



*Responsible  
Investment  
Report  
2022/2023*

## Triton at a glance

Founded in  
**1997**

Professionals accross  
**12 offices**

Integrated operating &  
specialist teams

**€16 billion**  
raised since inception

**190+**  
institutional investors

**130+**  
Investment and operating  
professionals across four  
sector teams

**30+**  
Specialists supporting value  
creation throughout the  
investment life cycle



Portfolio companies  
**44**  
Portfolio companies as end of 2022

**90+**  
Investments since inception

**450+**  
Add-on acquisitions completed

**€18 billion+**  
Combined portfolio revenues

**100,000+**  
Employees at portfolio  
companies

Core Triton sectors  
 **Business Services**

 **Industrial Tech**

 **Healthcare**

 **Consumer**

Strategies  
Capital raised  
**€13.2bn**  
Mid-Market PE

**€1.3bn**  
Smaller Mid-Market PE

**€1.5bn**  
Credit

## Triton at a glance (cont.)

Triton and its portfolio companies (PCs) benefit from WestPark and the services provided by it. Since its formation in 2007, **WestPark has become a core part of Triton’s “Building Better and Higher Quality Businesses” strategy and approach.** WestPark is able to provide a range of value-adding services to support the investment process and portfolio companies that would otherwise be provided by third parties.



# Highlights - 2022/2023 Responsible Investment Report

Click the icons to explore further



### Who we are

Get to know the ESG team and its focus areas.



### ESG Lighthouse Awards

Triton recognises the approaches our portfolio companies are taking, and achievements made, in driving and accelerating ESG.



### Climate adaptation

Addressing the physical impacts of global warming has been a major focus area for the ESG team in 2022-23.



### Natural capital

We have developed a biodiversity risk assessment template in line with the TFND and implemented biodiversity KPIs in our annual ESG reporting.



### Portfolio ESG strategy

Materiality and regulation are topics that drive risk and opportunities, our focus areas and strategy.



### GRI tables

Our Responsible Investment report references the Global Reporting Initiative's Standards.



### Energy efficiency

As energy prices have risen, energy efficiency has been a priority topic for Triton and our portfolio companies.



### Thematic deepdives

Triton publishes Spotlight reports covering the key areas which we focus on.



### ESG portfolio performance

Triton welcomes 6 new portfolio companies who reported for the first time on 2022 data.



### Welcome from our Managing Partners

Introductory comments.



### Responsible procurement and supply chain management

Read more about a key area of focus in 2022.



### Diversity, equity and inclusion (DEI)

Embracing DEI supports our performance and processes, and contributes to making Triton an organisation to be proud of.

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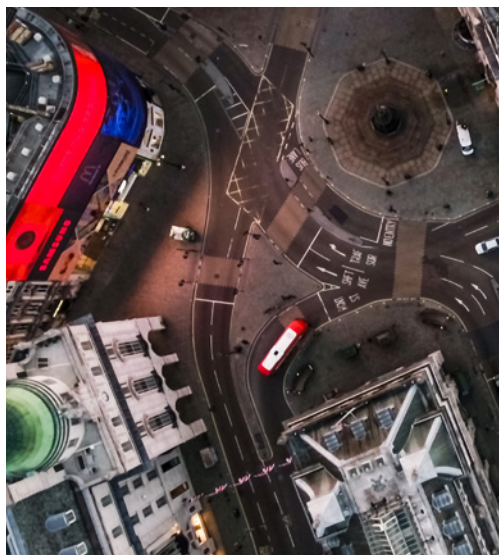
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This Responsible Investment Report covers Triton's ESG processes, framework and reporting. We report on our private equity funds in 2022 and include forward-looking statements for 2023. Unless otherwise stated, all data refers to calendar year 2022. For our credit funds, we have not historically sought data disclosure to the same degree – however, we have increased our focus on our credit funds and will seek greater disclosure in future in line with regulatory developments, including the European Union's Sustainable Finance Disclosure Regulation (SFDR) and Principal Adverse Impact (PAI) requirements.

# Welcome from our Managing Partners



**100%**

of new platform investments received ESG support and due diligence

**100%**

of new joiners completed the Trust in Triton business ethics training

Dear Investors, Colleagues and Partners,

This is our fourth Responsible Investment Report. In the pages that follow, we will set out our approach to investing responsibly – how we embed environmental, social and governance (ESG) factors in our private markets’ investment processes. We are proud that we’ve had an ESG team in place for a decade now. As demands from regulators, markets and an ever broader set of stakeholders continue to grow, our Responsible Investment (RI) Framework has continued to evolve, managing these factors and seeking opportunities to develop.

The past 12 months have thrown forward new challenges. From February, global focus was drawn to the escalating conflict in Ukraine, the ramifications of which are still

impactful globally; threatening political stability, security and financial markets. We have seen disruption in supply chains and increased scrutiny on sanctions regimes as a result, as well

as regulatory developments around sustainable finance.

Meanwhile, the pressures society is putting on global ecosystems are increasing. The latest report from the Intergovernmental Panel on Climate Change (IPCC), cited scientific evidence showing that human-caused climate change has led to widespread adverse impacts and related losses and damages to nature and people. In tandem, the pressures on global ecosystems continue to build, with the World Wildlife Fund (WWF) updating its Living Planet Index with the finding that 69% of wildlife populations have been lost since 1970.

New technologies can also be disruptive – advances in AI for example, bring new opportunities and risks to a range of economic and social activities.

*Sustainability is a crucial factor to how we build better, higher quality businesses at Triton – both in protecting and in creating value for our investors, portfolio companies and the communities where they operate.*

Over the course of the last year, the vast majority of our portfolio companies (“PCs”) have taken substantial strides forward in improving their ESG

frameworks and delivering sustainable outcomes. We continue to see greater opportunities from investments aligned with environmental and social drivers. **Across our PCs, our Stewardship Programme is continuously pushing for more systematic and structured governance, to pivot existing businesses towards more sustainable products and services, and de-risked operational performance.** In our annual ESG Lighthouse Awards, we recognise outstanding progress, ESG initiatives and projects which PCs have delivered during the year. These are described on page 27. Fertiliser and ammonia company, Fertiberia, was the overall winner this year, with further separate awards for other PCs across each of the environment, social and governance agendas.

Additionally, our focus on diversity, equity and inclusion (DEI) has continued to yield dividends. Over the longterm, we have increased the proportion of female investment professionals from under 10% in 2016 to over 26% today. Progress is not always linear and we remain committed to achieving our targets.

Regulatory and industry initiatives continue to increase data and reporting

## Welcome from our Managing Partners (cont.)

requirements. We strongly support a data-led approach, while recognising that alignment and standardisation of these multiple stakeholder requests is an important step, and we continue to engage actively with multiple industry bodies to support this work. Across Triton's strategies, we have classified our newest funds Triton V and Triton Smaller Mid-Cap II as Article 8 Funds under the EU's Sustainable Finance Disclosure Regulation. In 2021, we made a pledge to Net-Zero emissions by 2040, and in 2022 have continued to work across Triton and its PCs to find paths towards greater decarbonisation. Utilisation of sustainability-linked lending – to access better financing opportunities – continues, with targets met and the financial benefits material.

**Throughout the pages that follow, we outline the impact of ESG issues on Triton's business, colleagues, and partners. We believe our approach improves outcomes for our PCs, employees and ultimately our investments.** We continue to focus on the importance of measurability to drive change, and also discuss how our thematic research is of increasing importance to how we make and manage investments.



Peder Prah



Martin Huth

### Responsible Investment timeline

<h4>2022</h4> <ul style="list-style-type: none"> <li>Portfolio-wide DEI campaign</li> <li>Signed Terra Carta and joined Private Equity Sustainable Markets Initiative Taskforce</li> </ul>	<h4>2021</h4> <ul style="list-style-type: none"> <li>Hired Head of Sustainable Investing</li> <li>Set Net Zero by 2040 target across portfolio</li> <li>First Sustainability-linked loan facility</li> </ul>	<h4>2020</h4> <ul style="list-style-type: none"> <li>Published first Responsible Investment report</li> <li>Identified material SDGs and targets</li> </ul>	
<h4>2019</h4> <ul style="list-style-type: none"> <li>ESG Forum focused on 'Capturing Value Creation'</li> <li>Launched portfolio company annual ESG Awards</li> </ul>	<h4>2018</h4> <ul style="list-style-type: none"> <li>Introduced online ESG reporting tool</li> <li>Formalised portfolio company ESG bi-annual review process</li> <li>ESG Forum focused on 'Enhancing Culture'</li> </ul>	<h4>2017</h4> <ul style="list-style-type: none"> <li>Fourth ESG Forum 'From Reactive to Proactive'</li> </ul>	<h4>2016</h4> <ul style="list-style-type: none"> <li>ESG Forum 'Value Protection to Value Creation'</li> <li>Started diversity inclusion programme</li> </ul>
<h4>2015</h4> <ul style="list-style-type: none"> <li>ESG Forum 'Risk Management'</li> </ul>	<h4>2014</h4> <ul style="list-style-type: none"> <li>Rolled out ESG programme to portfolio companies</li> <li>ESG Forum 'Policy Implementation'</li> </ul>	<h4>2013</h4> <ul style="list-style-type: none"> <li>Hired Head of ESG</li> </ul>	<h4>2012</h4> <ul style="list-style-type: none"> <li>Signed UN PRI</li> <li>Approved Responsible Investment policy</li> </ul>

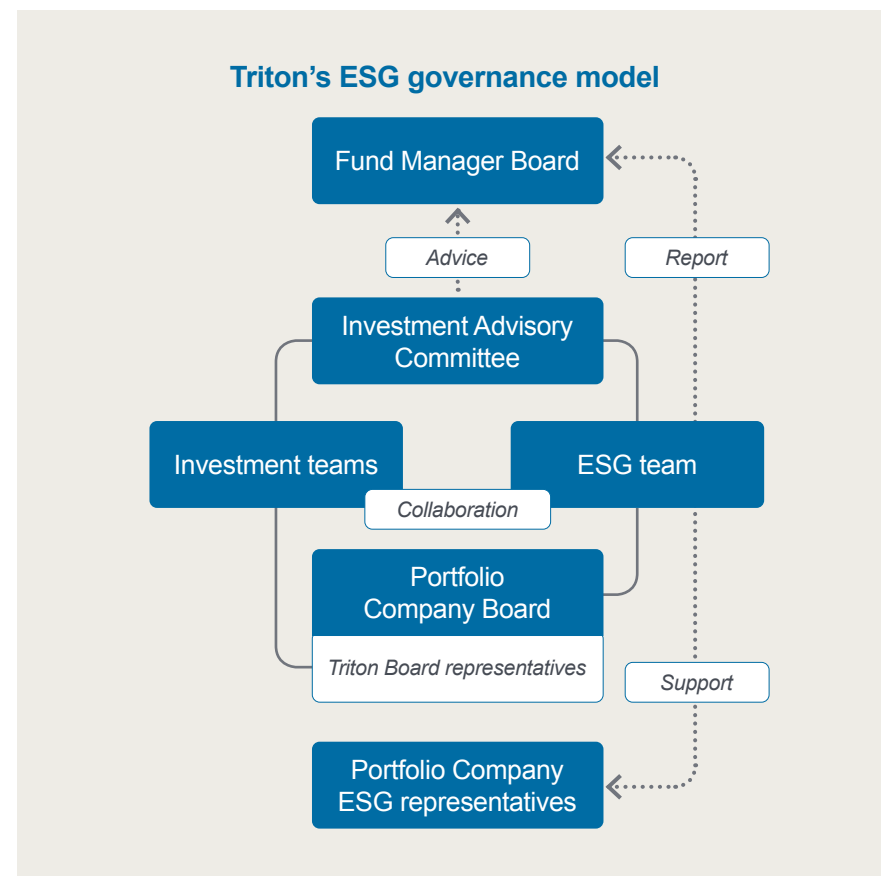
## Triton Responsible Investing Framework

At Triton, we remain firmly tied to the concept that ESG is value accretive. Value can be created through the perception of lower risk and volatility tied to earnings. It can also be realised through an enhanced ability to understand drivers for and reshape activities, products and services, and supply chains. The evidence that better management of ESG factors is linked to value creation has continued to build in external studies.<sup>1</sup>

We believe that Triton continues to differentiate its investment process via a deep and materiality-based embedding of ESG factors. **To build better, higher quality, businesses we integrate analysis of environmental risks and opportunities, focus on factors affecting a range of societal stakeholders, and set robust governance programmes to underpin their delivery.** Our expertise makes responsible investing an essential value creation factor at Triton. To ensure effective delivery, we have continued to invest in our ESG team and are improving the transactional support offered to our deal teams.

