0	38.7	40.4%	0%	11%	13%	0	0	0	23	26	17%	Y
11	Industrials	38.9	13.0	73.1%	0%	0%	10%	0	0	0	-12	-12	33%	Y
12	Technology	82.5	72.2	49.1%	0%	33%	43%	0	0	0	-78	-78	20%	N
13	Business Services	0.0	3.5	0.0%	22%	22%	17%	0	0	0	-215*	-22	48%	N
14	Consumer	1.1	135.5	0.0%	0%	17%	44%	0	0	0	45	45	28%	Y
15	Technology	0.0	454.5	NA	40%	20%	20%	0	0	0	-26	-26	13%	N
16	Financial Services	0.0	494.0	27.7%	0%	0%	40%	0	0	0	61	77	18%	Y
17	Business Services	111.0	91.0	20.7%	0%	0%	10%	0	0	0	-35	-35	37%	Y
18	Technology	0.0	7.2	0.0%	13%	13%	25%	0	0	0	-49	-49	22%	Y
19	Healthcare	172.0	493.0	30.0%	0%	0%	22%	0	0	0	12	12	10%	Y
20	Healthcare	35.0	1407.0	0.0%	25%	25%	20%	4	0	0	91	91	5%	Y
21	Business Services	4049.0	66293.0	0.0%	0%	0%	38%	0	0	0	22	38	19%	Y

NB. This data set includes companies that we've invested in for at least a year, as at 2023 year end (31.03.2024)

* Numbers are characteristic of the industries these companies operate in which typically experience higher employee turnover including staffing agencies, retail, and those that employ seasonal workers.

Key performance indicators

		GHG emissions		Energy	Diversity			Work-related accidents			Net new hires			Employee engagement
EDCI Definition	Sector	Scope 1 Emissions ($mtCO_2e$)	Scope 2 Emissions ($mtCO_2e$)	% renewable energy consumption	% ethnic minorities on Board	% women on Board	% women in C-suite	Number of work-related injuries	Number of work-related fatalities	Days lost due to injury	Organic Net New Hires	Total Net New Hires	% annual turnover of FTEs	Conducting an employee survey (Y/N)?
Enterprise														
22	Technology	75.9	44.2	53.3%	0%	0%	0%	0	0	0	18	28	15%	N
23	Technology	16.0	30.0	41.0%	0%	0%	0%	0	0	0	-15	-15	23%	Y
24	Financial Services	45.8	23.4	14.8%	0%	0%	0%	0	0	0	24	75	16%	Y
25	Healthcare	0.0	89.8	0.0%	0%	14%	11%	2	0	0	76	76	34%	Y
26	Business Services	14.6	2.9	46.8%	33%	0%	20%	0	0	0	-3	-2	9%	Y
27	Healthcare	9.9	47.0	7.2%	0%	20%	33%	0	0	0	49	49	37%	Y
28	Financial Services	6.0	18.7	100.0%	33%	0%	14%	0	0	0	-19	4	23%	N
29	Technology	8.0	3.6	25.1%	13%	13%	0%	0	0	0	-25	-25	25%	Y
30	Business Services	0.0	65.1	6.0%	40%	20%	25%	0	0	0	257	257	82%*	N
31	Technology	30.7	44.2	66.7%	0%	17%	17%	0	0	0	-59	-59	21%	Y
32	Healthcare	10.0	147.0	52.4%	0%	33%	25%	0	0	0	33	33	25%	N
33	Technology	0.0	2499.7	0.0%	0%	0%	0%	0	0	0	0	0	NA	Y
34	Business Services	9.2	16.8	0.0%	0%	0%	38%	0	0	0	19	19	18%	Y
Partnership Capital														
35	Business Services	14.0	187.0	10.6%	0%	0%	43%	0	0	0	-15	81	27%	Y
36	Technology	1111.1	5118.4	100.0%	14%	14%	85%	0	0	0	-78	-78	29%	Y
37	Business Services	2.0	137.0	0.0%	0%	20%	40%	2	0	39	-40	-37	32%	Y
38	Business Services	0.0	16.6	100.0%	NA	20%	32%	0	0	0	67	67	40%	Y
39	Business Services	0.0	19.8	0.0%	0%	40%	50%	0	0	0	-12	-12	39%	Y
40	Technology	0.0	61578.9	0.0%	0%	0%	40%	0	0	0	36	36	15%	Y
41	Technology	52.0	364.0	0.0%	0%	0%	22%	0	0	0.5	-29	-29	19%	Y
42	Financial Services	91.0	150.1	0.0%	0%	38%	23%	4	0	0	302	302	36%	Y
43	Financial Services	4629.0	1154.0	0.0%	0%	0%	28%	44	0	0	755	755	51%*	Y
44	Consumer	309.0	1710.0	0.0%	0%	27%	83%	1	0	49	258	258	60%*	N
45	Healthcare	3.2	136.0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
46	Technology	1522.0	616.0	0.0%	0%	0%	14%	2	0	0	126	163	42%	Y
47	Business Services	4971.0	155.0	0.0%	0%	0%	0%	0	0	0	272	272	68%*	Y

