



# Our ESG Impact Report 2024

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# Welcome

## Foreword from Guy Davies (left), Managing Partner and James MacLeay (right), Investment Director

**The last year has been one of continued growth at WestBridge across our funds, our investor base and our own business. We have continued to deploy our third fund, WestBridge III, with the completion of our third investment, Causeway Securities, as well as making five bolt-on acquisitions across the existing portfolio. EBITDA has increased by c.20% across the portfolio through a combination of organic and inorganic strategies. An interim close for WestBridge III has brought in new investors from the US, Australia and other international geographies. We have also continued to invest in our own business with the appointment of two new team members since our last report, growing both the support team and investment team.**



In this year of accelerated expansion, sustainability has remained a core focus area for us. We have seen ESG maturity reach new heights across our portfolio, many of which have now been participating in our structured ESG improvement programme for over three years. We are pleased to say that 50% of our portfolio companies are achieving 'ESG Excellence' status and anticipate that this time next year, most will fall within this category.

For the third consecutive year, WestBridge has been nominated for the Real Deals ESG Awards, a testimony to the attention we give to ESG. We are firm believers in the value that ESG brings to our investments and recognise the direct correlation between responsible investing and value creation. Consequently, our approach to ESG is fully integrated into our investment objectives. We have paved the way for ongoing ESG improvement within our portfolio companies and are now seeing the rewards being reaped. Research continues to show that responsible and ethical businesses are altogether higher performing organisations, and our experience certainly validates this.

## Evidencing Impact through Data

Perhaps our most exciting highlight of the year, and confirmation of this hypothesis, was the successful realisation of Eque2 – an investment we made in December 2020 and realised in May 2024. Over our three and a half year holding period, Eque2 made significant strides in its ESG performance. Through regular target setting and review, practices were refined and improved to bring about changes to positively affect the company's people, partners and communities. In just three years, Eque2's ESG score increased from 18% to 62%, establishing them as an ESG Excellent business. In addition, they are set on an ambitious carbon reduction pathway, targeting 2035 as their Net Zero date.

Another standout achievement is the 32% reduction in total GHG emissions across our Fund II. Every portfolio company in the Fund completed a full year 2 Scope 1, 2 and 3 calculation, along with a review of their Net Zero targets and carbon reduction strategies. As climate change gains increasing attention, we will continue to focus on carbon strategies and encourage companies to find innovative ways to reduce emissions year on year.

Our ESG strategy remains a cornerstone of the WestBridge Value Creation Model, beginning with a thorough ESG due diligence process on acquisition and followed by annual ESG assessments, reporting and carbon calculations. We believe in transparency and accountability and want every portfolio company to flourish under our stewardship, equipping them with the tools and support they need to create meaningful changes and positively impact the world.

As we look ahead to 2025, we anticipate another year of sustainable growth and success. We are excited to reflect on the achievements of 2024 and share with you the inspiring sustainability stories and accomplishments of WestBridge and our portfolio.

## Luke Gilbert, Investment Manager



# About WestBridge

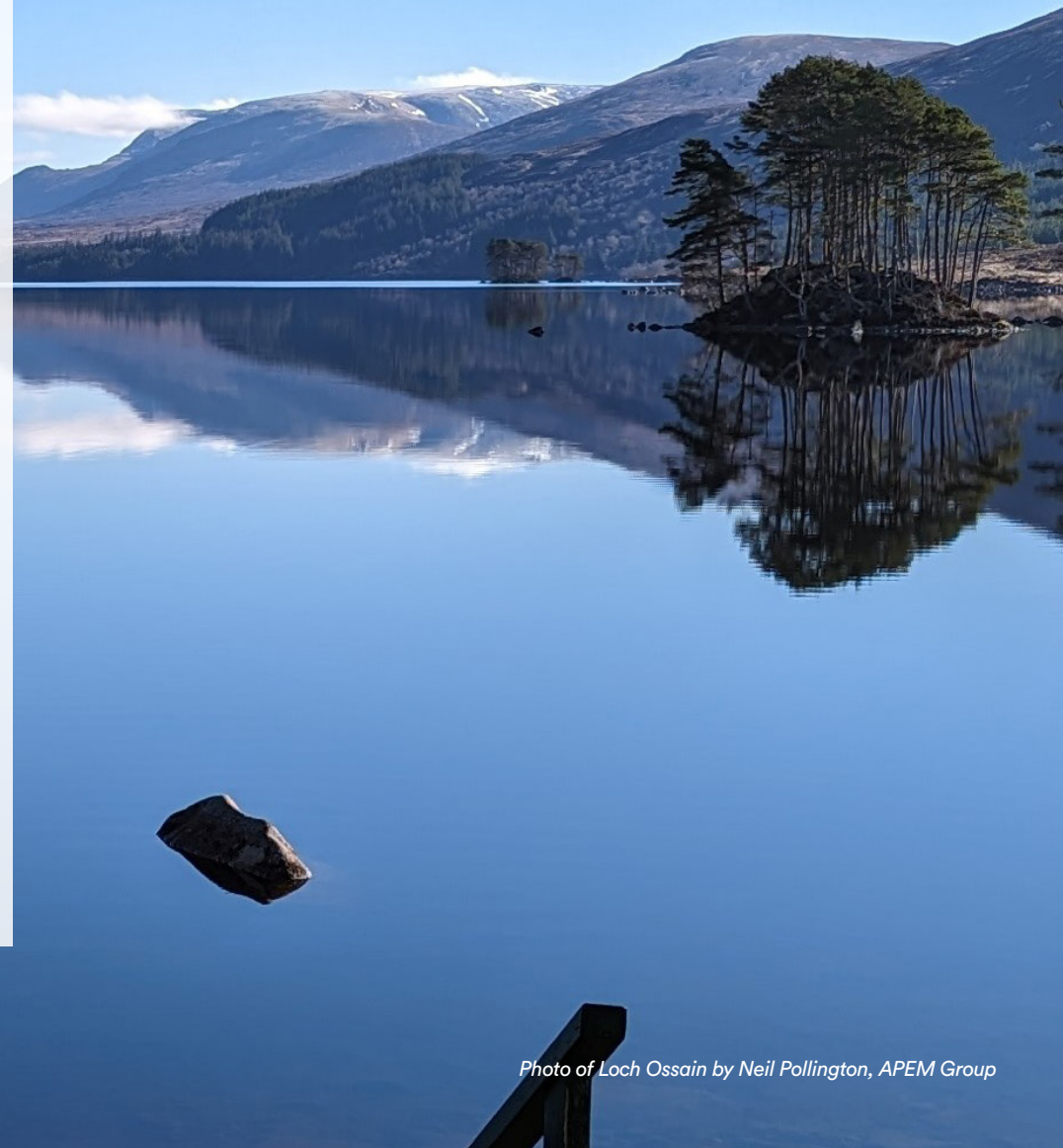
WestBridge is an independent private equity house that invests in lower mid-market UK buyouts and companies. We invest between £10 million and £50 million in profitable, successful and fast-growing companies, and are currently investing our third fund, WestBridge III, comprising over £230 million of committed capital and earmarked co-investment monies. Typically, our portfolio companies will have enterprise values of between £15 million and £60 million and profits of between £2 million and £8 million.