Triton's Responsible Investment (RI) Policy, available on our website, was introduced in 2012 and is reviewed annually. Triton has been a signatory to the United Nations-backed Principles for Responsible Investment Initiative (UN PRI) since 2012 – our PRI Reports are available on our website. This evolving framework has ensured consistency and a ratcheting up of our efforts and outcomes over time.

Within Triton, overall responsibility for the ESG programme, along with all investment decisions, sits with the Fund Manager Board. In 2022, the Board was advised by the Investment Advisory Committee (IAC) and received regular reports from the ESG team. In practice, PC CEOs designate responsibility for delivery of the ESG plan to their management team. Depending on the company, this might be the CFO, in-house counsel, HR, Communications Director, Quality Health Safety Environment Director, or a dedicated Sustainability role.



<sup>1</sup> Bain & Co, in a study with ESG Research firm Ecovadis which was predominantly focussed on private companies, found that 'ESG activities are associated with encouraging revenue growth and EBITDA margins' and that 'positive ESG outcomes are a trail of successful businesses' (Bain & Co, Do ESG Efforts Create Value, 2023). A study by MSCI found that companies with high ESG ratings outperformed those with low ratings by an average of 2.7% per year from 2007 to 2018. (Foundations of ESG Investing Part 3: The Alpha Perspective, August 2019). Deutsche Bank found that companies with strong ESG performance had higher profitability and lower volatility compared to companies with weak ESG performance. (ESG & Corporate Financial Performance: Mapping the Global Landscape, October 2019). State Street Global Advisors found that companies with diverse boards had better financial performance than companies with less diverse boards. (The Impact of Board Diversity on Corporate Performance: New Evidence from a Large, Diverse and Long-Standing Sample, October 2019). Harvard Business School examined the sustainability reports of 180 companies and used return on assets (ROA) and return on equity (ROE). Specifically, the study found that companies with high ESG performance had an average ROA that was 1.8% higher than companies with low ESG performance, and an average ROE that was 4.8% higher than companies with low ESG performance. (2015, Corporate Sustainability: First Evidence on Materiality)



## Triton Responsible Investing Framework (cont.)

### Triton ESG Team

Currently comprising four ESG Professionals, the team brings together a wealth of experience, expertise and education. Graeme, Kathryn, Shreya and Ashim have distinct and overlapping areas of focus in delivering the Responsible Investment Framework across Triton, our portfolio companies and our broader activities.



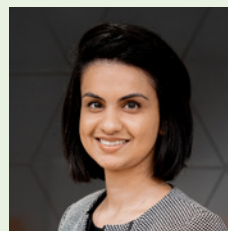
**Graeme Arduis is Head of ESG.**

Prior to joining Triton in 2013, he was a Global Director of Occupational Health, Safety and Environment (OHSE) and Sustainability at Amcor. He also worked at Environmental Resources Management and Shell International. Graeme is responsible for delivery of the Stewardship Programme, transactional support and investor relations. He is also active externally through roles on Invest Europe's ESG Committee, the Global SteerCo of iCI, PESMIT and the BVCA Responsible Investment Advisory Group.



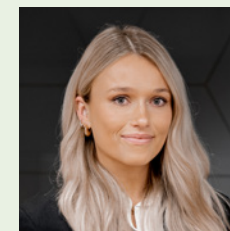
**Ashim Paun is Head of Sustainable Investing.**

Before joining Triton and the ESG team in 2021, he was a Managing Director and Global Co-Head of ESG at HSBC Global Research, with a focus on climate and energy transition. Ashim also held related roles at Newton Investment Management, PIRC and Magnetar Capital. Ashim is focussed on sustainable investing strategies and working with the sector teams to drive sourcing, on investor relations and on Triton's communications strategy around ESG.



**Shreya Dholakia is an ESG Professional.**

Prior to joining Triton, Shreya worked at PricewaterhouseCoopers as an Associate Director, Sustainability, Value Creation & Realisation. Shreya is responsible for the Stewardship Programme across PCs in the Triton Mid-Market Business Services and Consumer sectors, and in the Triton Smaller Mid-Cap DACH region. She has additional expertise in climate change and a focus on regulation.



**Kathryn Bintcliffe is an ESG Professional.**

Prior to joining Triton, Kathryn worked at Deloitte UK, ESG M&A –Transaction Services. Kathryn is responsible for delivery of the Stewardship programme across portfolio companies in the Triton Mid-Market Industrial Technology and Healthcare sectors, and in the Triton Smaller Mid-Cap Nordics region. Kathryn is also focussed on developing a market-readiness ESG strategy for portfolio companies.

## Triton Responsible Investing Framework (cont.)

### Integrating ESG considerations

**A structured application of ESG factors forms the foundation for our Responsible Investment framework.**

We can see that the efficacy and rigour of the framework is of increasing importance to the investors who trust us to manage their funds over time.

**Strategic sourcing:** When looking to invest in new companies for our portfolio, we have targeted businesses that bring goods and services to market which we believe are aligned with sustainability drivers. This is evidenced by our recent investments in companies such as OCU Group, Kälte Eckert and Clinigen. Triton has continued to prioritise such investments – in 2023, we have already considered investments in several sectors with strong supporting environmental megatrends such as companies offering water infrastructure and circular IT solutions.

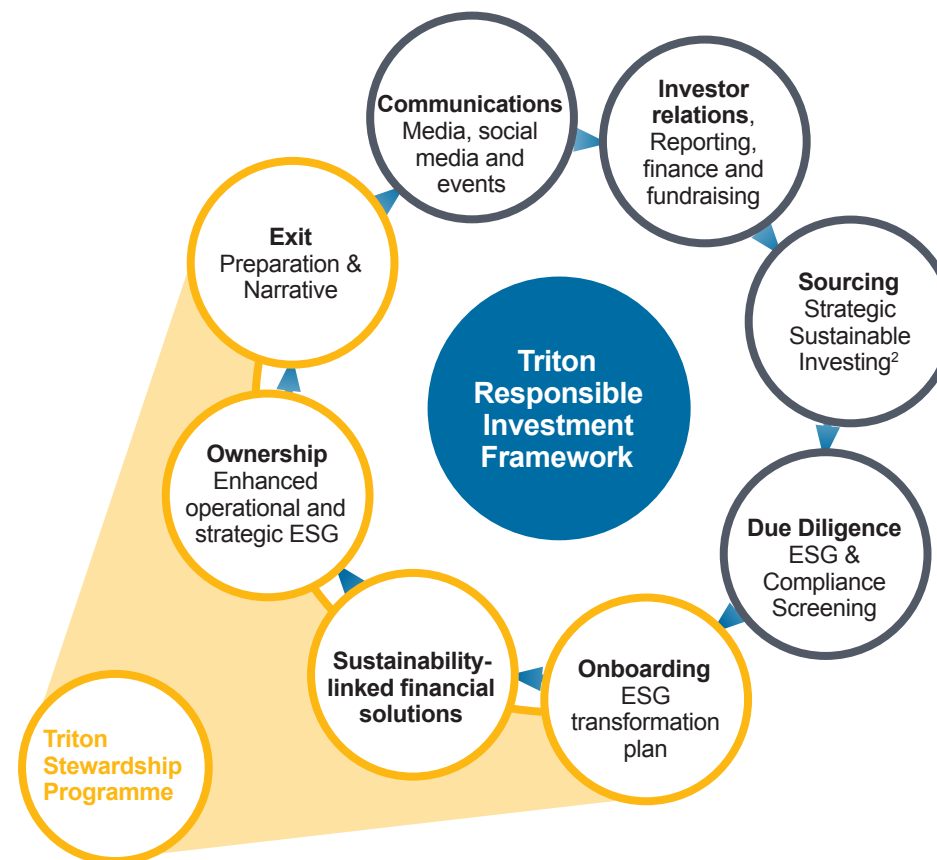
**Due diligence:** Our strategic sustainability focus is coupled with operational analysis during due diligence, as we focus on companies' ESG risk profiles and whether they have appropriate systems in place to manage these. This enables us to better quantify the ESG risk profile and assess this in the context of the overall transaction.

Once an investment is finalised, PCs are onboarded into the Stewardship Programme. The ESG team then builds on the diligence efforts, working with PCs to develop a board-approved ESG Action Plan, and to ensure they have adequate policies, processes, and programmes, to deliver performance and reporting around ESG. We also work with PCs to ensure their goods and services are optimally aligned with changing consumer demand and business practices. Our PCs are thus supported in using sustainability in exploring product adjacencies and seeking new end-markets.

*Our Responsible Investment framework enables Triton's PCs to mitigate ESG risks and realise opportunities aligned to their business activities, helping them to create and protect value during and after our ownership.*

In the subsequent section, we offer detail on how we drive operational ESG improvements.

When realising investments in PCs, buyers from across the spectrum – financial, trade and public market – are increasingly focussed on operational and strategic sustainability. Ensuring that our PCs have strong sustainability credentials strengthens their attractiveness.



<sup>2</sup>In the context described on this page, we do not use the term “sustainable investment” in the sense defined by the EU Sustainable Finance Disclosure Requirements (SFDR). Triton’s working definition for sustainable investments is researching and investing in sectors with strong supporting environmental, social and governance trends and themes.

## Triton Responsible Investing Framework (cont.)

### Disclosure and reporting

To build better businesses and build trust with our stakeholders, we must be transparent about our ability to constantly improve the ESG performance of PCs under our ownership. Our PCs' ESG performance data is key, therefore, and we welcome the disclosure they provide (from page 25). **Measuring and analysing ESG data helps us to determine where to focus our efforts.** Our methodology, in turn, is under constant review as we seek to improve and evolve our approach to ESG reporting.

Every year, PCs may be both invested in and sold to new owners. As the portfolio is constantly evolving, year-on-year ESG data comparisons will always be challenging for investors. Nevertheless, we attempt to show progress on our sustainability efforts over time. Each Spring, once data has been harvested from across the portfolio, we hold one-to-one validation and strategy sessions with our PCs to ensure data consistency. The data collected allows us to track our PC performance and forms the basis of biannual reviews with PCs and their Triton board representatives. These reviews are crucial, as we seek to both strategically and operationally expand



ESG programs and set appropriate and stretching targets for sector and business lines.

*Triton invests capital and resources to drive positive change - we embrace the evolving challenge of delivering progress on sustainability over time.*

Our commitment to transparent and consistent ESG reporting creates opportunities to drive tangible value.

For example, financing arrangements may now integrate sustainability performance. If performance meets stipulated thresholds, lenders offer lower cost-of-capital opportunities.

In 2021, Triton implemented sustainability-linked loans for the Triton V Fund and the Triton Smaller Mid-Cap II Funds, where successful and audited performance against five ratcheting ESG metrics has triggered

100%

of new joiners completed the Trust in Triton business ethics training

100%

of new platform investments received ESG support and due diligence

preferential terms. Three metrics relate to specific environmental KPIs – around carbon emissions, water and waste. The other two are broader governance metrics. The first is a requirement for improvement-focused ESG Action Plans, which cover a range of environmental, social and governance metrics in areas including DEI, biodiversity and cyber security. The second requires board

## Triton Responsible Investing Framework (cont.)

reporting on ESG progress at portfolio companies. A syndicate of six banks, led by the Royal Bank of Scotland International (RBSi), facilitates the lending.

This structured framework supports individual PCs to issue their own, company specific sustainability-linked bonds, where greater market demand for such issues can drive better outcomes for issuers. Swedish flooring

company, Kahrs, and Norwegian lighting manufacturer Glamox, were the first Triton PCs to issue such bonds.

