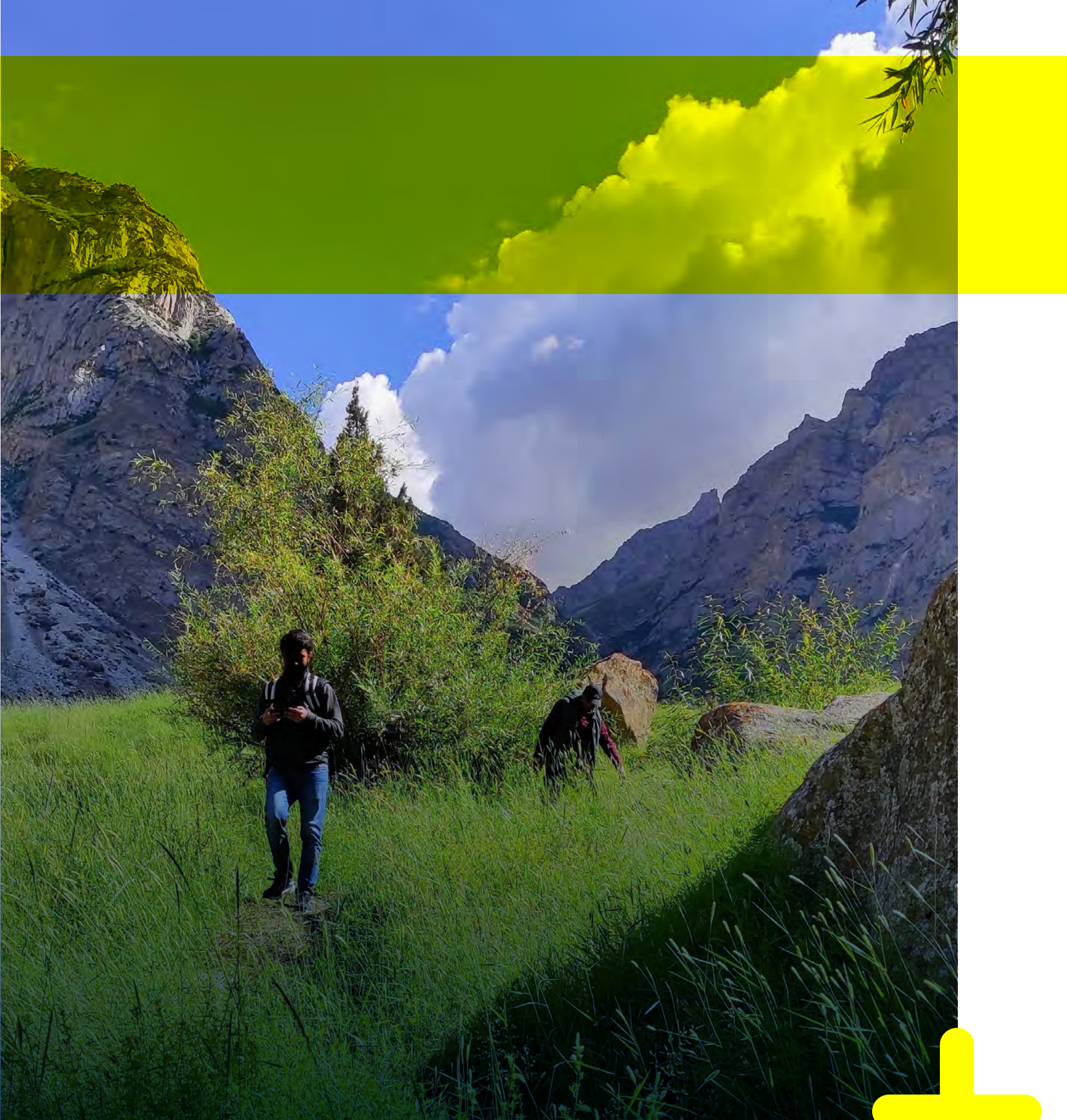


Sustainability Report 2024

palatine



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The front cover image is the winning photograph from our 'Community' photo competition, taken by Abeer Salman from Palatine. We asked our team and portfolio companies to show us the people, places, groups and initiatives in their local neighbourhood that mean something to them.

"This picture is from one of our annual family trips to Northern Pakistan, taken during a quiet moment on the way back from a sunrise hike in Skardu. Not long after, we all moved to different corners of the world, making this one of our last shared adventures. To me, this picture embodies the essence of community as it is not just about where we live, but the people who make us feel at home no matter the distance."

Our 2024 ESG Report



Welcome to Palatine's 2024 ESG Report

At Palatine, we believe that sustainability is synonymous with building great businesses and delivering strong returns. It is a core part of good business and our approach to Positive Equity. It manages risk, builds more resilient companies, and enhances reputation. As we share our 2024 ESG Report, we know the sustainability landscape is getting more complex - but

also more important. For us, ESG isn't siloed; it's built into how we invest, create value, and grow resilient businesses.

In a year marked by global volatility and growing scrutiny of ESG, we stayed focused on what works: backing strong teams, making thoughtful decisions, and driving long-term growth in a responsible way. That approach helped us raise our largest fund to date - Buyout Fund V at £254 million, exceeding our target despite a tough fundraising market.

What we're seeing

We know ESG can mean different things to different people. Right now, we're seeing a widening gap globally - Europe and Asia are pressing ahead with regulation and innovation, while political resistance in the U.S. is creating noise and uncertainty. But through all the headlines, one thing is clear: ESG isn't going away. Customers, employees, and investors still expect action. And the businesses that take it seriously are better positioned to grow, attract talent, and stand out.

That's why we continue to back companies that recognise the opportunities that ESG brings in enhancing value. Recent highlights from our portfolio include:

- Morro - completing its carbon footprint calculation and committing to a science-based target.
- Papilo - advancing customer sustainability goals through its own ESG activity and target setting.
- bk plus - successful buy and build strategy driven by a people strategy, integration planning and employee engagement.

You'll find more on these achievements in the pages ahead.

The growing role of AI

AI is rapidly becoming a fundamental driver of innovation and competitive advantage across industries. As AI adoption accelerates, understanding its ESG implications is critical to ensuring that innovation drives not only efficiency but also ethical, sustainable, and socially responsible outcomes. In this report, we explore whether AI is hype or help when it comes to delivering ESG impact.

New investments, same strategy

We were excited to welcome Blueprintx into the Palatine Buyout portfolio in 2024. The Liverpool-headquartered digital transformation firm is a great example of our strategy in action - backing technology-led growth and ambitious management teams, while embedding ESG into the journey from day one.

The Impact Fund has also invested in two purpose-led businesses driving meaningful change in their respective sectors. Isle Utilities is a global innovation consultancy that accelerates the adoption of sustainable technologies in the water and environmental sectors, helping utilities and industries reduce their environmental footprint and improve resource efficiency. The Mole Clinic is a leading

provider of early skin cancer detection services, using clinical expertise and advanced technology to offer fast, accurate mole screening and diagnosis. Both businesses exemplify the Impact Fund's commitment to backing high-impact solutions that address pressing social and environmental challenges.

Our continuous ESG evolution

With 15 years of experience in ESG, we bring a long-standing commitment to sustainability and responsible investing. As the first private equity firm to become a certified Carbon Literate Organisation, we've trained over 300 people across our team, our portfolio, and our investor network. That's not just about awareness - it's leading to tangible carbon savings and smarter business decisions.

In 2024, we became a founding supporter of Manchester Carbon Literate City, helping push regional climate action forward. We also published our first TCFD-aligned climate report, giving real transparency into how we manage climate-related risks and opportunities.

And we're raising the bar for ourselves and our portfolio. We've set a science-based target to reduce our own emissions by 42% by 2030, and to ensure 100% of in-scope portfolio companies set their own validated targets by 2032. To help get there, we've developed a practical SBTi Playbook for portfolio companies.

Looking Ahead

As we pass the halfway point of this decisive decade for climate action and sustainable development, our focus remains clear: to champion responsible investment that delivers commercial success and environmental and societal value.

Gary Tipper, Managing Partner

What we believe in

We are committed to having a positive impact in all that we do. A positivity born of generating returns in the right way. We strive for sustainable growth by building on solid foundations with a commitment to the environment and society. We work with our partners, on equal footing, towards the same goal. Together, we shape businesses that prosper, even after our stewardship. It's simple: do the right thing, with the right people, and success will follow.

We invest from two private equity funds, with a strategy focused around ESG, value enhancement and building strong relationships. We also have a Growth Credit offering, which shares our mission of being a force for good and enhances our ability to support an increasingly important part of the economy.

buyout

Sustainable Returns

Our Buyout Fund invests in dynamic and visionary management teams looking to drive their business through their next phase of sustainable growth.

impact

Returns with Purpose

Our pioneering Impact Fund invests in commercially driven businesses with a mission to positively impact on society or the environment.

growth credit

Regional Focus

Our Growth Credit Fund seeks to level-up the growth credit market across the UK by supporting maturing, high-growth tech companies in the regions.

There is an increasing amount of peer collaboration to help effect change in the industry. The associations we have joined forces with include:



The potential of AI

CAN IT HELP OR IS IT ALL HYPE WHEN IT COMES TO SUSTAINABILITY?

AI has become a polarising topic with a lot of myth surrounding it. For some, it's a breakthrough technology that could help solve our most complex sustainability challenges. For others, it's overhyped, energy-hungry, and riddled with ethical concerns. As with most things, the reality sits somewhere in between.

Right now, AI is still in its hype phase, but it's moving quickly into practical use. Already, 68% of large companies report adopting at least one AI technology¹, with nine out of ten organisations saying they see AI as a competitive advantage². The World Economic Forum estimates that AI could add as much as €600 billion to Europe's economy by 2030³, which equates to roughly the size of the entire construction sector. With that kind of potential, it's no longer possible to separate AI from ESG. This is a technology with the power to revolutionise the way we approach sustainability across the board, creating tools and systems that lower barriers and democratise solutions for businesses of all sizes.

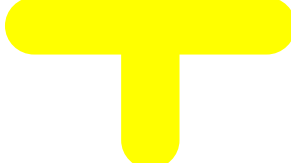
But alongside the optimism, there is growing scepticism. Could AI become the next big sustainability challenge? Training and running advanced AI systems demands huge amounts of energy, with companies like Microsoft and Google, both long-time sustainability leaders, reporting significant increases in carbon emissions linked to AI investment⁴. Cooling enormous data centres requires water-intensive processes,

while the rapid obsolescence of hardware adds to mounting e-waste and undermines circular economy principles.

Beyond the environmental footprint, questions of accuracy and bias raise further concerns. Distorted sustainability information can mislead and algorithms that reflect or amplify inequalities risk diverting resources away from underserved communities or underrepresented stakeholders. At the same time, the spread of automation fuels anxiety about job losses, even though history suggests that new technologies tend to reshape roles rather than simply replace them.

There are further reasons to be cautious, in its current state, 95% of generative AI implementations "have no measurable impact on P&L", according to MIT, with flawed integration often to blame⁵. That gap between potential and performance matters, especially for sustainability, where execution is everything. Increasingly, ESG is being reframed not as a compliance exercise, but as a lever for value creation and protection, helping companies reduce risk, build resilience and unlock growth. When deployed well, AI could accelerate this shift – driving sharper insights, smarter resource allocation and greater accountability. But when it falls short, it risks eroding trust, inflating costs and deepening existing sustainability challenges.

1. [Gov.uk](#)
2. [Radix](#)
3. [World Economic Forum](#)
4. [The Guardian](#)
5. [Tom's Hardware](#)



The real question is, for growing businesses, can AI help resource-constrained teams work more efficiently when it comes to sustainability, or will it simply become another drain on already limited time, budget and resources? To explore this, we look through three lenses: what AI can do today, what's emerging on the near horizon, and what a more speculative future might hold.

Today's AI tools for sustainability have significant limitations

Most of today's tools fall under Narrow AI – algorithms designed for specific tasks. Large Language Models (LLMs), like ChatGPT, are mainly focused on content generation. For ESG, they can process vast amounts of sustainability data quickly, generate reports, or translate technical content into accessible formats for stakeholders.

But there are significant limitations. LLMs still rely on human-prepared data, and issues like “hallucinations” mean outputs can sound convincing while being factually wrong. For ESG reporting, where compliance failures carry big consequences, these tools remain unsuitable without human oversight. The time saved on report writing can easily be lost in fact-checking, meaning AI is still more of a support act, than a game-changer here.

Emerging AI is beginning to shake up sustainability

The next wave is Agentic AI – systems that go beyond generating content to making decisions and optimising operations. These tools don't rely singularly on human prompts and are beginning to show real promise across specific or bespoke sustainability challenges.

Many companies lack the data and resources to deliver on their otherwise credible Net Zero strategies and science-based targets. Salesforce's [Net Zero Cloud](#) uses AI to track emissions, model decarbonisation pathways and provide predictive insights. It can help organisations identify high-impact reduction opportunities

and shift climate strategy from static reporting to dynamic decision-making.

