Cinven

Cinven
Sustainability Report 2024

Contents







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About Cinven

Cinven is a leading international private equity firm focused on building world-class global and European companies.

Our funds invest in six key sectors: Business Services, Consumer, Financial Services, Healthcare, Industrials, and Technology, Media and Telecommunications (TMT). We have offices in London, New York, Frankfurt, Paris, Milan, Madrid, Guernsey and Luxembourg.

We aim to create value for our investors, portfolio companies, employees and communities by embedding sustainability into every stage of the investment process. As responsible investors, we aim to build high-performing, resilient and well-governed businesses.

We use a matrix of local country networks and sector expertise to invest in companies where we can apply our differentiated approach to value creation, including on sustainability. Under our stewardship, once a business is acquired, we implement a process to engage proactively with management on relevant sustainability matters. Our aim is to maximise long-term value for stakeholders and ensure sustainability risks and opportunities are effectively managed during our ownership.

By year end 2023, the Cinven Funds had invested in over 150 companies and had realised proceeds of c. €47bn. The firm employed 250 colleagues, with more than 175,000 people working in businesses across our portfolio.

>150
Companies invested in

>€47bn
Realised proceeds

>250
Employees

175,000
Approximate number of people working in businesses across our portfolio

Data as at 31 December 2023, unless otherwise stated. Strategic updates are current as at June 2024, when this report was published.

Our offices

- London
- Frankfurt
- Guernsey
- Luxembourg
- Milan
- Madrid
- Paris

- New York

Letter to stakeholders

Responsible investment is a key priority

Supraj Rajagopalan, Bruno Schick and Jorge Quemada
Co-Managing Partners

"We see sustainability as core to our investment process."

In January 2024, Cinven appointed Bruno Schick, Jorge Quemada and Supraj Rajagopalan as Co-Managing Partners of the firm, with Stuart McAlpine taking up the role of Chairman. Energised and ready to take on the next phase of sustainability opportunities and challenges, here the Co-Managing Partners discuss why sustainability is key to our investment approach and lay out their ambitions for Cinven.

Q Why is sustainability important to Cinven and what is driving this?

A We see sustainability as core to our investment process. A sustainability lens helps us to identify which businesses we do and do not want to invest in, with Cinven deal teams applying our ESG Policy upfront. It also helps us spot and assess material sustainability risks and opportunities, and think about how we might address them during our ownership period. Many factors drive Cinven's focus on sustainability – it is part of Cinven's investment approach and values, and it is also demanded by the firm's stakeholders, including investors, regulators and employees.

Q How is Cinven different from its peers on sustainability?

A We were an early mover in sustainability. We joined the Principles for Responsible Investment (PRI) back in 2009 and we were one of the first large-cap buyout funds globally to set Science Based Targets (approved by the Science Based Targets initiative (SBTi) in 2023). We are also developing an ESG Value Creation Plan for each company from our Seventh Fund onwards – a step which saw us named a "Future 40 ESG Innovator" by Real Deals in 2023. We have a robust governance model to track sustainability trends and monitor the sustainability performance of our portfolio, with a highly engaged ESG Steering Committee that meets quarterly (with many touchpoints in between) and reports material updates to our Executive Committee as needed. We also continuously make improvements. For example, most recently, our Portfolio Review Committee has taken more active oversight of sustainability, including gender diversity on our Boards, and we have launched an enhanced Compliance Assessment across our portfolio. We believe these aspects of our approach set us apart.

Q What were the firm's most important sustainability achievements in 2023?

A We made three investments in 2023, all of which have a sustainability angle: Amara NZero, Archer and Master Builder Solutions. In 2022, we had achieved our diversity targets related to the proportion of women eligible for promotion in the Investment Team, and the representation of people of colour in our UK team. In 2023, we built on this progress and introduced an inclusion target for the firm, alongside more ambitious gender and ethnic diversity goals and a new target for LGBT+ representation globally. Finally, our Science Based Targets were approved by SBTi in 2023, and we are proud that, so far, 37% of our portfolio companies have developed or are developing decarbonisation plans, with many more in progress.

Q What is the biggest sustainability opportunity the firm plans to harness next year?

A We are seeing sustainability as a theme playing out in more and more businesses that we invest in, both B2B and B2C. Through our ESG Value Creation Plan, we plan to continue supporting portfolio companies to develop sustainable products and services where there is a market opportunity and potential for revenue generation. This complements the role sustainability plays in our businesses as an enabler of operational improvement, employee engagement and risk management.

Q&A with ESG Director

Encouraging a sustainable culture

ESG Director Allegra Day is a member of Cinven's Portfolio team. Appointed in September 2021, Allegra leads a team that works to improve the sustainability performance of Cinven's portfolio and drive engagement on sustainability across the firm. She sits on our ESG Steering Committee and Investment Selection Framework (ISF) Committee.

Q You've now been at Cinven for three years. What has changed during that time?

A Building on the strong foundations we had, I think the main changes have been developing our sustainability value creation approach and setting firm-level targets to drive change. Being more proactive and systematic on value creation is gaining traction across our portfolio – we are starting to see some tangible, exciting results in areas like sustainable product innovation and decarbonisation. We have also had a leadership transition, with the appointment of our Co-Managing Partners, Bruno, Jorge and Supraj, in January 2024. This more specialised focus on the domains of investment, the portfolio and day-to-day operations at Cinven is a positive for sustainability.

Q What were your personal highlights of 2023?

A 2023 was a busy year. We had some successful exits, including Planasa, a global leader in the agri-tech sector, and we invested in three portfolio companies, all of which had a sustainability angle to the investment thesis. Alongside my team, I have started working with these businesses on their ESG Value Creation Plans and this has definitely been a highlight. Another major milestone for me was Ploy Ramyananda joining our team in September 2023 as ESG Executive. She has already had a huge impact on our data, reporting and portfolio company engagement.

Q How do you see the sustainability landscape evolving for private markets in the coming years?

A Sustainability within private markets continues to evolve pretty rapidly. I think the next few years will be very interesting. I believe we will see certain firms really double down on value creation initiatives at portfolio companies, including embedding sustainability into products and services, supply chains and operations in a strategic way. Some are investing behind sustainability themes, such as the energy transition and nature. Then there is the growth of sustainability in private credit and other asset classes. So there are a lot of different pockets of activity.

Q What is your favourite example of sustainability in action at a Cinven portfolio company in 2023?

A There really are too many to name. Envu, one of our portfolio companies in Fund 7, recently set an ambitious sustainability plan embedded into the core commercial strategy and published its first Sustainability Report, available here. This is a great example of Cinven's work with portfolio companies in action.

"Being more proactive and systematic on value creation is gaining traction across our portfolio."

Allegra Day
ESG Director

Our approach

In this section

Sustainability macrotrends

An informed approach to sustainability

The context in which Cinven and our portfolio companies operate is constantly changing. We therefore regularly analyse key macrotrends relevant to sustainability to inform our approach, alongside other issues most pertinent to the firm and our stakeholders.

The regulatory landscape

Sustainability regulation is increasing significantly, shaping the strategies, disclosures and compliance efforts of funds and portfolio companies.

In Europe, we are alert to the ongoing implementation of the Sustainable Finance Disclosure Regulation (SFDR), potential changes to it, and public consultation on its rollout. We are also mindful of the launch of the EU's Corporate Sustainability Reporting Directive (CSRD), which is significant for many private equity firms and their portfolio companies. It requires those in scope to make disclosures on a wide range of sustainability topics at a similar level of rigour to financial reporting.

In the UK, the Financial Conduct Authority's (FCA) mandated disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) for certain financial institutions is in force, alongside the Climate-related Financial Disclosures (CFD) for certain UK corporates. Under the FCA rules, Cinven Limited is required to disclose its approach to climate-related risks and opportunities by 30 June 2024, covering the 2023 financial year. We are pleased to include our group TCFD disclosure and FCA-mandated Cinven Limited disclosure in this report.

See page 34 for more information.

Also in the UK, the Sustainable Disclosure Requirements (SDR) framework has been developed, the most relevant of which for firms such as Cinven is the FCA's anti-greenwashing regulations. They come into force on 31 May 2024 and build on the existing "clear, fair and not misleading" rule.

In the US, in October 2023 California passed two laws requiring certain private and public companies doing business there to disclose their GHG emissions and climate-related financial risks. This was a significant development. It was followed by the SEC in March 2024 adopting final rules to enhance public company disclosures on climate-related risks and impacts, although future implementation is uncertain. In June 2023, the International Sustainability Standards Board (ISSB), led from within the IFRS Foundation, released its inaugural sustainability and climate-related reporting standards. We are monitoring in particular the UK's adoption of the ISSB standards and which UK firms and corporates may become subject to mandatory sustainability disclosures as a result.

Focus on human rights and the supply chain in regulation is increasing, with the EU's Corporate Sustainability Due Diligence Directive (CSDDD) expected to be published in summer 2024. We also see existing legislation continue to play a significant role in how General Partners and portfolio companies manage human rights risks in their own operations and value chains. Examples include the US Uyghur Forced Labor Prevention Act (UFLPA) and similar upcoming EU law on products made with forced labour.

The Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations in 2023 and, alongside the EU's new regulation on deforestation-free products, reflects growing expectations of corporates and financial institutions with respect to nature.

See page 20 for further details on our approach.

Other significant macrotrends

The importance of quantifying sustainability is growing, including measuring its impact on both ESG metrics and financial ones. This is important to track whether sustainability

performance is increasing during our period of ownership and to better understand the links between sustainability and financial performance.

For example, a recent study by Bain found that companies that rank in the top 25% of their industry for executive team gender diversity have annual revenue growth approximately 2 percentage points above companies in the bottom quartile, and their EBITDA margins are 3 percentage points higher.

Cinven continues to be an active supporter of the ESG Data Convergence Initiative (EDCI), including as a member of its GP-LP Steering Committee. In 2023, this allowed us to use benchmark data from over 4,000 portfolio companies to compare their sustainability performance with our portfolio.

In other trends, we are seeing growing consumer interest in sustainable goods and services, which sometimes attract a "green premium". Particularly in B2B markets, there is an increasing need for companies to measure and communicate the Product Carbon Footprint of their particular input or ingredient to clients which are striving to reduce their own emissions to satisfy downstream customers. At the same time, concerns about issues such as greenwashing are rising, with new regulation coming into force in Europe and the UK.

See page 8 for more information about sustainable products and services.

Circularity remains another important macrotrend, amid deepening understanding among stakeholders that the current linear economy is not sustainable. Again, European regulation is a driver here, with the EU's Circular Economy Action Plan targeting how products are designed, promoting circular processes and aiming to prevent waste. A number of Cinven's portfolio companies, including PPF and RBI, are taking steps to increase the circularity of their packaging.

See page 19 for more on the circular economy.

Sustainability value creation approach

Leveraging value from sustainability

At Cinven, we believe that more sustainable and responsible businesses are more valuable. We aim to achieve high standards of sustainability and responsibility in our portfolio to ensure alignment with our own values and those of our stakeholders.

We see multiple possible benefits of embedding sustainability into our value creation approach, including boosting revenue, reducing expense, managing risk, increasing productivity and lowering the cost of capital.

For each new portfolio company, we assess material sustainability risks and opportunities to inform our Value Creation Plan (VCP), and eventually prepare portfolio companies for exit. We develop a VCP, which includes sustainability, for each new business to drive performance improvement and maximise potential during our ownership. The VCP incorporates due diligence findings and is co-developed with management. Getting this right:

- contributes to the commercial success of the business;
- makes a positive contribution to society and the environment;
- promotes talent attraction, retention and productivity;
- helps manage legal, compliance and reputational risks;
- provides efficiency in cost of capital; and
- supports exit optionality and long-term value.

In 2023, we continued to improve and implement our approach by making use of our sustainability Value Creation Playbook and working with prioritised portfolio companies to develop relevant sustainability initiatives in collaboration with their management teams. In 2023, we also improved the Portfolio Review Committee's oversight of sustainability value creation initiatives through our annual ESG update, including the ESG VCP Scorecard.

1 Introduce Cinven's ESG approach

- Share Cinven's ESG approach
  - ESG Policy
  - ESG Guidelines
  - ESG value creation approach
- ESG onboarding assessment
- Introduction to Cinven's preferred Partners including ESG software

2 Baseline ESG performance

- Cinven review of
  - DD findings
  - ESG onboarding assessment
- Hypothesis for ESG value creation levers

3 Identify ESG value creation levers

- ESG VCP kick-off within broader VCP
- Develop ESG VCP
  - Initiatives
  - Targets
  - Annual KPIs
- Establish ESG governance
  - Board member responsible for ESG
  - ESG Committee recommended

4 Agree ESG VCP

- ESG VCP sign-off
  - Management
  - Board
- Develop ESG VCP Scorecard
  - PRC and Cinven ESG Steering Committee oversight
- Allocate internal resources for sustainability within the business

5 Monitor ESG performance

- Monitoring of ESG VCP
  - Cinven ESG Steering Committee
  - Board
- ESG KPI reporting to Cinven
  - Quarterly
- ESG VCP refresh
  - As needed

6 ESG in exit

- ESG exit readiness assessment
  - Five fundamentals
- ESG positioning within equity story
- ESG VDD recommended

Value creation focus (steps 3 and 4)

Spotlight: Creating value through sustainable products & services

Developing innovative solutions

When sustainability is embedded into core strategy, commercial value can be created. This includes through the development and rollout of sustainable products and services where there is market demand.

In both B2B and B2C markets, we are starting to see growing appetite for these types of offerings. Businesses that seize this opportunity through product innovation and effective go-to-market strategies can take market share. For "green" products, pricing can include a green premium where appropriate, which can in some instances offset the costs of decarbonising the business. Of course, companies need to be aware of not making misleading claims about a product or service, particularly in light of new greenwashing regulation, outlined on page 6.

Successfully developing these products and services requires partnering across a business, including with teams focused on product innovation, marketing and sales, operations and sustainability. We are supporting our portfolio companies to understand customer demands and use sustainability as an innovation lever to bring sustainable offerings to market or grow their existing offerings, where relevant. This typically involves engaging with their supply chain and other stakeholders to develop solutions that meet a customer need while contributing to environmental or social goals.

MASTER® BUILDERS SOLUTIONS

Case study:

Reducing the carbon footprint of construction

Master Builders Solutions is a global leader enabling more sustainable construction with innovative concrete admixtures and pioneering underground solutions. Cinven acquired the business, then known as MBCC Group, in March 2023.

Concrete production accounts for about 8% of global CO_2 emissions, of which up to 90% is due to the manufacture of cement clinker, which is used for binding. Finding ways to reduce the proportion of clinker therefore represents one of the most significant opportunities for reducing the carbon footprint of concrete and, by extension, the built environment. Admixtures adapted to low-clinker cement types allow, for instance, the reduction of emissions by up to 50%, depending on the initial mix design.

Master Builders Solutions offers a product range that enables more sustainable construction, including MasterCO$_2$re™, which launched in June 2023 to achieve reliable low-carbon concrete production. Other products include MasterSuna® SBS, MasterEase®, Master X-Seed® and MasterFiber®. These products deliver commercial benefits to customers, in the form of efficiencies and cost savings, alongside emissions reduction through improved resource efficiency (for example water and sand) and lower global warming potential (GWP) of the finished product.

→ Click here for more information about Master Builders Solutions.