### The growing demands of European sustainable finance regulation

We continue to welcome the pace of change in relation to regulation of the sustainable finance industry. While this may bring new administrative

and reporting requirements, we believe it is necessary to eliminate 'greenwashing', or the making of claims to sustainability which are unrepresentative of the true nature of a business line or investment decision or process. **We therefore welcome the increased transparency which the current regulatory tide brings** and intend to use this emergent regulatory agenda to meet our stakeholders' priorities.

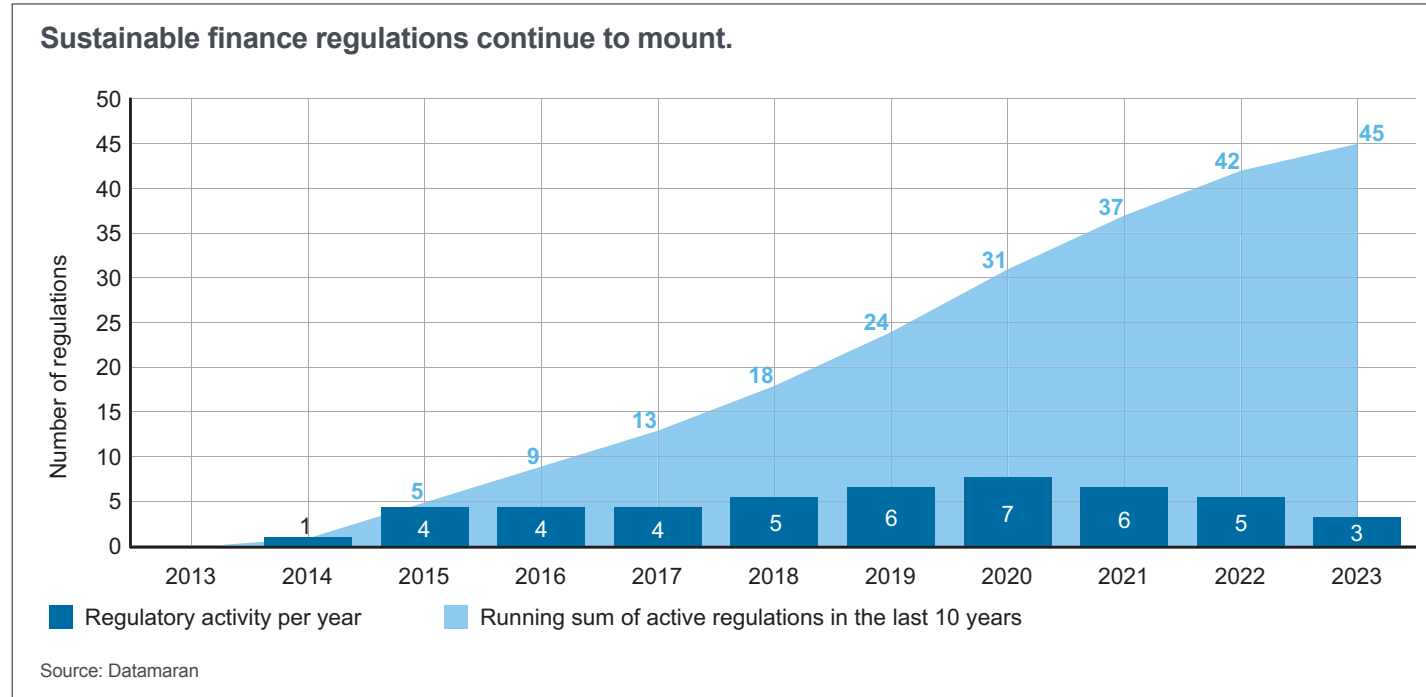
Key pieces of regulation in this area which affect Triton's operations, and those of our PCs, include:

**EU Green Deal:** This comprehensive policy initiative aims to combat climate change and promote sustainable economic growth. It covers a range of measures and targets, including increases to the share of renewable energy, improving energy efficiency, reduction in greenhouse gas emissions, promotion of sustainable agriculture and biodiversity, a circular economy and sustainable transport.

**EU SFDR:** The EU Sustainable Finance Disclosure Regulation introduces mandatory ESG disclosure obligations for the financial sector. This legislation applies to the financial services sector, including banks, insurers, large pension schemes, listed companies, and the private equity sector. The SFDR allows categorisation of investment funds according to sustainability criteria. Article 8 Funds are those that promote environmental or social characteristics but do not position them as the overarching objective. We have classified our two latest private equity funds (Triton Fund V and Triton Smaller and Mid-Cap II) as Article 8.



## Triton Responsible Investing Framework (cont.)



in Triton’s geographies related to sustainable finance across the four sectors which Triton focusses its investments in; Business Services, Industrial Tech, Healthcare and Consumer.

The chart to the left shows that, over the past ten years, 45 mandatory regulations have passed related to sustainable finance in our four sectors and geographies. Regulations include the ones listed above.

### Driving accountability and performance

Triton seeks to invest in fundamentally sound businesses that are operating below their full potential and which contribute to a more sustainable world.

**As part of the process of delivering a Full Potential Plan, we work in partnership with our PCs and their boards to encompass a sustainability strategy from the moment we onboard the company until successful realisation.** We believe this approach will attract investor capital while helping to future-proof our business.

Triton’s dedicated ESG team of five full-time professionals works closely with the management boards of our PCs and with PC employees responsible for the ESG agenda.

**EU Taxonomy:** The SFDR is connected to the EU Taxonomy, a framework that identifies and categorises environmentally sustainable investments. At Triton, we are now beginning to analyse our companies’ revenues and expenditure against the categorisations of this framework.

**EU CSRD:** The Corporate Sustainability Reporting Directive is a further regulatory driver increasing

non-financial disclosure. It requires large companies to report on their ESG performance, supply chains, business relationships, human rights impact and climate-related risks and opportunities. Reporting is expected to begin in 2025 for EU companies within scope, based on 2024 calendar year performance.

We continue to analyse and advise our PCs on new international directives and initiatives, including

supply chain regulation, the European Data Convergence Initiative, the Taskforce for Climate-Related Financial Disclosures (TCFD) and Taskforce for Nature-related Financial Disclosures (TNFD), and a range of national drivers where appropriate to PCs in terms of their country of incorporation or operations. We are also regulated in the UK.

Using third-party provider, Datamaran, we mapped all mandatory regulation

## *Triton Responsible Investing Framework (cont.)*

### **Structured committees drive ESG accountability at Triton**

Within Triton, overall responsibility for the ESG programme, along with investment decisions, sits with the Fund Manager Boards. In 2022, the board was advised by the Investment Advisory Committee which receives regular reports from the ESG team.

Other committees also play a role in driving ESG at Triton. The Where-To-Invest Committee (W2I) meets weekly to consider and discuss investment ideas from a more top-down perspective, focussing on thematic drivers and evolving markets. ESG team members join other WestPark and Triton Professionals in bringing ideas to the committee, and external experts present on occasion.

The Investment Discussion Forum (IDF) offers a second stage in the consideration of investments. As ideas crystallise, this Forum debates whether specific investment ideas give appropriate exposures to themes, within mandates and risk parameters. As the decision to structure and table an offer comes into focus, the next stage of the process is for the IAC to give input on whether and how to proceed. ESG factors are considered at all stages of the process.



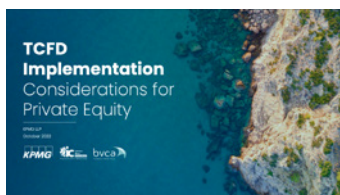
## Triton Responsible Investing Framework (cont.)

### Internal and external engagement

ESG training is mandatory for Triton employees. Training sessions are customised to the function or team taking part, including new joiner inductions. The training, which is reviewed and refreshed regularly, covers why ESG matters to Triton, how ESG is integrated into transactions including sourcing and commercial due diligence, and how we engage with PCs to deliver our ESG programme. Teams that are critical in delivering Triton’s RI policy, including Manager Boards and managers, receive programme updates at least annually.

To stay at the forefront of the ESG agenda, we engage with groups such as British Private Equity & Venture Capital Association (BVCA), Swedish Private Equity & Venture Capital Association (SVCA), Invest Europe and the Initiative Climat International (iCI). Participation in these groups brings great value not only through access to guidance on the rapidly changing regulatory landscape but more importantly being able to support the development of best practice guidance for the industry.

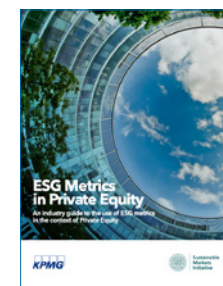
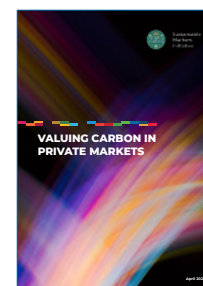
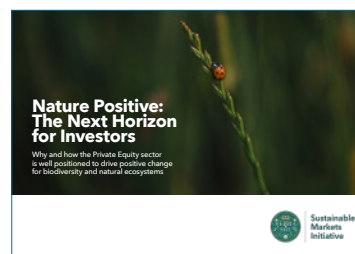
In 2022, Triton worked in partnership with other investment firms through the iCI platform to produce and publish a Task Force on Climate-Related Financial Disclosures (TCFD) guidance for the private equity industry, a guide for greenhouse gas accounting and reporting for private equity and most recently a guidance note on the case for Net Zero in private equity.



Triton has also contributed to the development of the Science Based Target initiative (“SBTi”) private equity guidance and a carbon accounting guidance, which is a first step in putting the wider industry on the path to Net Zero.

We have signed up to the Terra Carta via the Private Equity Sustainable Markets Initiative Taskforce (PESMIT), which is part of the broader Sustainable Markets Initiative. Members of the ESG team have been actively engaged within two PESMIT workstreams, in collaboration with other private equity investor signatories and consultants, relating to climate change and to biodiversity. Each of these workstreams has now published reports:

Triton became a member of the ESG Data Convergence Initiative (EDCI) this reporting year. The EDCI is an open partnership of private equity stakeholders, which aims to streamline the private investment industry’s historically fragmented



approach to ESG data. In reporting this data through the EDCI, Triton is contributing to the EDCI’s aim of reaching a critical mass of meaningful, performance-based, and comparable ESG data from private companies. With over 325 General Partner (GP) and Limited Partner (LP) members, as of June 2023, the EDCI now holds data representing cUSD 27trn and over 2000 portfolio companies.

We think our outward-looking approach strengthens our abilities and processes around our Responsible Investment Framework, allowing us to both protect and create value, whilst investing and building higher quality businesses.

## 2022 key numbers

In 2022, we made steady progress on our ESG performance;

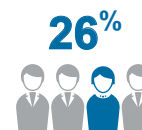
### Triton



of new investments received ESG support and due diligence



of new joiners completed the **Trust in Triton** business ethics training



of Investment Advisory Professionals are women (1% increase on 2020)



of Triton's Scope 1, 2 and 3 business travel<sup>3</sup> emissions were offset

### Portfolio

Triton III, Triton IV, Triton V, TSM I, and TSM II



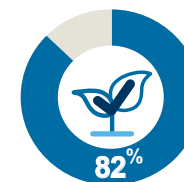
of PCs reported ESG data via Triton's online reporting system



of PCs have a written code of conduct



of PCs conduct an annual employee engagement survey



of PCs have an environmental compliance programme



of PCs have a cybersecurity policy in place



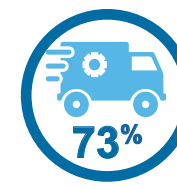
of PCs have an energy and emissions programme



of PCs have a waste management programme



decrease in PC Greenhouse gas emissions



of PCs have a supply chain programme



decline in portfolio average Lost Time Injury Frequency Rate (LTIFR)

This Responsible Investment Report covers Triton's ESG processes, framework and reporting. Unless otherwise stated, all data refers to calendar year ending 31 December 2022 and includes forward-looking statements for 2023. For our credit funds, we do not hold controlling stakes in the businesses and therefore this data is not currently included in the reported datasets.