Our investors include British Business Investments, the European Investment Fund, South Yorkshire Pensions Authority, West Yorkshire Pension Fund, Van Lanschot Kempen, funds advised by Cambridge Associates and Highland Associates, and a number of family offices and industrialist high net worth investors.

We will consider the potential of companies from most sectors, provided they meet our key criteria of being established, profitable and ambitious. What is crucial for us is to identify that opportunity to create a high performance partnership with managers to support and accelerate business growth. We bring a comprehensive range of skills and proven structure and process to support value creation activities, “the WestBridge Way”, and work proactively with a number of operating partners and consultants to support business development objectives.

The senior management team all have a passion for investing in and supporting management to grow lower mid-market companies, and each has invested significant amounts in WestBridge managed funds.

While we typically look to hold our interest in companies for three to five years, the overriding consideration is to seek an exit when it is right for the business and its shareholders.



# Why ESG is important to WestBridge



## Impact and value enhancement

Our approach delivers sustainable financial growth, develops an asset's reputation, and improves its impact on the environment and stakeholders - enhancing returns.



## Long term growth

Creating investment platforms with long term growth prospects, including focussing on employees, environmental impact and supportive governance.



## Risk management and downside protection

Identifying and mitigating ESG related risks throughout the life cycle of an investment to protect and preserve value.



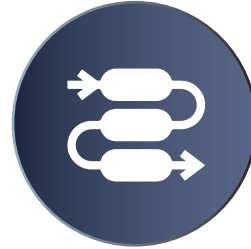
## Compliance and regulation

Ensuring compliance with current and incoming regulation which includes having the processes and data in place to be able to report transparently.

# Creating and protecting value



We are committed to improving the ESG footprint of our portfolio companies over the course of our investment hold period, creating sustainable long-term growth in the portfolio.



Our ESG strategy is implemented throughout all stages of the WestBridge investment process and is a central pillar to the WestBridge Value Creation Model.



We aim to be best-in-class amongst our peers for a firm of our size and are continually developing our approach to ESG and responsible investing.

Signatory of:



ESG outcomes are communicated to WestBridge investors in our quarterly reports and are publicly available on our website, including our ESG Impact Reports.



Our commitment to ESG has been recognised by being shortlisted in the RealDeals ESG Awards since inception of the category, as well as being invited to be panellists at multiple ESG conferences.



**WestBridge stands out as one of the few ‘non-impact’ funds that has a fully comprehensive ESG programme as part of their value creation model in the lower-mid market. Individual companies being assessed and the ESG portal are absolutely class leading.**

**Jorrit Willigers, Van Lanschot Kempen**



# 2024 Highlights



Please note these figures are taken from recently available sources including from recent portfolio company ESG reviews, carbon calculations and annual and quarterly metrics collection processes. They do not necessarily all cover the same time/reporting period but are a fair representation of aggregated highlights across the WestBridge portfolio achieved during 2024.

# Journeying to Net Zero

The effects of climate change are very real for communities and economies across the globe, and we recognise the critical role that investors and businesses need to play to reach Net Zero emissions by 2050. This is essential to protect biodiversity, prevent increasingly severe weather events, and safeguard human health and livelihoods. Achieving this goal means balancing the amount of greenhouse gases (“GHG”) emitted with the amount removed from the atmosphere, seeking to halt the increase in global temperatures. To do this, it is crucial that organisations cooperate and innovate, seeking ways to create efficiencies and more sustainable ways of doing business.

Together with our portfolio companies, investors and business partners, we remain committed to working towards Net Zero, and playing our part in creating a healthier, more equitable world for current and future generations.

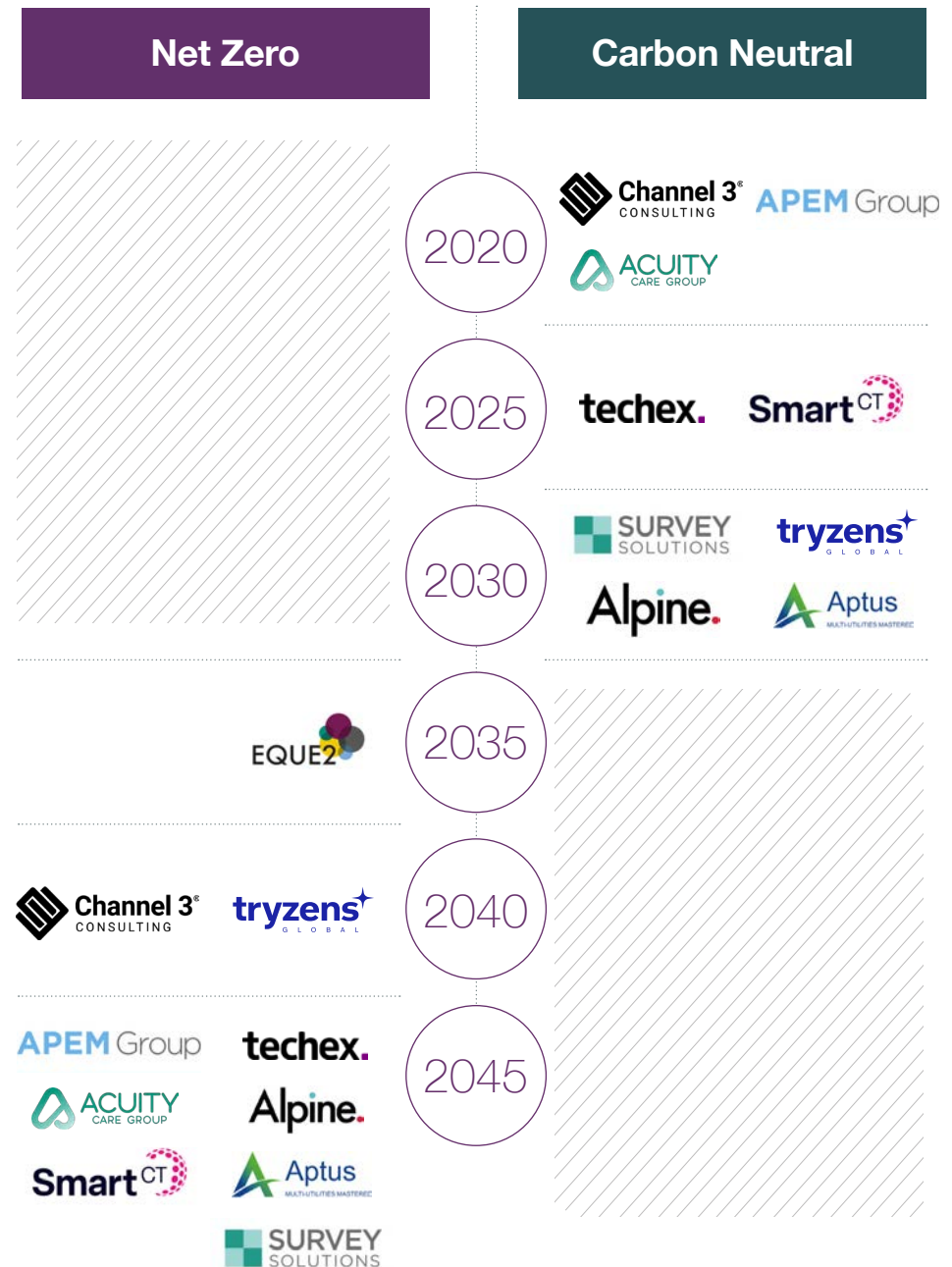
All our portfolio companies conduct an annual carbon calculation of their full Scope 1, 2 and 3 emissions. We support and encourage each company to be ambitious with their Net Zero targets and are pleased to report that all target dates across the portfolio are either 2035, 2040 or 2045 - the latter of which is still 5 years ahead the UK Government’s target of 2050. As a key