Governance of sustainability

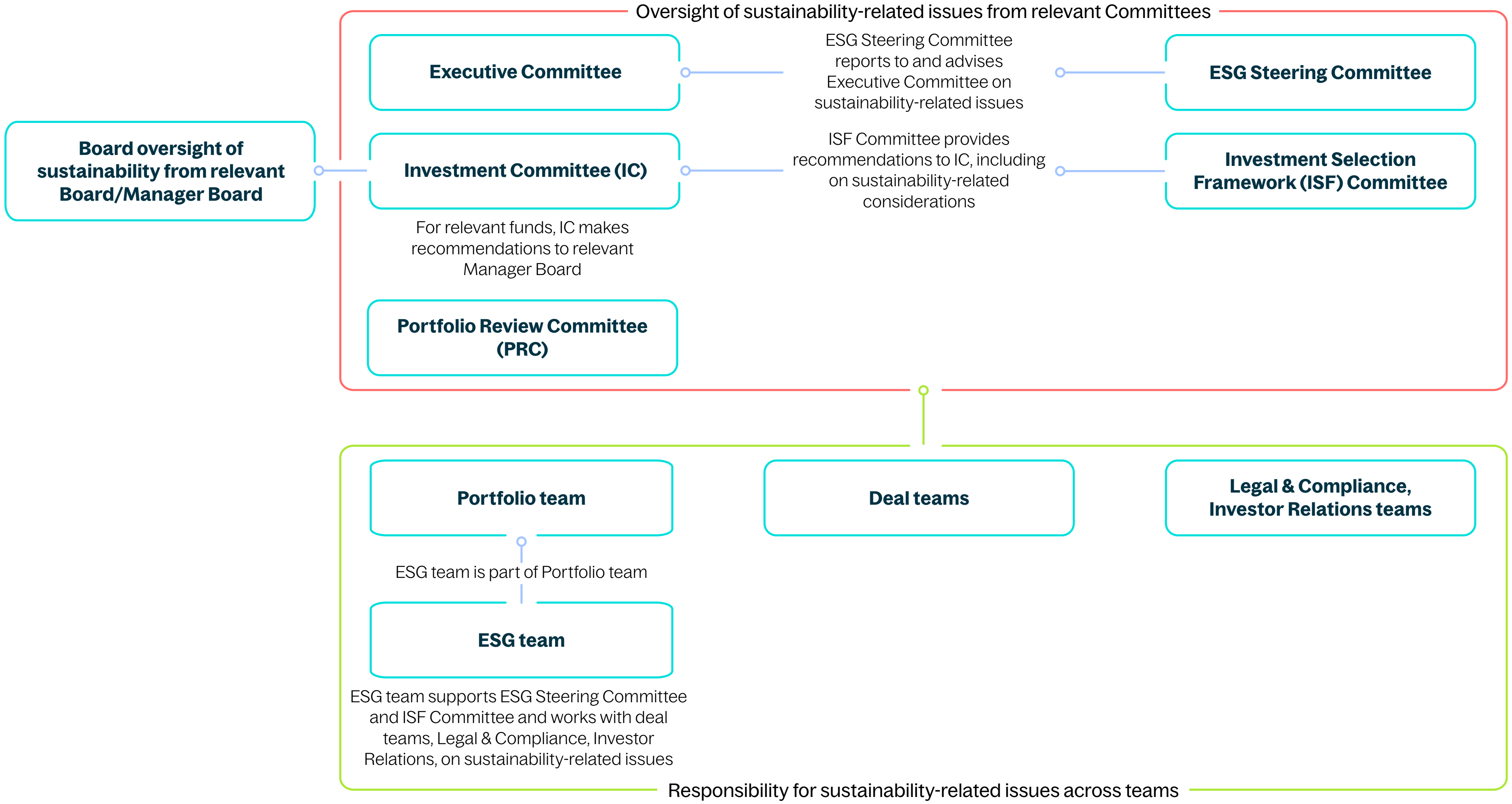
Active ownership and engagement

We see sustainability as core to Cinven's culture and everyone's responsibility. To enable accountability and effective decision making, we have a robust governance structure in place and ESG and Legal & Compliance teams that serve as centres of expertise, working closely with deal teams, management and our Boards.

Cinven's Executive Committee is ultimately responsible for the implementation of the firm's ESG strategy and ESG Policy. The ESG Steering Committee, chaired by the Chief Operating Officer, provides senior oversight of ESG matters and includes cross-functional representatives from across the firm.

Deal team members typically work in collaboration with the ESG and Legal & Compliance teams on material sustainability topics within their respective portfolio companies. We also pursue sustainability at a Board level, and through Cinven's monitoring processes.

Our approach, including engagement with senior management on sustainability as part of the Value Creation Plan, ensures that portfolio companies take responsibility and are accountable for their own sustainability strategies with Cinven's support.



Our sustainability journey

2009
Joined Principles for Responsible Investment (PRI) and developed first ESG Policy

2012
Established Cinven ESG Steering Committee

2013
Launched process to assess ESG risks and opportunities for new investments

Published first ESG Review (called Sustainability Report as of 2024)

2014
Launched ESG Guidelines for portfolio companies

Held first annual portfolio ESG Conference

2015
Introduced ESG KPI reporting for portfolio companies

2017
Joined Invest Europe's Responsible Investment Roundtable (RIR)

2018
Set inaugural firm-wide targets for gender diversity in the deal team

2019
Launched high-level climate assessment aligned to TCFD for new portfolio companies

2020
Launched Cinven Inclusion & Diversity (I&D) Framework

2021
Launched dedicated ESG team within Portfolio team

Joined Initiative Climat International (iCI)

Joined Private Equity Sustainable Markets Initiative Taskforce (PESMIT)

Held Investment Team offsite dedicated to ESG

2022
Launched refreshed ESG Policy

Launched Investment Selection Framework (ISF)

Approved Cinven climate strategy and submitted Science Based Targets to SBTi

Committed to all companies from Fund 7 onwards developing an ESG Value Creation Plan

Agreed firm-level Sustainability-Linked Loan (SLL) as part of existing bridge facility, with interest rate linked to annual gender diversity, decarbonisation and ESG governance targets

Launched I&D Toolkit for Cinven Boards and portfolio companies

Ran first inclusion survey and partner workshop to set inclusion targets

Published inaugural TCFD report

Joined ESG Data Convergence Initiative (EDCI), including GP-LP Steering Committee

Appointed co-lead of PESMIT's Climate Change Working Group

Hosted 2022 ESG Conference for portfolio companies in person, following a pause during the COVID-19 pandemic

2023
Firm-wide Science Based Targets approved by SBTi

Cinven Fund 7 awarded "Future 40 ESG Innovator" by Real Deals

Implemented commitment to develop an ESG Value Creation Plan from Fund 7 onwards

Set an inclusion target and refreshed diversity targets for the firm

Published second voluntary TCFD report

Launched PESMIT Valuing Carbon guidance for private markets. Read more here

Ran 2023 ESG Conference for portfolio companies to further drive sustainability action

The Cinven Foundation match-funded employee donations to 33 European and US charities

See page 14 for full details of our sustainability progress in 2023

ESG in the investment process

An integral part of the investment lifecycle

ESG is embedded in the investment process, from origination through to Value Creation Plans, Board engagement and exit readiness.

See pages 24 and 25 for more information about ESG governance.

ESG Policy
In the pre-acquisition phase, we ensure every investment opportunity we pursue is aligned with Cinven's ESG Policy. As outlined in the policy, we seek to invest in, and build, businesses that are:

- mitigating and adapting to climate change;
- ensuring the efficient and sustainable use of resources;
- following responsible production and consumption practices;
- embedding Inclusion and Diversity (I&D) into their strategy and operations; and
- upholding best-in-class labour standards.

Furthermore, we do not invest in businesses whose products, services or practices cause material environmental or social harm where there is no clear path during our ownership to:

- mitigate, remedy or reduce the company's negative impact on the environment and/or society; or
- support the business to have a more positive impact on the environment and/or society.

Cinven's ESG Policy is available on our website.

ESG touchpoints in the investment process

Investment stage	Pre-acquisition	Acquisition	Ownership	Exit
ESG workstream	ESG Policy	ESG DD	ESG VCP	ESG VDD
What	Ensure all investment opportunities are aligned with ESG Policy	Assess material ESG risks and opportunities using available data	Develop ESG initiatives within the VCP	Incorporate ESG into exit process
How	Where necessary, utilise **Investment Selection Framework (ISF)** to determine alignment with Cinven's ESG Policy	• **ESG DD,** with material findings communicated to the IC and incorporated into investment thesis where relevant • Informs initial assessment of ESG value creation opportunities	• **Baseline:** Collect baseline ESG data to develop hypothesis of ESG initiatives within VCP • **Initiatives:** Identify and quantify material ESG initiatives • **Monitor:** Monitor KPIs for ESG VCP, and portfolio-wide ESG KPIs	• Integration of ESG into **exit readiness planning** and **development of equity story** • Ensuring **ESG five fundamentals** are in place • **ESG VDD**

Aligning with our ESG Policy

Our ISF was launched in early 2022 and is used by deal teams to identify sustainability risks that may arise in different sectors when applying our ESG Policy. More than 20 deals have been reviewed under the ISF since it was implemented, including eight in 2023.

An ISF Committee was established in 2022 to support these efforts and provide recommendations to the deal team and Investment Committee on ways to manage material sustainability risks, such as through ESG due diligence.

The ISF aims to:

- more quickly identify investment opportunities that are misaligned with the ESG Policy, enabling efficient allocation of Investment Team resources;
- better assess when investment opportunities may be misaligned with the ESG Policy, and where further focused work is needed to reach a conclusion; and
- demonstrate to investors and regulators how we are applying our ESG Policy.

Examples of opportunities not pursued due to misalignment with the ISF include those related to alcohol distribution and technology deemed potentially harmful under poor stewardship, and those with regional operations at high risk of corruption.

Portfolio engagement and capacity building

Equipped to succeed

Following acquisition, Cinven works with portfolio companies to improve their sustainability performance during ownership.

This takes place through:

Strategy input:
- Value Creation Plan development
- Reviewing macrotrends and market developments
- Sustainability recruitment support

Governance:
- Access to Compliance Assessment with an external advisor
- Establishing sustainability governance, e.g. Board member responsible for ESG and an ESG Committee

Tools and resources:
- Policy development
- Baseline carbon footprinting and software partnerships
- Sustainability ratings advice
- Peer benchmarking
- Regulatory advice and assessment

Access to Cinven network:
- Access to Cinven's ESG, Legal and Compliance, and HR teams
- Access to technical and strategic external advisors
- Structured knowledge sharing among peer portfolio companies, such as through the Cinven ESG Conference, Chief Human Resources Officer Forum and Accelerating Success, Championing Excellence, Nurturing Diversity (ASCEND) network
- Peer to peer engagement and learning opportunities

Sustainability upskilling and engagement

We set ambitious targets to improve the sustainability performance of our firm and portfolio, and we know that achieving them can be challenging. We therefore dedicate time and resource to building knowledge, understanding and capacity among Cinven colleagues and the companies we invest in. An important aspect of this is upskilling and engagement sessions.

The firm provides a range of tools to help portfolio companies embed sustainability into their core operations, such as ESG Value Creation Plan guidance and a toolkit to support Inclusion and Diversity (I&D) performance.

Cinven also offers access to specialist advisors who share expertise on topics including sustainability regulation, decarbonisation and sustainable procurement. Our sustainability software partnerships are a further tangible resource, for example with a leading carbon accounting platform that helps organisations to decarbonise by measuring and reporting on their Scope 1, 2 and 3 emissions.

Learning sessions, including at our ESG Conference, are another key way in which we support capacity building. In November 2023, more than 65 representatives from portfolio companies joined us over two days for in-depth workshops, panel discussions and presentations to inform and inspire them to improve their sustainability performance.

The sessions explored a broad range of topics, including good governance and integrating sustainability into risk management; legal, compliance and communications issues at exit; and how to use social media to tell a sustainability story. I&D was an important focus, including through discussions exploring key actions needed to increase gender diversity in senior management. We also helped to demystify some hot topics, such as the challenges and opportunities for sustainability from generative AI, and emerging regulation such as the Corporate Sustainability Reporting Directive.

envu

Case study:

Value Creation Plan in action at Envu

Envu, previously Bayer Environmental Science Professional, is a leading global provider of products and services to create healthier environments, manage pests and eliminate vector-borne diseases across a range of markets. Cinven acquired the company in 2022.

In 2024, Envu's Board approved its sustainability approach. The company has identified a set of seven pillars to drive value creation through ESG, including nature positive innovation, decarbonisation of the value chain and sustainable procurement. Targets and KPIs have been set against each with an ambitious plan to implement these in the years ahead.

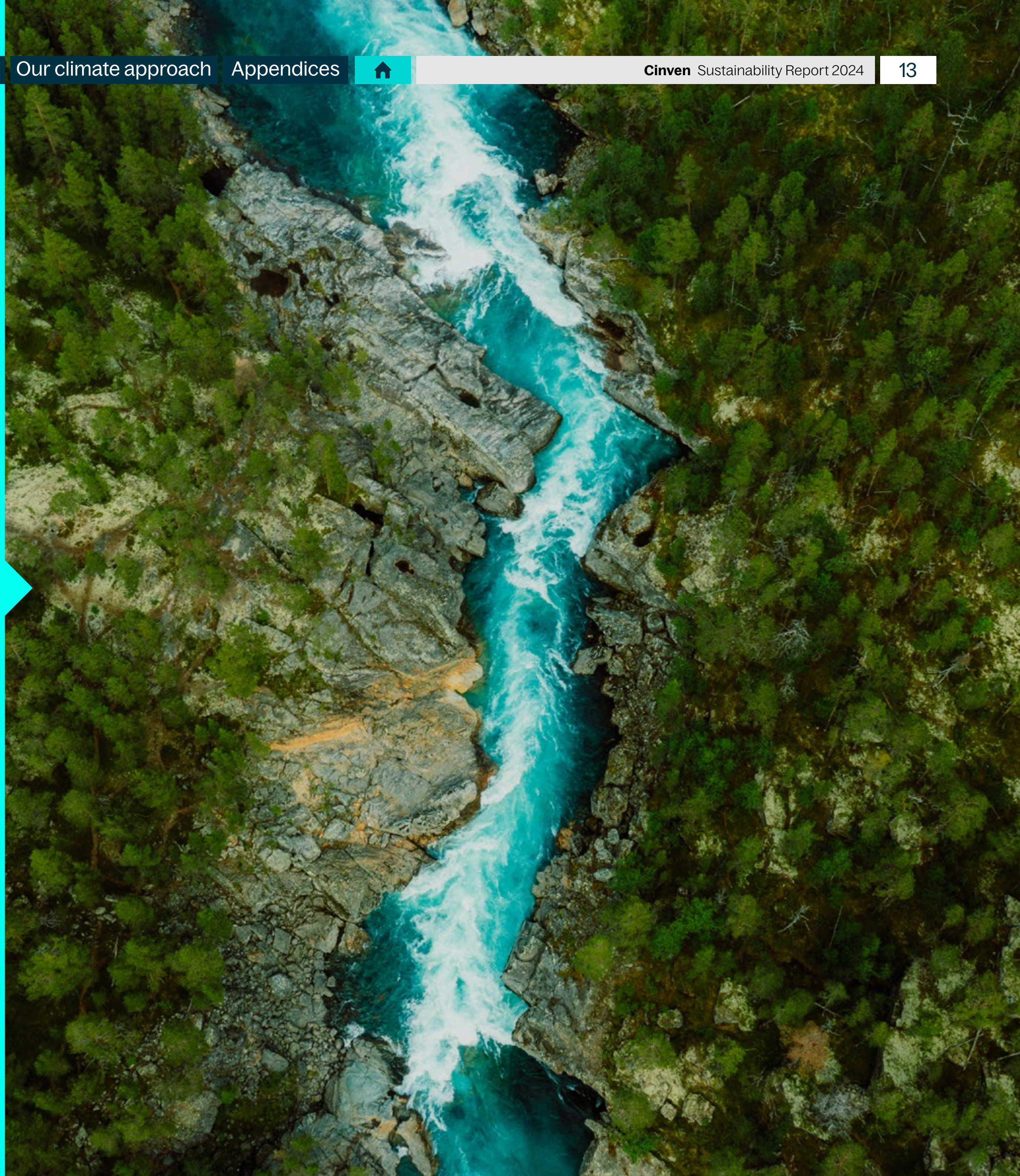
To drive the approach forward, Envu has appointed a Head of ESG, who reports to the CEO, and sustainability team members to support this effort.

One significant pillar is portfolio stewardship, which aims to deepen Envu's positive impact on the environment and society and evolve its approach to how material topics, such as nature and biodiversity, are managed. This was an important issue for ESG due diligence and is likely to be a key area of investor focus in future. Actions Envu is taking include:

- an internal baseline assessment of the product portfolio for environmental and social impact, leading to classification of products into three categories based on their characteristics; and
- targeted Life Cycle Assessments (LCAs) to prove the positive environmental and social impact of certain products.

Our sustainability performance

In this section



Our 2023 sustainability achievements

Measuring success

2023 was another year of significant progress for Cinven, as we continued to evolve our approach to sustainability, which began back in 2009. Since then, we have consistently taken steps to integrate sustainability considerations into our core business of investing.

Our key achievements in 2023 include:

1

Exceeding our gender diversity target on promotions of women in the deal team, and setting new firm-level gender diversity targets for 2024–26.

2

Achieving our annual target for gender diversity in the senior management of our portfolio companies.

3

Achieving our annual target for portfolio companies that have developed a decarbonisation plan aligned to the Paris Agreement.

4

Making progress towards meeting our goals approved by the SBTi in September 2023 at the firm level and at eligible portfolio companies. Nine portfolio companies had set Science Based Targets by the end of the year (five validated by SBTi).

5

Launching our enhanced Compliance Assessment process across the portfolio.