<sup>3</sup> [www.ghgprotocol.org/](http://www.ghgprotocol.org/)



# Core thematic areas

- Key**
- Environment
  - Social
  - Governance



## Climate change

Decarbonisation and energy transition  
 Climate change adaptation



## Natural resources

Water resilience  
 Soil improvement  
 Clean air  
 Resource efficiency and circular economy



## Biodiversity loss

Forest protection  
 Healthy ecosystems  
 Intact marine and aquatic systems



## Housing & construction

Green buildings  
 Affordability  
 Rapid response building and repurposing  
 Home working and design focus



## Healthy people

Healthcare provision  
 Medtech  
 Emergent disease and risk  
 Workplace safety  
 Healthy working environment  
 Sport & wellbeing  
 Food & nutrition



## Demographic change

Urbanisation  
 Rise of emerging markets middle class  
 Ageing populations  
 Diversity & inclusion  
 Social equality  
 More education



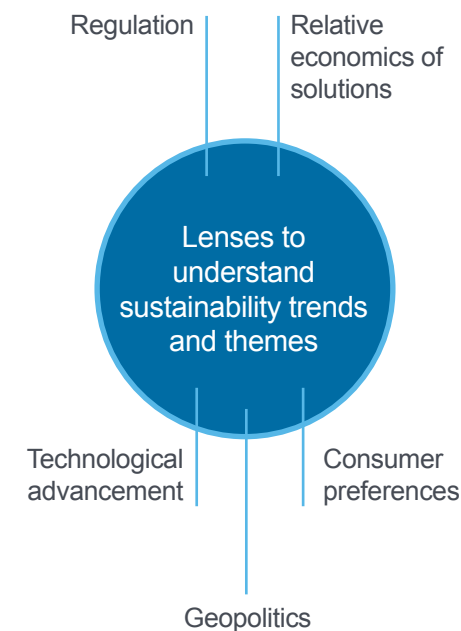
## Fairness & good governance

Human rights  
 Anti-corruption  
 Data protection  
 Ethics  
 Fair corporate governance  
 Executive pay  
 Tax integrity

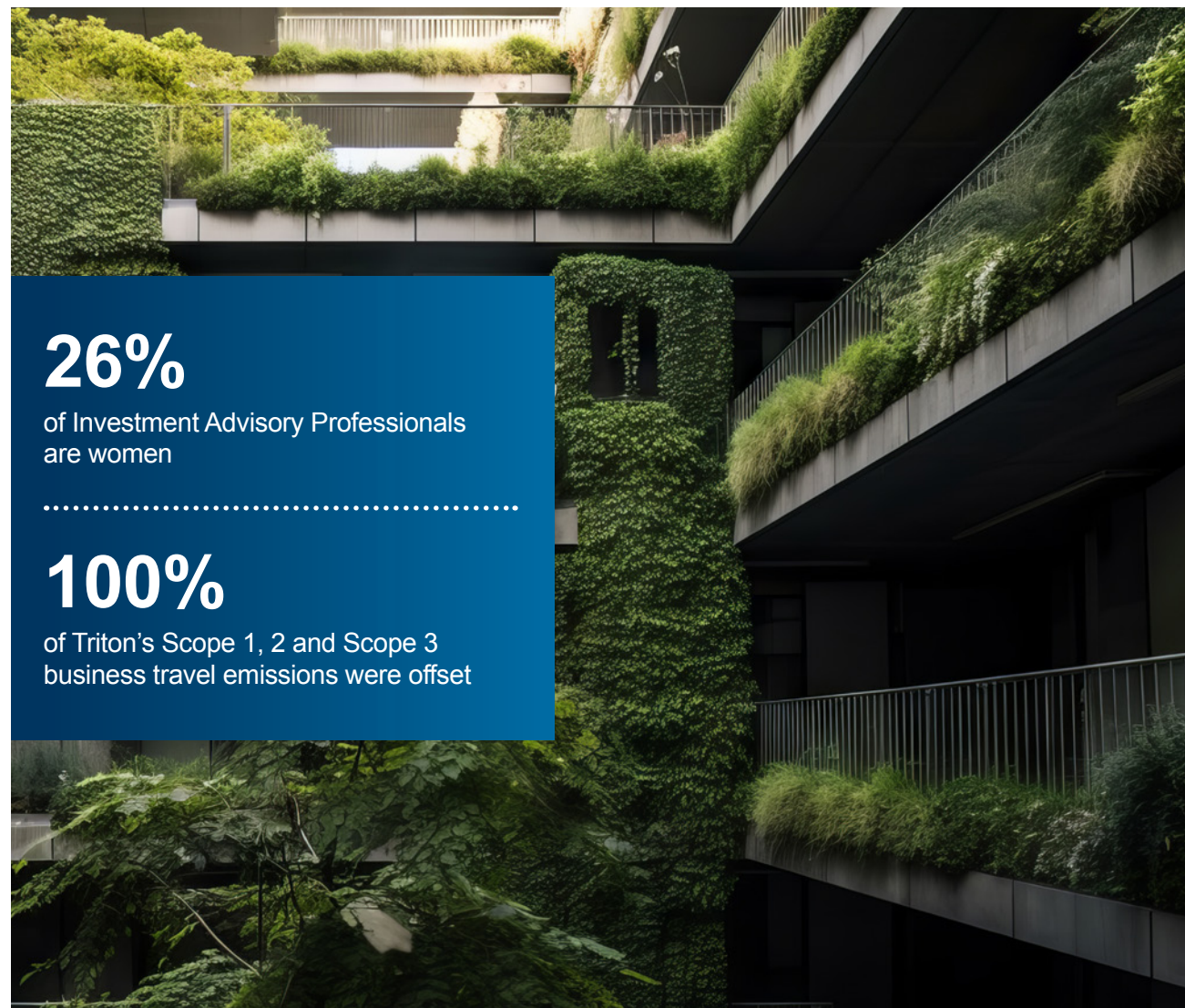


## Transparency & accountability

Corporate accountability  
 Greater public/stakeholder reporting  
 Supply chain management



## Core thematic areas (cont.)



# 26%

of Investment Advisory Professionals  
are women

# 100%

of Triton's Scope 1, 2 and Scope 3  
business travel emissions were offset

Some of the core thematic areas we have considered over the past year include:

### Climate adaptation

The first pillar of climate change is decarbonisation – the limiting and reduction of greenhouse gas emissions, with a focus on energy transition away from fossil fuels. In 2022, the ESG team conducted deep-dive research into the second pillar of climate investing – addressing the impacts of global warming.

It is our view that adapting to these impacts will be increasingly important to investors over the course of this decade, driven by a number of factors:

- increased frequency and severity of extreme weather events – storms, droughts, floods, wildfires and temperature extremes – including in the regions where Triton principally partners with businesses in Western Europe
- greater expenditure on building resilience to climate-linked weather event categories, by consumers, owners of physical assets and businesses operating across most sectors
- government and policy frameworks focussed increasingly on delivering resilience to climate impacts, rather than only focussing on decarbonisation

These factors are important in making investments and in working with our portfolio companies to mitigate risk and explore new sources of revenue.

## Core thematic areas (cont.)

### Energy efficiency

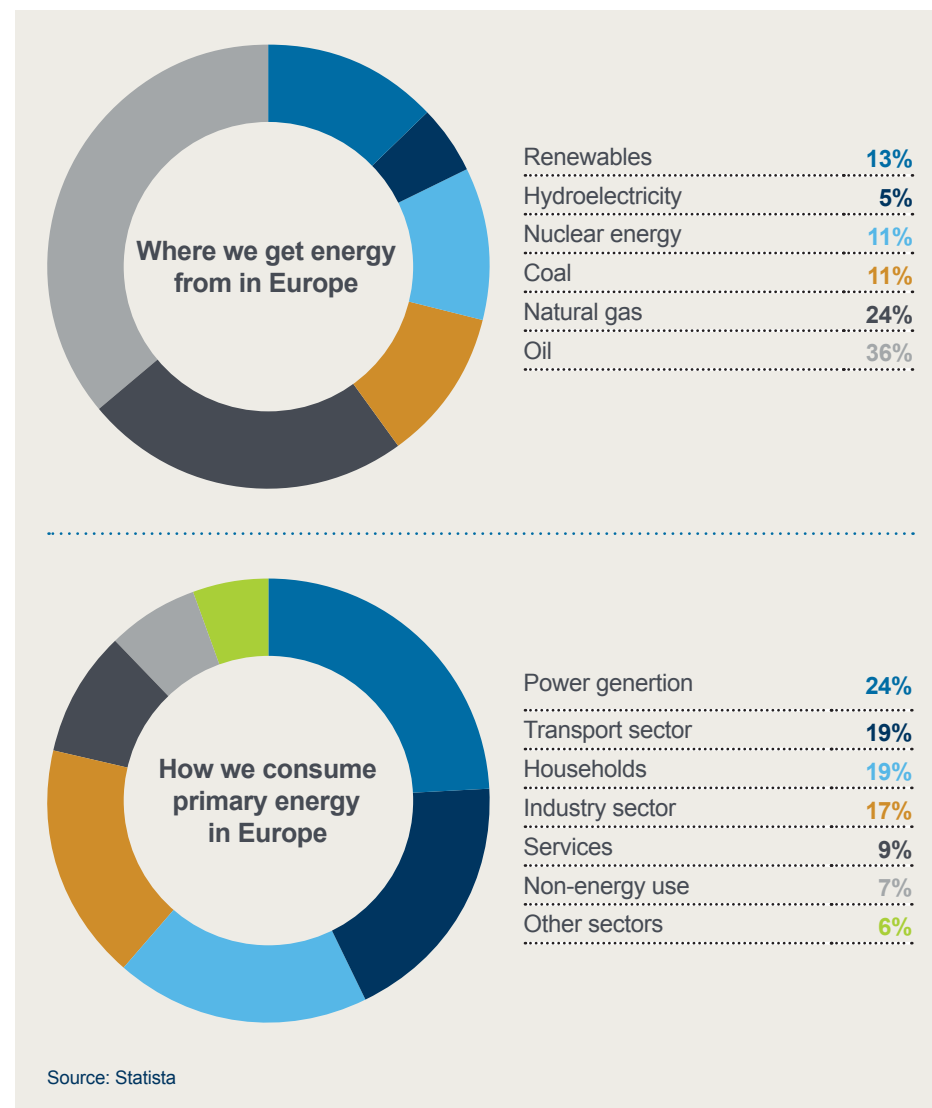
Energy is a core societal need. We need energy to produce our food and commodities, to manufacture goods, provide clean water, warm homes, power technology, and transport people. So when there is disruption to the energy system, this can constitute a major crisis.

In the European Union, energy efficiency remains at the heart of the economic and environmental policies for the bloc, further catalysed by the current energy crisis – which caused energy prices to increase by over 25% on average over 2022.

In our recent Spotlight report, [Energy efficiency in private equity](#), we highlighted how Triton PCs have navigated this business risk during 2022.

Triton portfolio companies are actively managing their energy risks, and 84% of PCs have an energy and emissions programme. However, businesses have faced soaring energy prices in recent quarters – in particular for natural gas and electricity. Triton’s portfolio companies are, of course, not immune to this and, in some cases, have faced pressures on their cost base. How we and our PCs manage this new risk has been a key focus for Triton, both by shoring up supply and by investing in energy efficiency measures.

Triton also detailed how some PCs are well-placed to help their customers consume less energy, through a range of products and services.



## Core thematic areas (cont.)



### Responsible procurement

For every business activity – whether it is in extraction, processing, assembly, manufacturing or services – other companies are involved in their supply chains. In the past, the responsibility companies have had for how their supply chain partners operate, has been limited. In today’s world – as we discuss in our Spotlight report [Sustainability in the supply chain](#) – the focus on who businesses choose to partner with is increasing, for their raw materials, auxiliary services, production at different stages of the value chain, and distribution. And the pressure from consumers, regulators and investors, in this regard, is growing.

At Triton, we engage actively to ensure our portfolio companies are managers of their supply chain risks (and opportunities). Triton encourages its portfolio companies to consider supply chains within their ESG management systems, and this has been a focal point over the past year. The optimal approach sees companies implement a consistent set of actions to improve management of their supply chains. This can include training of procurement employees, integration of ESG into the supplier engagement process, measurement of KPIs and implementation of improvement actions. Another key focus is seeking clarity on whether ESG issues are considered in due diligence, onboarding and audits of suppliers, and supporting portfolio companies to meet the requirements of new laws on supply chain management.