milestone in their Net Zero trajectory, each company has a defined Carbon Neutral date, which marks the accomplishment of nil emissions across Scopes 1 and 2. To reach these goals, carbon reduction plans accompany set glidepaths which detail how the company will reduce emissions over the coming years.

To achieve year-on-year carbon reductions, companies need to think creatively and implement changes to the way they do things. Examples of ways to reduce emissions, many of which have been actioned by our portfolio companies over the last year, include adopting new technologies, transitioning to renewable energy sources, behavioural change campaigns, switching to electric vehicles, enhancing operational efficiencies and procuring more sustainable products.

**We are advocates for the Net Zero movement and actively encourage all companies to invest in ways to reduce their emissions.**

## Net Zero and Carbon Neutral target dates across the WestBridge portfolio





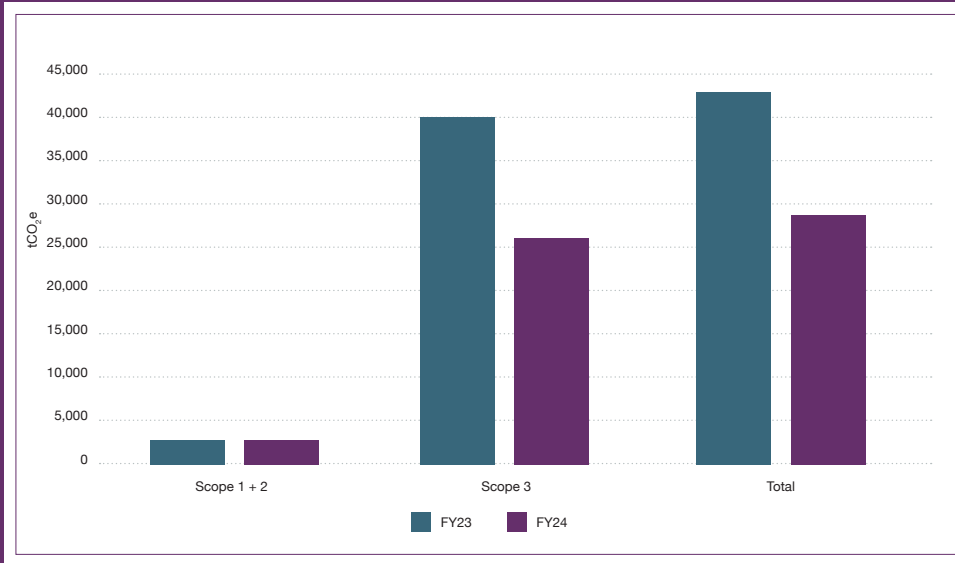
# Greenhouse Gas Emissions

Total 2024 emissions across our portfolio are shown in the table below which breaks down emissions into the broad categories of Scope 1, 2, Upstream Scope 3 and Downstream Scope 3 emissions. Upstream Scope 3 emissions are those which are generated as a result of producing the product or service and downstream Scope 3 emissions result from either the use of the product, end of life of the product or transportation of the product to its destination. As seen in the table, most emissions are generated by Upstream Categories and this is largely attributable to Scope 3, Category 1: Purchased Goods and Services.

		FY 24 tCO <sub>2</sub> e										
Scope	Description	Acuity	Aptus	Alpine	APEM	Channel 3	Eque2	Smart CT	Survey Solutions	Techex	Tryzens	Total emissions
1	Total emissions for Transport, Stationary combustion, and Refrigerants	3	1,803	375	75	0	7	283	514	1	28	3,090
2	Electricity Market-Based	1	63	0	78	0	26	32	33	0	86	318
3	Upstream Categories	1,336	6,327	10,486	2,894	824	863	936	688	1,377	1,302	27,032
3	Downstream Categories	0	0	13	0	0	0	1	0	1,026	0	1,040
	<b>Total emissions (Market-Based)</b>	<b>1,339</b>	<b>8,193</b>	<b>10,874</b>	<b>3,047</b>	<b>824</b>	<b>896</b>	<b>1,252</b>	<b>1,234</b>	<b>2,404</b>	<b>1,416</b>	<b>31,480</b>

To analyse emissions, we selected the companies in Fund II, as two years of emissions data were available for comparison. Fund II has demonstrated impressive reduction gains over the last year. Scope 1 and 2 emissions collectively decreased by 9%, while Scope 3 emissions decreased by 35%. Overall, Fund II's absolute emissions fell by over 14,000 tonnes of CO<sub>2</sub>e - a 33% reduction. As we continue to invest, and gather data, in our Fund III assets we plan to present further analysis each year.

Fund II Emissions (FYE23 and FYE24)



Across the portfolio, by far the biggest impact is observed in the Purchased Goods and Services category (Scope 3 Category 1) as this is where a business generates anything between 70-90% of their emissions.