NB. This data set includes companies that we've invested in for at least a year, as at 2023 year end (31.03.2024)

* Numbers are characteristic of the industries these companies operate in which typically experience higher employee turnover including staffing agencies, retail, and those that employ seasonal workers.

Integrating ESG to boost outcomes

Embarking on an ESG journey needn't mean starting from scratch: many businesses are already doing some great things, but in silos.

Uniting them can accelerate progress as teams become engaged through inter-company communication.

Chambers and Partners is the world's leading legal rankings, data and intelligence business, delivering detailed insights across 200 jurisdictions. The business is all about people, so it understands the importance of having an engaged workforce.

Chambers started its ESG journey over a decade ago, even if it didn't call it that then. Its DEI programme was launched in 2012 with the 'Women in Law' initiative, consisting of external awards, seminars and articles to highlight leading women in the legal profession. In 2015, the business expanded this programme to include all other demographic denominations.

The firm's work has been recognised externally, with Chambers a certified Disability Confident Level 3 'Leader', a member of the Halo Code and a London Living Wage Employer. Such accolades help attract and retain talent, with newer cohorts demanding much more of firms in terms of how they run their businesses.

Chambers
AND PARTNERS

Chambers is also reducing carbon emissions, with Inflexion's Digital team having supported Chambers' shift to a digital delivery format to replace its decades-old hardcopy model. Its digital-delivery proposition has created carbon savings, reducing emissions by 76%, as well as significant cost savings. It is also creating a wealth of data which can be drawn on for further product innovation.

Chambers' efforts were impressive, but lacked a cohesive framework. "A lot of companies have different aspects of ESG in different disciplines but the integrated approach is one that's proved successful as it can accelerate the activities driving success," explains Matthew Taylor, Chief People Officer at Chambers. He wanted to think holistically about a well-run business and bringing each different strand of environmental, social and governance together. He created a multifunction committee and brought interested stakeholders together to look at ESG across the business, ultimately developing a framework of policies, including a supplier code of conduct and a biodiversity policy.

Chambers' work is paying off, with targets set for staff retention and carbon emissions showing progress year-on-year.

Inflexion led the buyout of Chambers and Partners in 2018 and sold its investment to Abry Partners in 2023 in a transaction valuing the business at over £400 million, generating a 4.7x return. Inflexion subsequently made a minority investment into Chambers to support the business's continued growth.

Engaging staff to drive ESG

From saving lives to doing more to protect the planet, Detectortesters is driving positive change across its operations.

The firm's formalised ESG efforts have been supported by Inflexion, with a materiality assessment key to planning the journey ahead.