### Diversity, Equity and Inclusion

A Diversity, equity and inclusion (DEI) programme is an essential feature of a Triton PC’s governance framework. We believe embracing DEI is completely accretive to our abilities to drive higher top and bottom lines; to tap existing and new end-markets; and to achieve higher multiples when we seek to realise on invested capital. Evidence increasingly backs this up, as we discuss in our Spotlight report [Diversity, equity and inclusion in private equity](#). A DEI programme also shows current, as well as future employees, that initiatives and workstreams are taken seriously with the aim to integrate them as an essential part of the business.

Triton initiated a portfolio company DEI programme early in 2022. Led by our Leadership & Culture and ESG teams, the campaign aims to support all PCs on

## Core thematic areas (cont.)

how to set objectives, develop and integrate a DEI programme in the day-to-day work-life at each PC and to report on DEI performance.

*“Our findings suggest strong evidence that the presence of women directors on the board is positively associated with bank value. Women as independent board members are also positively associated with market value...”*

Journal of International Financial Markets, Institution and Money.

Key Performance Indicators (KPIs)	2020	2021	2022
Percentage of women: Manager Boards and General Partners	28%	39%	37%
Investment Advisory Committee	0%	20%	14%
Investment Advisory Professionals	25%	26%	26%
All employees	49%	48%	48%

### PFAS chemicals

Per- and polyfluoroalkyl substances, also known as ‘forever chemicals’, for their ability to persist in the environment, this category of industrial chemicals faces increasing regulatory pressure, in the EU, US and beyond. PFAS chemicals, first used in scale in non-stick coatings on pans – where they provided high degrees of temperature, oil and water resistance – are now used in products across a wide range of economic sectors, including cosmetics, textiles, electronics, medical equipment and food packaging. Human health risks are increasingly linked to their usage, including cancers, reproductive and pre-natal problems, endocrine disruption and bone metabolism disruption.

Triton has worked with its portfolio companies to understand exposures to PFAS chemicals, in products and supply chains. We believe some of our PCs, such as IFCO and Kälte Eckert, have a competitive advantage over peers due to their PFAS-free products. Understanding this and other regulatory drivers, supporting a transition towards cleaner industrial production, is key for our sector teams researching investment opportunities.



## Core thematic areas (cont.)

### Biodiversity

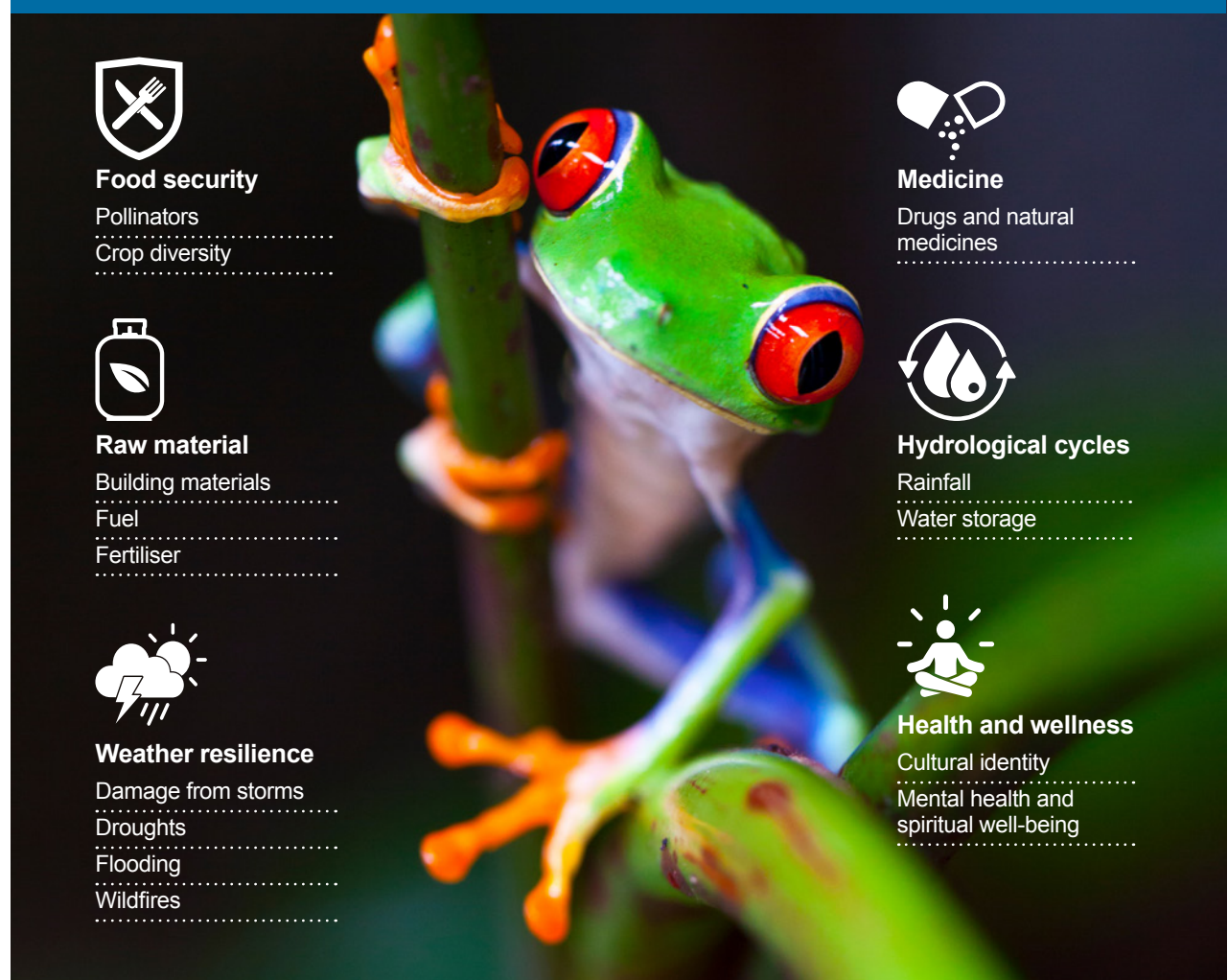
The global response to biodiversity loss will require data to understand the risk, the magnitude and the complexity of the challenge. We recognise that we have a responsibility to protect nature, which is why we now ask our PCs to report on biodiversity risks. In 2022/23, we increased the number of reporting questions, as we seek to better understand biodiversity impacts, risks and opportunities.


*Despite the clear importance of biodiversity and ecosystems to our existence and way of life, human activities continue to place tremendous stress on the natural world.*

We see investment opportunities in companies offering engineering and digital solutions to biodiversity loss, including in resource and water efficiency, remediation services, alternative materials, and sustainable forestry and food production as these activities/sectors will expand to address the challenges that we collectively face.

Our approach to integrating natural capital considerations in our investment process is covered in our Spotlight report, [Biodiversity and private equity](#), published in June 2022.


### Why we need biodiversity






**Food security**

- ..... Pollinators
- ..... Crop diversity




**Medicine**

- ..... Drugs and natural medicines




**Raw material**

- ..... Building materials
- ..... Fuel
- ..... Fertiliser




**Hydrological cycles**

- ..... Rainfall
- ..... Water storage



**Weather resilience**

- ..... Damage from storms
- ..... Droughts
- ..... Flooding
- ..... Wildfires



**Health and wellness**

- ..... Cultural identity
- ..... Mental health and spiritual well-being

# Triton ESG Performance



# Triton ESG performance - Governance



Triton recognises that private equity can play a critical role in driving the ESG agenda through its active ownership approach and relatively longer-term investment horizons.

We strive to lead by example and in 2022, our activities focussed on continuing our work towards Net Zero, accelerating our programme to achieve greater diversity, equity, and inclusion throughout our organisation, and we continued our work in conducting ESG training for all our employees.

Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<p><b>Integration of sustainability risks</b> The Triton ESG team provides transactional support to the deal teams in the form of screening, advice and ESG due diligence for targets.</p>	<p><b>Percentage of platform investments receiving ESG support and due diligence</b></p>	100%	100%	100%	ESG risks and opportunities forms an integral part of the decision-making of a deal.
<p><b>Business ethics</b> Triton seeks to be a responsible owner and a partner to all stakeholders; employees, customers, suppliers, management teams, board members, industrial experts and society at large. This is our ethos and outlined in our 'Trust in Triton' code of ethics. Triton believes in operating with responsibility, integrity and ethical values with respect for sound environmental, social and governance ("ESG") practices. Triton's whistleblowing/SpeakUp system allows employees to raise concerns. Triton's Modern Slavery statement can be found <a href="#">here</a>.</p>	<p><b>Percentage of new joiners receiving mandatory business ethics training</b></p>	100%	100%	100%	Triton ensures all new-joiners have completed mandatory training in business ethics.

• The icon at the top right of this page and all such similar on later pages, refer to  
 • Triton's priority UN Sustainable Development Goals: [sdgs.un.org/goals](https://sdgs.un.org/goals)



# Triton ESG performance - *Environment*



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<p><b>Climate change</b></p> <p>Climate change is a top priority for Triton. In 2022, we continued our work on decarbonising in line with our Net Zero commitment. We have also continued our work on integrating the EU Taxonomy into our analyses and classifying activities which contribute to climate change mitigation and adaptation. We are also supporting our existing PCs in developing sustainable products and services.</p>	<p><b>Triton Scope 2 emissions</b> (Office energy use)</p>	146 tonnes CO <sub>2</sub> e	<b>171 tonnes CO<sub>2</sub>e</b>	<b>168 tonnes CO<sub>2</sub>e</b>	We have offset all Triton Scope 1, 2, 3 (business travel) emissions for 2022 (having done so since 2019) and are actively working on reducing our footprint.
	<p><b>Triton Scope 3 emissions</b> (Business travel)</p>	135 tonnes CO <sub>2</sub> e	<b>1,340 tonnes CO<sub>2</sub>e</b>	<b>2,953 tonnes CO<sub>2</sub>e</b>	<p>(Scope 1 emissions are those generated by direct combustion of fossil fuels in energy generation or other industrial activities. Triton does not generate meaningful Scope 1 emissions.)</p> <p>In 2022, we saw an increase of Scope 3 business travel emissions. Whilst we have continued to build out online communication solutions, travel has increased since the pandemic.</p>

# Triton ESG performance - Social



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<p><b>Employee engagement</b></p> <p>Triton recognises the importance of Employee Engagement, from both a duty of care perspective and in terms of creating a high-performance culture, through which Triton can deliver the best investment returns for our investors. The importance Triton places on this is reflected in our core value of 'People First'.</p> <p>Triton has many policies in place to enhance employee engagement, such as family friendly policies and flexible working opportunities in our hybrid working model. Triton recognises that these need to be continually reviewed as the needs of our employees evolve.</p>	<p><b>Employee engagement against industry benchmark</b> (financial services in Peakon employee engagement survey)</p>	At benchmark	<b>Below benchmark</b>	<b>Below benchmark</b>	<p>Senior leadership is supported in their delivery of People First by an experienced HR team, whose priority is to ensure any topics highlighted by our employees in engagement surveys are reviewed and improved as appropriate.</p> <p>The areas highlighted for improvement in our recent engagement survey, such as enhanced career development opportunities, are currently being prioritised, with clear action plans in place.</p> <p>We will continue to test the impact of efforts in this area through regular employee surveys, course corrections and measurement of impact and look forward to seeing an increase in our scores versus benchmark in the coming years.</p>
<p><b>Training &amp; development</b></p> <p>Triton invests in world class talent and leaders who deliver outstanding results for Triton. We value &amp; grow our people through high-quality development opportunities, including mobility.</p>	<p><b>Percentage of employees receiving training: All Triton employees</b></p>	74%	<b>90%</b>	<b>100%</b>	<p>At the basic level, Triton has mandatory training to ensure all employees have the appropriate training on legal, fiduciary and regulatory topics relevant to their roles.</p> <p>In addition, career development is at the heart of People First and is a focus area for 2023 following the engagement survey responses, with a refresh of Triton's capability framework planned for Q3, along with the launch of improved tools to support employees and managers as they build their skills, competencies and ultimately their careers.</p> <p>Triton sees this as a win-win investment with both our investors and employees benefitting from the continual growth mindset of our people.</p>
	<p><b>Investment Advisory Professionals (IAPs)</b></p>	98%	<b>100%</b>	<b>100%</b>	