6

Calculating Cinven's inaugural financed emissions for 2023 and publishing the firm's second Climate Report aligned to TCFD in December 2023. Our group Climate Report and TCFD Entity-Level Report for 2024 is found on page 34.

7

Continuing to play a leadership role and contribute meaningfully to industry initiatives including the EDCI, PESMIT, iCI, the British Private Equity and Venture Capital Association (BVCA), and InvestEurope. This included publishing the PESMIT Valuing Carbon guidance, available here.

Portfolio company sustainability performance

Measuring progress

Throughout 2023, Cinven supported portfolio companies to improve their sustainability performance. Informed by assessments of which risks and opportunities were most material, these businesses made progress on a range of sustainability value drivers, including sustainable products and services, decarbonisation, renewable energy, Inclusion and Diversity (I&D), sustainable procurement, and good governance, risk management and compliance.

See page 21 for information on portfolio companies' performance on gender diversity and employee engagement in 2023.

% of portfolio companies which report greenhouse gas emissions, at least Scope 1 and 2

2023	**90%**
2022	90%

% of portfolio companies which have or are developing a decarbonisation plan aligned to the Paris Agreement

2023	**37%**
2022	20%

% of portfolio companies which use renewable energy

2023	**73%**
2022	75%

Average use of renewable energy in portfolio companies (%)

2023	**35%**
2022	26%

% of portfolio companies which have an ESG Policy

2023	**87%**
2022	83%

% of portfolio companies which have a Board member responsible for ESG

2023	**87%**
2022	Not reported

As at 31 December 2023*:

* Reported data is for companies owned for at least 12 months, excluding those that do not report ESG data to Cinven, including publicly listed companies and those companies where Cinven has otherwise sold all or part of its stake.

Industry leadership & partnerships

Driving action in private equity

In 2023 and early 2024, we continued to actively engage with initiatives to inform our firm's sustainability strategy and support wider industry change. We participate in efforts to drive sustainability action in private equity and focus on material sustainability topics such as decarbonisation and Inclusion and Diversity (I&D).

EDCI: The ESG Data Convergence Initiative aims to drive convergence around meaningful ESG metrics in private equity, generating performance-based, comparable data. It is supported by more than 400 GP and LP members, with around 4,300 portfolio companies included in the annual benchmark. Cinven joined EDCI in 2022, its inaugural year, and in 2024 completed its third submission under the initiative. Our ESG Director remains an active member of the GP-LP Steering Group, contributing to EDCI uptake and the selection of new performance metrics, such as a net zero metric introduced in 2024.

PESMIT: The Private Equity Sustainable Markets Initiative Taskforce brings together key firms to input and align on best practice for the industry in climate, biodiversity and ESG metrics. Cinven is a founding member and, in 2023, continued as Co-Sponsor of PESMIT's Climate Change Working Group. This included supporting the publication of an industry report on Valuing Carbon and building awareness of practical ways to embed carbon considerations into the investment process.

Click here for more information on the report.

bvca Member Firm

iCI: initiative Climat International is a global community of private equity firms and investors that develop and share best practice to better understand and manage the risks and opportunities associated with climate change. As an active member, Cinven sits on the Net Zero Working Group, which aims to inform industry participants of the emerging best practice in relation to net zero. In 2023, we contributed to the development of the Private Markets Decarbonization Roadmap.

Click here for more information on the report.

Signatory of: PRI Principles for Responsible Investment

PRI: Supported by the United Nations, the Principles for Responsible Investment seek to incorporate sustainability and responsible investment into investment practice. Cinven became a signatory back in 2009 – the same year in which we drafted our first ESG Policy – and remained an active member in 2023, including making our annual PRI disclosure.

Charity partnerships

In addition, during 2023 we maintained our support for charity partnerships that aim to promote greater diversity in the investment sector and address underrepresentation based on socioeconomic background, ethnicity, gender, sexual orientation and other factors. The charities include:

Level 20: Founded by 12 senior women working in private equity, including Cinven Partner Alexandra Hess, Level 20 is a not-for-profit aiming to inspire women to join and succeed in the industry and support greater female representation at all levels.

Cinven Managing Director Eleanor Mountain is a current Board member and leads the mentoring programme. We continued to support Level 20 in 2023, including through the Cinven Foundation.

10,000 Black Interns: We support a number of organisations and initiatives to promote gender, ethnic and racial equality in the private equity industry. For example, in 2023 Cinven's London office welcomed summer interns in partnership with the #10,000 Black Interns Programme, a not-for-profit organisation seeking to offer 2,000 internships each year in the UK.

Sponsors for Educational Opportunity (SEO): Cinven is a founding sponsor of the alternative investments programme which creates pathways into investment roles for talented students from underserved and underrepresented backgrounds. In 2023, our ESG Director contributed to learning sessions with SEO participants about working in private equity.

Out Investors: We support Out Investors, a global organisation founded with the mission to make the direct investing industry more welcoming for LGBT+ individuals. Events and programmes are run involving LGBT+ investment professionals and those in adjacent roles, such as portfolio value creation, fund management and investor relations.

Our sustainability strategy

Material topics

To inform Cinven's sustainability approach and prioritise the most material issues, we undertook a materiality assessment in 2021. As part of the process, we evaluated relevant regulations, ESG reporting frameworks and standards, and conducted stakeholder interviews. Cinven's current material sustainability topics are:

- climate change;
- Inclusion and Diversity;
- employee health, safety and wellbeing;
- ESG in the investment process; and
- governance.

Cinven reviews topics regularly to ensure our sustainability strategy remains relevant to our business and stakeholders, including in 2023. Since the materiality assessment was completed, some topics have emerged that we expect will have greater prominence for Cinven and our portfolio companies in future, including sustainable products and services, and nature. We continue to learn more about these topics through industry initiatives and the work of our portfolio companies.

Another issue identified as material in 2021, cybersecurity, remains important from a portfolio risk management perspective. However, from 2023 onwards it is being managed within our Digital and Data strategy rather than sustainability strategy, so is not reported on here.

In this section

Climate change

Decarbonisation

There is significant potential for private equity to have a positive impact on climate change, by investing in climate solutions and decarbonising businesses across all parts of the economy, including hard-to-abate sectors.

One of Cinven's priorities is the decarbonisation of both its own operations and portfolio companies. In September 2023 its firm-wide Science Based Targets were approved by the Science Based Targets initiative (SBTi). These include a goal to reduce Cinven's operational emissions (Scope 1 and Scope 2) by 42% by 2030, and for 100% of our portfolio to set their own Science Based Targets by 2030 – 10 years earlier than recommended in the SBTi private equity sector guidance.

For portfolio companies, setting a Science Based Target is becoming particularly relevant if their customers have established their own targets and look to partner with suppliers that can help them achieve their targets. Decarbonising can result in cost savings and offer an attractive payback period, for example through renewable energy, increased energy efficiency and process improvements.

Decarbonising Cinven's operations

The vast majority of Cinven's emissions come from the firm's portfolio, in the form of category 15 financed emissions (as defined by the Greenhouse Gas Protocol). That is why we have defined our goal for 100% of eligible portfolio companies to set a Science Based Target by 2030, in addition to more accurately measuring Cinven's own operational emissions reductions, as set out above.

At the firm level in 2023, we continued to more accurately measure and take steps to tackle key sources of operational emissions, which include fugitive emissions from refrigerants (Scope 1), electricity procured for offices (Scope 2), purchased goods and services (Scope 3) and business travel (Scope 3). Work also continued to switch Cinven office spaces to renewable energy contracts, with Frankfurt joining the London, Milan and Luxembourg sites in sourcing 100% green energy. Together, these locations make up over 66% of our total office space, accounting for over 77% of our total headcount.

See the "Climate Report" on page 41 for more information about operational emissions.

Decarbonising our portfolio companies

Cinven has been monitoring greenhouse gas emissions data from portfolio companies every quarter for many years as a required sustainability KPI. In 2023, we continued to actively support portfolio companies to improve data collection and accuracy, including on complex topics such as Scope 3.

Using this data, Cinven also continued to proactively engage companies across the portfolio to focus on target setting and developing decarbonisation plans in line with the Paris Agreement.

Five out of Cinven's six highest emitters are already turning their plans into action. Three have targets verified by SBTi, one has SBTi-aligned targets across Scope 1 to 3, and another has SBTi-aligned targets across Scope 1 and 2. Five of the six have also taken steps to reduce emissions, including through switches to renewable energy, and four reduced their total Scope 1 and 2 emissions between 2022 and 2023, with reductions ranging from 5% to 11%.

The following portfolio companies have set Science Based Targets which have been validated by SBTi:

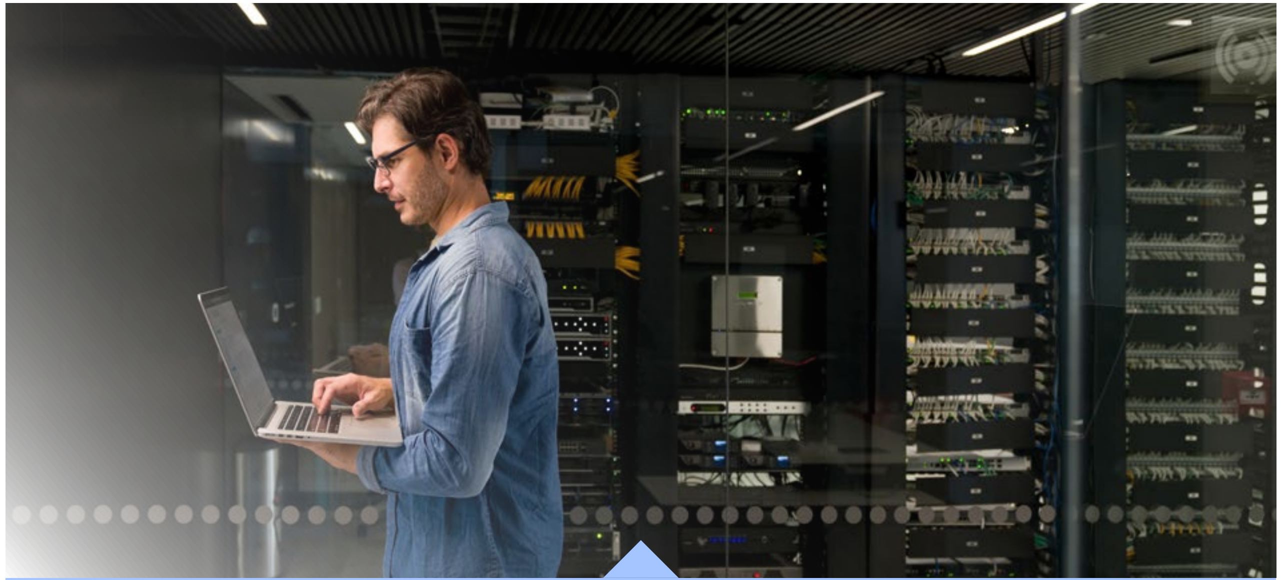
- Allegro (Fund 6);
- JAGGAER (Fund 6);
- Partner in Pet Food (Fund 6);
- Arxada (Fund 7); and
- TK Elevator (Fund 7).

In addition, a further portfolio company from Fund 6 set targets aligned to SBTi; another Fund 7 business submitted its targets to SBTi for approval; two others have committed to SBTi; and another set targets aligned to SBTi and is evaluating Forest, Land and Agriculture (FLAG) goals ahead of applying for validation.

For the first time in 2023, calculating Cinven financed emissions enabled us to determine the portfolio companies' emissions that are attributable to Cinven, based on our proportion of ownership.

See the "Climate Report" on page 41 for more information about the firm's financed emissions.

group.one



Case study:

Setting decarbonisation targets at group.one

group.one is a leading pan-European one-stop-shop provider of online presence solutions for small- and medium-sized enterprises, and small office home offices, including domain, web hosting, cloud hosting, business software and digital marketing services. Cinven initially invested in group.one in 2019.

In H2 2022, group.one worked with an expert advisory firm to calculate its 2021 emissions baseline and to develop decarbonisation targets, which included near-term Scope 1 and 2 targets and a 2040 net zero target covering Scope 1 to 3. Given the business' emissions were mostly derived from electricity consumption in data centres and offices (Scope 2), and from capital goods and purchased services (e.g. cloud computing) (Scope 3), the company identified a number of potential decarbonisation levers including switching to green energy and green cloud services among others.

Following group.one's merger with Dogado in 2023, the two companies compared their ESG approaches, including with regard to decarbonisation strategies, and agreed a path forward for the combined entity, group.one.

In late 2023, Cinven supported group.one to onboard a leading carbon accounting software platform, and in early 2024 work started to re-baseline the wider group's emissions for 2023. The exercise highlighted where data collection processes could be further harmonised and has already led to further improvements in data gathering and reporting processes.

group.one has also begun working to restate its targets for the combined entity and to update its decarbonisation plan.

Climate change continued

Climate risk and opportunity

Climate risk is an increasing challenge for financial institutions. Following acquisition, Cinven's investments undergo a climate risk and opportunity analysis where material to the business. In 2022 and 2023, we published a voluntary group TCFD report, demonstrating how climate risks and opportunities are managed across the firm.

This year, we are again publishing a group report on Cinven's overall TCFD progress, as well as an FCA-mandated report with respect to Cinven Limited, available in the "Climate Report" section.

In 2023-24, Cinven undertook climate scenario analysis of its portfolio of investments, with the support of external advisors. This analysis assessed the ways in which climate change could potentially financially impact the firm's investments under three distinct temperature scenarios over the short, medium (2030) and long term (2050), namely:

- a scenario in which temperature rises are limited to less than 2°C and the transition takes place in an orderly way;
- a scenario in which temperature rises are limited to less than 2°C and the transition is disorderly; and
- a "hot-house" scenario where temperature rises reach 4°C.

The analysis individually modelled the potential implications of these three scenarios for each of the Cinven Funds' portfolio companies, before aggregating the results to the level of each fund.

Based on the analysis performed and the portfolio as a whole, Cinven's portfolio is not modelled to be materially financially exposed to climate change.

See the "Climate Report" on page 34 for more information.

Circular economy

In recent years, there has been growing recognition that the current linear-focused economy needs to change.

Circularity – based on eliminating waste, keeping products and materials in circulation, and regenerating nature – has risen in prominence in recent years as multiple stakeholders search for ways to decouple economic growth from the exploitation of finite natural resources.

However, creating a circular economy is challenging. It requires a redesign of global supply chains, complex system change and an overhaul of regulatory frameworks to incentivise action.

For companies innovating in this space, private funding can be fundamental as they look to scale their products and services. At Cinven, topics related to the circular economy are included as part of our pre-acquisition due diligence for investments where they are deemed material. At this pre-investment stage, we seek to confirm compliance with related requirements and the potential for impacts on the company's ability to implement the business plan. Post investment, we engage with portfolio businesses on resource efficiency, waste management and the application of circular economy principles where relevant. For example, prioritised portfolio companies are encouraged to reduce waste and find ways to use recycled inputs in their supply chains.

Case study:

Partner in Pet Food (PPF) developing lower-carbon packaging

PPF is a leading European private and branded label pet food producer, supplying ca. 300 customers, including major grocery retailers, supermarkets, specialised pet shops and veterinarians in the 35+ markets* in which it operates. PPF is the second largest producer of retailer brand wet and dry pet food in Europe. Cinven acquired the business in 2018.

PPF's packaging and procurement team has been focused on sustainability for several years. The team sources recyclable packaging for dry pet food for PPF's Partners and own brands. In particular, the team has made a number of improvements, including the development of new packaging (i.e. pouches) that has a lower carbon footprint. Amongst other commitments, PPF will ensure 100% of its dry portfolio's own sourced packaging material is recyclable by the end of 2024, and 50% of its pouch packaging is recyclable by 2030. The company also has an operational pet food waste reduction target of 30% by 2025 from a 2021 baseline.

Click here to read PPF's 2022 Sustainability Report.

Climate change continued

Barentz.

Case study:

Managing nature impacts at Barentz

Barentz is a global speciality ingredients distributor for the food, performance materials, pharmaceutical, personal care and animal nutrition markets. Cinven originally invested in the company in 2019 and re-invested in 2024.

Biodiversity and ecosystems were highlighted as a material issue in Barentz's double materiality assessment conducted in 2023. The company manages its impacts on this topic via its Supplier Code of Conduct and Sustainable Sourcing and Environmental Policies.

In addition, as a distributor of thousands of products including dozens subject to EU rules on deforestation-free products, Barentz is required to comply with the regulations. In 2024, it implemented an IT solution to determine which products are within scope by mapping its product database against the EU requirements.

Such examples highlight how Barentz is using technology to enable its sustainability approach, including in relation to nature.