As a manufacturer of solutions to test smoke, heat and carbon monoxide fire detectors, safety has been a clear priority for Detectortesters since inception. Operating in a highly regulated environment, the company has long embraced elements of ESG, albeit initially in pockets of safety, community, charity and D&I. "We hadn't recognised our efforts could be structured into a formal ESG strategy and Inflexion were incredibly helpful in showing us we could do that," says Alison Kiernan, VP People at Detectortesters.

Inflexion invested in Detectortesters in 2021 to support management's growth ambition and continue to drive ESG as a key lever for the next phase of the journey. "Our infrastructure as a rapidly expanding business has marched forwards in terms of how we manage codes, conduct, governance, outreach and understanding of our customers' needs. We needed to be sure that incorporating an ESG strategy would add value to our organisation and that both internal and external stakeholders could see how they contribute meaningfully to it," says John Mortimer, VP Operations at Detectortesters.

Detectortesters' efforts were further mobilised with the appointment of an ESG manager, an experienced member of the team with a passion to progress the agenda. A materiality assessment followed to set clear aims and strategies and set a strong foundation. Doing so involved engagement with a wide array of stakeholders, from investors to internal teams to define what's important to the business.

Ultimately it helped to create a strategy that engages the whole workforce and supports future growth by focusing on the issues that really matter. For example, the firm is clear that tech is the future for a more sustainable product, and looking at connected products means data security is also a very important topic going forward. The assessment revealed that stakeholders deem engagement with employees and community as well as ESG reporting and DEI to be important. It's also crucial to consider the supply chain because the ESG journey includes other parties, particularly as regards scope 3.

Having achieved ISO 14001 accreditation in 2023, an internationally agreed standard that sets out the requirements for an environmental management system, the year ahead will focus on pursuing the ambitious targets set out across the group. The business will also focus on rolling out its new connected smart product which launched in late 2023, the Testifire XTR2, to drive efficiency gains in fire system testing and support compliance, using a software-led 'Internet of Things' approach. The new solution follows the recent trend of using smoke cartridges, which is seeing the reliance the industry has on smoke aerosols reduce.

Portfolio company ESG awards and recognition

Our portfolio's sustainability efforts have been widely recognised by external parties. These awards are just some of the notable recognitions that the portfolio have received, and are testament to the positive changes that they've made across the spectrum of environment, social, and governance in their respective industries.

Alcumus
Inclusive Company Award at the prestigious Design and Build UK, Women in Construction Awards

ANS Group
Social award at the VMWare Awards

Aspen Pumps
Ecovadis Bronze Award certificate

CNX Therapeutics
Great place to work organisation 2023

DWF
Best Sustainable Business & ESG Law Advisory Practice – UK' at the CSR Excellence Awards 2023

K2Partnering
Great place to work in Brazil

Lintbells
FSC® Chain of Custody Certification

Mountain Warehouse
Responsible Down Standard certified with 100% of feather and down now sourced from RDS sources

Medik8
Best Corporate Sustainability Strategy – Portfolio Company', Private Equity Wire ESG AAA European Awards 2023

Sparta Global
Top 15 employer for social mobility in the UK

Systal Technology Solutions
Environmental Sustainability Specialisation by Cisco

Working together to *support communities*

IN THIS SECTION

The Inflexion Foundation

The Inflexion Foundation strives to enhance the prospects of young people from disadvantaged backgrounds and to protect the environment. It focuses on achieving this through education, sports, art and conservation to improve prospects for a brighter future.

The Inflexion Foundation supports charitable organisations via long term strategic partnerships, grants and a matched giving programme.

Amplifying the impact of our financial support has always been a key focus for Inflexion, and we apply the same ethos to the charities we back. As such, we believe that our team's pro bono efforts make a meaningful difference to our charity partners and the individuals they support.