Investors, insurers and consumers are demanding climate resilience, but assessing risk from floods, heatwaves, or fires is costly and highly technical. [Jupiter Intelligence](#) provides AI-driven analysis, enabling lenders and investors to integrate climate risk into financing decisions. This kind of pragmatic sustainability data can help businesses reduce risk, attract investment and grow.

As businesses rush to showcase their sustainability credentials, many overlook the hidden footprint of their digital operations. [EcoPing](#), uses AI to monitor web emissions, which is the carbon generated when websites consume energy through servers and data transfers, and provide reduction strategies. It helps smaller businesses cut hidden emissions and avoid greenwashing, showing that AI is not just for big tech; smaller players can use it to stay credible too.

Each of these examples point to the same trend, as AI starts to become increasingly designed for specific ESG practices, it offers efficiencies that can accelerate progress, helping guide smarter decisions with less time, budget and resources. However, the immediate value of these emerging tools depends on context; where there is a clear use case, AI can be a powerful enabler, but without one, it risks becoming a distraction or failing to deliver on its promise altogether.

The AI of tomorrow could be revolutionary

Looking further ahead, speculation often turns to Artificial General Intelligence (AGI) – a form of AI that, in theory, could replicate a wider set of cognitive abilities such as learning, reasoning, and problem-solving – with multiple AI tools collaborating in real time. It's

worth stressing that AGI is not yet here, and it may never arrive. But if it does, the implications for sustainability could be significant.

Rather than replacing human judgement or jobs, the real potential lies in how AGI could act as an accelerator and partner that models complex climate scenarios, tests Net Zero pathways, or helps leaders weigh trade-offs across social, environmental, and economic priorities. It could reimagine how resources are managed at scale or, if democratised, provide faster access to sustainability knowledge, making it easier for people and businesses to make informed decisions. But if concentrated in the hands of a few it risks deepening divides; with wealthier companies, countries or people able to adapt and respond while smaller players are left behind.

How should we consider AI for ESG?

AI today is already offering useful tools that can streamline aspects of sustainability. Tomorrow's wave promises even more, while the more distant future raises both worrying risks and exciting possibilities. The truth is that AI is neither saviour nor villain. It is a powerful, imperfect tool, one that will be defined by how we choose to use it.

For businesses wanting to scale up their sustainability efforts, the challenge is cutting through the AI hype and focusing on where it can add real value. That requires experimenting and implementing AI responsibly through making systems smarter, smaller and stronger to improve energy efficiency, limit waste technology, get ahead on standards and consider the ethics of automation by prioritising reskilling and role evolution over replacement of employees. For smaller businesses, starting with lighter, well-defined AI tools can help cut costs, save time and lower emissions, while embedding ethical guardrails from the outset.

Governance of sustainability

BOARD OVERSIGHT

Sustainability is embedded within Palatine’s investment philosophy and governance structures. The Impact Managing Partner sits on the board with direct oversight of ESG matters, supported by regular updates from the Senior Sustainability Director. Key ESG policies are reviewed annually by the board and signed off by senior leadership to ensure alignment with internal priorities and global standards. The board also approves an annual ESG budget, including sustainability initiatives.

SUSTAINABILITY TEAM

The Sustainability Team supports ESG integration across the full investment lifecycle and serves as a dedicated resource for both Palatine and its portfolio companies. Led by the Senior Sustainability Director, the team comprises of Sustainability Manager and Sustainability Executive and conducts ESG due diligence, carbon footprinting, annual reporting, and monitors sustainability performance. The team also works to build ESG capability across internal teams and portfolio companies through ongoing engagement and support, including setting and achieving sustainability targets.

INVESTMENT AND PORTFOLIO TEAMS

The Investment and Portfolio teams work closely with the Sustainability Team to assess ESG risks and opportunities from due diligence through to exit. ESG factors are incorporated into decision making and are discussed at quarterly board meetings to ensure alignment with Palatine’s sustainability strategy.

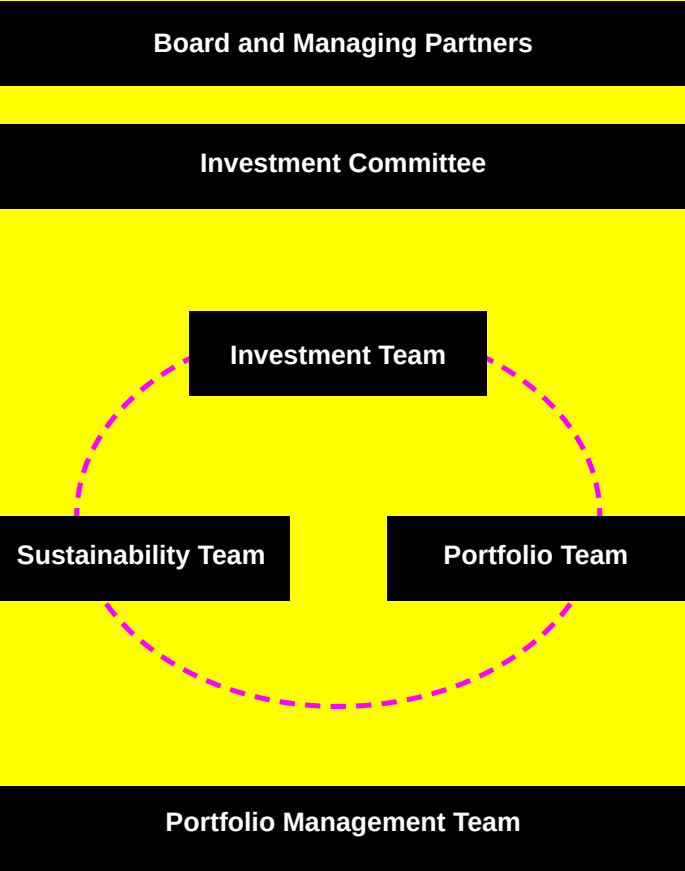
INVESTMENT COMMITTEE

The Senior Sustainability Director attends all Investment Committee meetings, ensuring ESG considerations are included in all investment papers and discussed with the relevant Managing Partners.

PORTFOLIO BOARD OVERSIGHT

Portfolio companies are encouraged to appoint a board level ESG lead and mirror Palatine’s own governance structure and commitment to sustainability. ESG updates are regular board agenda items, helping ensure alignment with Palatine’s sustainability goals and allowing ESG matters to be promptly addressed and supporting continuous improvement across the portfolio.

GOVERNANCE STRUCTURE OF SUSTAINABILITY



*This relates just to our equity funds only

Sustainability strategy

OUR VISION FOR THE FUTURE

Emmeline Pankhurst, the Manchester born and most influential British suffrage leader, was the inspiration for our sustainability strategy, recognising that we can draw inspiration from Pankhurst; to be innovative, transformative, sincere, and dedicated to delivering positive outcomes. With this, we built the essence of our sustainability strategy with the guiding principles being influenced by her movement:

DEEDS NOT WORDS

We will maintain our leadership position through the delivery of ESG improvements and outcomes within Palatine.
We will lead by example.

RALLY THE PORTFOLIO

We will support and facilitate our portfolio companies to improve their sustainability performance; realise efficiencies, gain competitive advantage and future proof value.

ACHIEVING TOGETHER

We will build the capability of the team through ongoing learning and collaboration with our network to achieve our vision together.

RISE UP INDUSTRY

We know that we cannot do this alone. We will use our platform to influence the industry and invite them on this journey to achieve a common goal of sustainable investment.

To deliver our vision, we've implemented a sustainability strategy to provide a framework to achieve performance improvements in three areas that we have deemed materially important to Palatine. Here we report the progress we have made in the last year:

This is the place that has
helped shape the world

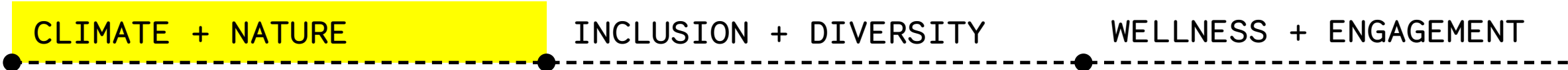
And this is the place
where a Manchester girl

Name of Emmeline Pankhurst
from the streets of Moss
Side

Led a Suffragette City
with sisterhood pride

‘This is the Place’
by Tony Walsh

Sustainability strategy



Progress towards our goals:

NEW - Embed nature-positive principles across the investment lifecycle and fully align with the TNFD framework by 2030.

1

New for 2025

> This is a new target for 2025 and replaces the achieved target of setting and validating a science-based target.

Achieve net zero operations by 2028.

2

95%

We are still working on this. In 2024 95% of electricity used in our three offices was renewable¹, up from 76% in 2023

NEW - 100% of portfolio companies to have set SBTs by 2032

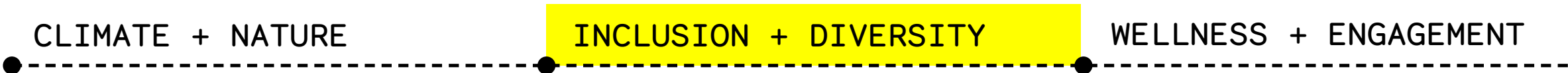
3

New for 2025

> A new target for 2025. While offsetting has a role in the net zero journey, our focus is on emissions reduction and validated targets. We aim for 60% portfolio coverage by 2028 (currently 3%). Two portfolio companies, Morro and Papilo, are setting science-based targets in 2025. To support wider adoption, we've launched the Palatine SBTi Playbook, offering practical guidance for setting validated decarbonisation targets.

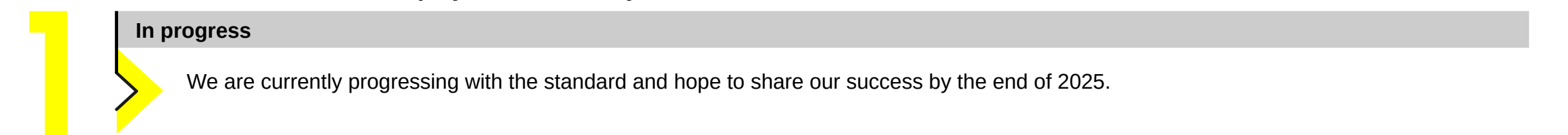
1. Defined as being backed by a renewable energy certificate or REGO.

Sustainability strategy

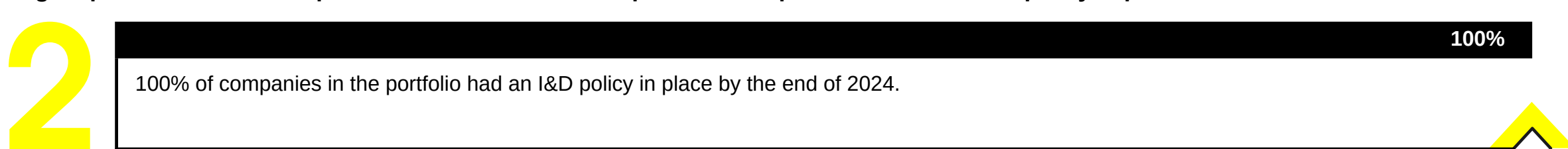


Progress towards our goals:

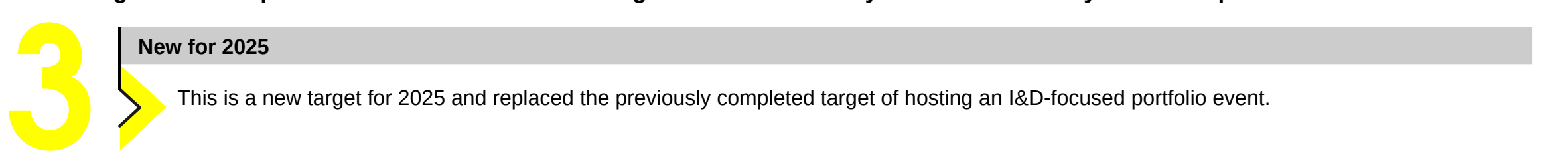
Gain accreditation to the Inclusive Employers Standard by 2025.



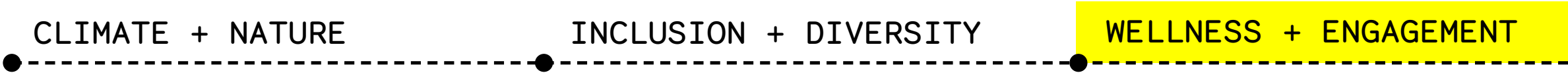
Target updated to reflect the portfolio evolution - 100% of portfolio companies to have an I&D policy in place within 12 months of investment.



NEW - Progress all companies to advance at least one stage on the I&D maturity scale within three years in the portfolio.



Sustainability strategy



Progress towards our goals:

Annual delivery of ESG training for all Palatine employees.

1

100%

We continue to deliver training for all Palatine employees. Last year the training focused predominantly on our science-based carbon reduction target. And of course, carbon literacy training is available twice a year. We also partnered with Inclusive Employers to make inclusion training available to the team.