Click here to read the company's Sustainability Report.

Nature

Nature-related risks and opportunities are becoming better understood, with far-reaching consequences for the planet, economy and society.

We know it is increasingly important that businesses understand to what extent their operations and financial performance are dependent on nature, and how their activities impact nature.

There is also increasing interest among investors and other stakeholders to support nature, while nature-related regulation grows. In 2023, new EU rules came into force requiring producers of certain products to prove they do not originate from recently deforested land or have contributed to forest degradation. The EU Regulation on Deforestation-free Products is relevant to certain portfolio companies such as Barentz, as outlined here. The Taskforce on Nature-related Financial Disclosures (TNFD) also published its final recommendations in 2023, leading organisations to begin integrating nature-related risks and opportunities into their decision making.

At Cinven, we are starting to take a materiality-based approach to identify the dependencies and impacts on nature, biodiversity and ecosystems in our portfolio. Risks can be managed through levers such as supply chain diversification, and we are alert to both the potential of our existing portfolio to develop nature-based products and services, as well as possible future investment opportunities.

In 2023 PESMIT, of which Cinven is a founding member, published Nature Positive: The Next Horizon for Investors. This provides guidance to help private equity firms incorporate biodiversity risks and opportunities into their investment strategies.

Click here to read the report.

Inclusion and Diversity (I&D) in our portfolio

We remain focused on supporting portfolio companies to strengthen their Inclusion and Diversity (I&D) performance. A number are well advanced in their I&D approach while others are at an earlier stage.

In 2023, I&D was a significant focus at Cinven's annual ESG Conference, which aims to help portfolio companies drive sustainability progress. We hosted two workshops, the first of which examined key ways to increase gender diversity in senior management teams. Topics covered included career development opportunities and employee retention, investing in allyship, making policy changes, and the role-modelling power of female CEOs. We know there is huge impact when leadership takes an active role in building a more inclusive and diverse workplace culture. So, the second session explored approaches to winning over leaders as champions of diversity. We are planning further I&D engagement with portfolio company CEOs in 2024/25.

In March 2024 Cinven launched ASCEND ("Accelerating Success, Championing Excellence, Nurturing Diversity"), a network of senior women leaders in its portfolio companies. For further details, see the case study on this page.

Cinven remains focused on continuous improvement in relation to diversity, both at Board and senior management level, and has set annual gender diversity targets at portfolio companies which are monitored regularly. In 2023, we saw an improvement in gender diversity on our Boards and continued to focusing on improving this further through initiatives such as greater oversight of this topic by Cinven's Portfolio Review Committee.

Employee engagement in portfolio companies

Engaged and motivated colleagues are more likely to be productive, innovative and creative, and to stay with their employer. Cinven therefore supports portfolio companies to measure employee engagement in order to understand their people, the motivating factors and the challenges they face at work, and take action to draw out ideas for continuous improvement.

Specifically, Cinven encourages these businesses to complete employee engagement surveys to track performance and facilitate progress. In 2023, 80% reported regularly doing so – an increase from 69% in 2022.

Understanding different employee groups is also important to foster strong employee engagement. At the 2023 ESG Conference, we hosted speaker Dr Eliza Filby, who shared insights on how to engage different segments of the workforce, and in particular how Gen Z has different needs to previous generations. It was a highly engaging session and rated as the most popular by portfolio companies' attendees.

Key progress in 2023:

15%
Average number of women on Boards (2022: 10%)

29%
Average number of women in senior management (2022: 29%)

42%
Average number of women in total workforce (2022: 45%)

Case study:

ASCEND network launch

Connecting and supporting women to thrive is just one of the ways in which we are encouraging portfolio companies to become more inclusive and diverse. In early 2024, we took an important step forward with the launch of ASCEND ("Accelerating Success, Championing Excellence and Nurturing Diversity").

This initiative aims to create a network for talented senior female leaders across the portfolio, bringing them together to learn and connect. Launched in March to coincide with International Women's Day, the CEOs of portfolio businesses were asked to nominate female leaders to take part.

They came together for the inaugural ASCEND event, which included skills sessions, keynote speakers and networking opportunities. This was an important milestone in achieving Cinven's I&D objectives in portfolio companies, led by the firm's gender diversity alliance, GeDi, with support from the ESG and HR teams.

See page 27 for more information about I&D at the firm level.

Sustainable supply chains

JAGGAER Procurement Simplified

Supply chain management is a complex topic. It has been growing in importance for private equity firms and their portfolio companies, as myriad risks become better understood and the tools and resources to manage them improve.

The regulatory and policy environment is also changing. We have seen regulations introduced to enhance disclosure of supply chain risk management, including the EU's Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD), the German Supply Chain Act, and the US Uyghur Forced Labor Prevention Act (UFLPA). All signal the greater need for, and expectation of, robust policies, supply chain mapping and diligence, risk assessments, grievance mechanisms and reporting.

Themes covered by the regulations include compliance with human rights, labour standards and ethical business practice; managing Scope 3 GHG emissions; and the effects of the supply chain on nature and biodiversity loss. Increasingly, enhanced audits are required to properly understand, mitigate and manage issues such as these.

There are also opportunities for private equity to improve supply chain compliance, management and value creation. These include investing in businesses developing supply chain technologies, such as JAGGAER, through to supporting portfolio companies to improve processes, data gathering, transparency and supplier engagement.

In 2023 Cinven worked with a number of businesses in its portfolio for which supply chain is a material topic to improve risk management and find ways to achieve their sustainability goals through supplier engagement.

Case study:

Integrating ESG with procurement using JAGGAER's technology

JAGGAER is a global provider of procurement software for large and medium-sized enterprises. Cinven invested in the company in August 2019.

With a suite of specialist products, JAGGAER champions ESG integration within supply chains so that users can incorporate sustainability principles into their procurement decisions. The company's Supplier Management, Risk and Performance solution provides supplier insights so that procurement and supply chain teams can qualify their suppliers, assess ESG performance, identify areas for improvement, and align sustainability goals through collaborative actions.

Including ESG criteria into the negotiation process with JAGGAER's Sourcing solution enables organisations to make decisions based on cost and other ESG factors, such as carbon emissions calculations per product per supplier, or ESG risk scores.

JAGGAER's comprehensive ESG data collection and analytics solution simplifies regulatory compliance. The company partners and integrates with leading industry information providers including EcoVadis, Moody's, Sphera, Dun & Bradstreet, Descartes, Tealbook, and carbmee to provide actionable insights aligned to best practice standards.

Customers use JAGGAER's solutions for a variety of reasons, including to screen suppliers against sanction lists, track sustainability ratings and assess CO_2 emissions per product.

Employee health, safety and welfare

Health & safety in our portfolio

At Cinven, we are committed to keeping our employees, those working in our portfolio companies and our visitors safe. Occupational health, safety and welfare are therefore key priorities for us.

In 2023, we continued to support portfolio businesses in a number of ways, including on initiatives that promote health and safety in higher risk sectors, and on employee welfare.

Health and safety in our portfolio

Where material, we prioritise health and safety at every stage of the investment process, from pre-acquisition through to exit.

Pre-acquisition

Some investments pose a potentially higher risk from a health and safety perspective, for example in industrial sectors. Where these opportunities are being considered, Cinven engages external experts to assess the business' safety culture, risk management and performance, and develop improvement plans. sustainability-related pre-investment due diligence considers companies' compliance with employee health and safety. Where any non-compliance with regulations or good practice is identified, these are discussed with management pre-acquisition.

Ownership

Portfolio companies must report occupational health and safety incidents on a quarterly basis, using the following indicators:

- total number of work-related injuries;
- number of work-related fatalities; and
- days lost due to injury.

1.4m+

Elevators serviced worldwide

1,000

Locations

Case study:

TKE safety improvements

TK Elevator (TKE) is an international provider of elevator technology, operating in more than 1,000 global locations and servicing more than 1.4 million elevators worldwide.

In recent years, it has taken steps to improve safety performance, launching a major cross-functional global initiative involving thousands of workers and its senior leadership team. The business has also contributed to industry initiatives such as co-founding the Global Elevator Safety Forum.

In 2022–23, TKE further focused on safety by defining and validating new management safety routines. It ran a 20-week pilot programme across 10 global locations, covering all business units, to test the effectiveness of proposed new safety measures and processes before commencing a global rollout in January 2024. Contractor management training and in-field coaching for employees were also provided.

TKE updated its SafeTKE app for workers, reflecting the new safety routines and simplifying the process of reporting incidents. A new communication strategy drove home the importance of how leaders talk about safety. The **We Get Home** message is about moving beyond conventional measures to ensure TKE employees are better protected and equipped to work in safer and healthier environments. The approach is all about making safety more personal as part of a broader effort to position safety as a core value at TKE.

Governance and compliance

Governance in the investment lifecycle

Good governance has been and always will be fundamental at Cinven. As a responsible investor, we seek to instil and support a robust decision-making and risk management framework at portfolio companies. Rigorous internal controls and efficient information flow allow a business to make effective decisions, comply with the law, and meet the needs of stakeholders. Strong governance practices lead to strong business practices, which in turn support commercial performance.

We understand that effective Boards and good, informed decision-making processes are the bedrock of every well-run organisation. We know that failing to get governance right makes it much harder to get the other parts of sustainability right. Cinven takes a proactive approach to governance throughout the investment lifecycle, and we continued to evolve this in 2023.

Acquisition

- Our due diligence process includes assessment of company's management and governance frameworks.
- Investment Team seeks assurance that company/operating business complies with all relevant laws and sustainability regulations.
- Pre-acquisition due diligence by legal advisors includes anti-corruption, anti-bribery, anti-money laundering, anti-trust, export controls, sanctions, governance, data privacy and cybersecurity.

Ownership

- Cinven works with portfolio company management to identify any action needed to address gaps in processes/controls and opportunities to improve governance. Includes providing support to:
  - structure and develop policies;
  - establish risk management framework and related process;
  - advise on resources and hiring;
  - establish compliance framework; and
  - share knowledge, including through learning opportunities such as ESG Conference.
- Post-acquisition Compliance Review supported by legal advisors covering the topics set out above. Review aims to:
  - identify areas of elevated compliance risk and assess mitigation controls in place;
  - make recommendations to improve management of legal, financial and reputational exposure for the company, Cinven and any co-investors; and
  - monitor and discuss progress on recommended actions with the company.

Cinven regularly engages with and monitors portfolio companies which must report quarterly on:

- anti-bribery and corruption (ABC) incidents;
- anti-money laundering (AML) incidents;
- anti-trust/competition incidents;
- cybersecurity incidents;
- grievances; and
- whistleblowing incidents.

Cinven engages with portfolio companies to ensure they follow the firm's governance requirements for:

Board Governance and Reporting: Ensuring non-executive directors are included on the Board; Chairman and CEO roles are split; and appropriate business units report relevant management information to the Board regularly.

Policies: Ensuring legal and compliance policies are in place, such as anti-bribery and corruption (ABC), anti-money laundering (AML), sanctions, anti-trust/competition, data protection, conflicts of interest and whistleblowing.

Legal and Compliance Governance: Ensuring legal and compliance matters are reviewed by the Board and Executive Committee regularly and risk register is maintained and reviewed by Board periodically.

Legal and Compliance Resources: Ensuring appropriate resources for legal and compliance functions, including clear roles, responsibilities and reporting lines.

Training: Ensuring regular legal and compliance training is developed and provided for all employees, and completion is monitored.

Compliance Monitoring: Ensuring a plan is developed for periodic compliance monitoring or auditing of heightened risk areas from a compliance perspective.

Governance and compliance continued

Whistleblowing

Cinven's whistleblowing framework provides all employees with a means of reporting suspicions of wrongdoing by anyone at any level in the firm.

Having a credible and trusted framework is critical to doing business ethically. It acts as a deterrent to misconduct and supports the development of an open and honest culture which strengthens working relationships and productivity. We seek these outcomes not only at Cinven but within our portfolio companies, mandating that each has its own anonymous whistleblowing channels.

We also ask portfolio companies to report any whistleblowing incidents to us quarterly, through our ESG KPI reporting process, and follow up on any material cases that warrant further investigation.

To help further build our inclusive "speak-up" culture, in January 2022 we launched Cinven's whistleblowing channel. This allows colleagues to submit an anonymous report via a dedicated web page, from any device including a mobile. Cinven's whistleblowing channel continued to be available in 2023.

Governance capacity building for portfolio companies

Cinven provides regular engagement and knowledge sharing to portfolio companies on governance topics throughout its ownership.

During 2023, we made efforts to ensure they undertook a compliance gap assessment with external legal counsel. The results were communicated to each company, which then took steps to rectify any gaps through an implementation plan, with check-ins with external counsel as appropriate. The results were also reviewed by our Portfolio Review Committee (PRC). The majority of portfolio companies participating in the exercise have completed the initial assessment and the findings have been reported to the PRC.

Governance is also a focal point of our ESG Conference, including in 2023, and attendees included colleagues from portfolio companies' ESG and Legal and Compliance teams. We ran sessions including good governance and integrating ESG into risk management, the role of in-house legal and compliance functions, preparing for an exit from a legal and compliance perspective, demystifying generative AI from a legal and compliance standpoint, and trends and hot topics.

Portfolio companies attended a panel session to discuss the legal use of AI, the AI regulatory landscape and the associated risks and ethical considerations of using AI in their businesses.

"A robust compliance culture is core to the way Cinven operates. During 2023, we continued to nurture this both within Cinven and portfolio companies. In 2023, we also grew our Compliance team to meet the growing demands of an inter-connected compliance ecosystem."

Peter Moore
Head of Compliance

They were informed of how the upcoming EU AI Act, now formally adopted, which will regulate AI and automated decision making when in force and will have extraterritorial reach beyond the EU. The panel discussed with portfolio companies the tools to implement responsible AI governance frameworks for their businesses. These include determining where AI is used in the organisation, reflecting on the transparency in how it is being used, ensuring robust security systems are in place, and considering Board engagement and oversight.

A Trends and Hot Topics session focused on the increasing scrutiny and focus from global anti-trust authorities. Portfolio companies were reminded of best practices for pricing disclosures, participation in trade associations, and dawn raid procedures.

Board governance and reporting

Establishing the right tone at senior levels to facilitate the flow of information upwards and downwards will support robust governance of risks.

We provide training for Cinven Board members of portfolio companies to ensure they are aware of their fiduciary duties, and their role to provide independent challenge to management on topics including those related to ESG. Each first-time Cinven Board member must undertake mandatory directorship training.

The firm directs that each portfolio company takes responsibility for ensuring that:

- each portfolio company Board member is fully aware of Cinven's sustainability and compliance approach;
- the portfolio company Board has adopted suitable sustainability and compliance policies;
- the company regularly reports to the portfolio company Board on how ESG and compliance policies are being implemented and progress is tracked towards any initiatives and targets; and
- there are clear responsibilities allocated to portfolio company Board members for compliance with Cinven's ESG guidelines.

"In 2023, Cinven continued to focus on good governance including establishing well-functioning Boards and facilitating the flow of information upwards and downwards. Alongside this, our annual ESG Conference supports portfolio companies to build capacity in areas such as AI and competition law."

Babett Carrier
Partner and General Counsel

In 2023, Board governance was again a key priority at the ESG Conference for portfolio companies, with a panel discussion exploring the key components of a well-functioning Board, including directors having shared objectives and a comprehensive oversight of the organisation, and the engagement of an independent chair. Portfolio companies exchanged best practices in establishing the right tone at senior levels of the organisation in order to facilitate the flow of information both upwards and downwards to support robust governance of ESG risks. The panel also discussed the ways in which portfolio companies can ensure that Boards have operational and strategic risk oversight of the business, for example by maintaining a risk map and considering it as a standing agenda item at Board meetings.

Our people

In this section

Inclusion and Diversity (I&D) at Cinven

Empowering employees

We believe that an inclusive and diverse team remains critical to the success of Cinven and our portfolio companies. Since our last report, we have made significant progress, using feedback from our employees to shape our approach.

Everyone at Cinven took part in a tailored inclusion workshop in 2023, which included real-life case studies based on the lived experiences of our people and some of the challenges they had faced. These insights came from our annual Inclusion and Engagement Survey and subsequent focus groups. The aim was to raise awareness and empower employees to take responsibility and act if they see behaviour that is not in line with our values.

Our three internal Affinity Groups continued to deliver a range of important initiatives to drive diversity at Cinven and in our portfolio. To align with International Women's Day 2024, the Gender Diversity (GeDi) Action Group supported the launch of Achieving Success, Cultivating Excellence and Nurturing Diversity (ASCEND), which brings together talented senior female leaders from portfolio companies to connect and learn together. The Rainbow Alliance hosted a special event aimed at creating an LGBT+ forum across the portfolio and sharing best practice, research and ideas. The Ethnic Diversity: Get Educated (EDGE) network continued to drive positive change across Cinven with its focus on empowering minority ethnic colleagues and celebrating shared culture and history.