# Triton ESG performance - Social



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<p><b>Diversity, equity &amp; inclusion</b></p> <p>Creating and maintaining an inclusive culture is an ongoing imperative for our senior leaders – at the heart of People First. The foundations of Triton’s expectations were set with all employees attending Inclusive Culture workshops in 2022 and we will continue to demand high standards in these areas from our employees.</p> <p>Our People processes, such as recruitment, reward and development, are designed with DEI front of mind, and we will continue to find ways to ensure that all employees experience an inclusive workplace and receive the appropriate support to manage any challenges they may face.</p>	<b>Percentage of women: Manager Boards and General Partners</b>	28%	<b>39%</b>	<b>37%</b>	<p>Due to the growth of the organisation, the reduction in percentages of women do not reflect a reduction in the absolute number of women. This is a priority area for Triton, and in 2023, we will continue our efforts in attracting, retaining and developing a diverse workforce.</p> <p>Given this, the Triton leadership team is reviewing their DEI strategy to find opportunities to match the impact with the levels of intent across the organisation.</p>
	<b>Investment Advisory Committee</b>	0%	<b>20%</b>	<b>14%</b>	
	<b>Investment Advisory Professionals</b>	25%	<b>26%</b>	<b>26%</b>	
	<b>All employees</b>	49%	<b>48%</b>	<b>48%</b>	

# Portfolio ESG performance



## Portfolio ESG performance introduction

### Portfolio company value creation

When Triton acquires a new PC, the ESG team works with the PC and deal team to create an ESG action plan, containing both strategic and operational actions and targets, that are approved by the PC's board. Triton has a minimum set of requirements for PCs to implement in their first year of ownership. This includes assigning responsibility for ESG, conducting a materiality assessment, and developing a set of policies, programmes, and trainings. The ESG team tracks and monitors the actions and targets set in the action plan to follow up on progress and offer support when needed, aligned to sector and business risk and opportunities.

#### Ongoing support

During 2022, we continued to hold monthly calls for all our PCs on ESG topics from both a strategic and operational position. We have focussed on topics such as ESG regulation, responsible procurement, GHG emissions and health & safety. **Our monthly ESG call is an opportunity for PCs to network, share best practices and experiences, as well as gain knowledge from industry experts on specific topics.** Further meetings, training and webinars were held virtually in 2022, in most instances.

Triton PCs have access to a Triton extranet site with tools, templates, and webinars on ESG-related topics. In 2022, we improved this site with a wider range of tools and templates, and added dedicated information on DEI (diversity, equity and inclusion).

Triton has been conducting materiality assessments since 2019 to identify material topics from both an external and internal viewpoint. This shapes the foundation of our strategies and decision-making. **As part of the Stewardship Programme, we also support PCs to conduct their own materiality assessments**, including “double materiality”, which is a regulatory requirement



## *Portfolio ESG performance introduction (cont.)*



of the CSRD. Double materiality looks at materiality from the inside-out and the outside-in, from both the impact and financial perspective.

Some PCs have conducted their own materiality assessments but we have supported more than a quarter of PCs in conducting materiality assessments using the platform tool Datamaran. We expect more PCs to undertake this in 2023 due to the regulatory driver and we will continue to support our PCs going forward.

### **Data collection and validation**

PCs report ESG data to Triton via an online reporting platform. When reporting is completed, the ESG team validates the data quality together with the PCs and Triton deal teams. Once we have ensured data quality, improvement areas are identified which are fed into an action plan, ensuring that planning and budgeting are in place as early as possible. Targets and timelines are set in the action plan and thereafter presented to the board for approval.

### **Triton ESG scoring**

In 2020, Triton introduced a bespoke, internal scoring process for PCs. The scoring is based on a methodology using the Global Reporting Initiative Standards (“GRI”) and aligned with other external ratings and non-financial reporting providers. The scoring allows PCs to better assess their ESG strengths and weaknesses and to therefore plan accordingly. The list of metrics utilised to form scores is considered annually for materiality and may be added to or subtracted from.

## ESG Lighthouse Awards

Every year, the ESG team invites all Triton PCs to submit entries for the ESG Lighthouse Awards. The awards are held to recognise PCs' efforts on ESG-related initiatives, programmes or projects which have resulted in measured value creation and a step change within the business. There are four award categories: environmental, social, governance, and an overall award for good practices across all ESG topics. Entries are judged by Triton, and winners receive a donation to a charitable cause of their choice. In 2022, the following PCs were awarded:



### Overall ESG

**Winner:** Fertiberia Group

### Environment

- Continuing work on the decarbonisation strategic plan; defining targets and metrics for next improvement phase, while continuing work on the company's commitment to Net Zero by 2035
- Increasing circular economy initiatives
- Reducing water discharges to reduce footprint and preserve biodiversity

### Social

- Acceleration of safety culture and crisis management training
- Establishing review system for risk assessments and risk profile
- Implementing group-wide diversity and inclusion policy

### Governance

- Strengthening the compliance system, and ensuring responsible business practices by joining UN Global Compact for Fertiberia Group's subsidiaries
- Continuing governance training and audits to ensure knowledge and effective implementation of new policies



### Environment

**Winner:** Bormioli Pharma

- Expanding EcoPositive label of products that have a reduced environmental impact
- Materials efficiency measures including recycled PET and carbon capture, bio-PE for containers and closures components, and aluminium for seals



### Social

**Winner:** Sunweb

- Bi-weekly tracking of employee engagement scores
- Built a "People Dashboard", tracking leading KPI's and targets
- Monthly "People Improvement Meetings" with senior leaders to understand, support and track progression based on data



### Governance

**Winner:** Ljungström – Arvos Group

- Monitoring network traffic by implementing a leading AI-driven threat detection and response software
- Stopping virus attacks and spyware by implementing latest software solutions
- Promoting privacy by the initiative listed above and the use of an innovative encryption software

## Portfolio ESG strategy



### Building better businesses

We see sustainability as a critical value creation lever in reaching businesses' full potential, and that is why we apply an ESG lens to every Triton investment. We seek to grow and improve PCs for long-term sustainability and for the benefit of multiple stakeholders.

**Energy transition, climate risks, ecosystem degradation, pollution, materials efficiency, digitalisation and modernisation, health challenges, diversity and robust governance are some of the ESG factors we address to build better and higher quality businesses.** These present opportunities for meaningful value creation for those responsible and active owners who understand, measure and embed these factors, both operationally and strategically.

### Foundations

Our business is built on strategy and structure, people and data.

Financial data guides our decision-making. The sustainability data you will find in this report allows us to measure and drive meaningful change. Given PCs will be both acquired and sold, we want our stakeholders to be confident of our ESG progress, and we believe that our methodology allows comparison over time. People are paramount. With the worst of the COVID-19 pandemic behind us, prioritising and protecting the health and safety of our colleagues, the more than 100,000 employees of our businesses, their customers, partners and investors remains of the highest concern. 87% of our PCs have a group-wide safety management programme



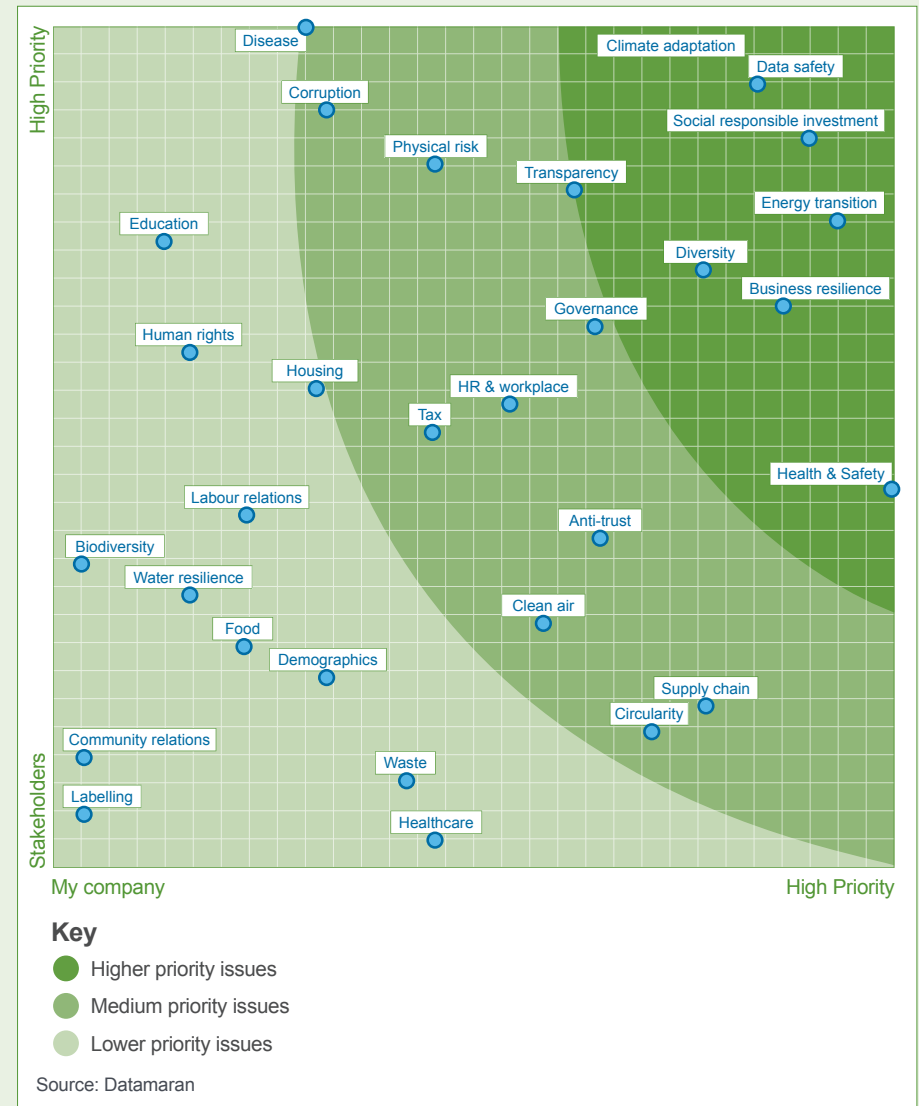
## Portfolio ESG strategy (cont.)

in place and 73% report their Lost Time Injury Frequency Rate (LTIFR) – this is disclosed on page 35. The importance of this focus on health and safety was sadly underlined by a number of PCs facing fatal accidents during 2022. We support those PCs to ensure robust investigations are conducted and that appropriate corrective and preventive measures are taken. Furthermore, we then seek to share any learnings from this with our other portfolio companies.

### Materiality assessment

Our materiality process is supported by a third-party analysis company – Datamaran - whose software enables a data-driven process for ESG risk identification and monitoring. In 2022, we identified and prioritised our ESG impacts, risks and opportunities according to their importance to internal and external stakeholders in the matrix to the right. The tool analyses information available from public sources, including company reports, regulations, voluntary initiatives, news and social media, to provide an external, data-based perspective on regulatory, strategic and reputational risks and opportunities. This approach ensures that we can continue to build an ESG focus that responds to external events, evolving business priorities, stakeholder expectations, and our own performance results.