Target updated - 100% of portfolio companies to have completed the Mental Health First Aiders (MHFA) needs assessment within 12 months.

2

100%

The existing portfolio has completed a MHFA risk assessment and MHFA training was delivered in response to this. This new target demonstrates the equal importance of mental health and physical health and will ensure that all new investee companies complete the needs assessment in the first year of investment, which will inform the training requirements.

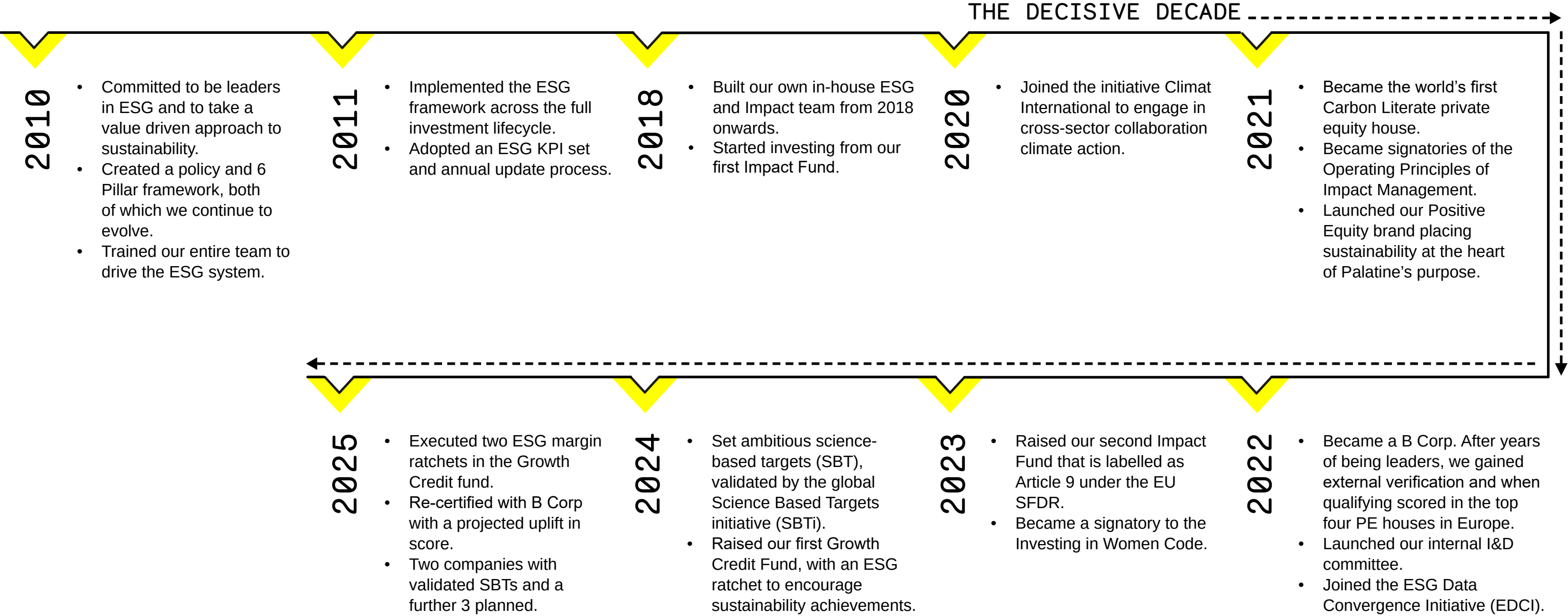
Target updated - Deliver an annual Wellbeing Plan with a minimum of four targeted initiatives, achieving a participation rate of >50%.

3

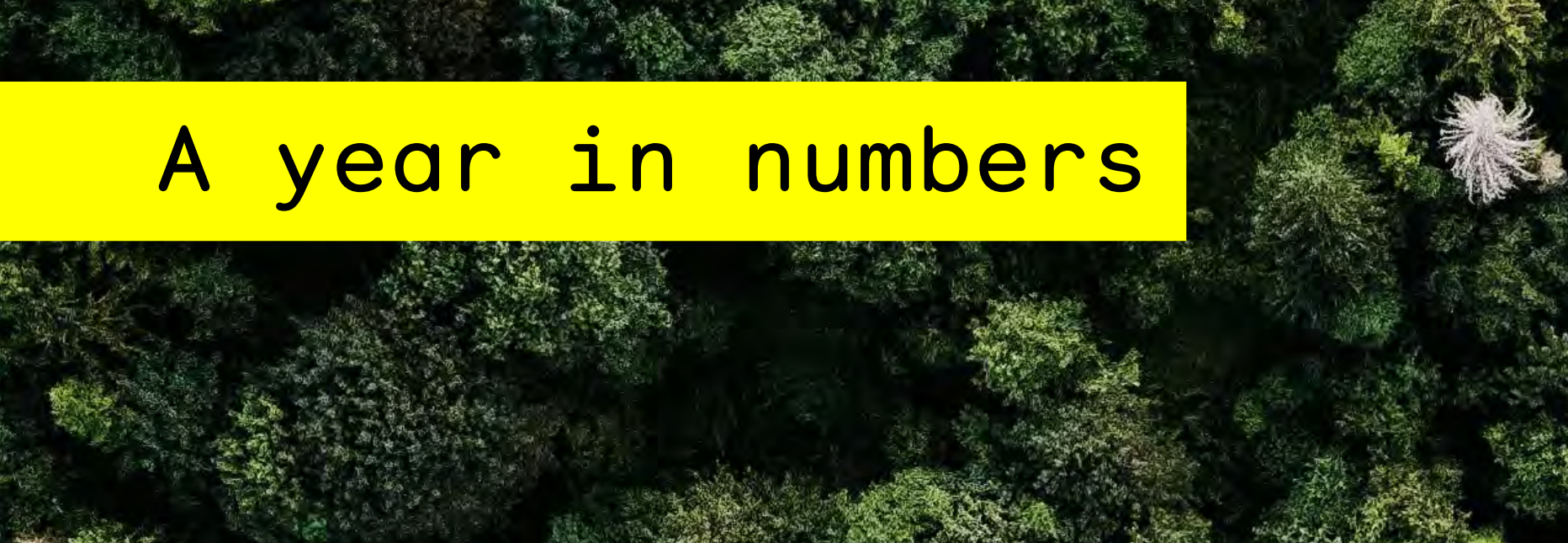
Target updated for 2025

Our Wellbeing Team continued to deliver wellbeing initiatives in 2024, which included team breakfasts, socials and wellbeing walks. This target has been strengthened to capture the success of the events.

What we have achieved



*These milestones show our foundational commitment in 2010 and key achievements from the past seven years, we recognise many important milestones occurred in the interim. For complete history please refer to our previous reports.