In 2023, we also launched partnerships with external networks of diverse senior advisors, as part of our efforts to increase diversity among Cinven-appointed Non-Executive Directors. We continued to embed Inclusion and Diversity (I&D) into the investment process, including an increased focus by our Portfolio Review Committee (PRC) on the topic.

Our approach to I&D

By recruiting, developing and retaining the best people from the broadest talent pools, we seek to always deliver best-in-class performance for our investors. The core elements of Cinven's I&D approach today are:

Awareness, engagement and collaboration: We are committed to creating a workplace that embraces diversity and supports everyone to thrive. To help achieve this, we:

- run three internal Affinity Groups which focus on diversity across gender (GeDi), ethnicity (EDGE) and LGBT+ (Rainbow Alliance) and which promote events, discussions and awareness internally and externally;
- host an annual Inclusion Week with guest speakers, sponsored by our Co-Managing Partners to promote inclusion across the firm; and
- collaborate with external partners to drive diversity within private equity.

In 2023, we again ran our firm-wide Inclusion and Engagement Survey to gather feedback on culture and working practices, along with insights on areas for continued focus.

See page 31 for more details.

Learning and development: We are committed to developing our teams, and I&D is incorporated into all our learning and development programmes. Through a range of leadership and management training, we support leaders and managers with the skills and insights they need to lead the firm inclusively and effectively.

See page 30 for more on how we develop our people.

Recruitment focus: Cinven is committed to attracting and hiring from a broad and diverse talent pool. To honour this commitment, we have adapted our recruitment process, honed candidate selection criteria, trained those involved in hiring decisions, and built an outreach programme focused on bringing diverse talent to the firm.

Inclusion and Diversity (I&D) at Cinven continued

Our approach to I&D continued

Demographic targets: We are committed to increasing diversity across our business and developed our first firm-wide targets in December 2018. Our goals focused on increasing the representation of women eligible for promotion in the deal team and ethnic minorities amongst our UK team (where ethnic diversity data was possible to collect). The targets were hit in 2022 and new ones were set for 2023 onwards which also include a global goal for LGBT+ colleagues across the firm. Specifically, we have committed to:

70%

Achieve an inclusion score of 70% in our Inclusion and Engagement Survey by 2026

35%

Increase the proportion of women across the Investment Team to a minimum of 35% by 2026

20%

Have at least 20% female Partners by 2028

18%

Maintain the proportion of ethnic minority colleagues at a minimum of 18% (in line with the UK census) by 2026

3%

Increase the proportion of LGBT+ colleagues globally to a minimum of 3% (in line with the UK census) by 2026

Performance against our diversity targets

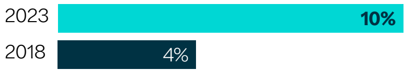
Since we identified greater gender diversity of the Investment Team as a focus area in 2018 and set targets, we have continued to improve performance year on year. In 2023, 29% of this team were women, an increase from 13% in 2018.

Furthermore, we have made significant progress over the last 12 months to increase gender diversity across all levels of the Investment Team. As at December 2023:

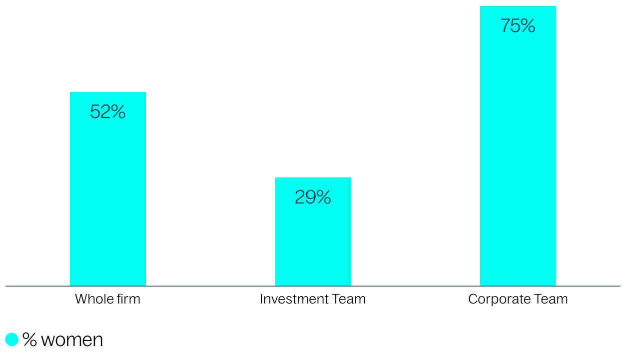
% of junior Investment Team who are women (Associate, Executive, Analyst)

% of mid-level Investment Team who are women (Principal, Senior Principal, Managing Director, Director)

% of senior-level Investment Team who are women (Partner)

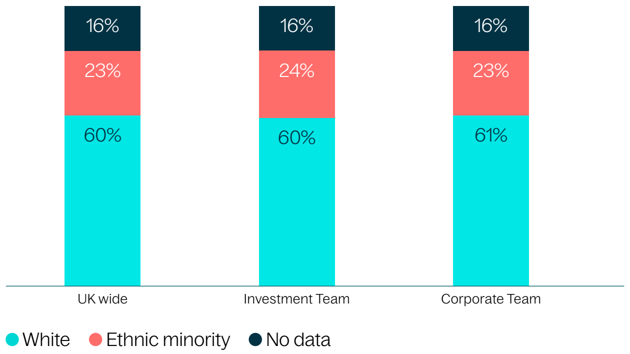


Gender diversity at Cinven



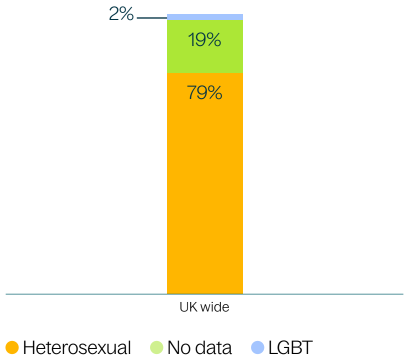
Gender	Whole firm	Investment Team	Corporate Team
Female	134	37	97
Male	122	90	32
Total	**256**	**127**	**129**

Ethnic diversity at Cinven



As we strive to achieve our 2026 ethnicity target, data for the UK showed we were on track by the end of 2023, with 23% of UK colleagues identifying as being from an ethnic minority background.

LGBT+ diversity at Cinven



Across our UK teams, 2% of colleagues identified as LGBT+ by the end of the year, and we remain focused on achieving our target of at least 3% representation globally by 2026.

Inclusion and Diversity (I&D) at Cinven continued

Spotlight on our Affinity Groups

Ethnic Diversity: Get Educated (EDGE)

The EDGE network aspires to empower ethnic minority colleagues to achieve their full potential by raising awareness and driving a positive mindset shift around diversity in the workplace. EDGE is open to all colleagues regardless of colour and creed. The team meets at least once a month to discuss upcoming initiatives and communications. Over the past two years, EDGE has successfully organised and hosted multiple events and guest speakers, including a talk by Sir Trevor McDonald as part of Black History month, awareness campaigns and culinary events as part of Chinese Lunar New Year, Ramadan and the World Day for Cultural Diversity. EDGE continues to work on a broad pipeline of events and initiatives across the firm to celebrate the diversity that makes Cinven special.

Gender Diversity (GeDi) Action Group

GeDi brings colleagues together as part of our efforts to drive greater gender diversity across the firm and in our portfolio. Since our last report, a key highlight has been the launch of Achieving Success, Cultivating Excellence and Nurturing Diversity (ASCEND). The ASCEND network supports talented senior female leaders from across the portfolio to connect and learn together. We launched ASCEND with an inaugural day-long event in March 2024 which included keynote speakers, skills sessions and networking.

See page 21 for more information.

Also in 2023, GeDi brought together women in the London-based deal team to connect and share learning across sectors, ran a targeted internal review of GeDi's effectiveness to inform future priorities, raised awareness for International Men's Day in November 2023, and celebrated International Women's Day in March 2024 with a series of inspiring speakers. Cinven also continued to support Level 20, including the successful mentoring program which is chaired by Eleanor Mountain, Managing Director at Cinven, and for which several Cinven colleagues act or have acted as mentors.

Case study:

Rainbow Alliance

The Rainbow Alliance is at the heart of our efforts to build a more diverse and inclusive workplace for LGBT+ colleagues. The group's core members include individuals who identify as LGBT+ and allies from a range of functions and across all seniority levels.

Cinven have been increasingly focused on how we can improve our inclusion and diversity efforts across the firm, increasingly on the LGBT+ individuals within the team. The Alliance focuses not only on driving positive change at Cinven but in our portfolio companies too. In 2024, it hosted an event attended by a number of these businesses featuring external speakers, a roundtable discussion and networking. The aim was to create an LGBT+ forum across the portfolio, discuss the benefits of increased workplace diversity, share best practice, research and ideas, and explore how to successfully launch LGBT+ employee resource groups.

In addition to focusing on diversity within the Cinven team, we also want to support our portfolio companies in putting diversity to the top of their agenda, and develop the LGBT+ efforts, wherever they are on their journey.

The Alliance also continued to drive change in the wider private equity industry and beyond, as a founding member of Out Investors, through sponsorship during Pride month, and by supporting charities and events including EurOUT, the world's largest conference for LGBT+ students.

"In 2023, we maintained our focus on making Cinven a more inclusive and diverse place to work and saw positive results again in our annual Inclusion and Engagement Survey.

We delivered a range of important initiatives, including our third annual Inclusion Week, new leadership and development programmes, and the introduction of dedicated inclusion questions in the year-end performance assessment. We will build on this progress in the year ahead as we continue to strengthen Inclusion and Diversity (I&D) at Cinven."

Caroline Rawes,
Partner and Chief Human Resources Officer

Developing our people

At Cinven, we are striving to create the best experience for our people and want everyone to have the right skills and knowledge to thrive in their work. We know this is key to colleagues achieving their personal ambitions and delivering what is required to drive business performance.

Our approach is focused on:

- supporting people managers to be excellent at developing and enabling the best from their teams;
- providing a comprehensive learning and development (L&D) offering that is aligned to individual career paths and business priorities;
- creating a performance culture that identifies and promotes talent; and
- aiming for high levels of inclusion, engagement and values-driven leadership.

We made significant progress in the last year, delivering new initiatives and growing existing ones, such as our mentoring programme, which gives all employees access to guidance and support from a more senior colleague. In 2023, this was expanded to include the Corporate Team and is now available to everyone in the firm.

At the beginning of 2024, we launched a new, year-long skills programme to help the Corporate Team better understand how we do business, with a particular focus on the investment cycle. The ultimate goal is to equip those who support our core business of investing to provide the very best service.

Leadership development remains a priority and we expanded our offering with a significant new programme for Partners. Through five days of workshops, with one-to-one coaching in between, it explores how they operate as leaders at individual, team, firm-wide and industry levels. A third of Partners are participating, with the aim of enhancing their leadership capabilities so that we create the best experience for all our people and perform even better as a firm.

We recognise that colleagues moving up the career ladder need support to develop too, and for the third year since its launch in 2021, we ran our Managing for Performance programme for newly promoted Principals. This helps them with delegation, understanding people's motivations, giving feedback, coaching and developing inclusive teams.

Cinven is a fast-paced business, operating in a dynamic industry, and it is important that we support everyone to be resilient. In 2023-24, we introduced Wellbeing for Performance, working with a psychologist to provide learning modules and one-to-one coaching to employees, enabling good mental health and wellbeing.

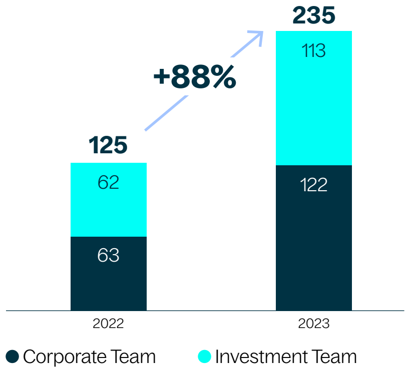
We also launched our Quietly Powerful programme, based on feedback received in some performance reviews. This training, delivered largely to more junior colleagues so far, aims to help those of a quieter nature to remain true to themselves, recognise their strengths and find authentic ways to contribute in meetings. Rollout began with an insight session for Partners, to help them understand their role in creating a work environment that allows everyone in their team to contribute and draws out the best from quieter employees.

Driving performance through L&D

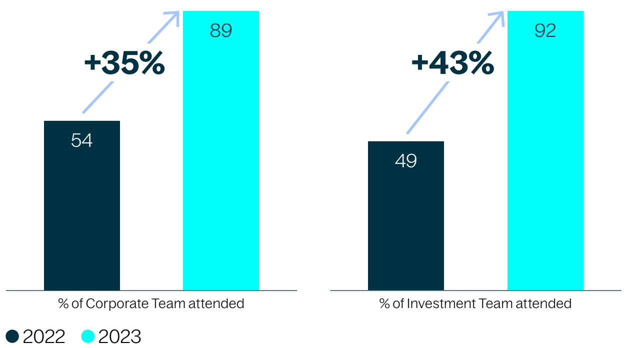
Our L&D offering is linked to competency frameworks we put in place a number of years ago for all roles at Cinven, and which we update periodically. We share these frameworks openly so that everyone can see what is expected at each level and can build a career path that is right for them.

In 2023, more than 400 colleagues participated in 19 training programmes and 37 individual sessions. These covered diverse topics, from psychological safety and wellbeing to coaching and negotiation. We saw a large increase in the number of people taking part, and aim to maintain high levels of engagement in future years.

Number of participants



Percentage of firm-wide attendance



"We continued to invest in our people in 2023 and saw an 88% increase in the number of colleagues taking part in learning and development. We are committed to creating the best experience for our teams to achieve their career ambitions and lead us to further business success."

Caroline Rawes,
Partner and Chief Human Resources Officer

Employee engagement

Having highly engaged employees is fundamental to Cinven's success – and as a people-focused organisation we want our colleagues to feel motivated and inspired by their experiences at work.

It all starts with building the right culture and the values that are our cornerstone: Ambition, Commitment to Excellence, Empowerment, Partnership and Respect.

These guiding principles underpin everything we do and we bring them to life through our employee engagement approach. It begins when people first apply to work with us and continues through the entire colleague lifecycle.

We introduced our first Inclusion and Engagement Survey in 2022, with a second completed in 2023. This has proved a highly valuable exercise to learn about the different perceptions employees have about inclusion and engagement across the firm and to direct our activities towards areas where the opportunity for improvement is greatest. We have seen an increase in inclusion scores and, as we look ahead, we are ambitious and continue to strive for further improvements.

Engaged colleagues are likely to feel a greater sense of purpose, belonging and job satisfaction, build stronger relationships, and feel more motivated to do great work. In turn, higher levels of employee engagement fuel business performance and growth, contributing to increased motivation, staff retention, productivity, client service, innovation and resilience.

With all these benefits to be had, we take a multi-faceted approach to employee engagement.

Internal communication is a key component, ensuring that people have the information they need to perform well and feel connected to their colleagues and the firm. We stepped up our efforts in 2023 by introducing a new intranet, sharing corporate and personal updates, and we now have a monthly firm-wide townhall meeting with our Managing Partners. Colleagues also connected through awareness sessions on a wide range of topics, open to everyone at Cinven.

Wellbeing is another focus area. In May 2021, as part of the UK's Mental Health Awareness Week, we engaged our global team, encouraging everyone to focus on starting conversations about mental wellbeing and the daily life challenges that can impact it. We have since hosted further annual firm-wide events and, in 2023, our Wellbeing Week challenged people to connect by "getting across the Cinven world". Through running, walking, cycling and any other exercise, they completed a distance equivalent to travelling between our eight offices, tracking their progress in an app and engaging in healthy individual and team competition.

We also continued to provide wellbeing benefits, including an annual health assessment, gym membership and access to our Employee Assistance Programme.

We have reviewed and updated our HR policies with more accessible language, and introduced new ones, including a Fertility Policy, to ensure we do the right thing by our colleagues and the firm, and remain a competitive employer. We have also increased time off for compassionate leave.

Investing in people's learning and development and fostering an inclusive and diverse culture also drive engagement. Our annual Skills Week brought newly recruited associates together to learn about everything, from how we identify and execute investment deals to Inclusion and Diversity (I&D).

See page 27 for further information about I&D at Cinven.

See page 30 for more details about our approach to developing our people.

Case study:

Introducing Mental Health First Aiders at Cinven

In 2023, we accredited our first cohort of Mental Health First Aiders (MHFAs). Through an immersive training programme, team members are equipped with the tools to identify early signs of mental health concerns and effectively respond to challenges, ensuring the wellbeing of others and fostering a supportive environment. The MHFA course teaches participants practical skills to spot the signs of mental illness and gives them the confidence to step in and support an individual who needs assistance. Introducing MHFAs also encourages people to talk more freely about mental illness, reducing stigma and creating a more positive culture. We now have 10 MHFAs throughout the firm, available to support colleagues across all our offices.

"Employee engagement is an important cornerstone of our people strategy. Highly engaged employees who have a sense of belonging, working in an environment where there are opportunities to learn and grow, will ultimately drive business performance and value creation for Cinven and our stakeholders.