FY23		FY24		Emissions Changes	
Fund II Emissions	tCO <sub>2</sub> e	Fund II Emissions	tCO <sub>2</sub> e	Absolute reductions	% Reduction
Scope 1	2,862	Scope 1	2,548	314	9%
Scope 2	149	Scope 2	199	-50	
Scope 3	39,827	Scope 3	26,083	13,745	35%
<b>Total</b>	<b>42,839</b>	<b>Total</b>	<b>28,830</b>	<b>14,009</b>	<b>33%</b>

Emissions across Fund II:

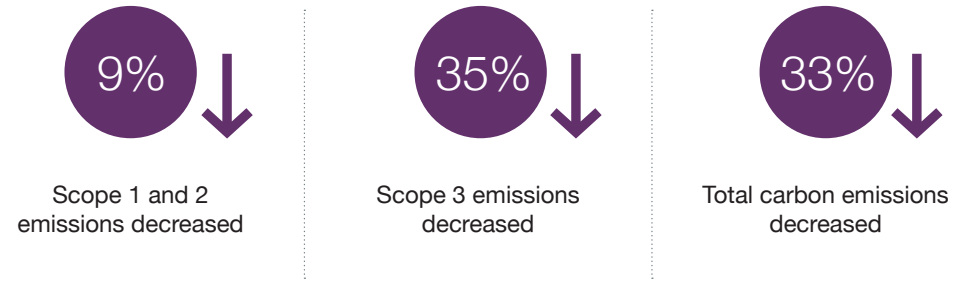


Photo of Bearded Tit by Jalal Khan, APEM

Looking at the data in more detail, all but one Fund II company has reduced absolute emissions, with the most impressive gains being observed at Alpine (43% reduction in total emissions), Techex (33% reduction in total emissions), Eque2 (33% reduction in total emissions), Smart CT (32% reduction in total emissions) and Aptus (27% reduction in total emissions).





**It's important to note that whilst portfolio companies are shifting to more efficient ways of doing business and making operational changes, this sizeable reduction is significantly enhanced by lower emissions factors, which can be attributed to the global movement to decarbonise.**

### Fund II comparison: Emissions reductions between 2023 and 2024

	Acuity	Aptus	Alpine	APEM	Channel 3	Eque2	Smart CT	Techex
FYE 23 emissions	1,660	11,250	19,214	3,161	775	1,346	1,848	3,585
FYE 24 emissions	1,339	8,193	10,874	3,047	824	896	1,252	2,404
Absolute reductions (tCO <sub>2</sub> e)	321	3,057	8,340	114	-49	450	596	1,181
<b>% reduction</b>	19%	27%	43%	4%	-6%	33%	32%	33%



Over the past year, portfolio companies have launched several initiatives to advance their decarbonisation strategies. Below are some of the highlights of these efforts:

 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">Acuity Care</p> <p>has implemented a procurement policy to better evaluate supplier credentials and enhance purchasing efficiency. For instance, to minimise PPE wastage, employees now request only the necessary items for their care packages, rather than estimating. This approach allows for more accurate orders, reducing the consumption of products and services, and consequently, lowering emissions.</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">Alpine</p> <p>has greatly reduced hotel stays for business travel purposes, despite a rise in data recorded for mileage and public transport data</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">APEM</p> <p>have increased their renewable electricity procurement; in addition, they undertake detailed operational planning of field work to establish opportunities for car-sharing, as well as appointing local staff to local jobs.</p>	 <p style="text-align: center; font-weight: bold; font-size: 1.2em;">Techex</p> <p>has significantly reduced spend on carbon intensive goods and services</p>
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Channel 3's carbon intensity ratios

Intensity ratios	Gross emissions (Market-Based)		
	FY23	FY24	% reduction
tCO <sub>2</sub> e per employee	11.2	10.7	4%
tCO <sub>2</sub> e per £m turnover	44.5	15.7	65%

Although Channel 3's absolute emissions have increased by 6%, this can be explained by the significant growth the business has made over the last financial year. When looking at emissions per employee and per million-pound turnover, these intensity ratios have improved; in particular, the million-pound turnover ratio has reduced by 65%.

# Our Responsible Investment Strategy

Responsible investing forms a core part of WestBridge's investment approach, with ESG serving as a central pillar of our Value Creation Model. Our responsible investment strategy aims to systematically improve a company's ESG footprint during WestBridge's period of ownership- from origination and deal execution to portfolio management and exit. This spans the ongoing assessment and monitoring of sustainability risks and impacts, as well as promoting improved practices throughout the investment cycle.

## There is a growing body of research to suggest that investment in ESG leads to:

- Enhanced reputation and trust
- Improved risk management
- Increased top-line growth through more sustainable products and services
- Improved employee engagement and talent attraction
- Operational efficiencies and cost-savings
- Regulatory compliance

<sup>2</sup> Flammer, C., & Luo, X. (2021). Is good corporate governance good business? A meta-analysis. *Journal of Management*, 47(8), 2251-2283.  
<https://www.sciencedirect.com/science/article/abs/pii/S0301479723016171#preview-section-abstract>



As responsible investors, we believe we have a role to play in balancing the scales to ensure that people and planet alongside profit are prioritised when making business decisions. We believe that a strong ESG programme will not compromise financial performance; but rather enhance it. A balanced focus brings a new perspective which opens minds and eyes to opportunities. ESG not only fortifies business operations, but also helps to future-proof businesses to achieve sustainable, long-term growth.

Over the past few years, we have seen the perception of ESG shift, evolving from a peripheral consideration to a central strategic factor in the investment lifecycle. For our investors, the benefits of integrating ESG into our investment practices and stewardship approach are evident. A robust ESG proposition fosters business growth by enhancing efficiencies, lowering costs, and boosting productivity. As a result, companies that invest in their ESG programme are increasingly gaining favourable attention from all stakeholders including investors, clients, suppliers and employees.

There is a growing body of research to suggest that companies with strong ESG practices tend to outperform their counterparts on various financial metrics. Papers highlight that integrating ESG into corporate governance enhances reputation, increases customer loyalty, improves risk management, leads to better resource management and inspires innovation<sup>2</sup>.

Over the last year, WestBridge has seen considerable investment results, including EBITDA and revenue growth across our Fund II portfolio, and ESG has undoubtedly played an important role in this. At the same time as building responsible businesses that optimise positive impacts on people and planet, investment in ESG is helping to maximise the financial value of businesses.

# ESG Regulation and Compliance

ESG compliance is becoming more of a focus area for asset managers. Regulation has been introduced in the UK with the FCA Sustainability Disclosure Requirements and in the European Union with the Sustainable Finance Disclosure Regulation (SFDR).

Although WestBridge Fund III is not in scope of SFDR, it has agreed to provide information in line with Article 8 templates to certain investors to provide them with information on environmental and/or social characteristics promoted by the fund along with how it manages sustainability risks and ensures investee companies follow good governance practices.