> *Inflexion have been such an important part of The Prince's Trust family for many years, and your unwavering support will continue to have a very significant impact on young people across the UK when so many are worried about the future.*
>
> Frances Milner, Director of Fundraising & Marketing, The Prince's Trust

£13m
committed

59
charities supported

10
long term strategic partnerships

28%
of employees engaged in charitable activities

Foundation governance

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

Strategic partnerships

Bookmark
Impetus
KAZERNE
London Wildlife Trust
Roundhouse
Grantham Institute Climate Change and the Environment
IntoUniversity
Kinetic Foundation
Prince's Trust
Royal Geographical Society with IBG

Strategic partnerships in action

Roundhouse

The Roundhouse is a charity with an objective to provide 'space to create' for 11- to 30-year-olds, with a particular focus on those from disadvantaged backgrounds. It is currently working with 8,000 young people helping them find pathways back into education, work or simply to enjoy a wider cultural life.

The Inflexion Foundation is a longstanding supporter of the Roundhouse, with its £1.5m donation providing the green light to break ground for Roundhouse's new creative centre which opened in June 2023.

Inflexion Managing Partner Simon Turner has served as Chair of the Roundhouse's Board of Trustees since 2017. Andrew Priest, Inflexion Partner, is on the Development Board, helping the organisation find additional funding through company sponsorship and direct contributions from new supporters.

£270k
committed

London Wildlife Trust

London Wildlife Trust is dedicated to protecting, conserving and enhancing the capital's wildlife and wild spaces. Central to their work is a vision of a London alive with nature, which everyone can experience and enjoy.

The Trust manages 36 free-to-access nature reserves and engages with local communities through practical land management, campaigning, volunteering and education. Their work is supported by 1,500 regular and corporate volunteers and 16,000 members.

As part of its widened remit to include the environment, the Foundation committed to a grant of £50,000 p.a. for three years. The majority of the funding will be allocated towards the Trust's flagship education programme, and the remainder towards specific species reintroduction.

£150k
committed

6,379
children attended outdoor education sessions between April to September 2023

Kazerne Reigersbos

Kazerne Reigersbos is an Amsterdam-based community centre launched to connect its local community and serve as a hub for creatives and starting entrepreneurs. It is the first non-UK based charitable organisation backed by the Inflexion Foundation, receiving a grant of £50,000 p.a. for the next three years.

Kazerne brings together creatives and starting entrepreneurs and provides enhanced facilities in the Reigersbos area of Amsterdam, an area benefiting from a close-knit community but also characterised by a below average social-economic position.

Inflexion Benelux is also providing pro bono support, both to the Kazerne team with respect to developing the charity's growth plans, and also to the local entrepreneurs supported by Kazerne by sharing their experience, knowledge and network to support their fledgling businesses.

£150k
committed

18
studios for creative entrepreneurs

Pro-bono and fundraising

IntoUniversity Business in Focus days

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

19

Inflexion colleagues took part in 2023

Impetus Triathlon

In September 2023, Inflexion employees together with participants from eight portfolio companies completed the annual Impetus Triathlon. Through the generosity of Inflexion's portfolio companies and valued network, a combined total of £80,000 was raised. This was matched by the Inflexion Foundation, reaching a total of £160,000, once again making Inflexion the highest fundraiser for the Impetus Triathlon.

£160,000

raised in 2023

£1.35m

raised to date

Kinetic football tournament

In June 2023, Inflexion hosted a football tournament together with the Kinetic Foundation which was attended by teams from Inflexion's adviser network. Each team was asked to make a £1,000 donation to Kinetic, resulting in £20,000 being raised for the charity.

£20,000

raised in 2023

£32,000

raised to date

Roundhouse Three Peaks

For the fourth year running, an ambitious group of Inflexion colleagues undertook the annual Roundhouse fundraising challenge. This year the team took on the Yorkshire Three Peaks raising a total of £140,000.

£140,000

raised in 2023

£790,000

raised to date

Working together to *make a difference*

IN THIS SECTION

TCFD Entity Level *Report*

This is the first TCFD report for Inflexion Private Equity Partners LLP, marking an important step in our continuous journey to address climate risks and opportunities.

In this TCFD entity report, we outline our approach to how climate-related risks and opportunities are considered within our strategy, risk management, and governance structures.