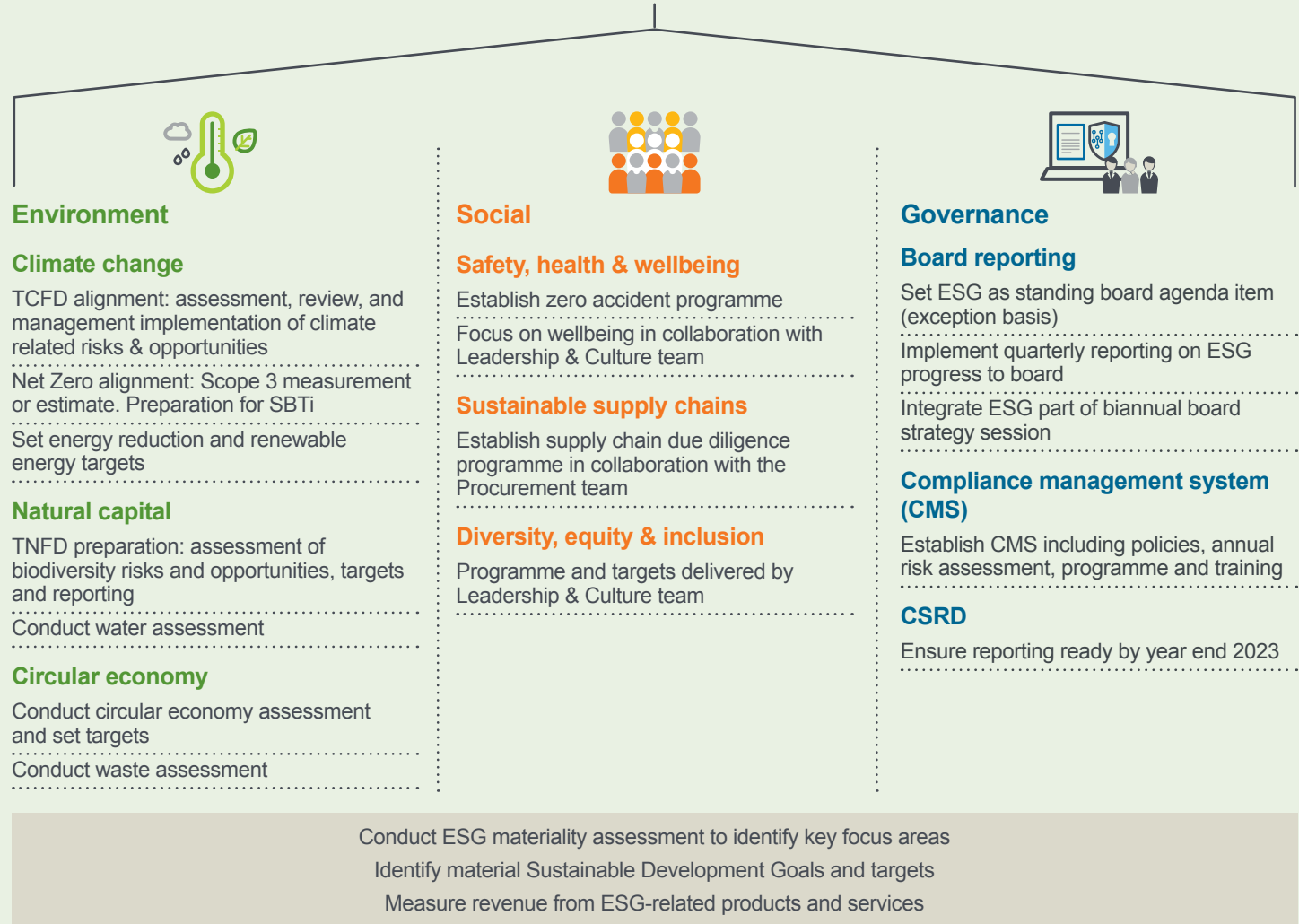
The Triton ESG team engaged with internal stakeholders – specifically Sector and Strategy heads and the Investment Advisory Committee – during the materiality process. The material topics identified frame our priority ESG activities and the disclosures in this report.



# Portfolio ESG strategy (cont.)

Triton sets forward-looking, annual, ESG strategic focus areas and associated objectives to drive improvement across the portfolio, based on where we see materiality and impact. Measurability is key and so we seek robust reporting around these focus areas.

## ESG Reporting to Board (including setting and reporting on quantified targets)



## Portfolio data methodology

Our 2022 reporting represents ESG data from 95% (42 of 44) of Triton's PCs. The remaining companies are not expected to report until 2023 since they are newly acquired. **The ESG performance data in this section of the report relates to the 42 PCs in the following funds: Triton IV, Triton V, Triton Smaller MidCap I (TSM I), and Triton Smaller MidCap II (TSM II).**

We had six companies who were first-time reporters in 2022, and we had one exit during the reporting period. This shift in the mix of the portfolio towards new PCs with typically less mature ESG programmes impacts our overall performance. Integration and alignment with Triton's Stewardship programme is key for newly acquired PCs.

The 2021 data represents 44 (out of 47) PCs in the following funds: Triton III, Triton IV, Triton V, Triton Smaller MidCap I (TSM I), and Triton Smaller MidCap II (TSM II). The remaining companies were newly acquired and not expected to report until 2022.

The 2020 data relates to 40 (out of 43) PCs in the following funds: Triton II, Triton III, Triton IV, Triton V and Triton Smaller MidCap I (TSM I). The remaining three companies were acquired late in 2020 and were not expected to report until 2022 on 2021 data.



**100%**

of portfolio companies reported ESG data via Triton's online reporting system

**98%**

of portfolio companies have a written code of conduct

**96%**

of portfolio companies have a cybersecurity policy in place

**82%**

of portfolio companies have an environmental compliance programme

## Portfolio ESG performance data - Governance



To build higher quality businesses, good governance is essential. We collaborate closely with portfolio companies to approve their governance programmes, which forms part of Triton's minimum requirements upon acquisition. In 2022, we continued our focus on board oversight, alignment with regulation and applicable sanctions.

Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Reporting</b> PC boards formally approve their ESG Action Plan on an annual basis. This is a Triton requirement, as we believe that leadership is crucial for positive change.  PCs are also required to report in-depth and arrange regular board reporting on ESG issues. The goal is that all our PCs have ESG as a standing point on their board agendas.	<b>Percentage of PCs using the online reporting system</b>	100%	<b>100%</b>	<b>100%</b>	The dedicated PC ESG functions were given training during their onboarding and ongoing support on the use of the online data reporting tool.  Triton's ESG extranet site, dedicated for our PCs, holds policy templates, webinars and information on a range of ESG topics. We hold monthly calls with the entire portfolio to ensure continuous support, share best practices, and bring upcoming regulatory requirements and events to PCs' attention including with the support of external experts/ advisors.
	<b>Percentage of PCs conducting a formal board review of their ESG performance at least twice a year</b>	47%	<b>78%</b>	<b>84%</b>	We are pleased to see the increase of board oversight on a bi-annual basis. We continue to work with PCs to elevate the importance of ESG and increase the frequency with which the board discusses such topics.
	<b>Percentage of PCs conducting a formal board review of their ESG performance every month</b>	24%	<b>42%</b>	<b>39%</b>	
	<b>Percentage of PCs reporting publicly on their ESG performance</b>	43%	<b>42%</b>	<b>53%</b>	We are delighted to see the improvement of this KPI as it fosters transparency within our portfolio. Driven by changes in legislation and increased levels of engagement from within PCs, we are supporting PCs to increase this KPI in 2023.

## Portfolio ESG performance data - Governance



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Business ethics</b> Triton's ESG team supports PCs through tool kits, such as template policies, example risk assessments and trainings, as well as webinars.	<b>Percentage of PCs with a written code of conduct</b>	93%	<b>96%</b>	<b>98%</b>	The introduction of a written code of conduct is a Triton requirement in the first year of ownership. We continue to support PCs in implementing a group-wide code of conduct.
	<b>Percentage of PCs with a company-wide whistleblowing/ SpeakUp system in place</b>	75%	<b>91%</b>	<b>94%</b>	We are pleased to see the increase in PCs with a whistleblowing/ SpeakUp system. We will continue to prioritise this topic in 2023.
	<b>Percentage of PCs with an anti-trust policy</b>	78%	<b>89%</b>	<b>92%</b>	We are very pleased to see the year-on-year increase of this percentage and will continue to work with PCs on this topic in 2023.
	<b>Percentage of PCs with a business partner policy</b>	65%	<b>78%</b>	<b>82%</b>	This was a strategic focus area for Triton in 2022, and we are pleased to see the improvement of this KPI. In 2023, we will continue our focus on this KPI and, our Procurement and ESG teams, support the PCs who have yet to implement a group-wide approach to this topic.

## Portfolio ESG performance data - Governance



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Anti-bribery and corruption</b> Triton's approach to anti-bribery and corruption covers policies, programmes, regular training, and additional controls such as auditing, gift and hospitality pre-clearance systems, and regular reporting to the board.	<b>Percentage of PCs with an anti-bribery and corruption policy</b>	91%	<b>98%</b>	<b>100%</b>	Anti-bribery and corruption is a focus area for all PCs. Triton continues to focus on improving training coverage but recognises that 100% is not possible given that employees can be absent on leave. In 2023, we will continue to support PCs in making this training a top priority.
	<b>Percentage of employees (on average) receiving training on anti-bribery and corruption in the past two years</b>	66%	<b>74%</b>	<b>72%</b>	
<b>Cyber and data security</b> Cybersecurity and data protection is crucial for business continuity.	<b>Percentage of PCs with a cybersecurity policy</b>	82%	<b>98%</b>	<b>96%</b>	With the onboarding of 10 new PCs, this percentage has slightly decreased. In 2023, we continue to support all PCs in insuring against cybersecurity risk and to improve training.
	<b>Percentage of relevant employees receiving cybersecurity training in the past two years</b>	72%	<b>73%</b>	<b>70%</b>	
	<b>Percentage of PCs with a cybersecurity officer</b>	95%	<b>95%</b>	<b>95%</b>	
	<b>Percentage of relevant employees receiving data protection training in the past two years</b>	73%	<b>67%</b>	<b>72%</b>	We are pleased to see that this KPI has improved and in 2023, we will continue to work with PCs to improve this further.

## Portfolio ESG performance data - *Environment*



The world is facing a clear existential threat from climate change, and no country or organisation can afford to ignore the risks. Private equity firms like Triton have a role to play in the transition to the low carbon economy needed to achieve the goals established by the Paris Agreement.

Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Climate change</b> Climate change continues to be a material topic for Triton PCs and presents the most significant global risk to businesses and societies.	Scope 1 (tonnes CO2e)	1,495,728	<b>1,374,500</b>	<b>1,316,926</b>	We see a decrease of scope 1 carbon emissions from 2020 to 2022 due to operational improvements. In 2023, it is a top priority to continue to work with PCs on decarbonisation pathways.
	Scope 2 (tonnes CO2e)	272,843	<b>269,385</b>	<b>287,048</b>	
	Portfolio carbon intensity per €1,000 revenue	110.3kg	<b>98.1kg</b>	<b>77.09kg</b>	In 2023, we will continue to work with PCs to improve their carbon intensity.
	Percentage of PCs with an energy and emissions programme	79%	<b>81%</b>	<b>84%</b>	Energy and emissions reduction have been a top priority area in 2022 and it has been positive to see the PCs engagement on this topic. This will continue to be a focus area in 2023.

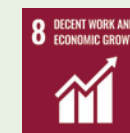
## Portfolio ESG performance data - Environment



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Environmental compliance</b> Triton is committed to ensuring environmentally safe practices and to operating within applicable environmental laws and regulations.	<b>Percentage of PCs with an environmental compliance programme</b>	73%	<b>82%</b>	<b>82%</b>	We will continue our work to improve this KPI in 2023.
<b>Energy</b> Triton is committed to energy transitioning.	<b>Portfolio renewable energy use</b>	10%	<b>10%</b>	<b>7%</b>	We believe this decrease is partially linked to the global energy crisis, where high power prices drove some companies to take a decision to purchase the lowest cost energy available, which often meant a switch away from renewable sources and towards fossil-generated sources. In 2023, we will work with PCs to encourage them to improve their energy and resource efficiency, and to switch to renewable energy sources where possible. In the longer term, we anticipate that renewable sources will provide countries, companies and consumers with both energy security and better pricing dynamics.
<b>Circular economy</b> Several Triton PCs are thriving in the circular economy by transforming their business models, and as a result, leading their sectors.	<b>Percentage of PCs that have assessed their circular economy opportunities</b>	49%	<b>47%</b>	<b>45%</b>	In 2023, we will continue to work with our PCs in identifying circular economy opportunities.
	<b>Percentage of PCs with a waste management programme</b>	66%	<b>74%</b>	<b>82%</b>	We are pleased to see the y-o-y increase of this KPI. We will continue the work to increase waste management and waste reduction initiatives in 2023.
	<b>Portfolio recycling rate</b>	35%	<b>79%</b>	<b>79%</b>	In 2023, waste recycling will continue to be a priority area.
	<b>Percentage of PCs with a water management programme</b>	30%	<b>40%</b>	<b>51%</b>	Water has continued to be a strategic focus area in 2022. We are pleased that this KPI has improved y-o-y, although there is yet much to be done. In 2023, this KPI will continue to work with our PCs to improve this KPI.