“We are continually supporting and encouraging our portfolio companies to progress. We work closely with management teams to embed responsible, ethical and sustainable practices that will instil better decision-making processes and lead to sustainable growth”

**Luke Gilbert**

Investment Manager,  
WestBridge

# Our Stewardship Approach

We work collaboratively with management teams of investee companies, supporting businesses to develop into responsible and sustainable organisations that demonstrate strong ESG values. We encourage investee companies to improve their ESG performance through a systematic approach of regular analysis, data measurement and robust governance structures. To effectively embed ESG into a business, we believe it is critical that action is driven from the very top. All investee companies have a member of senior leadership with responsible oversight over ESG and it is a key topic of discussion at board meetings, which WestBridge has representation on. We have also partnered with specialist ESG consultancy, Sustainable Advantage, who work with our portfolio companies from pre-investment and throughout their investment cycles, with regular engagement and reviews to craft improvement plans and steer targets towards ESG Excellence.

# UN Principles for Responsible Investment

WestBridge is a signatory of the United Nations Principles for Responsible Investment (PRI). The PRI is the world's leading proponent of responsible investment and encourages investors to use responsible investment to enhance returns and to better manage risks. As signatories of the UN PRI, WestBridge subscribes to the core principles that the body promotes. These are:



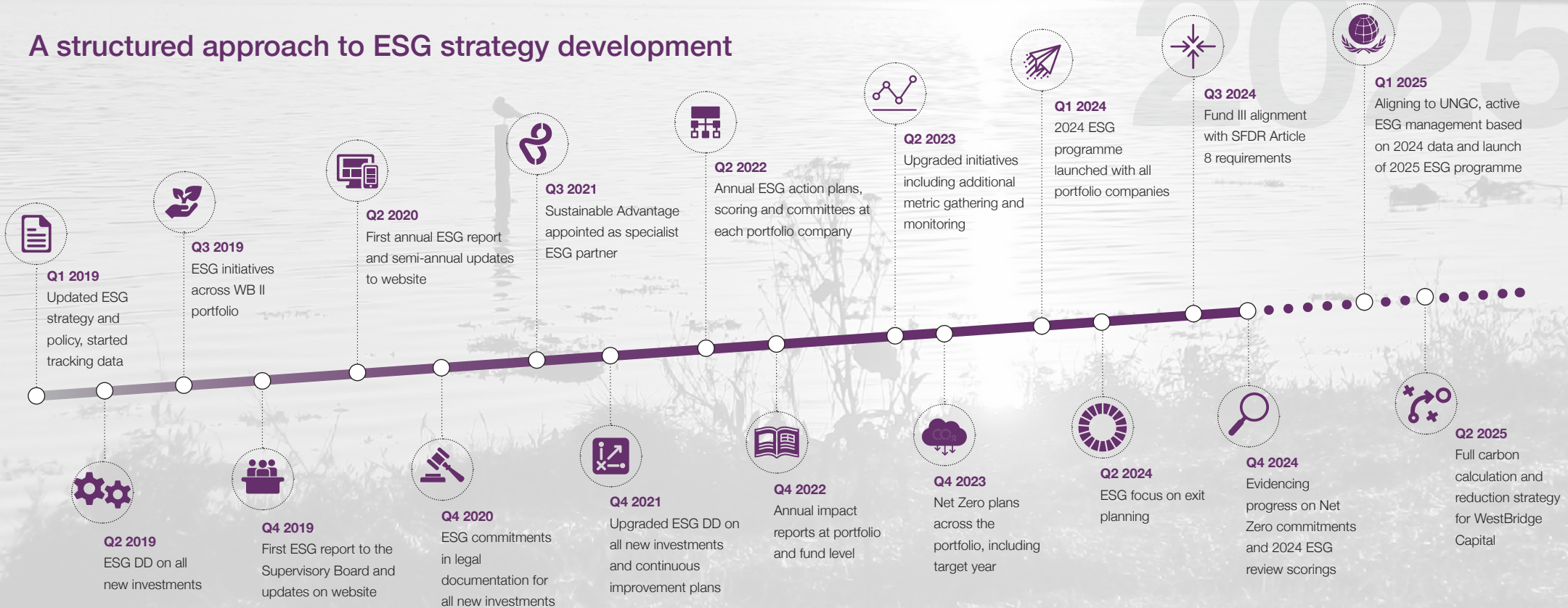
Signatory of:



# Our Evolving ESG Journey

At WestBridge, we aim to be best-in-class amongst our peers for fund managers of our size.. We intend to remain ahead of the curve and will seek to continually evolve our approach to ESG with our goal of maximizing returns for investors by pursuing sustainable, ethical and responsible business growth. While we are not an impact fund manager, we believe that our ESG strategy and proactive approach positions us firmly within the top tier of private equity managers.

## A structured approach to ESG strategy development





# The WestBridge Value Creation Model

WestBridge has a mature ESG programme that integrates ESG assessment and improvement practices throughout the investment cycle. We deploy a model that reviews a wide range of environmental and social characteristics and supports businesses to identify and understand their most material topics. This allows them to focus their efforts and resources on the areas that will create the most meaningful impact.

Our ESG programme comprises seven phases, beginning pre-investment and continuing with annual assessments right through to exit. Our objective is to assess and then systematically improve the ESG footprint of all investee companies over the period of ownership. Our robust framework, developed in collaboration with our ESG partners, has been highly successful. It has led to the integration of strong ESG principles and practices across our portfolio companies, resulting in positive outcomes for all stakeholders.

# Our structured approach to ESG strategy development

Our strategy ensures ESG is used as a strategic decision-making tool, a value lever and is fully embedded across the portfolio.



## Investment Sourcing and Origination

As part of our investment sourcing and origination, deal teams make assessments of ESG related risks and opportunities. Whilst there are some sectors in which WestBridge does not invest (e.g., munitions, gambling, etc.), ESG factors do not necessarily qualify out investment opportunities. We aim to drive improvements in a company's approach to ESG rather than only invest in companies with very high ESG credentials. We believe we can maximise impact and hence the value to the environment, the economy and society by partnering with a management team of a company which has significant ESG improvement opportunities.

## Our Due Diligence Procedures

We have a stringent process in place to assess the viability of an investment, and this includes pre-investment ESG risk and opportunity profiling. We work alongside our specialist sustainability partner, Sustainable Advantage, to conduct due diligence on our investment practices and we reject investment opportunities that do not meet our investment criteria.

Sustainable Advantage undertakes a detailed assessment of the ESG footprint at investment and makes initial improvement recommendations which are included in the rolling 100-day plan. In addition, and as required, further specialist advisers are engaged during due diligence to quantify significant potential risks.