The disclosures for Inflexion Private Equity Partners LLP complies with the requirements set out in Chapter 2 of the FCA's ESG sourcebook.

All data in this report is correct as at 31.03.24.

Tim Smallbone, Head of Portfolio and Value Acceleration, Inflexion

IN THIS SECTION

Governance

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

Governance of climate & ESG at Inflexion

Inflexion has a longstanding Investment Committee and Executive Committee which include our managing partners and other senior partners as members. Inflexion's separation of Investment Committee and Executive Committee ensures structural independence between organisational and investment management teams and encourages thorough and rigorous testing of our investment theses by experienced members of the firm across various disciplines and teams.

The Investment Committee (IC) meets weekly and discusses investment recommendations with a view to encouraging a robust pipeline of investment activity in line with our strategic objectives. It owns the decision-making process for assessing prospective investments and making the decision on whether investments should proceed. These decisions consider any climate-related findings from the due diligence process (see page 45) and there is a requirement that ESG issues are featured in all Investment Committee papers.

The Executive Committee (ExCo) meets at least 10 times a year and is responsible for setting and monitoring Inflexion's strategy and operations. It provides leadership of Inflexion's climate risk management response and is responsible for ensuring Inflexion's climate commitments are achieved, including decision making around which actions are implemented and review of performance towards targets.

The Operations Committee (OpCo) meets monthly and as required, and is instrumental in overseeing the management of operational risk, and reports into the ExCo. The OpCo oversees certain ESG issues within Inflexion, including emissions reduction measures.

The Responsible Investment Steering Committee (RISC) meets every two months and as required, and is beneath the ExCo and IC and oversees the development and implementation of ESG across Inflexion and its portfolio. The RISC is currently chaired by the Head of Portfolio & Value Acceleration and is comprised of senior colleagues across the firm such as the Head of Buyout, General Counsel, and Head of Investments. RISC also has the mandate to make recommendations to the ExCo and IC for approval as appropriate, which includes raising climate-related risks and opportunities where warranted by the materiality of the matter.

Inflexion teams

In 2022, Inflexion appointed a dedicated ESG Director. The ESG team is primarily responsible for coordinating the management of climate risk with oversight from RISC which acts as a governance and decision-making committee.

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

Governance

Governance of ESG in the portfolio

The Chairs of portfolio companies are responsible for ensuring that ESG and climate issues are effectively embedded throughout the business and that the Inflexion ESG Framework is applied appropriately – see page 09 of the ESG report. In 2023 all Chairs were issued a detailed briefing as to their responsibilities with regards to ESG, including climate issues.

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

Even in a minority of cases where the nominated ESG lead is not within the C-suite, there are checks and balances in place to ensure that the Board has oversight of ESG matters where relevant. For example, our annual ESG and climate assessments must be submitted to Inflexion by the CFOs. This aims to ensure that climate data is subject to the same scrutiny as financial data.

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

Remuneration

Inflexion Partners and Investment Directors that sit on portfolio company Boards have ESG objectives, including climate, incorporated into their performance reviews and compensation mechanisms. The objectives require that they progress the ESG approach of their respective portfolio companies according to the requirements of the ESG Framework, with success measured based on information collected from the portfolio companies in the annual ESG assessment. In respect of climate, their objective is to ensure that within the first year of investment portfolio companies are able to track their GHG emissions and that they develop a net zero pathway by the time of exit.

Training

As we integrate climate risk and opportunity more fully into the investment process, it's important that our investment team understands climate science and can use portfolio company data to drive decision making. To facilitate this, in 2023 we provided climate training to both the Investment Team and all members of the Executive Committee. We also have a training programme with the portfolio which involves deep-dive webinars on ESG issues every 6-8 weeks. In 2023 this included multiple training sessions on net zero pathways and on carbon accounting. We will continue these trainings on climate on an annual basis.