A year in numbers

DEEDS NOT WORDS

>

58:42

Male to female gender split at Palatine

>

£79,000

donated in cash and kind to charities reducing inequalities across the UK

>

10

New recruits

>

2

Exit



Abeer Salman
Sustainability Executive



Alistair Armstrong
Partner



Connor Fazakerley
Analyst



Elle Curtis-Wood
PA



Grey Chen
Associate

>

3

Investments



Nauman Lodhi
Investment Executive



Ryan Sorby
Partner and Head of the North



Shaun Maguire
Financial Accountant



Shiyu Pan
Investment Executive

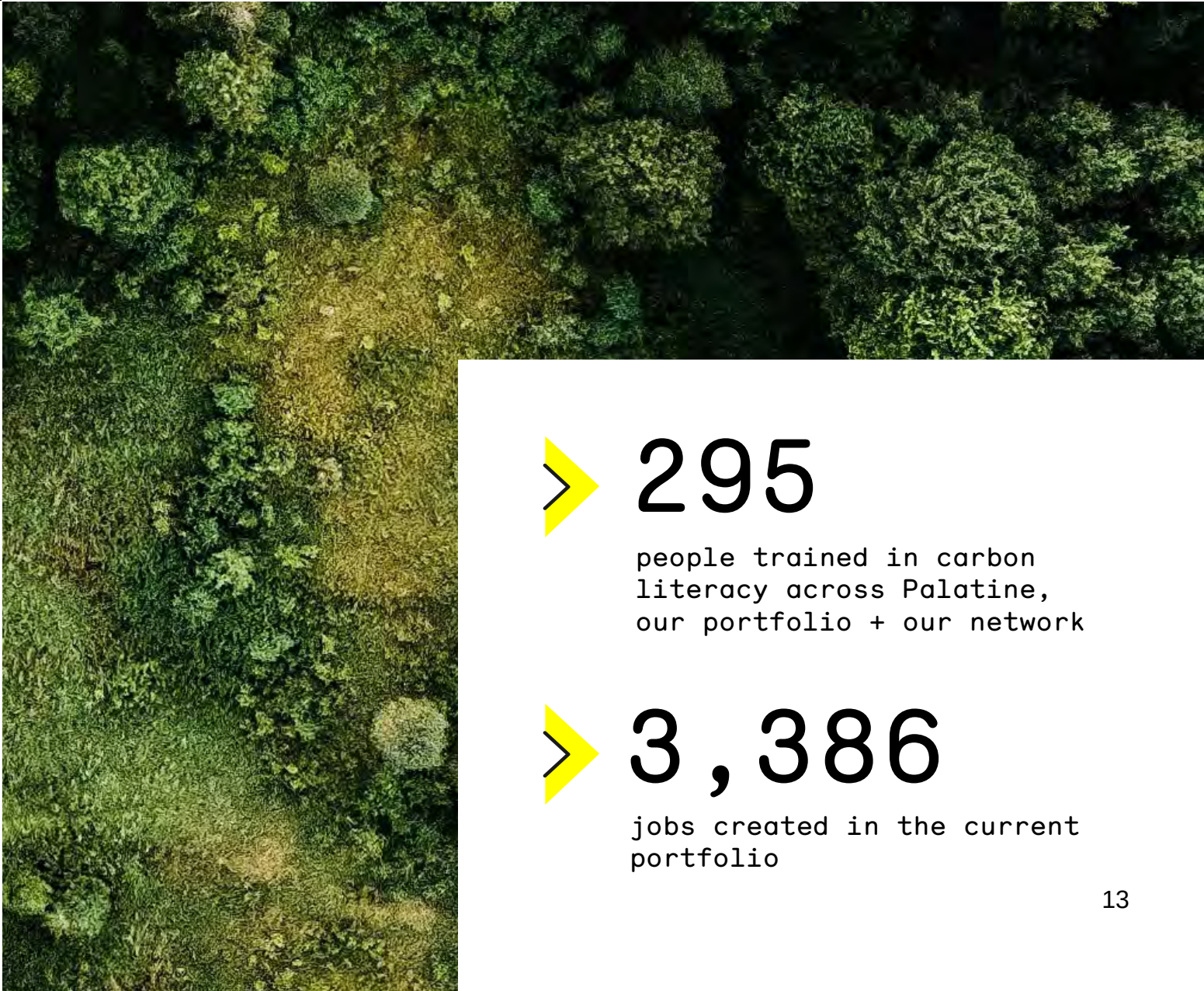


Talia Slater
Associate

>

+69

eNPS



>

295

people trained in carbon literacy across Palatine, our portfolio + our network

>

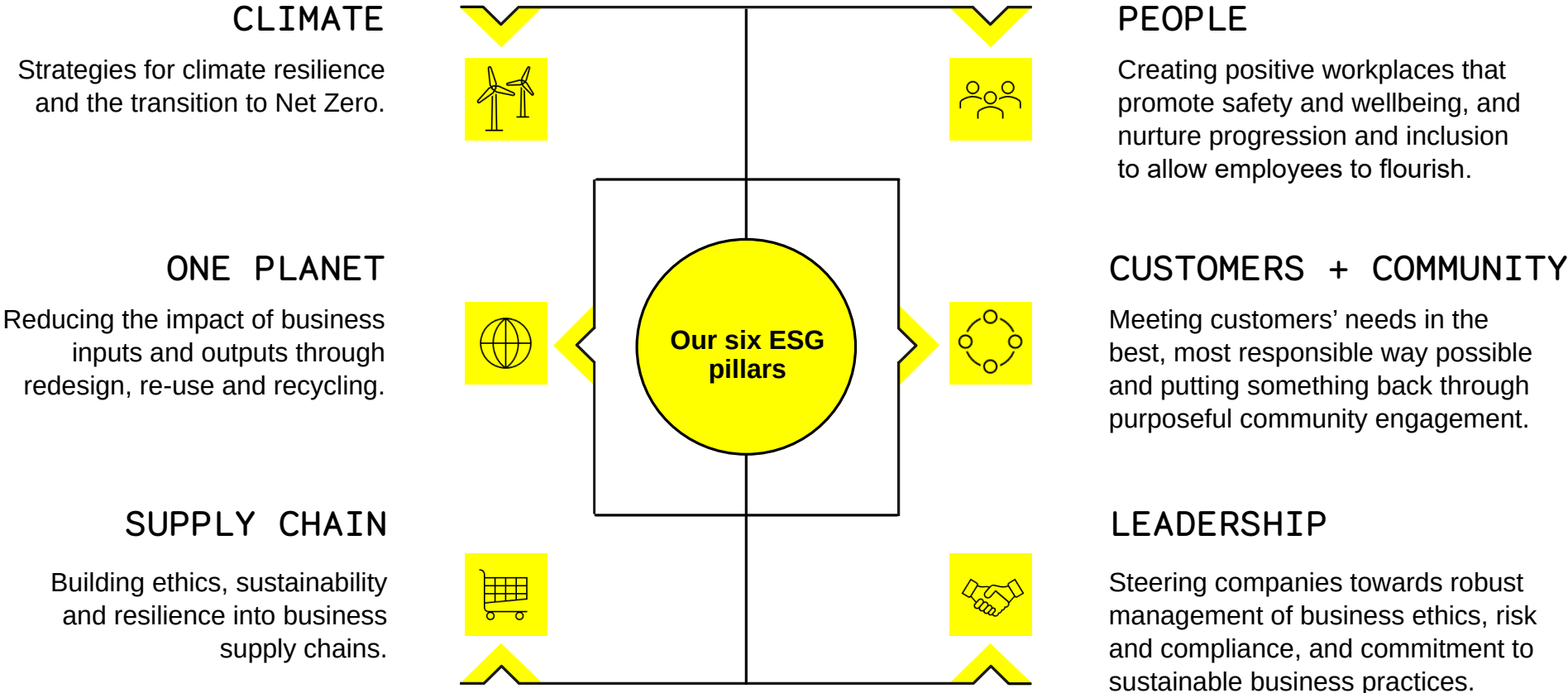
3,386

jobs created in the current portfolio

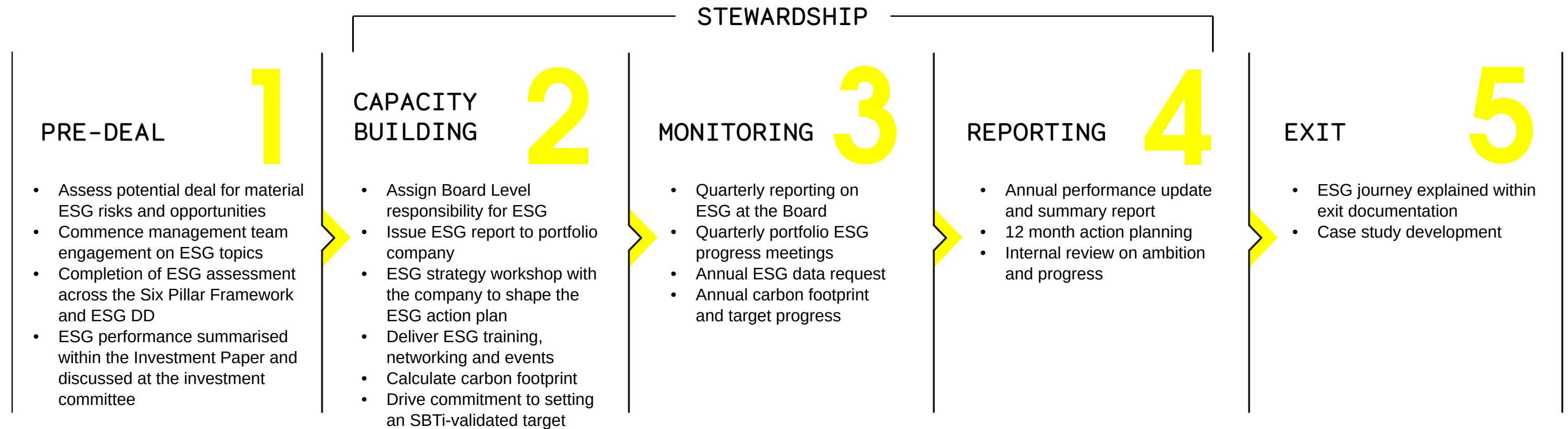
How we do it in our equity funds

ESG is a crucial part of value enhancement. Through our considered approach to ESG, not only do we achieve sustainable outcomes for people and the planet, but we also add value, build better businesses, and generate sustainable returns.

Palatine's proprietary Six Pillar framework is applied consistently across all funds and all deals. It frames ESG activities and ensures a rigorous and robust approach to ESG that is consistent and replicable. It allows for the identification of risks as well as having a strategic application to take advantage of the opportunities that ESG brings.



How we do it in our equity funds



Driving sustainability in our Growth Credit Fund

As part of our commitment to transparency and continuous innovation in responsible investing, we spoke with Will Chappel, Managing Partner, Palatine Growth Credit and Maarten Odding CFO at StorMagic to explore the thinking behind Palatine's ESG ratchet and its real-world impact on portfolio companies.

WILL CHAPPEL AT PALATINE

What made it important for Palatine to incorporate an ESG discount ratchet into the Growth Credit fund, and how does it align with Palatine's broader ESG values?

Palatine sees investment as a force for good and strives for sustainable growth through supporting the delivery of positive outcomes in all our investments. Over the last 15 years of applying our proprietary framework, we have observed how ESG builds resilient businesses, supports risk management and enhances or protects reputation. Alongside this, as a B Corp, it was critical to Palatine to apply this philosophy to the Growth Credit fund. We were mindful that we would not have the same influence over our Growth Credit investee companies as we do our PE companies, due to not holding Board seats, therefore we created the ESG ratchet to incentivise our companies to take meaningful, impactful and long-lasting ESG action. The ratchet is 'unlocked' when

the company achieves one of the five agreed sustainability targets. This is an important, yet pragmatic, approach to ESG stewardship in investments in support of, and encouraging the advancement of sustainability performance of investee companies resulting in positive outcomes.

How does the ESG ratchet differ from other growth credit products currently in the market?

The ESG ratchet is unique in the market, and we don't believe there to be anything directly comparable among current growth credit products. Unlike the Sustainability-Linked Loans (SLLs) we've seen, which typically require ongoing, annual assessments and verifications - often resulting in a cost that outweighs the financial benefits - the ESG ratchet is based on a one-off, externally validated assessment. This approach significantly reduces the administrative and financial burden on companies, making the benefit of accessing the ratchet more impactful.



“There has been strong engagement from across our client portfolio to learn more about what can be done to become a more sustainable business, and companies have used it as an opportunity to drive innovation.” Will Chappel

Another key differentiator is the flexibility of the ESG ratchet structure. It incorporates both environmental and social outcome targets, allowing companies to select a metric that aligns with their specific business strategy, core values, and stakeholder interests. This tailored approach supports meaningful ESG integration without compromising on commercial priorities.

How is the ESG ratchet perceived by the companies you work with?

Our clients have embraced the opportunity that comes with the ratchet. There has been strong engagement from across our client portfolio to learn more about what can be done to become a more sustainable business, and companies have used it as an opportunity to drive innovation. Alongside the ratchet itself, Palatine has had strong take up from the carbon literacy training that Palatine offers to its portfolio companies, which we have been very pleased to see.

MAARTEN ODDING AT STORMAGIC

What initially attracted Stormagic to the Palatine Credit Fund, and how did the ESG ratchet influence that decision?

We saw Palatine as a strong fit for Stormagic, not only because of its regional focus beyond London but also its genuine interest in our technology, which helped build a strong foundation of trust. The ESG ratchet added further value, serving as a positive incentive to strengthen our ESG policies in a way that aligns closely with our long-term vision as a company.

Could you tell us about the motivation behind your decision to set a science-based target (SBT)?

At StorMagic, one of our core purpose statements is that technology should be simple, scalable, and right-sized, setting us apart from overprovisioned solutions. We believe this philosophy should

extend beyond our products to how we operate as a business. By setting a SBT, we not only stay true to our corporate vision but also strengthen alignment with customers and suppliers who value partnering with businesses that share their commitment to sustainability.

What value do you expect meeting your ESG target will bring to Stormagic in the long term?

In just the first year since gaining Science Based Target initiative (SBTi) approval, we’ve already seen tangible benefits, our SBT has featured in multiple RFP and RFI responses, particularly with enterprise customers where such commitments are increasingly expected. Looking ahead, we believe this value will only grow. As the effects of climate change become more evident and collective pressure to act intensifies, having clear ESG targets will strengthen our credibility, competitiveness, and long-term resilience.

Progress with purpose

2022 score: 111.3

2025 recertification target: 120.8

We are proud to be a B Corp. For the past three years, we have been part of a community of businesses creating an inclusive, equitable and regenerative economy. Now, we are undergoing the recertification process to re-state our commitment to meeting high social and environmental performance, accountability and transparency standards.

We are a B Corp because acting sustainably safeguards risk, resilience and reputation. Climate risk, both transitional and physical, is ramping up in this decisive decade for climate action and against a storm of anti-ESG backlash, operating ethically and looking after our people and our suppliers remains imperative. Being a B Corp demonstrates that we are acting where it counts. There is a clear correlation between companies with a high ESG rating and strong financial performance. Our own experience over the last decade has shown us first-hand that improved ESG outcomes contribute to sales growth, talent retention, brand value and strong returns.

To safeguard this value, we have made major advancements since our initial submission, reflected in our (pending) score uplift. We have published our Sustainability Strategy and set validated science-based targets, we have trained over 300 people across our network in Carbon Literacy and delivered on our inclusion, diversity and wellbeing strategies. Igniting action in our portfolio has remained a focus, our flagship Futureproofing Value event series has brought together senior leaders from across the portfolio every year since our initial certification. To read more about the progress we have made, explore the impact areas on the following pages and case studies throughout this report.

The B Corp framework has informed our sustainability strategy. The next step for B Corp progress will be to assess the new framework, identify gaps in our current approach and develop a plan for a second successful recertification.



Governance



2022 BASELINE

- We considered our key stakeholders in our decision-making.
- Sustainability performance was reviewed annually by our Managing Partners.
- Employees trained on Anti-Bribery and Corruption (ABC) practices, underpinned with code of ethics policies.
- Sustainability was embedded into our corporate mission statement.
- All our employees had the opportunity to receive formal training annually.

2025 PROGRESS

- Our sustainability strategy was published in 2023, centred around climate and nature, inclusion and diversity, and wellbeing and engagement at Palatine and across our portfolio. With measurable ESG objective, targets and KPIs.
- All managers have social or environmental goals included in performance evaluation.
- We publish an annual sustainability report which sets out our public targets and tracks progress against them.
- We have clear job descriptions for all positions.

Workers



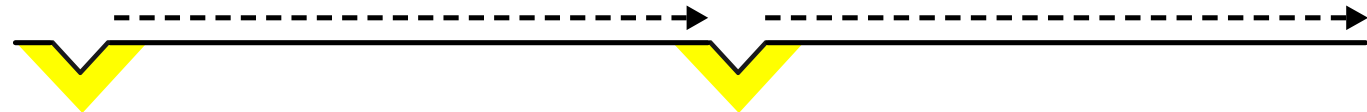
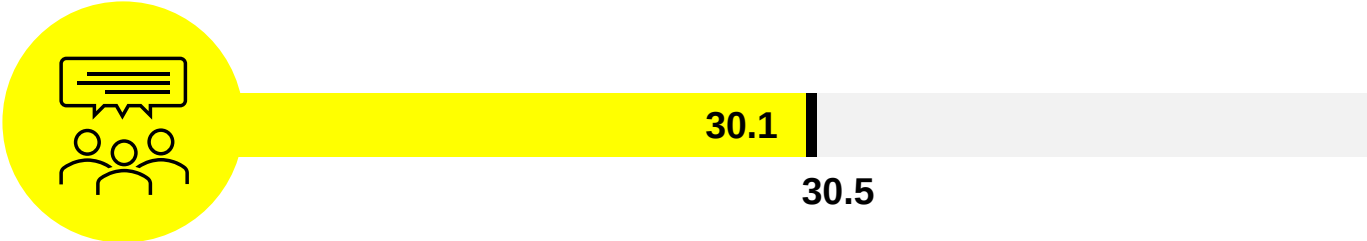
2022 BASELINE

- We enjoyed very high staff satisfaction levels as evidenced in our staff engagement survey.
- Employee health insurance provided to all our staff supplemented by an EAP and other mental health resources.
- Opportunity for all staff to invest in the Palatine funds.
- We supported our employees with flexible working policies.
- Training budget and access to a coach to support with professional and personal development.

2025 PROGRESS

- Employee engagement survey completed biennially, and the team is invited to contribute questions to the survey.
- Staff benefits are available for our part time and full-time employees.
- Health and wellbeing support is provided to all employees and their families.
- Updated the performance review process to align employee goals with the business aims.
- We have improved our secondary parental leave policy.
- We are committed to investing in our people, we have continued to 'promote our own' and invest in professional qualifications for our team.