The following key ESG potential risk areas are specifically considered during the due diligence stage:

- **Environmental protection and compliance**
- **Potential human rights violations – modern slavery, pay**
- **Employee welfare & relations – retention rates, grievances, health and safety**
- **Supply chain vetting – risk of ESG violations within the supply chain**
- **Customer relations – discontent, retention**
- **Business conduct**
- **Governance and policy management**

ESG improvement commitments are discussed and agreed with management teams during the due diligence stage. A commitment to improving each company's ESG footprint is included in the legal documentation, thus creating a legal obligation as part of the investment agreement between shareholders.

As part of the due diligence work, we also explore how ESG is perceived within the target company's industry and how the business is strategically positioned. For example, we evaluate whether ESG factors are a key feature of bid or tender requirements, what level of information is being requested by existing clients, and develop an understanding of the competitor landscape in terms of ESG sophistication on key material areas.

## The First 100 days

WestBridge implements a rolling 100-day plan to ensure that recommendations from the

pre-acquisition due diligence are phased in effectively. Each portfolio company creates an ESG committee which comprises representatives from a cross-section of departments and hierarchy levels with at least one board sponsor. This committee uses the assessment provided by Sustainable Advantage to ensure that foundational good governance ESG practices are introduced right from day 1 of investment.






Photo of Dipper Chee Dale by Jalal Khan, APEM Group

# 12-Month Review: ESG Scorings and Action Plans

The scoring and action plans we create annually for our portfolio companies are a critical part of developing their proposition. This builds on the initial ESG improvement programme conducted at the due diligence stage. We work alongside our sustainability consultants to identify key areas to improve ESG performance within our portfolio. 45-65 ESG evaluation areas that are relevant to the company are selected and assessed, providing the portfolio companies with a clear understanding of the steps they need to take to implement upgrades. WestBridge then utilises an online ESG Performance Tracker to monitor progress and includes the ESG improvements made in its funds' quarterly reporting to investors.

Our review framework, designed by Sustainable Advantage, aligns with international standards and frameworks including the UN SDGs, SASB and GRI. Percentage scores correspond to graded ESG maturity bandings ranging from 'Emerging' to 'Leading'. Badges are issued for companies to share both internally and externally as evidence of their ESG performance and commitment to driving progress.

	0-19%	<b>Emerging</b>	Company is at beginning of journey to define business success through an ESG risk and opportunities lens. Heightened likelihood of potential for non-compliance / risk areas. Opportunity to adopt ESG practices across the organisation.
	20-39%	<b>Progressing</b>	Company has begun to develop ESG initiatives due to reactive / compliance led necessity across some areas of ESG.
	40-59%	<b>Established</b>	Company understands the benefits of ESG and has implemented interventions to improve operations but has yet to evolve a mature strategic approach.
	60-79%	<b>Excellent</b>	Company has strategically developed and integrated key areas of ESG that are important to business operations.
	80-100%	<b>Leading</b>	Company has developed and integrated a holistic approach to ESG and may be considered leaders in the field. The primary role of the business is to create value and benefits for society and the environment. Actively engages across the organisation to tackle systemic ESG issues.

**APEM** Group



*“We are thrilled to have been awarded ‘LEADING’ status by Sustainable Advantage. This is recognition of our Group’s development of a holistic approach to ESG – whether that’s in the work we do for our clients in solving their biggest environmental problems, the initiatives that allow us to give back to the communities that we serve and to minimise our own environmental impact, all while fostering a workplace where all colleagues feel supported and celebrated”*

– CEO, APEM

*“We are delighted to say that 50% of our portfolio companies are achieving ‘ESG Excellence’ status and anticipate that this time next year, most will fall within this category”*

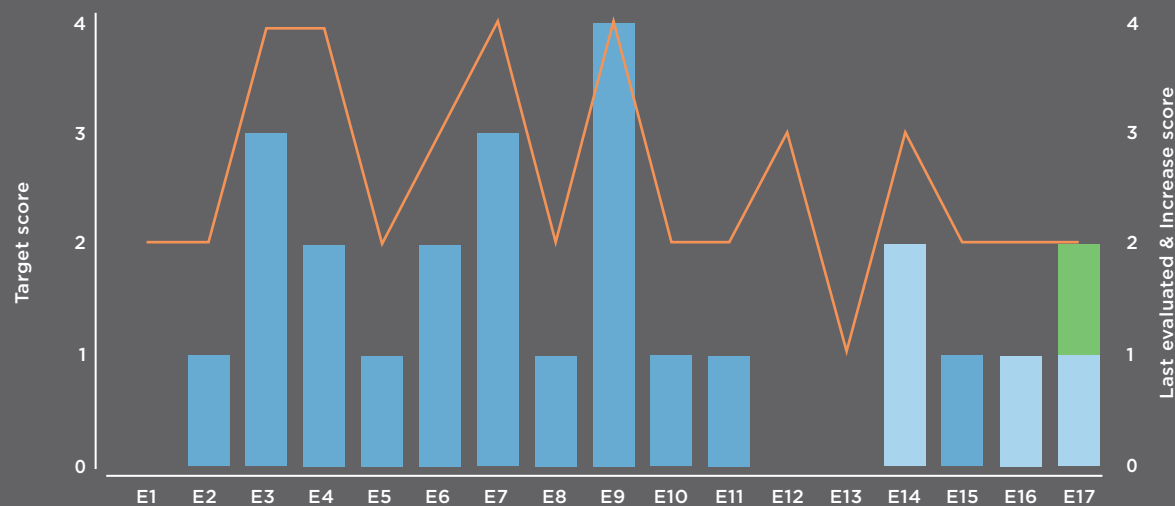
## ESG monitoring and engagement

The ESG Performance Tracker is an online portal designed to help businesses implement actions and track progress over the 12-month implementation period following each ESG review. Scores, targets and recommended actions from the ESG review are easily accessible via a live dashboard. This allows responsible individuals to make updates as they progress through each item. With its user-friendly functionality and real-time updates, the tracker also enables progress to be closely monitored by both the company and WestBridge, fostering collaboration on ESG goals.

### Overall Performance

Score	First Evaluated Score	First Evaluation Date	Last Evaluated Score	Last Evaluation Date	Latest Score	Target Score	Target Comp. Date
Environmental	29%	01-09-2022	35%	18-02-2023	37%	65%	31-03-2024
Social	62%	01-09-2022	62%	18-02-2023	63%	83%	31-03-2024
Governance	75%	01-09-2022	75%	18-02-2023	75%	94%	31-03-2024
ESG Integration	19%	01-09-2022	42%	18-02-2023	42%	69%	31-03-2024
<b>Total Score</b>	<b>49%</b>		<b>54%</b>		<b>55%</b>	<b>79%</b>	

### Environmental



Number	Area
E1	Renewable energy
E2	Energy reporting
E3	Energy consumption reduction
E4	Energy awareness
E5	Water consumption reporting and reduction programme
E6	Waste reporting
E7	Waste recycling
E8	Waste to landfill targets
E9	Waste awareness training
E10	Serviced premises (not in charge of utilities)
E11	Biodiversity
E12	Company vehicles - hybrid and electric
E13	Team member vehicles - hybrid and electric
E14	Measuring and reporting on climate change risks and opportunities
E15	Carbon emissions calculated
E16	Carbon emissions reduction plan
E17	Carbon offset

## Metrics collection

We collect and monitor over 150 ESG metrics annually, alongside a set of social metrics that are reported quarterly. Through this process we are able to respond efficiently to LP requests, track demonstrable progress year-on-year, identify key impacts and risks, and ensure that both portfolio companies and WestBridge are prepared for sound and transparent reporting.