We made good progress in 2023 and are focused on achieving even more together in the years ahead."

Lilian Opong,
Head of Human Resources

The Cinven Foundation

We remain committed to good corporate citizenship and recognise that we have real opportunities to make a positive contribution to the communities in which we operate.

The Cinven Foundation and its community programmes are examples of this in practice, helping us to achieve positive social outcomes. Established in 2007, the Foundation is a vehicle for our corporate giving and mainly supports education-related, healthcare and nature programmes, making a substantial donation to a number of charities each year.

A refreshed governance model and realignment of strategic objectives of the Foundation was implemented in 2024 to ensure that the Foundation maximises the value of its charitable partnerships for both the charities, the firm and its colleagues.

Causes supported by the Foundation in 2023 include:

South Downs National Park Trust
The Trees for the Downs campaign aims to plant 100,000 trees in community spaces and on popular walking routes in the National Park.

Impetus
The organisation, of which Cinven is a member and makes an annual donation to, raises significant sums from the private equity industry to support charities that help young people to succeed.

School Home Support (SHS)
Working with schools, local authorities and other children's organisations, SHS provides personalised support to youngsters and families, tackling the underlying barriers to successful education to improve life chances.

SEO London – Sponsors for Educational Opportunity
This UK-registered charity delivers education, training and mentoring support to young people from underrepresented and underserved backgrounds.

Opportunity Network
This organisation works with students from historically and systematically underrepresented communities to develop their skills, knowledge and passions to achieve their college and career goals.

GiveOut
This award-winning charity works to grow giving to support the global struggle for LGBTQI rights, pooling donations to provide grants to LGBTQI organisations around the world.

Brent Wheeler Fellowship
Provides funding for a pancreatic cancer research fellowship.

Individual Cinven employees make financial donations and time commitments to a number of charities. The charity recognises this and has matched employee donations to 33 charities in 2023 (2022: 29). Selected good causes for 2023 include:

France:

Coup de Pouce
Supporting the education of underprivileged children and their families.

Perce-Neige
Providing support to children and adults affected by a mental, physical or psychological disability.

Club-House
Fighting stigmatisation and isolation of people with mental illness.

Germany:

Frankfurter Tafel
Non-profit organisation for the distribution of food to the needy. Serves about 15000 needy Frankfurt citizens through 12 food distributions.

Ambulanter Kinderhospizverein "Löwenzahn" in Frankfurt
Create help for a companion offer for children in Frankfurt. A meaningful accompaniment from home in the family, where children feel safe. It is organised locally.

Deutsche Stiftung für Junge Erwachsene mit Krebs
Foundation for the Promotion of Research into Cancer in Young Adults. Practical tips from and for young cancer patients in dealing with the disease, immediately after diagnosis.

Guernsey:

Victorian Walled Kitchen Garden – Guernsey Botanical Trust
Restoring the walled kitchen garden at Saumarez Park and building new facilities.

Changing Faces
Supporting Channel Islands residents with face or body disfigurements.

Youth Commission for Guernsey & Alderney
Providing services for young people to develop their social, physical and emotional wellbeing.

Italy:

Punto Cometa
Providing social, educational and health services to children and their families.

Panda Onlus
Offering help to families and children who cannot afford urgent medical expenses.

Luxembourg:

University of Luxembourg (Mathbridge and direct scholarship support)
Providing scholarships to students struggling financially to cover their basic needs.

Sportunity
Improving lives through sport by providing programmes for refugees.

Spain:

Masnatur
Developing people with disabilities, especially children and young adults, and supporting their families.

Tomillo Foundation
Helping underprivileged young adults from Madrid to improve their education and job prospects.

Foundation JUAN XXIII
Providing professional training and employability for people at risk or in a situation of psychosocial vulnerability.

USA:

TriLatino Juniors Program
Promoting healthy lifestyles among low-income minority youngsters in the South Bronx through exercise, health education and mentorship.

Kings County Tennis League
Using tennis and education to help develop children living in and around Brooklyn public housing.

Our climate approach

In this section

Climate Report

1. Introduction

Cinven[1] is pleased to present its third Climate Report for the 2023 financial year. This report is aligned to the relevant guidance as set out by the Task Force on Climate-related Financial Disclosures (TCFD). Since its first 2021 report, Cinven has worked to continue strengthening its approach on climate, guided by its internal climate strategy and by the guidance set out by the TCFD. This has included work to better understand the climate-related risks and opportunities faced at the firm level and at the level of the Cinven Funds' portfolio companies; to strengthen how climate considerations are integrated, managed and governed across the investment lifecycle; and to improve data collection and reporting on climate-related metrics.

Key highlights from Cinven's 2023 Climate Report include:

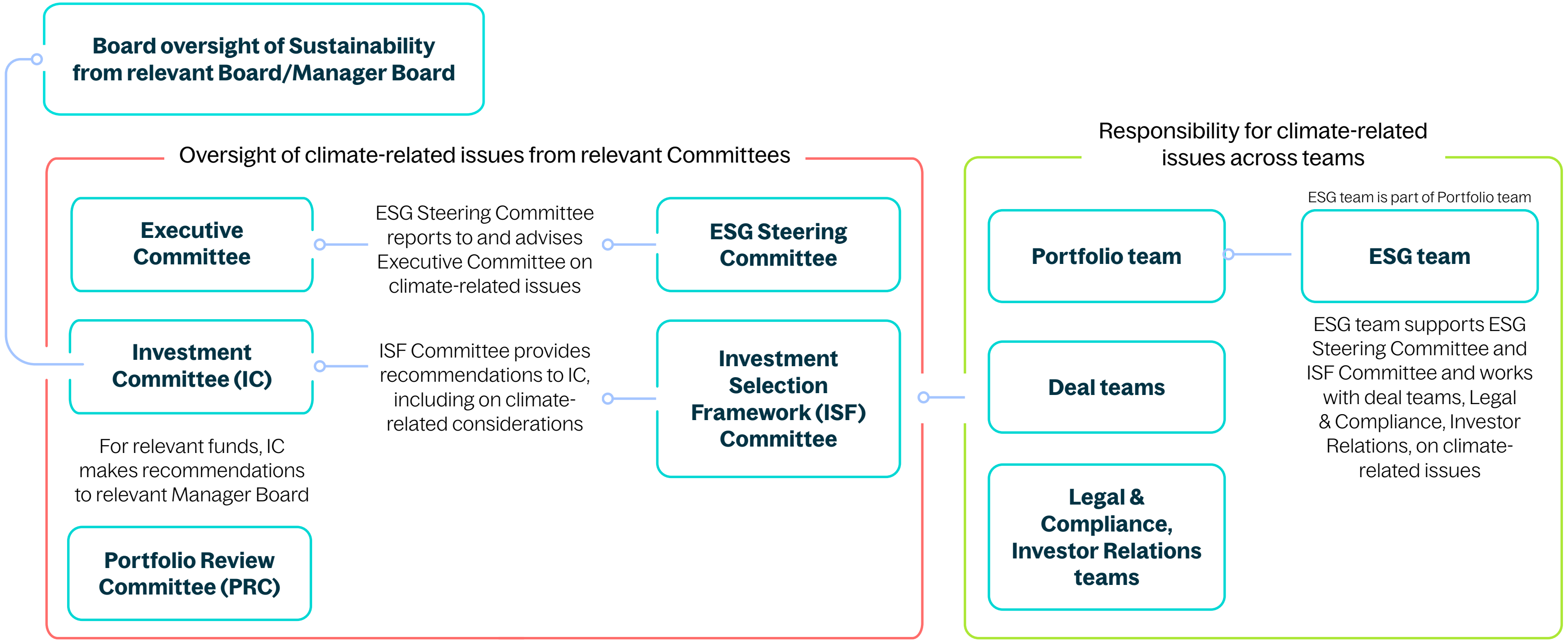
- Cinven refreshed its climate scenario analysis to assess the ways in which climate change could potentially financially impact the Cinven Funds' portfolio under different temperature scenarios over the short, medium and long term.
- The results of the climate scenario analysis showed that Cinven's current portfolio is not modelled to be materially financially exposed to climate change, largely as a result of the geographies and sectors in which Cinven Funds invest – thereby continuing to affirm Cinven's investment strategy.
- Data collection and calculation of Cinven's operational and financed emissions is improving, and Cinven's 2023 emissions disclosure is more comprehensive than previous years; however, there is still room for improvement, and the firm and the Cinven Funds' portfolio companies continue working towards better data collection and reporting, particularly on Scope 3 emissions.
- In line with its externally verified Science Based Targets, Cinven continues to work with its funds' portfolio companies to set their own decarbonisation targets and to develop robust decarbonisation plans.

See page 43 for Cinven Limited's FCA TCFD entity report.

1 This statement is made in respect of Cinven Partnership LLP, Cinven Limited, Cinven Holdings Guernsey Limited and their respective associates (as defined in the UK Companies Act of 2006) ("Cinven") and references in this Climate Report should be read accordingly.

2. Governance

Disclose the organisation's governance around climate-related risks and opportunities.



Climate Report continued

2. Governance continued

2.1 Board oversight of climate-related risks and opportunities

Describe the board's oversight of climate-related risks and opportunities.

Oversight at firm and fund levels

Cinven's Executive Committee is responsible for Cinven's sustainability strategy, and oversees implementation of its ESG Policy, including on material climate-related risks and opportunities. It also approved Cinven's climate strategy in 2022. Climate is referenced in the Executive Committee Terms of Reference as part of its broader sustainability oversight responsibilities. The Executive Committee has oversight of Cinven's strategy and planning, and considers material climate-related issues as these relate to Cinven's strategy and business plans.

The Executive Committee is informed of material climate-related developments by:

- the ESG Steering Committee, which is chaired by Cinven's Chief Operating Officer (COO) who reports periodically to the Executive Committee on sustainability matters including climate-related issues; and
- Cinven's ESG Director, who reports to the Executive Committee including on climate-related issues on an as needed basis.

The Eighth Cinven Fund is managed by Cinven Limited (as AIFM or delegated portfolio manager). Cinven Limited is governed by its board of directors. The Fifth, Sixth and Seventh Cinven Funds (together with the Eighth Cinven Fund, the "Cinven Funds") are managed by Cinven Capital Management (V) General Partner Limited, Cinven Capital Management (VI) General Partner Limited, and Cinven Capital Management (VII) General Partner Limited (the "Guernsey Managers") respectively. The Guernsey Managers are governed by their respective boards of directors (together with the Board of Directors of Cinven Limited, the "Manager Boards").

Investment decisions and portfolio company monitoring of the Fifth, Sixth and Seventh Cinven Funds are the responsibility of the respective Guernsey Manager and in respect of the Eighth Cinven Fund are the responsibility of Cinven Limited. Material risks and opportunities relating to sustainability, including climate, are discussed at relevant entity Board meetings (to the extent such risks and opportunities are relevant), and the Manager Boards review firm-level activities and portfolio-wide performance in these areas. In addition, the Manager Boards are provided with summary materials from bi-annual ESG Steering Committee meetings on portfolio sustainability performance including on climate issues, and the Cinven ESG Director periodically reports to the Manager Boards on sustainability performance including on climate issues.

Investment Committee (IC) and Investment Selection Framework (ISF) Committee

Cinven's Investment Committee (IC) determines whether an investment opportunity is aligned with Cinven's investment strategy including the ESG Policy and Investment Selection Framework (ISF), both of which include reference to climate-related risks and opportunities. The ISF is a framework which elaborates on the ESG Policy with respect to each sector that Cinven invests in. The ISF Committee, which is composed of senior managers from within the firm as agreed by the Executive Committee from time to time, provides guidance to the deal team and IC where required.

Pre-investment sustainability due diligence is undertaken for all investments to be made by the Cinven Funds including on climate-related risks and opportunities where relevant, with sustainability included in all IC papers. Cinven's policy on due diligence contains a specific reference to climate.

Portfolio Review Committee (PRC)

The Portfolio Review Committee (PRC) reviews performance of the Cinven Funds' portfolio companies, including in relation to material climate-related risks and opportunities, and oversees portfolio construction. The PRC also reviews implementation of portfolio company Value Creation Plans (VCPs) (defined in "Oversight of portfolio companies"), including ESG initiatives, on an annual basis (see section 3.2). Material climate-related risks and opportunities may be reviewed through quarterly PRC papers where a specific issue arises. The PRC's Terms of Reference refer to climate matters.

Oversight at portfolio companies

Cinven requires that the portfolio companies of the Cinven Funds appoint a Board member to be responsible for sustainability, including climate, at the level of the Board of Directors of each portfolio company (the "Portfolio Board")[2]. Cinven also requires that material sustainability risks and opportunities are reviewed at Portfolio Board meetings as part of overall strategy and risk management.

Each Portfolio Board is expected to oversee the portfolio company's ESG VCP (VCP), including relevant climate-related initiatives, targets and Key Performance Indicators (KPIs) within this, where in place.

2.2 Management oversight of climate-related risks and opportunities at firm and fund levels

Describe management's role in assessing and managing climate-related risks and opportunities.

Material climate-related risks and opportunities are managed by relevant teams within Cinven.

Deal team

For each of the Cinven Funds' portfolio companies, the deal team is the primary point of contact on strategic matters, including managing material climate-related risks and opportunities. This is typically implemented through Portfolio Board meetings and through deal team interactions with portfolio companies' senior management including the CEO. The deal team seeks input from the ESG team and other teams as appropriate.

ESG team

Cinven's ESG team, within the Portfolio team, is a centre of expertise on sustainability issues including managing climate-related risks and opportunities. For a specific investment, the ESG team may partner with the deal team and with portfolio company management on managing climate-related risks and opportunities. The ESG team is also responsible for monitoring Cinven-wide sustainability KPIs, including climate metrics, and implementing initiatives such as climate scenario analysis.

ESG Steering Committee

The ESG Steering Committee reports to the Cinven Executive Committee, including through the Committee's Chair, who is also Cinven's COO. The ESG Steering Committee is cross-disciplinary, including senior individuals with backgrounds in sustainability and climate change, legal and compliance, investor relations, and investment and portfolio management.

Cinven's ESG Steering Committee provides strategic input to the Executive Committee on Cinven's sustainability strategy, including material climate-related issues linked to market trends, regulation and best practice. The ESG Steering Committee oversees the day-to-day implementation of Cinven's sustainability strategy and ESG Policy across Cinven, including initiatives such as climate scenario analysis. The Committee meets quarterly, with material climate issues a standing agenda item for each meeting.

2 While the responsibility for sustainability, including climate, is typically assigned to an individual Board member, it is also possible for responsibility to be assigned jointly to the full Portfolio Board.

Climate Report continued

3. Strategy

Cinven's climate strategy aims to support Cinven's transition to a low-carbon economy by:

- reducing Cinven's operational emissions; and
- reducing Cinven's financed emissions, by supporting its funds' portfolio companies to reduce their own emissions in line with the Paris Agreement.

As part of its climate strategy, Cinven has set firm-level emissions reduction targets, which were approved by the Science Based Targets initiative (SBTi) in September 2023 – see "Metrics and targets" for further details. The strategy sets out several initiatives intended to reduce emissions, such as through the decarbonisation of Cinven's operations at a firm level and through supporting portfolio companies to develop their own emissions reduction targets and decarbonisation plans.

The strategy also aims to prepare Cinven to leverage climate-related opportunities and mitigate risks, such as through deal origination and across the investment lifecycle.

3.1 Understanding the climate-related risks and opportunities facing Cinven and its funds' portfolio companies

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Cinven considers physical and transition risks over short-, medium- and long-term time horizons, as described in the table below:

Time horizon	Year range considered	Rationale
Short term	Up to 2030	Incorporates elements of the near-term low-carbon economy transition policies and implementation plans. Enables Cinven to focus on the potential risks and opportunities that face its current portfolio of investments, and how best to manage these, and helps to inform investment strategy.
Medium term	Between 2030 and 2050	Designed to reflect changes to acute physical climate events and key elements of the transition to a low-carbon economy. Means Cinven is able to consider risks beyond the typical investment cycle, and to understand climate-related risks that may impact its investment strategy beyond the current portfolio of investments.
Long term	2050 and beyond	Reflects changes in chronic physical climate events. Ensures Cinven has a well-rounded approach to understanding the timescales over which different climate risks may become material to the Cinven Funds' portfolio companies.

Firm-level risks and opportunities

Cinven considers its main exposure to transition and physical climate risks and opportunities is through its funds' investments. More detail on these is described in the "Risks and opportunities at the level of the funds' investments" section.