Customers



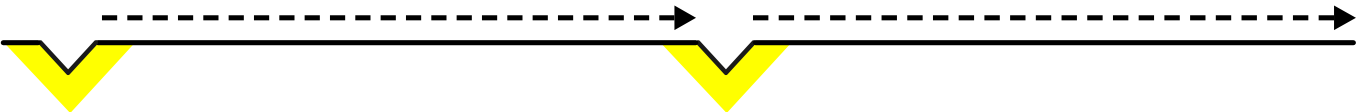
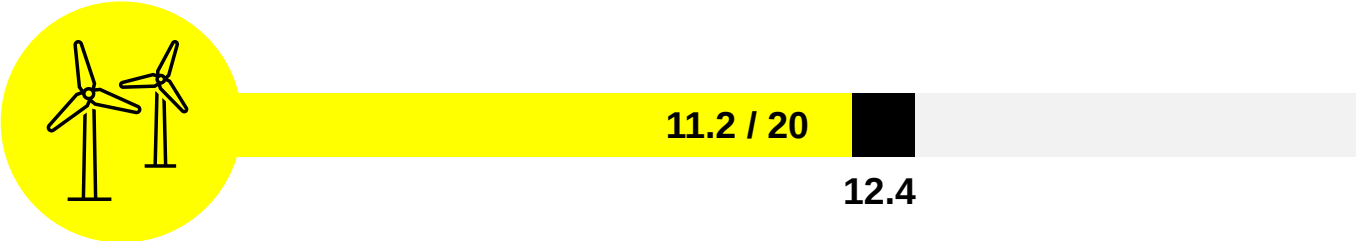
2022 BASELINE

- Investing from our first impact fund, reserved for companies with a measurable positive impact on society or the environment.
- Environmental and social risks and opportunities assessed during DD and discussed at the investment committee.
- All our portfolio companies implement anti-corruption and business ethics policies.
- We supported all our portfolio companies to track, report and improve social and environmental performance and we provided technical support for capacity building within portfolio companies.
- We have formal criteria regarding the social and environmental policies of co-investors.

2025 PROGRESS

- Investing from our second Impact fund and our first is proving our thesis that purpose and returns are aligned.
- We continue to iterate our due diligence process and have updated our monitoring process.
- Supported one company to achieve B Corp and invested in two B Corps.
- In the past three years we have held workshops on decarbonisation, setting inclusion strategies and embedding sustainability into the business strategy – starting with the board.
- Through our sustainability strategy, 100% of portfolio companies have implemented I&D policies, completed a mental health first aiders' (MHFAs) needs assessment, trained MHFAs, and been engaged on decarbonisation.

Environment



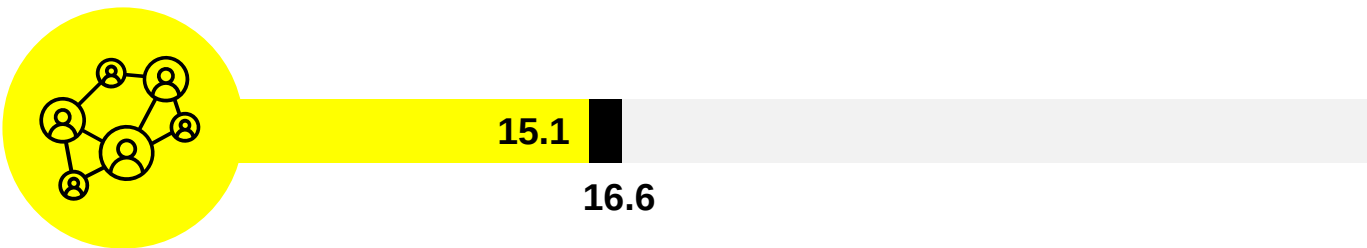
2022 BASELINE

- We encouraged good environmental stewardship in all our activities.
- Our Manchester office is BREEAM certified.
- Measured and reported our carbon intensity.
- Designed and delivered carbon literacy training internally, to our portfolio companies and investors.
- Our Birmingham office is supplied with renewable electricity.

2025 PROGRESS

- Our science-based carbon reduction target has been verified by the SBTi. We have set absolute decarbonisation targets, as a result our carbon intensity has dropped consistently for scopes 1 and 2.
- To reduce our financed emissions, we are working with companies in our portfolio to set science-based carbon reduction targets.
- We have engaged our portfolio with an action plan to embed energy efficiency measures across the group.
- Certified over 300 people as carbon literate and maintain a carbon literate portfolio.
- London and Manchester offices are now supplied with renewable electricity.

Community



2022 BASELINE

- We employee locally in the regions we operate.
- A consistent net growth rate in employee numbers.
- A preference to procure goods local to our regional offices.
- A formal commitment to community engagement and our team helps choose the causes we support during the year.
- Some workforce diversity data tracked.
- We worked with industry stakeholders to drive social or environmental improvements in the sector.

2025 PROGRESS

- Our inclusive recruitment practices include analysis of job descriptions to ensure they are inclusive and equitable.
- We now have improved levels of gender diversity achieving 58:42 M:F.
- We advocate for policy changes designed to improve social or environmental outcomes.
- We are supporting charities with a focus on social mobility and have raised £79,000 since 2024.
- We track a full scope of workforce diversity data and benchmark this against our industry and the regions in which we work.
- We work collaboratively with organisations like the iCI, Investing in Women Code and Operating Principles for Impact Management.

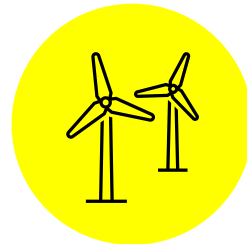




Environment

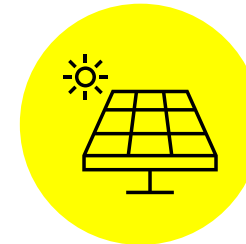
Climate action

CLIMATE ACTION FOR RESILIENCE AND IMPACT



95%

renewable energy
procurement across
Palatine's offices



2088

tCO₂e saved through
procuring green energy
across the portfolio



50%

reduction in
portfolio carbon
footprint



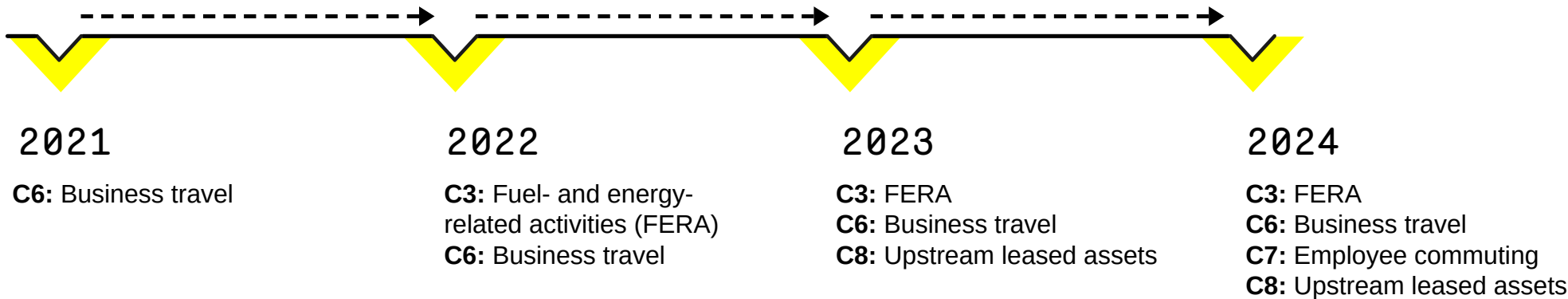
75%

portfolio companies
have an environmental
policy commitment in
place

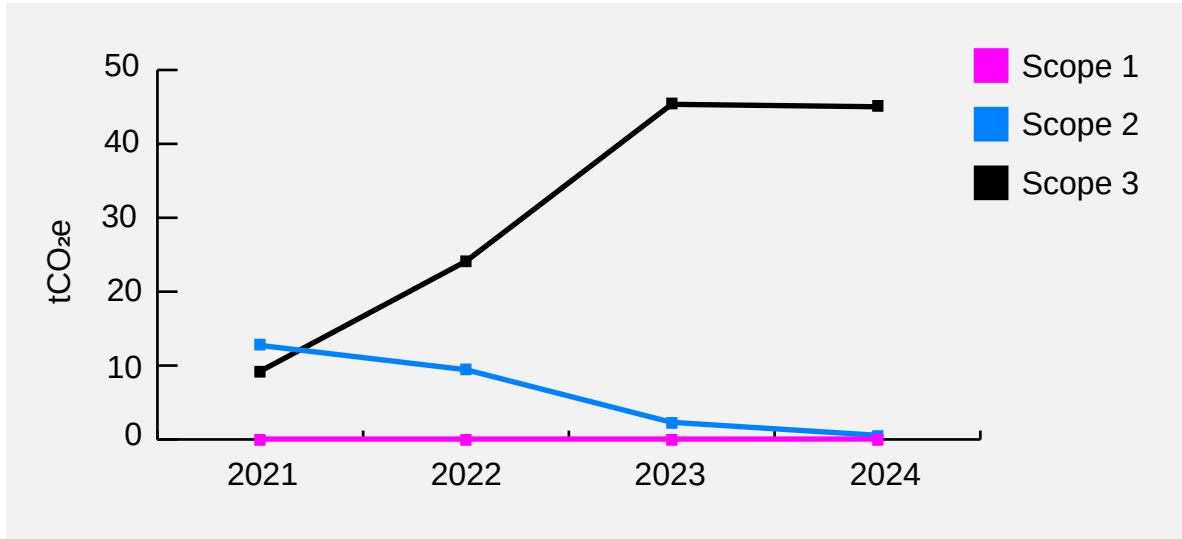
Our operational carbon footprint

Palatine delivered another year of measurable carbon reductions across its operations and portfolio in 2024, with significant progress driven by strategic decarbonisation actions. Emissions from our direct operations remain negligible, while those associated with energy use have decreased, supported by a 25% increase in renewable energy consumption across our offices.

In our scope 3 reporting, we have expanded our boundary to include Category 7, Employee Commuting, following guidance from the Greenhouse Gas Protocol to capture emissions from travel to office locations and home working arrangements.



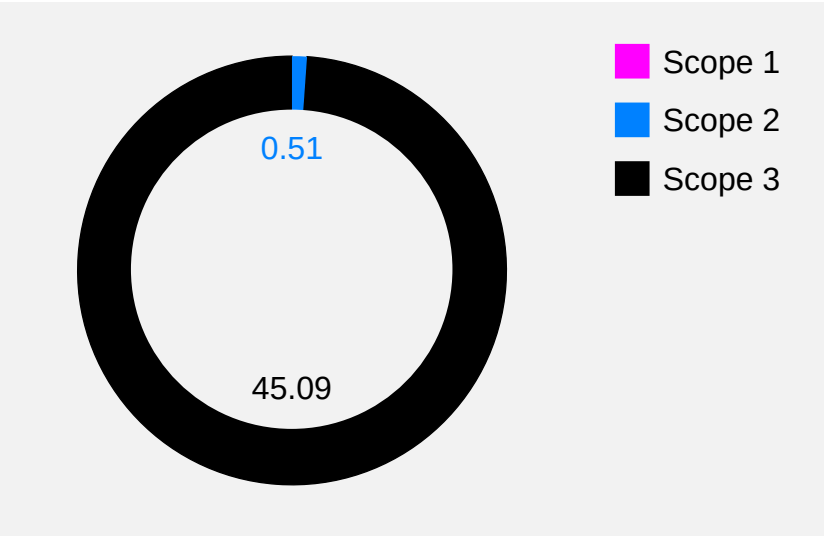
PALATINE'S OPERATIONAL FOOTPRINT



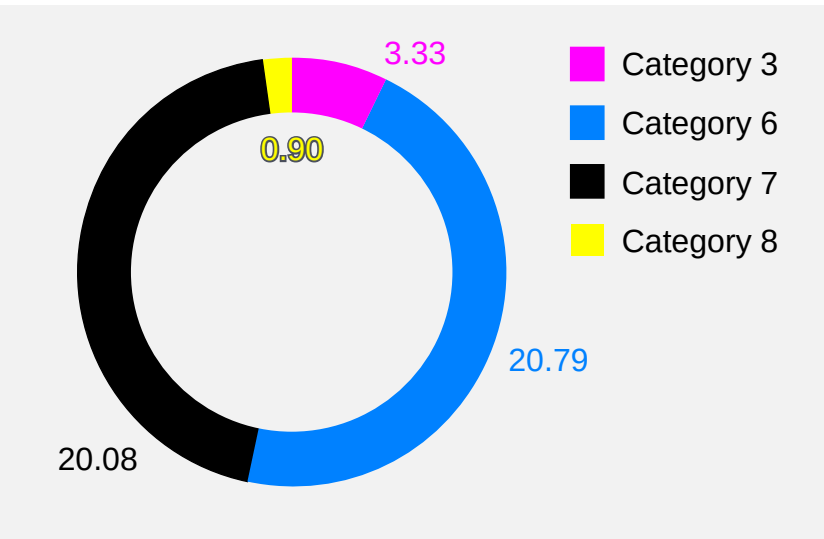
*Rise in Scope 3 emissions due to expanded reporting boundaries