## Annual carbon calculations

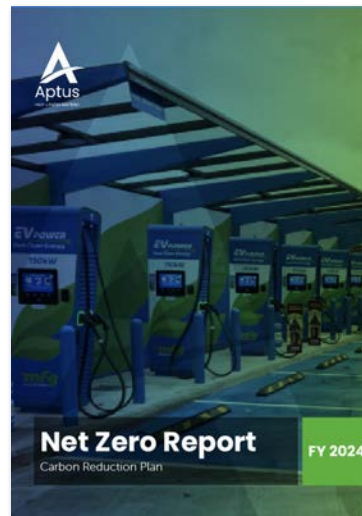
In the first year of investment, each investee company's Scope 1, 2 and 3 emissions are calculated, a Net Zero target date set, and carbon reduction strategy developed. Emissions are recalculated annually and relevant carbon intensity ratios (i.e. per £million revenue and per employee) are determined to allow for year-on-year progress to be measured.

## Sharing progress with stakeholders

Every investee company publishes an annual impact report, providing stakeholders with a clear view of the business' sustainability practices, achievements and commitments. These documents support companies to demonstrate and communicate their progress, as well as embed the principles of transparent disclosure, an important tenet to fostering responsible business practice.

## Exit preparation

ESG credentials are high on the agenda for a strategic trade or financial buyer. ESG excellence enhances a valuation, but equally unaddressed perceived ESG risks or poor performance can be a valuation drag. Exit is the time to showcase all of the positive improvements a business has achieved and illustrate how actions have benefitted the business and all stakeholders. WestBridge ensures that the benefits delivered through systematically improving the company's ESG footprint are highlighted in a comprehensive vendor ESG due diligence pack which supports the regular impact reports the company publishes. This also highlights any remaining potential ESG improvement areas along with the associated action plans for the prospective new business owners.



# Striving for ESG Excellence

A photograph of two workers, a man and a woman, wearing white hard hats and high-visibility yellow and blue safety jackets. They are standing on a construction site at night, looking intently at a laptop held by the woman. The man is pointing at the screen. The background is dark with some blurred lights, suggesting an industrial or construction environment.



## Eque2 - an ESG Success Story

**WestBridge invested in Eque2 in December 2020 and realised the investment in May 2024. During these three and a half years, the business substantially developed their ESG maturity - improving their ESG score from 18% to 63%. This is how Eque2 evolved into an ESG Excellent organisation in partnership with WestBridge and by applying our leading Value Creation Model.**

Eque2's ESG performance scores over the WestBridge holding period

	2021 First ESG Review	2023 Second ESG Review	2024 Third ESG Review
Environment	13%	30%	50%
Social	25%	62%	76%
Supply Chain		20%	
Governance	22%	43%	40%
ESG Integration	6%	50%	63%
<b>Total</b>	<b>18%</b>	<b>45%</b>	<b>63%</b>

Eque2 is a market-leading supplier of business management/ERP (Enterprise Resource Planning) software to the construction, contracting and house building industries. The company offers tailored cloud-based products, which help customers to streamline the financial and commercial management of their projects.

Eque2 underwent an initial ESG review in November 2021. At that time, ESG was a relatively new concept for businesses, and Eque2 was just beginning its journey. Scoring 18% overall, their strongest performance being in the Social and Governance areas. The review set out a series of targets for the following 12 months, with clear guidance and support provided by our partner ESG consultancy, Sustainable Advantage.

The second assessment took place in May 2023, and Eque2 was able to evidence some excellent gains across all areas of ESG. Progress in the first year included the introduction of ESG governance measures such as establishing an ESG policy and committee, that has since driven the ESG agenda forward at the business. Efforts in the first year resulted in an improved second-year score of 45%, placing Eque2 within the ESG maturity bracket of 'Established'.

Earlier this year, Eque2 underwent its third assessment, with notable successes in the Social category, showcasing the company's dedication to its employees and communities. Key highlights included the implementation of a robust career progression and development framework, and the creation of employee-led community groups such as Women at Eque2 and

Health and Wellbeing. Efforts to enhance diversity and inclusion also created measurable impact, evidenced by an increase in ethnic minority and female representation at senior levels. They have also put in place monitoring to ensure that any gender pay gap is removed.

A significant achievement of Eque2 during 2023 and 2024 was the introduction of Embedded Carbon, its first dedicated carbon product. This solution enables quantity surveyors to track embodied carbon data throughout the lifecycle of construction projects, providing them with essential tools to make better decisions by considering the environmental impact of a project alongside financial factors.

The publication of the first Net Zero report last year set an ambitious goal of reaching Net Zero by 2035. Since then, impressive progress has been achieved, with overall carbon emissions reducing by more than one third, including an 80% reduction in Scope 1 emissions. This advancement has been propelled by key initiatives such as consolidating office locations and transitioning the majority of the fleet to electric vehicles.

WestBridge realised its investment in May 2024, reinvesting a portion of the proceeds and retaining a stake in the business going forward. Over the three and a half year hold period with us, the company's total ESG score rose from 18% to 63%, placing them firmly in the ESG maturity bracket of 'Excellent'. This achievement showcases the impressive scope of improvements made by strategically integrating ESG into its company operations.



APEM provides environmental consultancy services focused on aquatic environments, and act as advisors to developers, regulators, and nature conservation bodies globally. The Group has grown significantly, with the acquisition of six additional companies under WestBridge's partnership since 2021. 2023 and 2024 were years of evolution and success for APEM Group. They have supported developers and regulators of renewable energy, provided progressive approaches to projects within the water industry and met and exceeded invasive species management and biodiversity protection goals.

APEM has made impressive progress on its sustainability performance during its partnership with WestBridge. Although already at a high level of performance in 2021, achieving a score assessed as 'ESG Excellent', APEM has continued to make significant gains to achieve 81% in 2024. This places the company in the highest banding available, classifying the company as an 'ESG Leading' organisation.