At the firm level, potential climate-related risks and opportunities were identified and assessed through a qualitative internal exercise that included a review by Cinven's ESG Steering Committee. The risks and opportunities identified include:

Type	Risk	Description	Impact	Likelihood	Timeframe
Transition risks	Failure of portfolio companies to adequately transition towards a low-carbon economy resulting in reduced returns for Cinven	Some of the Cinven Funds' portfolio companies could face climate-related risks if they fail to adequately transition towards low-carbon business models. This could increase costs or prevent them from optimising value creation and could impact returns for the portfolio company and therefore for Cinven.	High	Low-medium	Medium term
Transition risks	Climate-driven macroeconomic shifts resulting in uncertainty and impacting on Cinven's investment environment	Climate change is increasingly contributing to drivers of macroeconomic shifts which could, in turn, have negative financial impacts for Cinven's investment environment. For example, physical impacts of climate change may disrupt global supply chains or lead to significant changes in migratory flows, with impacts such as rising interest rates and reduced investor confidence.	High	Low-medium	Long term
Transition risks	Increased stakeholder concern about performance against climate targets resulting in reputational damage to Cinven	A growing proportion of the global economy has set and is monitoring progress against climate targets, including Cinven, which has set near-term Science Based Targets. If Cinven is not considered to be performing sufficiently against its climate targets, its reputation among investors and the broader public may be damaged.	High	Low-medium	Medium term

Climate Report continued

3. Strategy continued

3.1 Understanding the climate-related risks and opportunities facing Cinven and its funds' portfolio companies continued

Firm-level risks and opportunities continued

Type	Risk	Description	Impact	Likelihood	Timeframe
Transition risks continued	Changing investor preferences or behaviour resulting in reduced demand for Cinven's services	If investors in the Cinven Funds consider that Cinven is not adequately considering or managing climate-related risks and opportunities, either in its investment strategy or in its portfolio management, Cinven may struggle to attract future investment. This risk may be particularly pertinent if Cinven's climate approach is seen as insufficient relative to peers.	High	Low	Medium term
Transition risks continued	Increased regulation on climate disclosures resulting in higher costs of compliance for Cinven	With climate disclosure regulation increasing in many of the locations where Cinven has a firm-level presence (UK, EU and US), and particularly as Cinven continues to grow, Cinven may be increasingly required to file climate-related disclosures. This could incur higher costs and resource to comply.	Low	High	Short term
Physical risk	Acute or chronic physical risks resulting in disruption to Cinven's operations	Increased severity in extreme weather events could result in damage to Cinven's offices, and/or disrupt infrastructure in a way that prevents employees from coming into the office, travelling for business, or working online.	Low	Low	Medium term

Type	Opportunity	Description	Impact	Likelihood	Timeframe
Transition opportunities	Enhanced returns on investments from transitioning portfolio companies in line with low-carbon models	Shifting company business and operating models in line with the low-carbon agenda is expected to help companies be more resilient and unlock value in the changing contexts (physical, financial and transitional) presented by climate change.	High	Medium	Short term
Transition opportunities	Access to climate-related investment opportunities for Cinven resulting in increased revenues	As the global economy shifts to cater for changing population needs and preferences, new climate-related products and services are likely to emerge. Opportunities for the Cinven Funds to invest in these could result in successful investments with increased revenues as a result.	High	Medium	Medium term
Transition opportunities	Changing investor preferences or behaviour resulting in increased demand for Cinven's services	If investors consider that Cinven is successfully considering and managing climate-related risks as part of its investment strategy and portfolio management, Cinven may attract increased investment. This could particularly be the case where Cinven better leverages climate-related opportunities for value creation relative to peers.	High	Medium	Medium term

Climate Report continued

3. Strategy continued

3.1 Understanding the climate-related risks and opportunities facing Cinven and its funds' portfolio companies continued

Risks and opportunities at the level of the funds' investments

Climate scenario analysis undertaken in 2023 identified the following key risks and opportunities at the level of the funds' investments. Further detail on the climate scenario analysis is in section 3.3.

Type	Risk/opportunity	Description	Impact	Likelihood	Timeframe
Transition risks/opportunities	Rising national and/or international carbon pricing schemes	Rising national and/or international carbon pricing schemes may raise the cost of raw materials or procured goods and services in some cases, or in other cases have little direct impact on a portfolio company's cost base, potentially enabling a company to have a competitive advantage over peers.	Medium	High	Short to medium term
Transition risks/opportunities	Increased implementation of national decarbonisation policies and climate regulation, and/or increased consumer preference for goods and services that support a decarbonised economy	Regulatory and consumer preference shifts in the context of climate change may change demand for goods and services offered by Cinven Funds' portfolio companies and drive the need for product/service offering evolution. For example, there is the potential for companies to benefit from a green premium on goods/services which contain decarbonised inputs, or for companies to capture market share through developing goods/services that support the transition to a lower-carbon economy.	Medium	High	Medium term
Transition risks/opportunities	Success or failure in adequately transitioning to a low-carbon economy	Companies that fail to transition their businesses towards low-carbon models are expected to face physical and financial impacts associated with climate change. This, in turn, could make these companies less attractive to customers, Partners and future investors. Conversely, companies that are well positioned to transition their businesses may be deemed more resilient and therefore more commercially attractive.	Medium	Medium	Medium term
Transition risks/opportunities	Changes in national energy markets and in the composition of national electricity grids	As global energy production shifts to include a broader mix of renewable sources, companies can expect energy costs relating to doing business, depending on the sector and jurisdiction, to increase/decrease.	Medium	Low	Short to medium term
Physical risks/opportunities	Acute or chronic physical climate impacts	Increased severity in extreme weather events could result in damage to a portfolio company's sites and/or disrupt operations. Conversely, companies that put in place appropriate mitigation/adaptation measures and/or risk controls may be more resilient to physical climate impacts and may also therefore be deemed more commercially attractive.	Medium	Low-medium	Medium term

3.2 Building climate-related risk and opportunity into strategy

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Deal origination

Climate-related issues are considered during origination, including in the strategies of certain sector teams. Where climate poses a material risk to an investment opportunity, this may be reviewed by the ISF Committee and the IC. Investment opportunities that are deemed not to be aligned with the ISF are not pursued. In 2023, the Cinven Funds invested in three portfolio companies offering climate-related products or services: Master Builders Solutions, which produces concrete admixtures and other sustainable solutions for the construction industry; Amara NZero, a B2B distributor of components used in the solar, wind, hydro and electrification end markets; and Archer, a provider of integrated risk management software solutions, which includes tools to manage sustainability-related (including climate) risks.

Value creation

Cinven's ESG VCPs are an instrumental lever for addressing climate risks and opportunities in portfolio company strategies. The ESG VCP initiatives are informed by Cinven's due diligence findings, climate scenario analysis and post-acquisition assessments of potential climate-related risks and opportunities, including energy efficiency, renewable energy, electrification of vehicles, nature initiatives and green product innovation. Cinven has committed to developing an ESG-specific VCP, or to integrating ESG within the overall VCP, with each portfolio company from Fund 7 onwards.

Cinven is also starting to use the findings from its climate scenario analysis to assess and engage portfolio companies that are deemed "higher risk" than the portfolio average (for example in terms of their climate value at risk (CVaR) scores).[3] This includes working with these companies to better understand and build climate risk into their risk management, governance and strategy.

3 CVaR is a forward-looking metric that estimates the potential financial impact within an investment portfolio resulting from climate-related risks and opportunities presenting under different climate scenarios and time horizons. It is expressed as a percentage change from current market valuations.

Climate Report continued

3. Strategy continued

3.3 Using climate scenario analysis to test business resilience

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In 2023, Cinven undertook climate scenario analysis to assess the ways in which climate change could potentially financially impact the Cinven Funds' portfolio under three temperature scenarios over the short, medium (2030) and long term (2050).[4] These scenarios were:

- a scenario in which temperature rises are limited to less than 2°C and the transition takes place in an orderly way;
- a scenario in which temperature rises are limited to less than 2°C and the transition is disorderly; and
- a "hot-house" scenario where temperature rises reach 4°C.

The analysis individually modelled the potential implications of these three scenarios for each of the portfolio companies of the Cinven Funds, before aggregating the results to the level of each of the Cinven Funds.

Based on the analysis performed and the portfolio as a whole, Cinven's portfolio is not modelled to be materially financially exposed to climate change. Modelling of Cinven's portfolio-wide CVaR suggests Cinven's current portfolio has a relatively low exposure to climate change under the different scenarios and time horizons, largely as a result of the geographies and sectors in which Cinven invests. Modelling of the implied temperature rise (ITR) of the Cinven Funds' portfolio companies suggested that no portfolio companies were "strongly misaligned" with a 2°C target pathway, and Cinven's strategy of supporting portfolio companies to set decarbonisation targets (see "Targets" section) is likely to further bring down ITR scores over time.[5]

Overall, results from the climate scenario analysis continue to affirm the jurisdictions and sectors on which Cinven focuses. Cinven's strategy to diversify investments across the six sectors, and decarbonise businesses in the portfolio, helps to mitigate against transition and physical risks and to leverage climate-related opportunities. Its focus on investing in businesses that are agile means it is well positioned to adapt to the potentially significant transition and physical changes that the global economy expects to see as a result of climate change.

4 Climate scenario analysis was undertaken with support from expert advisors, using an Integrated Assessment Model that draws on the Intergovernmental Panel on Climate Change's (IPCC) shared socioeconomic pathways (SSPs) and representative concentration pathways (RCPs). The Integrated Assessment Model incorporates a variety of academic sources, including the Global Trade Analysis Project (GTAP), and provides outputs for approximately 140 countries and 80 sectors. The breadth of the Integrated Assessment Model allows for analysis of the potential impacts of climate change to be more specific to the sector and region of each portfolio company. The analysis factored in asset-specific data from across Cinven's portfolio; proxy data was used where company-specific data was not readily available.

5 ITR is a forward-looking metric that estimates the potential global temperature rise that would be associated with the emissions of a company or portfolio over the longer term. As such, it can be used to assess how aligned a portfolio is to global climate targets. It is expressed as a numeric degree rating.

4. Risk management

4.1 Identifying and assessing climate-related risks

Describe the organisation's processes for identifying and assessing climate-related risks.

At the firm level, Cinven seeks to identify and assess climate-related risks through levers such as:

- climate scenario analysis;
- engagement with key stakeholders, including our clients;
- monitoring of evolving climate-related regulation and policy;
- support from third-party advisors;
- participation in industry-wide climate initiatives; and
- peer analysis.

The ESG Steering Committee is informed of key climate-related risks and opportunities identified through the above levers. The Committee's cross-functional representation means the Committee is well placed to determine the relative significance of climate-related risks in relation to other risks.

Where climate-related risks are deemed to be material to Cinven's business and/or investment strategy, these are flagged to the Executive Committee.

Climate-related risks and opportunities relevant to portfolio companies are assessed at two main stages:

Pre-investment

Climate forms part of pre-acquisition due diligence on a materiality basis. Current and potential future risks and opportunities are evaluated, as well as how these could be managed during the ownership period of the Cinven Funds. These might relate, for example, to the carbon emissions profile and energy consumption of a company, potential decarbonisation levers (including costs to implement and potential upsides), climate-related products and services, and specific physical and transition risks relevant to the company. Should a material sustainability risk be identified, Cinven evaluates whether further assessment is required and ensures this is considered by the IC. Where climate risks are deemed to exceed Cinven's risk threshold, Cinven will not pursue the investment opportunity.

Ownership

During the Cinven Funds' ownership period, Cinven engages with the management teams of the Cinven Funds' portfolio companies to identify and understand the implications of climate-related risks, whether related to carbon emissions, physical climate events or the transition to a low-carbon economy. These discussions may be informed by the climate scenario analysis exercise undertaken by Cinven, and/or by due diligence or preliminary analysis findings. Where material climate risks are identified, portfolio companies may undertake more in-depth assessments with support from third-party climate advisors. Management teams of the portfolio companies are expected to integrate results and recommendations of the assessment into strategy and business planning.

Cinven also collects mandatory climate-related KPI metrics from the portfolio companies of the Cinven Funds to monitor climate-related performance and identify potential emerging risk and opportunity areas (see "Metrics and targets" section). Where risks or opportunities are identified, Cinven engages portfolio companies to build these into strategies and action plans.

Climate Report continued

4. Risk management continued

4.2 Managing climate-related risks and integrating them into overall risk management

Describe the organisation's processes for managing climate-related risks. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

At the firm level, Cinven manages climate-related risks and opportunities through levers such as:

- ensuring appropriate governance processes (see "Governance" section);
- evolving its climate strategy as needed to respond to new or emerging risks and opportunities identified;
- setting firm-level climate targets (see "Metrics and targets" section); and
- facilitating firm-wide engagement and training.

At the level of the portfolio companies of the Cinven Funds, Cinven seeks to influence the management of climate-related risks and opportunities through levers such as:

- developing ESG VCP initiatives to address climate-related risks and opportunities;
- engaging portfolio company senior management teams including CEOs on material climate-related risks and opportunities;
- supporting portfolio companies of the Cinven Funds to set emissions reduction targets and develop decarbonisation plans (see "Metrics and targets" section); and
- facilitating engagement and training for portfolio companies on climate-related topics.

5. Metrics and targets

5.1 Climate-related metrics

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

At the firm level, Cinven calculates its operational emissions, as well as its financed emissions, using the Scope 1 and 2 data of the Cinven Funds' portfolio companies.[6] In 2023, Cinven also calculated weighted average carbon intensity (WACI), as well as CVaR and ITR in relation to individual portfolio companies, which can be aggregated to the fund and firm levels.[7] Cinven calculates these metrics using a third-party carbon emissions management software and with support from expert advisors. Cinven recognises the benefits of developing an internal approach to carbon pricing in the investment process and continues to review developments in this area.

Cinven collects sustainability metrics from the Cinven Funds' portfolio companies that include:

Carbon emissions (tCO_2e)	Carbon emissions by Scope 1, Scope 2 and Scope 3 where possible.
Net zero metrics	Whether the company has a decarbonisation plan/strategy in place (with/without board oversight), short-term GHG emissions reduction targets, and/or a long-term net zero goal.
Renewable energy	Total energy consumption, and the proportion of total energy consumption that is renewable.
Bespoke climate-related KPIs	Where material to, and relevant for, a portfolio company, additional metrics such as those relating to water, waste and nature.

Collecting these climate-related KPIs helps Cinven to monitor performance and identify emerging risks and opportunities on climate across the Cinven Funds' portfolio companies, including on emissions reduction and energy management.

During 2023, Cinven continued to actively support its funds' portfolio companies to improve their data collection and accuracy.

In this Cinven Climate Report, Cinven does not report on the relevant metrics in respect of the Strategic Financials Fund.

5.2 Cinven's 2023 emissions

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Cinven's Scope 1, Scope 2 and Scope 3 emissions for 2023 are set out on the next page. This has been calculated in line with the GHG Protocol and the Partnership for Carbon Accounting Financials' (PCAF) Global GHG Accounting and Reporting Standard.

6 Cinven does not currently include Scope 3 emissions of the Cinven Funds' portfolio companies in its calculation of its financed emissions due to inconsistent levels of Scope 3 data quality and availability across the portfolio – see section 6 for more detail. Cinven continues to work with portfolio companies with the aim of improving their Scope 3 data collection and accuracy.

7 WACI attempts to measure a product or portfolio's relative exposure to carbon intensive companies, and is calculated by measuring carbon-to-revenue intensity.

Climate Report continued

5. Metrics and targets continued

5.2 Cinven's 2023 emissions continued

In 2023, Cinven's financed emissions comprised nearly 90% of Cinven's total GHG emissions. To address this, Cinven has set a firm-level Science Based Target (see below) which includes a target covering the Cinven Funds' investments, and continues to work with the Cinven Funds' portfolio companies to decarbonise. In particular, approximately 75% of its financed emissions came from six portfolio companies in 2023. This is largely due to emissions in their production processes. These top six emitters are actively managing their emissions with Cinven's support:

3/6

have SBTi-validated Science Based Targets, and 2/6 are developing Science Based Targets and plan to submit these to SBTi in 2024

5/6

have developed decarbonisation plans and have taken active steps to reduce emissions, including through switches to renewable energy

4/6

reduced their total Scope 1 and 2 emissions between 2022 and 2023, ranging from 5% to 11% reductions

At the firm level, other key sources of emissions for Cinven include refrigerants and fugitive emissions (Scope 1), purchased goods and services (Scope 3) and business travel (Scope 3). In 2023, work continued to switch Cinven office spaces to renewable energy contracts, with the Frankfurt office joining the London, Milan and Luxembourg offices in sourcing 100% renewable energy. Together, these offices make up over 66% of Cinven's total office space and over 77% of Cinven's total headcount.