4.4%
operational
footprint reduction
from 2023

2024 OPERATIONAL FOOTPRINT



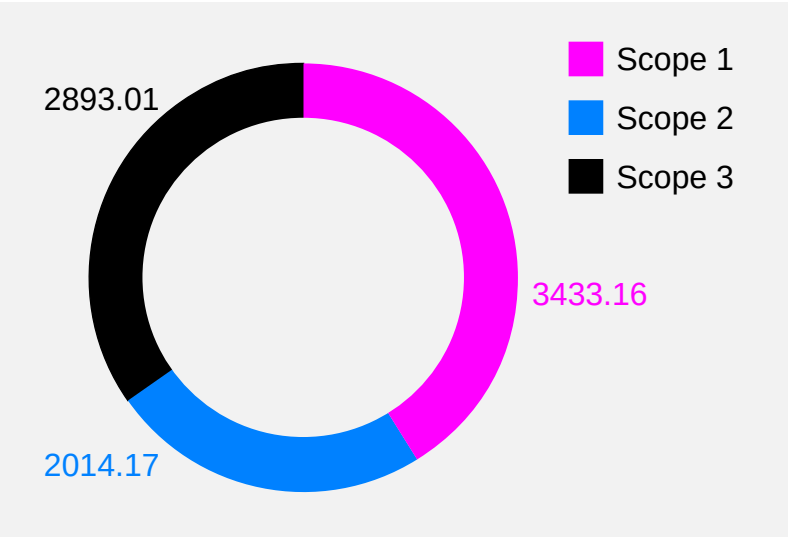
SCOPE 3



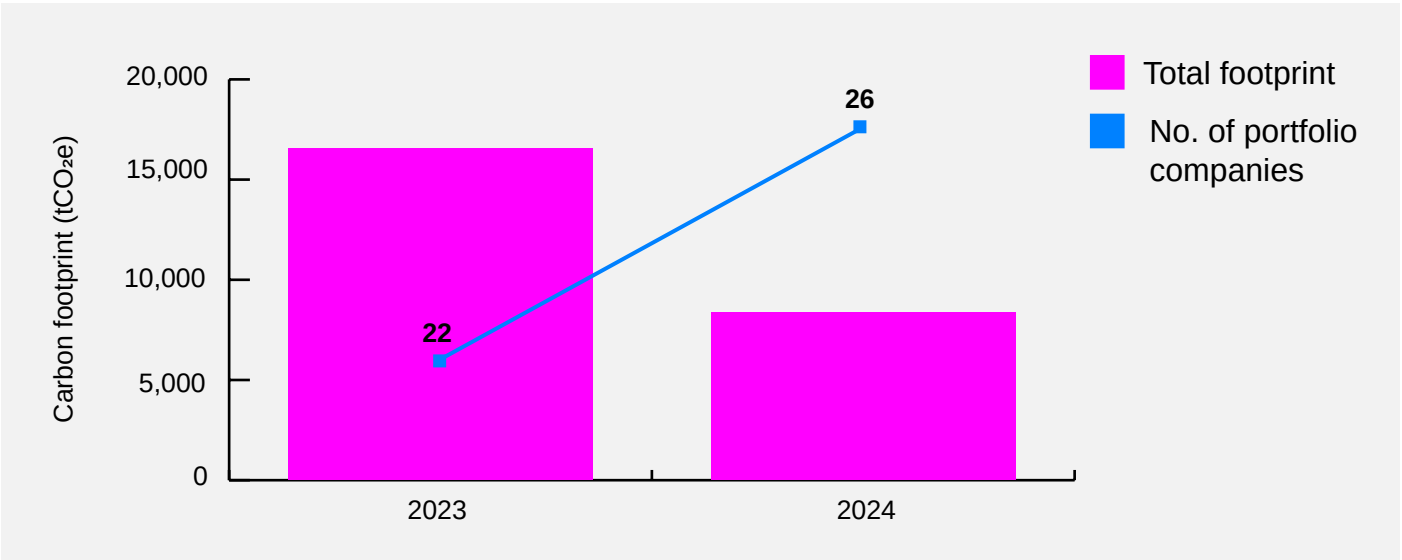
Accounting for carbon in our portfolio

8340

tCO₂e = Total
portfolio carbon
footprint (50%
decrease from 2023)



PORTFOLIO EMISSIONS PERFORMANCE

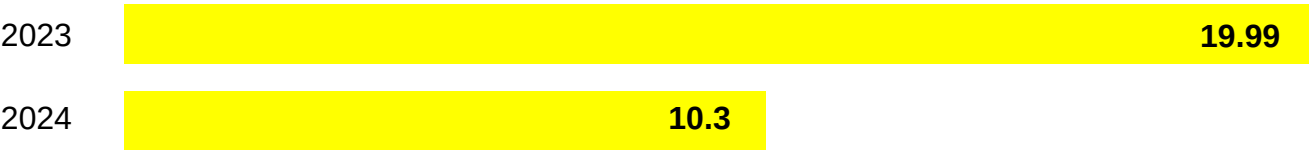


The reduction in the portfolio carbon footprint was largely driven by the exit of our highest emitting portfolio company NRG Riverside, alongside the impact of decarbonisation measures at Morro and other portfolio companies. Despite the growth in our portfolio, with a net increase of two companies, emissions intensity declined, reflecting our ongoing commitment to decarbonisation and integrating climate consideration in investment decisions.

Renewable electricity remains a critical lever across the portfolio, though reported consumption fell from 15.4 million kWh in 2023 to 8.2 million kWh in 2024. This reduction reflects changes in portfolio composition, contributing to higher electricity-related emissions than in previous years. Expanding renewable sourcing will be a key area of focus going forward.

Scope 3 reporting continues to be limited, currently covering only claimed business mileage. This represents only a fraction of Category 6, Business Travel – we expect reported scope 3 figures to increase as we expand the reporting scope.

Emissions per £m revenue:



Emissions per employee



The data shows that carbon efficiency gains are not solely driven by portfolio adjustments, but also by improvements within the companies themselves.

Focused decarbonisation efforts

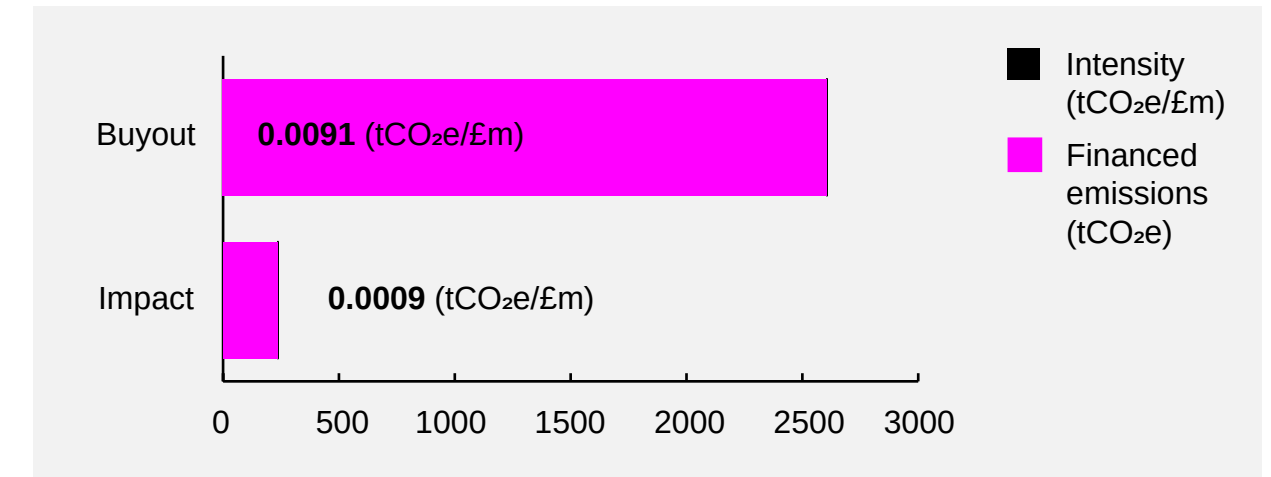
Our decarbonisation strategy targets the full portfolio, with a particular focus on the highest emitters where we can drive the most meaningful change. Morro has proactively begun its decarbonisation efforts – demonstrating leadership within a carbon-intensive sector where action is both complex and essential.

Over the course of the last 2 years, Palatine has worked closely with Morro to establish a robust carbon footprint, identifying key hotspots and Morro has committed to setting a validated science-based target. A decarbonisation plan has been developed, identifying measures such as phasing out white diesel in favour of biodiesel, procuring renewable electricity, and onsite solar generation at its innovation hub. Cura Terrae also reduced its reported footprint by 60% in 2024, driven by more accurate emissions reporting, the transition to a hybrid fleet, and the procurement of renewable electricity.

Wider decarbonisation efforts include:

- Energy savings opportunities action planning (aligned with ESOS) for each portfolio company
- Development of a SBT playbook (further details on [page 27](#))
- Roll out of a carbon and ESG reporting tool
- Continued Carbon Literacy training

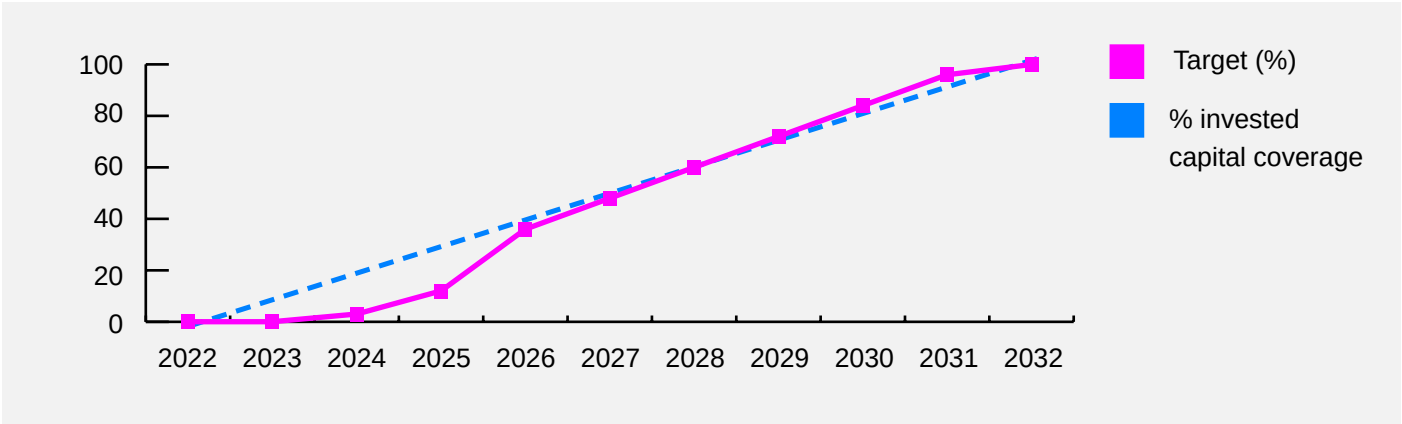
FINANCED EMISSIONS



Unlocking value through improved data

From 2026, we will be working with [Flotilla](#), a software consultancy focused on sustainability, which will provide enhanced tools and analytics to measure, track, and benchmark emissions. This partnership will deliver a more detailed understanding of carbon performance across both our operations and the portfolio, strengthening our ability to identify reduction opportunities, target engagement, and support companies in aligning to science-based pathways. The platform will also bring value directly to our portfolio companies by streamlining ESG reporting, improving access to data and reports for tenders and communications, and offering an intuitive, streamlined system to make reporting easier for users. We believe this will help companies not only improve their ESG performance but also capture the business value it creates.