## Key 2024 Sustainability Highlights:

ESG assessment score of 81%, placing APEM in the category of 'ESG Leading'

94% of APEM Group staff said that they feel their manager genuinely cares about their wellbeing

Net Zero target date of 2040 that is SBTi-aligned

Reduced gross GHG emissions by 5%

Increase in renewable energy use from 19% to 62%

45% of the board is female

12,230 training hours delivered


Paid Volunteer Leave introduced: In 2023, 85 staff across APEM Group took just under 600 hours of paid leave to volunteer for a Not for Profit


Sustainable Transport Committee formed with a remit to review business travel practices

55% reduction in waste driven by the 'Zero-waste campaign'

Robust supplier ESG due diligence in place

566 Group suppliers vetted

 HQ Location:  
Stockport

 Employee  
Number:  
658

## Awards and Accreditations



## SDG alignment



Alpine Fire Engineers are a specialist fire services business. Alpine design, project manage and maintain fire suppression systems. WestBridge invested in Alpine in December 2022 and over the last two years the company has made impressive progress in its ESG journey.

Since its first ESG scoring in 2023, Alpine has increased its overall score to 61%, placing Alpine in the category of 'ESG Excellent'. The most significant improvements are evident in the areas of Social which has increased from 51% to 71% and Supply Chain where practices have seen an improvement to 47%, up from 19%. A key highlight since investment has been the Alpine Fire Campaign, an initiative to lobby government, fund innovation and protect natural habitats, all with the goal of reducing water wastage in the fire suppression industry.

## Key 2024 Sustainability Highlights:

Environmental policy in place

'Alpine Fire' Campaign –focused on reducing, reusing and recycling the clean water used for testing of fire suppression systems

Plans in place to reduce water consumption

43.4% reduction in overall GHG emissions

ESG committee established, which includes a Diversity, Equity & Inclusion champion

Wellbeing team established, with appointment of wellbeing champions


People Director appointed

Supplier assessment process implemented

Quarterly audits of the top 10% of suppliers

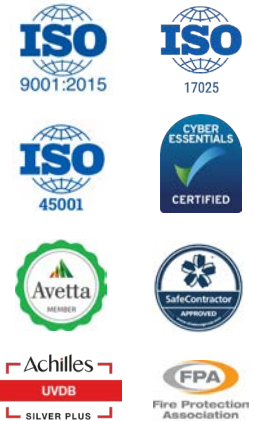
Cyber Essentials certification obtained



 HQ Location:  
Bury

 Employee Number:  
129

## Awards and Accreditations



## SDG alignment



Smart CT is a trusted IT services organisation that offers specialist IT spares and supports global outsourcers, system integrators and value-added resellers. Customers rely on Smart CT to deliver the right equipment and reliable technical support, with the highest service standards. Since its inception in 2002, Smart CT has worked hard to become the ‘go to partner’ for some of the largest IT technological solution providers.

Smart CT has made very good progress across all areas of ESG in the last year, increasing their overall re-baselined score of 34% to 53%. The company has particularly excelled in Social and Governance, both areas achieving scores of 65%.

### Key 2024 Sustainability Highlights:

Environmental policy created

Environmental champion appointed

Environmental sections now a part of the onboarding process for suppliers

DE&I training introduced for all employees in March 2024

Neurodiversity training for management

Diversity questionnaire gathers information about demographics and access to work

Objectives and action plan created as a result of October 2023 employee engagement survey

Grading system for engineering team created to support career development

Supplier Code of Conduct redrafted to include sustainability statements

Cyber Essentials obtained

ESG Committee embedded and meets quarterly

Winner of Best Sustainability ESG Initiative of the Year at the 2024 CRS UK MSP Innovation Awards

Finalist for four awards at the Sustainability in Tech Awards 2024

Environmental Officer, Claire Jones, winner of the Unsung Hero award at the CRN UK Women & Diversity in Channel Awards 2024

HQ Location: Berkshire

Employee Number: 83

### Awards and Accreditations



### SDG alignment



Tryzens is an international full-service digital commerce solutions agency, bringing deep technical expertise to B2B / B2C / D2C brands and technology innovators. They are recognised as leaders in global branded commerce, helping international brands sell their goods and services to millions of customers across both new and existing markets.

WestBridge invested in Tryzens in July 2023, this marked the first investment from WestBridge III. Following the ESG due diligence carried out on investment, Tryzens underwent its first annual ESG review in 2024, achieving an overall score of 44%.

### Key 2024 Sustainability Highlights:

- ETryzens Academy – internal learning platform to train and develop staff
- Active community engagement programme building houses for homeless people and working with a local school for children with disabilities
- Excellent customer satisfaction systems with NPS run quarterly
- Robust cybersecurity measures as evidenced by being PCI DSS compliant and having ISO 27001
- Organically diverse workforce with 44% female
- DE&I integrated into recruitment (CVs are anonymised)
- WCAG 2 certification enables Tryzens to ensure their clients’ services are accessible to visually impaired users
- Comprehensive training for new managers
- Employee recognition scheme, “Tryzenauts of the Year”, to reward outstanding employees
- 5% decrease in staff turnover between FY22 and FY23
- Policies reviewed against legislative changes annually – external experts engaged to support policy development
- Modern Slavery policy and training in place
- Winners of the NORA (National Online Retailers Association) CX Innovation Excellence Award alongside R.M Williams

HQ Location: London

Employee Number: 330

### Awards and Accreditations



### SDG alignment





## Looking into 2025

**As we step into 2025, we anticipate that the landscape of ESG will continue to evolve, and we feel more than ready for it. Our plans for the coming year will further augment our position arguably as leaders in responsible investment practices, and evidence our ongoing commitment to addressing global challenges alongside driving sustainable value creation.**

Our focus remains firmly on advancing ESG performance by supporting companies to adopt increasingly sustainable ways of doing business- striving for ESG excellence across the entire portfolio. As a firm we are committing to calculating the emissions generated from our recent fundraising and offsetting these. Whilst we invest in UK based and typically UK focussed businesses, our fundraising efforts involve significant international travel and we are seeking to ensure that the WestBridge III fundraise is a carbon neutral fundraise. In line with our commitment

to globally recognised standards, we also intend on becoming a member of the UN Global Compact.

Sustainable finance regulation will continue to be a theme for us as we move into the next phases of Article 8 alignment which includes measuring our impacts and reporting on sustainability risks. We are also aware of new UK regulation (the Sustainability Disclosure Requirements) and plan to explore how we can align with the framework in order to attract responsible investors and give them confidence that our investments are sustainable, resilient and profitable.

No doubt 2025 will be another year of significant strides and ambitious target setting. We look forward to harnessing new opportunities, and seeing our portfolio continue to mature as responsible and ethical businesses, setting a high standard for sustainable growth in private equity.



Working in partnership with:



**SUSTAINABLE  
ADVANTAGE**

An intelligent approach to energy, waste & sustainability

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