## Portfolio ESG performance data - Social



Building higher quality businesses means investing in its employees. In 2022, the continuation of our work to ensure the health, safety, and wellbeing of the employees of our PCs was a priority.

Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update
<b>Employees</b> Triton's ESG team provides expert advice and support to PCs across the range of social topics from employee health and safety to sustainable supply chain practices.  Triton's ESG team works in partnership with Triton's dedicated Leadership & Culture team who provide further expert advice and support to PCs. They focus on five key areas: <ul style="list-style-type: none"> <li>• leadership, diversity and inclusion</li> <li>• employee engagement</li> <li>• talent attraction</li> <li>• organisational design</li> <li>• effectiveness.</li> </ul>	<b>Portfolio FTEs (Full-time equivalents)</b>	81,286	<b>82,871</b>	<b>93,573</b>	Health and safety continues to be a core focus. Safety, including the review of action plans and trainings, will continue to be a priority area in 2023.
	<b>Percentage of PCs with a group-wide safety management programme</b>	81%	<b>87%</b>	<b>82%</b>	We continue to work with our newest PCs to improve their safety management programmes.
	<b>Percentage of PCs conducting an annual employee engagement survey</b>	74%	<b>87%</b>	<b>82%</b>	Employee engagement is a top priority and we continue to work with PCs to improve this percentage. We believe that retention of high-performing employees is important to their long-term success.
	<b>Percentage of PCs identifying high-potential employees through an annual talent review process</b>	59%	<b>67%</b>	<b>76%</b>	We are pleased to see the steady improvement on this KPI.

## Portfolio ESG performance data - Social



Topic	Key Performance Indicators (KPIs)	2020	2021	2022	Performance update	
<b>Health and safety</b> Keeping people safe in their workplace is a critical foundation for health and wellbeing, and in turn, a thriving business.	<b>Percentage of employees (on average) trained in health and safety in the last two years</b>	40%	<b>76%</b>	<b>78%</b>	We are pleased to see the improvement of health and safety training since 2020. We will continue to work on improving this KPI in 2023 as we view this training as a key priority	
	<b>Portfolio average Lost Time Injury Frequency Rate (LTIFR)</b>	6.1	<b>8.6</b>	<b>6.8</b>	We are pleased to see a decrease in our LTIFR, over the past year, but we recognise much progress is still possible. In 2023, we will continue to focus specifically on behavioural safety programmes to PCs with improvement needs.	
	<b>Portfolio average absenteeism rate</b>	3%	<b>4%</b>	<b>4%</b>	The average absenteeism rate remains at 4% in 2022 – we anticipate that this is attributable to employees returning to physical offices after the trend towards more home-working during the COVID-19 pandemic.	
<b>Diversity, equity and inclusion</b> Triton's DEI strategy begins with its own operations, as it is essential for our vision for the company's evolution and growth over time. Triton's diversity focus since 2016 has been on gender, with a short-term goal to encourage all PCs to have at least one woman on the board and one woman in top management.  We support PCs to put in place a diversity policy, trainings and initiatives, and expect each of them to set diversity targets in line with their business.	<b>Percentage of PCs with at least one woman on the board and/or one woman in top management</b>	74%	<b>89%</b>	<b>90%</b>	In 2021, we set up an Inclusion and Diversity Working Group which focusses on the implementation of the Inclusion and Diversity strategy across the portfolio. We are pleased to see the continued improvement of PCs with a diversity programme and the increase in women among employees.	
	<b>Percentage of PCs with a diversity programme</b>	37%	<b>67%</b>	<b>76%</b>		
	<b>Percentage of women:</b>					We realise that change doesn't happen overnight, and we continue to prioritise this area to improve our percentages in 2023. There are sectoral gender biases to overcome in many cases, where the legacy of imbalanced recruitment in the past is an imbalance in mid- and senior-level talent today.  We intend to continue to work close with the WestPark Leadership and culture team and PCs with relevant responsibilities in this area, to achieve best practice wherever possible
	Board	12%	<b>17%</b>	<b>17%</b>		
	Management	17%	<b>22%</b>	<b>22%</b>		
All employees	31%	<b>29%</b>	<b>31%</b>			

## Portfolio ESG performance data - *Social*



Topic	Key Performance Indicators (KPIs)	2020	2021	2022 Performance update
<p><b>Supply chain</b></p> <p>Both the pandemic and the Ukraine crisis have shown how supply and distribution networks can be severely disrupted, see rapid price escalation, or even cease. International trade agreements can improve, or roll back, access to goods and services. In some cases, supply chains may get shorter and more localised. All of these factors increase the pressure on our portfolio companies to ensure that they have robust approaches to procurement in place.</p>	<p><b>Percentage of PCs with a supply chain programme</b></p>	69%	<b>76%</b>	<p><b>73%</b></p> <p>We continue to work with our PCs on this core topic. We support on regulatory advice affecting supply chain management, workshops focussed on supply chain due diligence assessments and outlining best practices in procurement sustainability. Triton expects all PCs to conduct a supplier ESG risk assessment and develop a supply chain programme to manage material risks.</p> <p>We intend to continue to work close with the WestPark Procurement team and PCs with relevant responsibilities in this area, to achieve best practice wherever possible.</p>

## GRI content index

<b>Statement of use</b>	Triton has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

Disclosure	Page
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organizational details	2, 47, 48
2-2 Entities included in the organization's sustainability reporting	47
2-3 Reporting period, frequency and contact point	47, <a href="mailto:esg@triton-partners.com">esg@triton-partners.com</a>
2-6 Activities, value chain and other business relationships	6, 7
2-7 Employees	26, 41
2-9 Governance structure and composition	8
2-11 Chair of the highest governance body	8
2-12 Role of the highest governance body in overseeing the management of impacts	8
2-13 Delegation of responsibility for managing impacts	33, 34
2-14 Role of the highest governance body in sustainability reporting	8
2-15 Conflicts of interest	See page 25 of Triton's RI Transparency Report 2020, available on the PRI website.
2-17 Collective knowledge of the highest governance body	8
2-22 Statement on sustainable development strategy	8, 15
2-23 Policy commitments	8, 15
2-24 Embedding policy commitments	8, 15
2-26 Mechanisms for seeking advice and raising concerns	24, 37
2-27 Compliance with laws and regulations	12, 13
2-28 Membership associations	15
2-29 Approach to stakeholder engagement	15
2-30 Collective bargaining agreements	Only 5 Triton employees are covered by collective bargaining agreements, representing less than 1% of total employees

## GRI Disclosures

Disclosure	Page
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	33, 34
3-2 List of material topics	33, 34
3-3 Management of material topics	33, 34
<b>GRI 205: Anti-corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	38
205-2 Communication and training about anti-corruption policies and procedures	38
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	25, 39, 40
302-2 Energy consumption outside of the organization	25, 39, 40
302-3 Energy intensity	39
302-4 Reduction of energy consumption	25, 39, 40
<b>GRI 303: Water and Effluents 2018</b>	
303-2 Management of water discharge-related impacts	40
<b>GRI 304: Biodiversity 2016</b>	
304-2 Significant impacts of activities, products and services on biodiversity	22
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	25, 39
305-2 Energy indirect (Scope 2) GHG emissions	25, 39
305-3 Other indirect (Scope 3) GHG emissions	25
305-4 GHG emissions intensity	39
305-5 Reduction of GHG emissions	25, 39

## GRI Disclosures

Disclosure	Page
<b>GRI 306: Waste 2020</b>	
306-4 Waste diverted from disposal	40
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	43
<b>GRI 401: Employment 2016</b>	
401-1 New employee hires and employee turnover	41
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-1 Occupational health and safety management system	41
403-4 Worker participation, consultation, and communication on occupational health and safety	42
403-5 Worker training on occupational health and safety	42
403-9 Work-related injuries	42
404-1 Average hours of training per year per employee	
404-3 Percentage of employees receiving regular performance and career development reviews	41
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	27, 42
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1 New suppliers that were screened using social criteria	43
<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2022, there were 3 potential breaches, none of which needed to be referred to local DPA.

## About this report

### Scope

This report covers the relevant and significant environment, social and governance (ESG) issues for the calendar year 1 January to 31 December 2022. It gives an overview of our performance in these areas, complementing the information on our website, which primarily describes our business. All data in the 'Portfolio ESG Performance' section relates to the 42 PCs in the following funds: Triton III, Triton IV, Triton V, Triton Smaller Mid-Cap I (TSM) and Triton Smaller Mid-Cap II (TSM II). A further two companies were acquired in 2022 but were not yet onboarded and therefore not required to report ESG data to Triton. All data is for the calendar year ending 31 December 2022. Selected statements are correct as of this report's publication date. We have used the Global Reporting Initiative (GRI) Standards as guidance for our sustainability work and framing our reporting principles. We receive recommendations on our sustainability activities and reporting from our advisers while we ourselves routinely analyse global megatrends, take part in multiple industry initiatives, and assess the activities of our competitors. This ensures that we fully understand and keep up to date with key ESG issues. The report focuses on the ESG topics that we consider most important to our business and to society. It is based on a range of inputs from our stakeholders, including, but not restricted to, our materiality assessment carried out with Datamaran, the UN's Sustainable Development Goals (SDGs), and carbon foot-printing and offsetting analysis in partnership with ClimateCare.

### Boundary setting

Entities included in this report's performance data include Triton Investment Management Limited, West Park Management Services Limited and Triton Advisers Sweden AB and their respective affiliates including, but not limited to, investments and PCs of funds managed directly or indirectly by Triton Investment Management Limited.

### Ensuring data quality

In gathering information about our sustainability performance, we applied the widely used principles of balance, clarity, accuracy, reliability, timeliness, and comparability.

### Comparability

It is good practice to report year-on-year comparisons for KPIs, tracking changes in performance. This is challenging for private equity, as the number and type of companies in the portfolio changes each year, and our expectations of portfolio companies increase during our first two years of ownership, as they get up to speed with our ESG programme.

### Balance

We are committed to communicating honestly and openly about our performance, both when it is good and when it is not. Our aim is to provide our stakeholders with sufficient information about our company for them to form their own judgements concerning Triton's performance.

### Clarity

We strive to make our sustainability reporting accessible and easy to read for anyone, but we are always open to feedback about the way we communicate our material issues.

### Accuracy and reliability

We report ESG performance using an online reporting platform to collect data from PCs. We check accuracy through periodic (at least biannual) calls and meetings with each PC to discuss ESG reporting. In addition to discussing ESG progress in general, performance data shared is also challenged and queried by Triton's ESG team. All information in this report should not be relied upon for any investment or other decisions.

### Timeliness

At Triton we report ESG data to Triton's Investment Advisory Committee on at least an annual basis, depending on the nature of the data. We primarily collect ESG data from PCs on an annual basis. Where necessary, we revise the reporting frequency to strike the right balance between obtaining the correct data and observing appropriate time intervals for reporting on them. Annual data gathering and external reporting are aligned with financial data collection. This report is published September, 2023.

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For self-classified funds (Triton V and Triton Smaller Mid-Cap II) as Article 8 under the EU's SFDR (Sustainable Finance Disclosure Regulation), this report should be read subject to the SFDR mandatory disclosures that have been made and are available for investors on the Triton website. Nothing in this report commits Triton to making any "sustainable investments" as defined by the SFDR nor to making any level of Taxonomy-aligned investments. Although some Triton funds "promote environmental and/or social characteristics" none currently make any minimum commitment to "sustainable investments" or Taxonomy alignment.

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