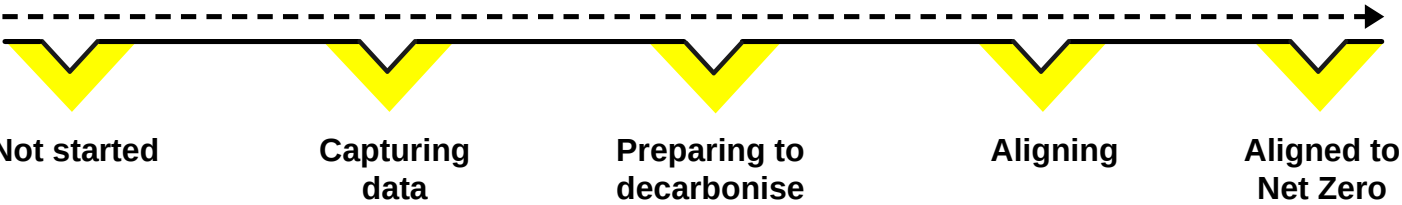
Progress against our SBT



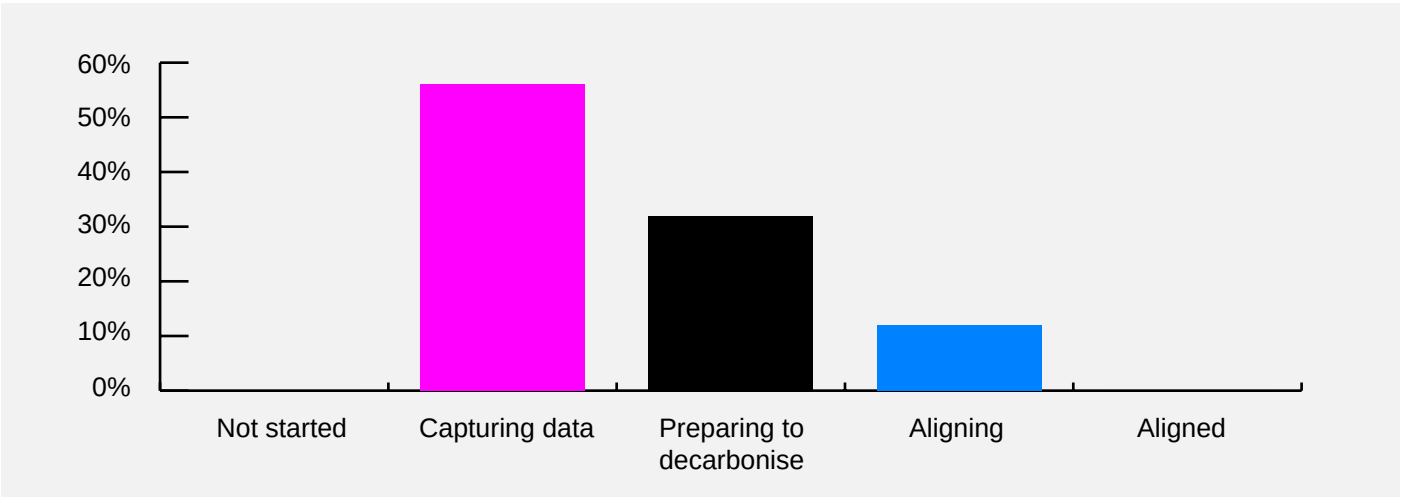
In May 2024, Palatine set a SBTi-validated science-based decarbonisation target, which commits us to a 42% decrease in operational greenhouse gas emissions by 2030 and requires 100% of in-scope portfolio companies to set science-based targets of their own by 2032.

By the end of 2024, 3.1% of invested capital was covered by validated targets, an early milestone towards our interim target of 60% coverage by 2028. Two portfolio companies are on track to validate their targets in 2025, helping to accelerate progress.

To continue with this momentum, we have developed a tailored SBTi Playbook, aligned with the [Private Markets Decarbonisation Roadmap \(PMDR\)](#). The PMDR provides a common language, in PE, to disclose decarbonisation progress of portfolios. Our step-by-step framework is designed to guide companies from an early stage – where they have limited understanding of their climate impacts - through to measuring and reporting a carbon footprint and setting validated science-based targets. The Playbook is structured into five “self-drive” modules:

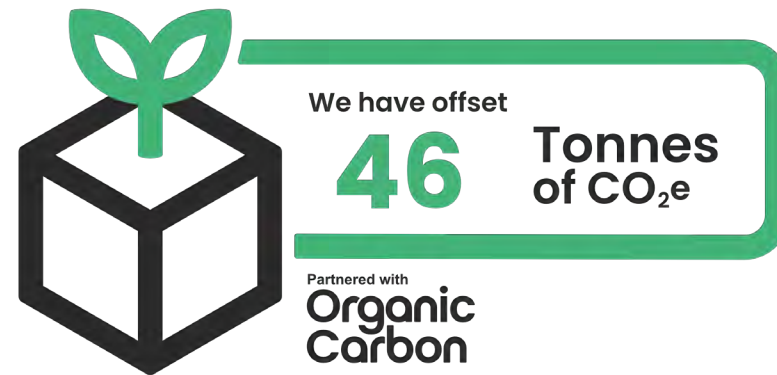


It maps out the journey from first measurement to net zero alignment. Each module provides clear learning outcomes, practical templates and trackers, sector-specific decarbonisation levers, and signposts to trusted external resources. To embed accountability, SBT requirements are written into our legal agreements: all new portfolio companies must validate their SBTs within two years of investment, during which time they are expected to complete the first four Playbook modules and set their target.



Using PMDR to track decarbonisation progress, in 2024 we saw all portfolio companies moving beyond the ‘Not Started’ stage, 50% of our portfolio now in the ‘Capturing Data’ stage, 32% are ‘Preparing to Decarbonise’ and 12% in ‘Aligning’. This distribution demonstrates growing maturity across the portfolio and provides a strong platform to accelerate the transition towards science-based targets.

OFFSETTING WITH PURPOSE



Reducing emissions remains our priority but offsetting also plays a critical role in the transition to net zero. We continued to support Organic Carbon, a UK-based initiative generating carbon credits through regenerative organic farming to offset our 2024 footprint. This approach sequesters carbon over the long term, along with enhancing soil health, reducing chemical use, and improving water quality – delivering environmental and social co-benefits beyond carbon.

Our priority remains on driving absolute emission reductions across the portfolio, with offsets used selectively to strengthen resilience and support nature-based solutions. Our offsets align with the requirements of ISO 14068-1:2023 under sections 11.1 and 11.2, with full compliance under section 11.3 expected in 2026. Reflecting this, we chose not to make additional carbon neutrality claims in 2024, signalling our focus on reducing emissions at source rather than over-relying on offsets.

CLIMATE EDUCATION

All businesses share a responsibility to lead in the global effort to decarbonise, which is why carbon education is a core focus of our sustainability strategy.

- World's first private equity firm to become a Carbon Literate Organisation
- 310 people trained since 2021 across Palatine, our portfolio, and investors
- Annual sessions ongoing to maintain a carbon-literate portfolio

In 2024, we continued our Future Proofing Value ESG training programme through the ESG Intelligent Board event, which brought CEOs and portfolio leaders together for a day of learning, inspiration, and upskilling. A key focus of the event was exploring the role of businesses in the transition to a net zero economy, highlighting the urgency of reducing greenhouse gas emissions by 45% by 2030. Companies were encouraged to integrate carbon accounting (including scope 3 emissions), short- and long-term targets, carbon reduction actions, and supply chain engagement into their strategies. The event also underlined the importance of credible science-based targets, robust transition plans, and practical carbon reduction levers as foundations for resilience and long-term value creation - reinforcing that SMEs, such as those in our portfolio, stand to gain significantly from decarbonisation through cost savings, regulatory readiness, and competitive advantage.





SUSTAINABLE TRANSFORMATION

Papilo is a total waste management solutions provider that offers outsourced waste disposal and recycling solutions. With a proud history, Papilo has been revolutionising waste management from its headquarters in Manchester for over 15 years.

Since the start, it has been dedicated to helping clients change the way they think about waste, moving waste up the waste hierarchy and supporting clients in understanding the carbon impact of waste.

It's commitment to sustainability and innovation has positioned the company as leaders in the field, shaping the waste management landscape with a forward-thinking approach to waste minimisation and decarbonisation.

Recognising the rising importance of ESG criteria within tenders, Papilo has responded proactively by establishing a dedicated ESG Lead position. This strategic move allows the company to better meet increasing ESG requirements, which have recently accounted for up to 10% of scoring in some tenders.

One of Papilo's largest customers has set ambitious science-based carbon reduction targets to align with global climate goals. In 2023, this customer announced it will cease procurement from suppliers that have not established science-based targets within two years. Thanks to its early and ongoing progress in sustainability, Papilo is well positioned to lead in this space and maintain strong relationships with key clients.

Retaining this major customer is a priority for Papilo, which has committed to setting a Science Based Targets initiative (SBTi)-validated carbon reduction target by the end of 2025. This pledge ensures that Papilo's decarbonisation efforts align closely with client expectations and industry-leading practices.

Papilo also delivers carbon literacy training to its team, empowering employees with the knowledge and skills to understand and reduce carbon emissions effectively. This initiative fosters a culture of sustainability throughout the organisation, enhancing its ability to meet Net Zero objectives.

> 90,840

tonnes of waste recycled in 2024

> 26,180

tonnes of waste prevented through strategic innovation in 2024

> 200,000

tonnes of CO₂e emissions avoided over the lifetime of the Palatine investment

With the increasing commercial relevance of ESG, particularly the growing weight of social value in procurement decisions, Papilo continues to enhance its ESG framework and reporting capabilities. The company is exploring the implementation of comprehensive Social Value Reporting systems to transparently track and communicate its impact.

Through these initiatives, Papilo demonstrates leadership in sustainable waste management, helping clients reduce their carbon footprint while meeting evolving ESG expectations in their supply chains. This positions Papilo not only as a provider of effective waste management solutions but also as a partner in clients' broader sustainability and decarbonisation journeys.



Social

Positive equity powering regional growth

Palatine is proudly headquartered in Manchester, where our deep roots in the region shape our distinct approach to private equity. Our strength lies in a committed regional focus, a partnership-driven philosophy, and an unwavering dedication to sustainable investing. We believe this unique combination positions us not only to deliver strong financial returns but also to generate meaningful, positive impact across UK regional economies. Through responsible stewardship and collaboration, we foster growth that benefits our investors, partners, communities, and the environment alike.

The government is seeking to stimulate higher levels of investment across the UK regions to make inclusive economic growth a reality throughout the country. Historically, public investment per capita has been skewed towards London and the Southeast, with entrenched place-based inequalities persisting across the UK for decades. An [IPPR report titled “Rock Bottom”](#), published in June 2024, found that “the UK has had the lowest levels of investment in the G7 for 24 of the last 30 years. The last time the UK was ‘average’ in the G7 for total investment was in 1990”. To address this, the government is shifting towards a place-based approach whereby it is challenging Local Government Pension Schemes to develop investment strategies that meet the needs of the regions in which they are based¹.

A core pillar of the place-based investing framework is improving access to capital for growing businesses, to address the well-documented funding gap that exists for UK SMEs. We operate in a critical stage in the growth journey of ‘home-grown’ businesses through all our investment vehicles (Buyout, Impact and Growth Credit funds) providing finance to UK headquartered growing SMEs. As the first Manchester headquartered fund, our regional footprint, market intelligence and integrated networks puts us in a strong position to support our investors to channel investments into growing businesses across the UK.

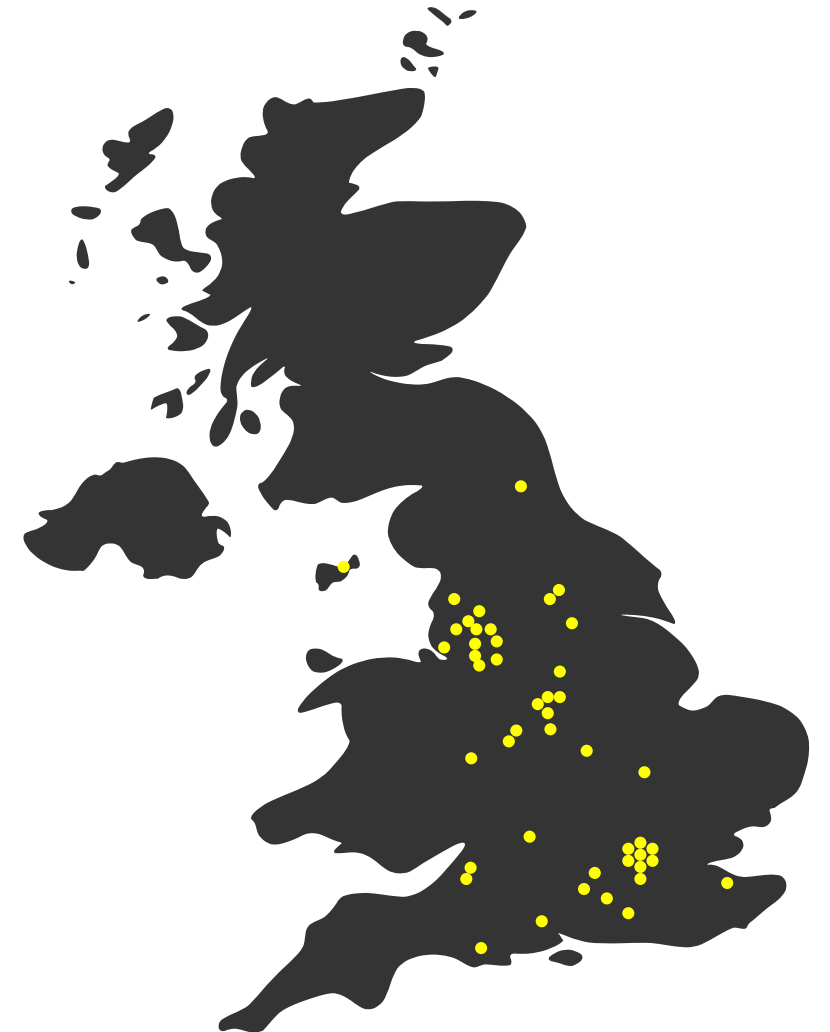
According to the BVCA’s Report on Investment Activity 2024, 58% of UK investee companies were located outside of London. In total, this represents 13,000 private capital-backed companies which account for 2.5m UK jobs and 7% of [GDP](#). As of the end of 2024, we supported 8,168 jobs across our portfolio of 30 companies, and in contrast to the BVCA average, 89% of our portfolio companies, existing and realised, were headquartered outside of London.