In addition to this formal training, we provide guidance documents to the portfolio on these topics, see page 08 of the ESG Report. These have been instrumental in upskilling the portfolio, with 100% tracking scope 1 and 2 emissions within a year of investment, 38% with net zero pathways, and 2 companies with Science-based targets initiative commitments.

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

Strategy

Climate risks and opportunities

The uncertainty of the timing and magnitude of climate change impacts presents challenges in understanding the climate-related risks in any investment strategy and portfolio. In early 2023, we undertook scenario analysis on the aggregated portfolio to help us better understand how potential climate-related risks and opportunities may emerge and evolve under two different scenarios (Paris aligned 1.5°C and Business as Usual (BAU) 4°C) to 2050.

Definition of physical and transition risks

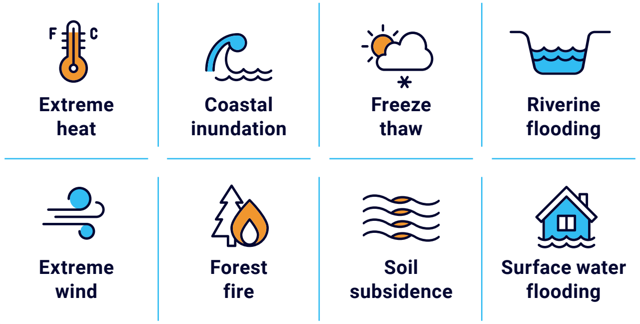
Scenario analysis seeks to capture the potential impacts of physical and transition risks, or the change in frequency and/or intensity of different climate change-related events. Physical risks can be either acute (e.g. floods) or chronic (e.g. sea level rises). Transition risks are the potential impacts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

Scenario analysis methodology

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

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

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



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

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

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

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

Time horizon/Years	Detail
Short term 0-5 years	Aligns with our business operations aimed at creating and retaining value of investments across the portfolio by assessing climate-related risks and opportunities during the hold and exit phases
Medium term 5-10 years	Aligns with our business operations aimed at creating and retaining value of investments across the portfolio by assessing climate-related risks and opportunities during the hold and exit phases
Long term 10+ years	Ensures climate change and climate risk can be embedded into the long term planning of the organisation and facilitate the transition to net zero

Strategy

Scenario analysis results

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

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

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

For transition risks, we are mainly exposed to potential rising costs due to the introduction of carbon taxes in regions such as the UK and EU. We understand that current and future acquisitions in the European region will need to actively decarbonise at a much faster rate than other parts of the world. Failure to do so could potentially lead to cost increases driven by carbon taxes. There is potential positive benefit to be gained from decarbonising the portfolio earlier as the price of renewable fuels may be less than non-renewable fuels, reducing costs. Encouraging portfolio companies to align to a net zero pathway could result in beneficial opportunities, with revenue growth potentially higher in a 1.5°C scenario for our existing portfolio, as the economies in the UK and Europe are expected to grow relatively faster through the net zero transition.

Physical risk	Short-term		Medium-term		Long-term	
Scenario	1.5°C	4°C	1.5°C	4°C	1.5°C	4°C
Extreme heat	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Low risk	Low risk
Coastal inundation/ flooding	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Low risk	Low risk
Freeze thaw	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk
Riverine flooding	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Low risk	Low risk
Extreme wind	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk
Forest fire	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk
Soil subsidence	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk
Surface water flooding	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk	Negligible risk

Low risk Negligible risk

Resilience and transition planning

Scenario analysis has helped us better understand the climate-related risks and opportunities in our investment strategy and portfolio, and we will continue to look at climate risk in our ESG due diligence on potential investments. Our climate strategy in the short to medium term is to continue to support portfolio companies to decarbonise and take advantage of transition opportunities, particularly lower costs of renewable fuels.

Methodologies and data for scenario analysis is still evolving, and we are committed to periodically repeating scenario analysis, including at any time when there is a significant shift in focus of our investment strategy, either geographic or sectoral.