Cinven's operational emissions (tCO_2e)[8]	2021	2022	2023	Notes
Total Scope 1	14	1	143	Emissions increased in 2023, associated with refrigerant usage.
Natural gas	2	1	23	
Refrigerants and fugitive emissions	12	–	120	Not included in 2022 due to lack of data availability. 2023 spike due to refrigerant top-up in one office.
Total Scope 2 (location based)	163	286	316	2022 figure restated due to improved data availability.
Total Scope 2 (market based)	88	62	48	Emissions decreased in 2023 due to Frankfurt office switching to 100% renewable energy in early 2023.
Total Scope 3 (excl. category 15)	247	6,929	17,091	
1. Purchased goods and services	15	5,306	15,226	Spend-based data. Increased emissions associated with increased spend on goods and services in 2023.
3. Fuel- and energy-related activities	20	135	159	2022 figure restated due to improved data availability.
5. Waste generated in operations	1	–	–	Calculated in 2021 but since deemed immaterial and excluded from scope since 2022.
6. Business travel	99	1,489	1,707	Increase in emissions associated with increased business travel in 2023.
7. Employee commuting	112	–	–	Estimated for 2021. Not estimated for 2022 or 2023.

Cinven's financed emissions and WACI[9]	2023	Notes
Financed emissions (Scope 3, category 15) (tCO_2e)	144,116	Includes Scope 1 and 2 emissions of the Cinven Funds' portfolio companies.[10] Cinven is currently not able to accurately report Scope 3 emissions of portfolio companies due to lack of data availability – see section 6 for further detail.
WACI (tCO_2e/\$m)	7.13	As per the note above.

8 Values may not add due to rounding.

9 The metrics in this table do not include data relating to Cinven's Strategic Financials Fund.

10 While 2023 Scope 1 and 2 emissions data was collected from the majority of Cinven Funds' portfolio companies, some data gaps remained. As a result, estimations, proxies or historical data have been used where appropriate for the purpose of providing as comprehensive a picture as possible of Cinven's financed emissions, using best available data. See section 6 for further detail on data limitations.

5.3 Climate-related targets

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Cinven has focused on tangible climate action through near-term goals. Cinven's Science Based Target (SBT), outlined below, was validated by the SBTi in September 2023:

- 42% reduction in Cinven's absolute Scope 1 and Scope 2 (operational) GHG emissions by 2030 from a 2021 base year; and
- 100% of eligible private and listed equity investments by invested capital setting SBTi-validated targets by 2030, from a 2021 base year.

KPIs used to track progress against the first SBT include the proportion of energy consumed by Cinven's offices which is renewable energy; for the second, Cinven measures the number of companies that have developed Paris-aligned targets, and the proportion of those that have submitted to SBTi for validation.

In 2023, Cinven continued to work towards achieving its decarbonisation target under its Sustainability-Linked Loan (SLL), agreed in 2022 in conjunction with the refinancing of its existing bridge facility, by supporting eligible portfolio companies to develop decarbonisation plans aligned to the Paris Agreement. KPIs used to track progress against this target include measurement of Scope 1, 2 and 3 emissions, the development of Paris-aligned targets, and the development of decarbonisation plans setting out appropriate emissions reduction levers.

See page 18 for more information.

Climate Report continued

6. Data limitations

To compile this report, Cinven has been required to make certain estimates and qualitative assessments and use certain methodologies (which may be subject to limitations) to process the data it receives. Cinven is also reliant on, amongst other things, public and third-party data, including self-reporting by portfolio companies. Such information may itself be reliant on estimates, qualitative assessments and/or any limitations in the self-review process by portfolio companies. As a result, the accuracy and/or completeness of the data collected or used in connection with this Cinven Climate Report (the "Underlying Data") may be affected. Whilst Cinven believes such Underlying Data is reliable for the purposes of this Cinven Climate Report and, insofar as is reasonably practicable, Cinven uses the most up-to-date information for the purposes of this Cinven Climate Report, Cinven does not otherwise make any representation, warranty or other commitment in connection with the Underlying Data, including that the Underlying Data is in fact based on the most up-to-date information or as to the Underlying Data's accuracy, quality or completeness and nothing herein should be relied on as a promise or representation and any implied or statutory warranties are excluded to the fullest extent of the law. Cinven is under no obligation to correct or interrogate the Underlying Data and/or inform recipients of this Climate Report of any updates or changes to the Underlying Data where it is incorrect, incomplete or misleading (although it may take such steps as it considers practical and appropriate in order to ensure data quality, where it becomes aware that the Underlying Data is incomplete or materially inaccurate).

Without prejudice to any liability for, or remedy in respect of, fraud, no responsibility or liability or duty of care is or will be accepted by Cinven as to the fairness, accuracy, completeness, currency, reliability or reasonableness of the information or opinions contained in this Cinven Climate Report. To the fullest extent possible by using the Cinven Climate Report, each recipient of this Cinven Climate Report releases Cinven in all circumstances (other than fraud) from any liability whatsoever and howsoever arising from the recipient's use of this Cinven Climate Report. Cinven shall not be liable (other than in the case of fraud) for any loss (whether direct, indirect or consequential) or damage suffered by any person as a result of relying on any statement in, or omission from, this Cinven Climate Report.

Nothing herein should be relied on as a promise or representation as to past or future performance of a fund, other entity, transaction or investment or of any metrics or indicators included in this Cinven Climate Report. There can be no assurances (and no representation, warranty or commitment is made) that any of the trends described herein will continue or will not reverse and past events, and performance and trends, do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

Additional notes on data limitations

While 2023 Scope 1 and 2 emissions data was collected from the majority of the Cinven Funds' portfolio companies, some data gaps remained. As a result, estimations, proxies or historical data have been used where appropriate for the purpose of providing as comprehensive a picture as possible of Cinven's financed emissions, using best available data:

- For one company, full-year 2023 emissions data was unavailable, so available data for 9 months was extrapolated to estimate 12 months' data.
- For one company, calculations of its emissions were made using a limited selection of emissions factors that were applied across its global portfolio. Work is ongoing in 2024 to ensure appropriate emissions factors are used for all in-scope geographical entities going forward.
- Four companies were not able to provide 2023 Scope 1 and 2 emissions data by the time of this report's publication, and consequently FY2022 data was used instead. Of these four companies, the 2022 data for one company was considered incomplete but the best available data at the time. Proxy data was not used to complete the missing data for this company.
- For one further company, which was not able to report 2023 emissions data nor historical data, 2023 emissions were estimated using the economic activity-based methodology.

In order to avoid potentially misleading disclosures, Cinven's financed emissions as reported in section 5.2 do not include portfolio company Scope 3 emissions data:

- Approximately 30% of portfolio companies currently comprehensively report Scope 3 emissions data. For the remaining portfolio companies, Scope 3 emissions data is either not yet collected or not yet calculated for 2023, or not sufficiently robust and comprehensive (for example, not covering all material Scope 3 categories) to be included.
- Upon review, estimates using proxies were deemed to be not sufficiently robust to make credible disclosures on the remaining portfolio companies' Scope 3 emissions this year.
- Therefore, Cinven has elected to include only Scope 1 and 2 emissions of portfolio companies on a financed basis, for this reporting year.
- Cinven is continuing to work with the funds' portfolio companies to improve availability and accuracy of emissions data. This includes working with portfolio companies to identify appropriate third-party advisors and carbon accounting software platforms to support better data collection and calculation. It also includes facilitating training and knowledge sharing for portfolio companies on data collection. Cinven aims to include portfolio companies' material Scope 3 emissions data in its reporting in future years.

7. Important notice

This Cinven Climate Report is provided for informational purposes only and should not be used by a recipient as the basis for or in connection with an investment decision in relation to any fund managed or advised by Cinven and this Cinven Climate Report should not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security, instrument or interest in any Cinven fund, account or strategy, nor should the fact of the Cinven Climate Report's distribution form the basis of or be relied on in connection with any contract or investment decision. Nothing in this Cinven Climate Report shall supersede or qualify the information set out in any fund private placement memorandum or equivalent or similar offering document and any final form limited partnership agreement(s) of any Cinven fund (in each case, as applicable) (collectively with any other legal instruments constituting the relevant fund, the "Fund Documents") and in the event of inconsistency or conflict between any of the Fund Documents and this Cinven Climate Report, the Fund Documents shall prevail.

Unless otherwise noted, the information contained in this Climate Report has not been audited by the Firm's external auditors and does not constitute any form of financial statement and should not be relied upon in making any judgement on the Firm, Cinven or any of their respective funds.

Cinven strives to act as a responsible and active investor, using its position as a shareholder to encourage its portfolio companies to achieve the highest standards of business integrity and good governance. Cinven considers that good corporate governance and risk management must be embraced and undertaken at a portfolio company level. Relevant procedures should be tailored by the portfolio company to reflect its given industry, sector and activities. In its capacity as a responsible investor, Cinven will engage with portfolio companies on such sustainability matters and at such times, and may prioritise engagement on certain sustainability matters over others, in both cases as Cinven determines to be appropriate in its complete discretion.

Cinven Limited – FCA TCFD entity report

Introduction

Cinven Limited (CL) is authorised and regulated by the Financial Conduct Authority (FCA) (firm reference number 938064). CL is part of Cinven[11], an alternative asset management company specialising in private equity investments.

This document (the "CL FCA TCFD entity report") has been prepared to comply with CL's obligations under Chapter 2 of the FCA's Environmental, Social and Governance (ESG) sourcebook (FCA ESG). It should be read in conjunction with Cinven's Climate Report (the "Cinven Climate Report") which precedes this document. The rationale for relying on the Cinven Climate Report is because CL's approach to and management of climate-related risk is determined at a firm level and CL does not materially deviate from the firm approach except as indicated in this CL FCA TCFD entity report. CL is a UK collective portfolio management investment firm with residual collective investment scheme permissions. CL acts as:

(1) alternative investment fund manager of certain vehicles constituting the Eighth Cinven Fund;

(2) delegated portfolio manager of certain vehicles constituting the Eighth Cinven Fund;

(3) investment advisor to certain Guernsey Managers in respect of the Fifth, Sixth and Seventh Cinven Funds; and

(4) manager to certain non-AIF collective investment scheme vehicles.

CL's TCFD in-scope business therefore constitutes the following activities: "managing an AIF" and "portfolio management" (as those terms are defined in FCA ESG). In the provision of its TCFD in-scope business, the climate-related financial risks and opportunities to which CL is exposed principally concern the climate-related financial risks and opportunities which relate to the funds it manages and those which it provides other investment services in relation to. Due to the Cinven-wide management and advisory relationships in place, as well as to benefit from more effective and efficient oversight of such matters, climate-related risks and opportunities are generally managed and calibrated at the Cinven level.

CL's TCFD in-scope business is wholly covered by the Cinven Climate Report.

CL is also the principal to certain Cinven-appointed representative entities. For the avoidance of doubt, the activities of such entities (including advice provided in respect of the Cinven Strategic Financials Fund) are not considered as part of CL's TCFD in-scope business and are therefore not included as part of this report.

Both this CL FCA TCFD entity report and the Cinven Climate Report cover the reporting period 1 January to 31 December 2023.

Important notice

This CL FCA TCFD entity report is provided for informational purposes only and should not be used by a recipient as the basis for or in connection with an investment decision in relation to any fund managed or advised by Cinven and this CL FCA TCFD entity report should not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security, instrument or interest in any Cinven fund, account or strategy, nor should the fact of the CL FCA TCFD entity report's distribution form the basis of or be relied on in connection with any contract or investment decision. Nothing in this CL FCA TCFD entity report shall supersede or qualify the information set out in any fund private placement memorandum or equivalent or similar offering document and any final form limited partnership agreement(s) of any Cinven fund (in each case, as applicable) (collectively with any other legal instruments constituting the relevant fund, the "Fund Documents") and in the event of inconsistency or conflict between any of the Fund Documents and this CL FCA TCFD entity report, the Fund Documents shall prevail.

Cinven strives to act as a responsible and active investor, using its position as a shareholder to encourage its portfolio companies to achieve the highest standards of business integrity and good governance. Cinven considers that good corporate governance and risk management must be embraced and undertaken at a portfolio company level. Relevant procedures should be tailored by the portfolio company to reflect its given industry, sector and activities. In its capacity as a responsible investor, Cinven will engage with portfolio companies on such sustainability matters and at such times, and may prioritise engagement on certain sustainability matters over others, in both cases as Cinven determines to be appropriate in its complete discretion.

TCFD disclosures

1. Governance

In performing its TCFD in-scope business, CL follows the Cinven-wide approach to governing the oversight, assessment and management of climate-related financial risks and opportunities. Please see pages 34 and 35 of the Cinven Climate Report for a description of how Cinven's Executive Committee oversees climate-related risks and opportunities, and how management assesses and manages climate-related risks and opportunities.

2. Strategy

In performing its TCFD in-scope business, CL is exposed to the same climate-related risks and opportunities as Cinven. Please see pages 36 to 38 for a description of those risks and opportunities, their impact on Cinven's (including CL's) businesses, strategy and financial planning, and the resilience of Cinven's (including CL's) strategy.

CL follows Cinven's approach to scenario analysis.

During the reporting period, CL did not delegate any of its management or advisory functions and there is therefore no interaction between climate-related risks and opportunities and delegation.

3. Risk management

CL's processes for identifying, assessing and managing climate-related risks are determined at the Cinven level. CL also applies Cinven's overall risk management framework into which climate-related risk identification, assessment and management are integrated. Please see pages 39 and 40 for a description of those processes and their integration into Cinven's overall risk management framework.

4. Metrics and targets

Please refer to pages 40 and 41 of the Cinven Climate Report for information on Cinven's use of metrics and targets, and KPIs used to measure progress against them, all of which include CL.

CL's TCFD in-scope business is covered by the targets described on page 41 of the Cinven Climate Report, and by the SBTi approved target described there. That target takes into account the UK's national net zero commitment.

The emissions disclosures on page 41 cover all of Cinven (save as disclosed in section 5.1) including CL and its TCFD in-scope business.

CL follows Cinven's approach to internal carbon pricing, as reported in section 5.1.

Compliance statement

The disclosures in this report, including any disclosures cross-referenced in it, comply with the relevant requirements set out in FCA ESG 2 as at 26 June 2024.

Supraj Rajagopalan
Director
Cinven Limited
26 June 2024

11 Cinven Partnership LLP, Cinven Holdings Guernsey Limited and their respective associates (as defined in the UK Companies Act of 2006).

Appendices

In this section

PRI index

The table opposite aligns with the PRI's ESG Monitoring, Reporting and Dialogue in Private Equity Framework, providing a guide for the exchange of information between Limited Partners (LPs) and General Partners (GPs).

Cinven supports the overall aim of this framework to achieve a degree of consistency in LP and GP communication but recognises LP information requirements vary.

We include this table as a reference index, to signpost where related information is available within the 2024 Sustainability Report or on Cinven's website.

Core disclosures aim to provide key information that an LP can use to monitor its investments and assess the responsible investment performance of its fund managers.

Additional disclosures aim to support a detailed understanding of the responsible investment performance of the fund manager and its portfolio companies.

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1.1 What updates have you made to your responsible investment policy/guidelines and/or strategy?	Core	ESG in the investment process	11
1.2 What changes have you made to how responsible investment is resourced and structured at the firm?	Core	Letter to stakeholders Q&A with ESG Director	3–4
1.3 How has your responsible investment policy/guidelines and/or strategy been implemented?	Core and additional	Sustainability value creation approach ESG in the investment process	7, 11
1.4 How does your firm manage the ESG aspects of its own operations (corporate responsibility)?	Additional	Governance of sustainability Material topics	9, 17

Portfolio companies			
2.1 What is the ESG risk and opportunity profile of the portfolio companies in the fund? Have there been any changes to the ESG risk and opportunity profile of the fund in response to emerging ESG issues, and, if so, which ones?	Core	Material topics Our climate approach	17, 33–43
2.2 How are ESG factors managed by the portfolio companies in the fund?	Core and additional	Sustainability value creation approach	7
2.3 Report specific ESG indicators for portfolio companies.	Additional	Portfolio company sustainability performance Climate Report	15, 40–41
2.4 Describe your approach to assessing the risks and opportunities that climate change poses to your portfolio companies.	Additional	Our climate approach	33–43
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Material ESG incidents			
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3.2 Periodic summary of material ESG incidents.	Core	Governance and compliance	24

Contact us

Cinven
21 St. James's Square
London SW1Y 4JZ
United Kingdom

www.cinven.com

Produced by
designportfolio

info@cinven.com

Cinven