Looking forward

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

Risk Management

Identifying and assessing climate-related risks

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

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

Pre-investment

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

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

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

During investment

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

Managing climate related risks

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

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

Risk Management

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

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

We monitor climate risk via Inflexion's annual climate assessment which collects and analyses this data from all portfolio companies. This data is then reviewed, verified and assured by a third party, outlined in the graphic below. The ESG team flag any issues to the relevant Inflexion investment professional to address at the portfolio company Board level.

Risk management integration

Climate risks are fully integrated into the investment process and are dealt with in the same way that other risks are, under Inflexion's risk management approach. For example, climate risk findings are flagged to the relevant Inflexion investment professional to address at the portfolio company Boards to ensure the appropriate level of senior oversight. Relevant climate risks, alongside other ESG considerations, are also incorporated into the exit planning process.

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

Annual climate assessment process

Data collection
The emissions and climate-related data from each portfolio company is collected on an annual basis via our ESG assessment.

Verification
Inflexion's in-house ESG team verifies the emissions data with the support of a third party. This includes checking for any anomalies and querying any substantial changes in emissions data so we can understand the reason for any increases or decreases, and monitor the success of decarbonisation plans.

Assurance
The verified data is shared with a third party assurance partner who reviews the data and engages with a representative sample of portfolio companies to understand the processes and methodologies used to obtain the emission data.

Feedback
Portfolio companies receive bespoke feedback reports with the results of this process. This includes a benchmark of their performance against peers, and recommended actions to take, e.g. developing a net zero pathway, or seeking SBTi approval.

Metrics and Targets

Metrics

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

Our scope 3 emissions are mostly comprised of our portfolio companies' scopes 1 and 2 emissions, otherwise known as financed emissions. To best reflect our varying fund strategies, we calculate the weighted average carbon intensity (WACI) of each fund in line with the Partnership for Carbon Accounting Financials (PCAF) standard, taking into account our level of ownership in each company, as well as their relative weighting to each other.

We expect over time, the quality of ESG data collected from our portfolio companies through annual ESG assessments will improve, and we are continually enhancing our approach to identifying and managing climate-related risks and opportunities in a way that is commensurate with our investment strategy and scope of operations. Further, we will regularly review and consider whether there are any additional metrics that could be materially useful for our stakeholders to receive and will report against such metrics in the future.

	t CO_2e*
Scope 1	0
Scope 2	69.8
Scope 3	
Category 6: business travel	3.7
Category 15: investments	12,566

* Data covers our UK operations only, for the financial year ending 31.03.24.

Targets

Given that the majority of our GHG emissions are scope 3, we will work with our portfolio companies to measure and manage their emissions. We have set a number of targets related to the Inflexion ESG Framework to help guide our efforts. These are:

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

Climate targets and progress

100% to track GHG emissions within one year of investment — 100% Progress against target

100% to have set a net zero target by the time of exit — 38% Progress against target**

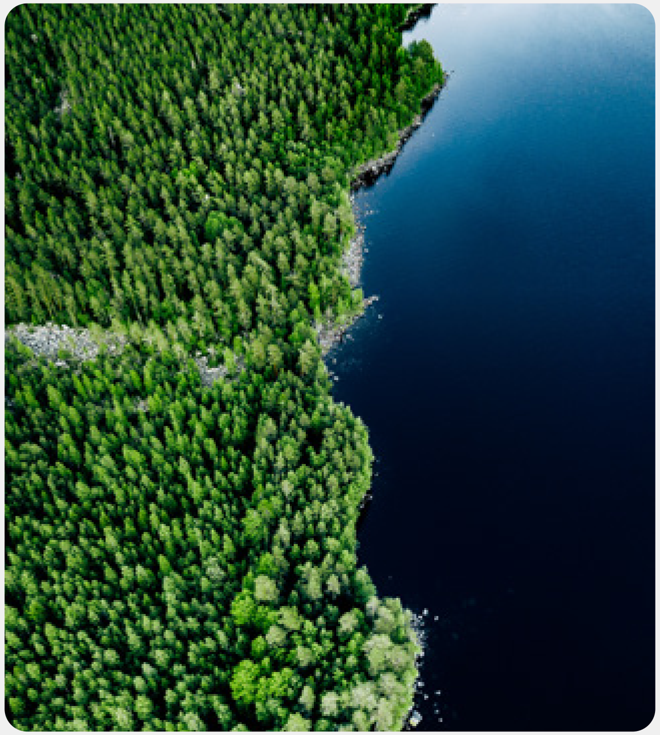
** Refers to number of companies that have set a net zero target

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

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

We have also incorporated a climate-related KPI into the capital call facilities for new investments whereby we require companies to reduce their carbon intensity on an annual basis for their scopes 1 and 2 emissions.

For more information on other climate related metrics, please click here.



ESG dataset limited assurance

A limited assurance engagement on Inflexion's 2023 ESG data was conducted by SLR Consulting and completed in May 2024. This included Scope 1 and 2 emissions, Energy (Renewable Energy Consumption), Work-related Accidents (Injuries, Fatalities, Lost Work Days), Net New Hires (Total Net New Hires), Employee Engagement (Staff Turnover, Employee Survey) and Diversity (Women on Board, Women in Senior Management). Scope 1 and 2 emissions data was also intended for inclusion in Inflexion's 2023 Taskforce for Climate Related Financial Disclosures (TCFD) reporting.

The assurance was carried out against the EDCI Metrics Reporting Guidance. The EDCI references several benchmarks, including the WRI / WBCSD Greenhouse Gas Protocol Corporate Standard (2015 revised edition), Greenhouse Gas Protocol Scope 2 Guidance, the Global Reporting Initiative and the International Labour Organization. For the purposes of reporting against environmental data, factors have been used from the UK Department for Energy Security and Net Zero (DESNZ) published GHG conversion factors for company reporting, and the Association of Issuing Bodies (AIB) European Residual Mixes 2021, where available.

The data assured related to the aggregated dataset of Inflexion's ESG data (limited to Scopes 1 and 2 for climate data, and Renewable Energy Consumption, Work-related Accidents, Net New Hires, Employee Engagement and Diversity) for those Inflexion portfolio companies as listed in Appendix 1 of the issued Data Assurance Statement, for the reporting period 01 January 2023 – 31 December 2023.

Disclaimer

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Certain information contained herein constitutes "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Furthermore, any projections or other estimates, including estimates of returns or performance, are "forward-looking statements" and are based upon certain assumptions that may change. Due to various risks and uncertainties, including those set forth in the applicable Offering Memorandum, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of Inflexion. Unless the context otherwise requires, the words "include," "includes," "including," and other words of similar import are meant to be illustrative rather than restrictive.

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

ESG and/or impact-related considerations are only some of many that Inflexion takes into account when providing investment advice in respect of Fund, and other considerations can be expected in certain circumstances to outweigh these types of considerations. Further, investments described herein were not necessarily pursued on the basis of achieving any particular non-financial impact or similar thesis and the identification and measurement of such impact or related metrics may not necessarily have been completed prior to the investment recommendation being made. Inflexion is permitted to determine in its discretion, taking into account any applicable legal, contractual or regulatory requirements, that it is not feasible or practical to implement or complete certain of its ESG, DEI and/or impact-related initiatives, policies and procedures based on cost, timing or other considerations or its fiduciary duties.

Disclaimer

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

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

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

The SDGs are aspirational in nature. The analysis involved in determining whether and how certain investments may contribute to or support the SDGs is inherently subjective and dependent on a number of factors and Inflexion makes no commitment or guarantee that it is investing in companies that have a formal commitment or plan or take specific actions to support or contribute to the SDGs. There can be no assurance that reasonable parties will agree on a decision as to whether certain investments contribute to or support a particular SDG. Accordingly, no person should place undue reliance on Inflexion's application of the SDGs, as such application is subject to change at any time and in Inflexion's sole discretion.

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