Taking total jobs across all funds, from the existing portfolio and realised investments, we have supported 14,825 jobs since raising our first Buyout fund in 2007. We estimate that a substantial portion of the 5,651 jobs created, since our investment, by the companies we back are located in Manchester – using company HQ as a proxy. Since our first fund, portfolio companies headquartered in Manchester alone reported the creation of 1,568 new jobs by the end of 2024. Further to this, the regions with the greatest percentage growth in headcount – based on company headquarters – were Leeds, Liverpool, Manchester, Walsall and Stoke, demonstrating our commitment to regional growth.

While we are proud of this job creation story and the contribution we have made to it, quantity alone is not the whole picture. We recognise that beyond individual benefits, high-quality employment contributes meaningfully to strong local communities and resilient economies. Stable, well-paying jobs support local spending, reduce inequality and foster long-term economic growth. By investing in and enabling the creation of good jobs, we not only drive performance across the portfolio but also help to create broader, positive social and economic outcomes in the regions where our companies operate.

High quality jobs provide purpose, enable development and engage employees, we track the quality of jobs across our private equity portfolio annually, using a consistent set of indicators.

These indicators are grouped by social outcomes aligned with the place-based investing framework. This approach enables us to demonstrate a clear link between the creation of high-quality employment opportunities by our portfolio companies and our ability to channel capital toward building strong local communities and resilient economies.



Although we do not currently track the geographic distribution of every job created within our portfolio companies, we use HQ locations as a proxy for regional impact. This is based on our experience that for the majority of our portfolio, the HQ region also represents the primary site operations and employment. We will look to gain a more granular view of the regional spread of jobs with data enhancements.

1. [The Good Economy. Scaling-Up local Investment for Place-Based Impact](#)

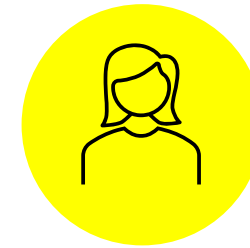


JOB SATISFACTION

> **78%** of companies completed an employee engagement survey within the last 2 years

> **70%** of companies with >50% of employees highly or very highly satisfied at work

While exact benchmarks are unavailable, widespread survey adoption and high employee satisfaction levels signal a clear commitment to enhancing the employee experience and fostering a strong workplace culture.

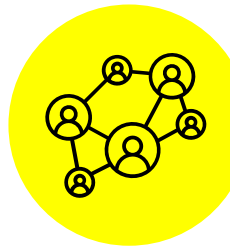


INCLUSIVE ENTREPRENEURSHIP

> **96%** of companies operated an I&D policy by the end of 2024

> **86%** of companies have at least 1 woman on the board and 25% of board seats across the portfolio are held by women

Although data for all private companies is not available, our portfolio outperforms the 50 Largest Private UK Companies, in which 60% of companies have at least one women in a key role, according to the [FTSE Women Leaders report](#) published in February 2025.

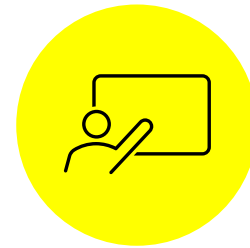


COMMUNITY WEALTH BUILDING

> **65%** of companies pay 100% of staff the Real Living Wage or greater

> **£6.7m** contributed to community and good causes (cash or in kind)

As of September 2025, half of FTSE100 companies committed to the Real Living Wage as per the [Real Living Wage Foundation](#) website. While these companies are not comparable to Palatine portfolio companies, it demonstrates the relatively strong commitment among our portfolio to providing good quality employment.



IMPROVED ACCESS TO SKILLS

> **78%** of companies trained > 3/4 of its workforce in professional development

> **870** apprenticeship opportunities created across our portfolio in 2024¹

Our portfolio outperforms the national average in this regard. According to the [Gov.UK Employer Skills Survey](#) 59% of UK employers provided staff with training in 2024.

1. Figures for apprenticeship opportunities include the training contribution created by the services that B2W Group provides.

Focus on social mobility

At the start of 2024, we voted as an organisation to support the 10th Sustainable Development Goal (SDG), for two years, and work with charities that aim to reduce inequalities. Within this umbrella we focused on social mobility because we believe that structural barriers in education or work should not prevent people from gaining the opportunity to thrive. By the end of 2024, we achieved the following:

- > **5** charity partnerships:
 

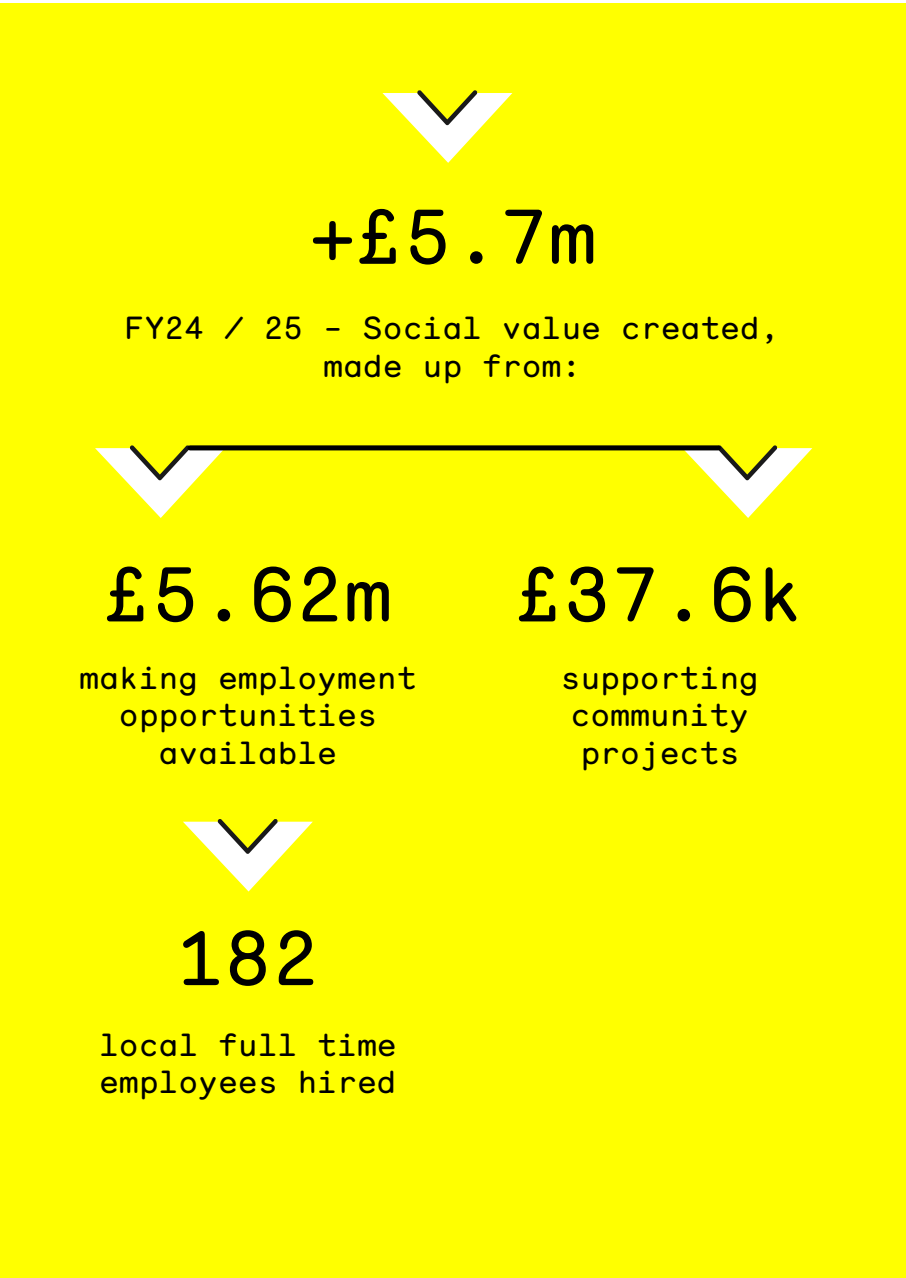



- > **2** defibrillators installed in Manchester Young Lives youth centres
- > **£79,000** raised for our charity partners in cash and kind
- > **4** students supported with interview prep and work placements
- > **Employability skills training** provided to learners at City in the Community by Back2Work Group
- > **116** hours spent volunteering directly with charity partners
- > **Resilience skills training** funded for City in the Community to deliver training on coping with anger and emotional intelligence





FOUNDATIONS FOR CHANGE: MORRO’S COMMITMENT TO SOCIAL VALUE



The challenge

Morro is one of the Midlands’ most respected developers of affordable homes, known for its deep-rooted commitments to building stronger and more inclusive communities. For Morro, creating better places to live means investing in their future, fostering inclusivity and creating lasting positive change. At the heart of this mission is a clear focus on delivering measurable social value.

Since the introduction of the social value act in 2012, the importance of social value has grown across the industry. Social value measures the ways an organisation improves the economic, social and environmental wellbeing of an area. While Morro has always prioritised responsible operations in the neighbourhoods it develops, the business recognised the need for a strategic, data-driven approach to communicate the tangible impact it has in the communities it serves.

The response

Morro hired a Head of Social Purpose at the beginning of 2024 to drive the social value strategy. The strategy is structured around two key strands: employability and wellbeing. To measure and quantify its impact effectively, Morro uses Compliance Chain, a tool that enables the business to set clear targets and track progress.

Under the ‘employability’ strand, Morro is committed to building long-term career pathways within the communities it serves through:

- Aiding quality job creation within the business and its supply chain from the local areas.

- Training new apprentices, providing career opportunities within the communities Morro builds and helping to address the skills shortage in the construction sector.
- Supporting students in gaining work experience in the industry and providing insight into careers in the built environment.

New jobs and apprenticeships are created both directly at Morro and indirectly through its subcontractor network providing project-specific employment opportunities for local people. Locality is defined by a 30-mile radius from the project.

Morro contributes to the wellbeing of communities where it operates, through:

- Dedicating volunteer hours to local charity and community projects. In 2023, Morro introduced a volunteering policy to encourage and support employees to engage in local charity and community projects.
- Raising funds or in-kind donations for local community projects.
- Making material donations of surplus items to local organisations, including ex-show home furniture, surplus timber, construction site PPE, school supplies and gym equipment. With a zero-to-landfill waste strategy, Morro seeks to repurpose materials wherever possible, not only does this create social value but it negates the adverse impacts of disposing of otherwise quality resources.



THE IMPACT

> £5.7m

Morro generated £5.7million in social value in the last financial year (2024-25), driven by its commitment to creating job opportunities, nurturing local talent and supporting the wellbeing of the communities it serves.

AWARDS

- > **ESG of the Year 2025 at the Constructing Excellence Midlands Awards:**
Judges highlighted Morro’s ability to deliver £5.7m in social value, its inclusive employment practices (supporting care leavers and neurodiverse apprentices) and its zero-to-landfill waste strategy.
- > **Social Impact Award 2025 at the Insider Midlands Residential Property Awards:**
Morro was awarded this for the outstanding community interventions delivered at its Swan Lane project in Sandwell.

EMPLOYABILITY: £5.62M

> 182
local full-time employees
hired across new projects

> 21
apprentices facilitated
throughout the contract

> 55
weeks of work experience
completed

WELLBEING: £37.6K

> 181
volunteering hours donated
to charity partners

> £33,000
cash or in-kind donations to
local community projects

> 14.5
tonnes of material donated
to charity



GROWTH POWERED BY PEOPLE

bk plus is an accountancy firm providing professional financial services to businesses across the UK. Since launching in 2021 with a single office in Aldridge, in the West Midlands, we've grown to 30 offices nationwide, employing over 600 people. This rapid expansion has been driven not just by business strategy, but by a deliberate and sustained investment in our people.

Where we started

As our business scaled, so did the complexity of our operations and the demands on our central services. We faced rising recruitment costs, a growing need for specialist HR capabilities, and a clear imperative to support and retain a diverse and expanding workforce. We recognised that to maintain our momentum, we needed to build a people strategy that was proactive, cost-effective, and genuinely impactful.

What we did

We took a series of strategic steps to strengthen our people infrastructure:

- **Talent Acquisition:** We appointed an in-house Talent Acquisition Business Partner to reduce reliance on external recruitment agencies and improve the quality and consistency of our hiring process.
- **Learning & Development:** We created a dedicated Learning & Development Officer role to support our growing number of learners - ensuring they are supported throughout their qualification journeys and retained post-completion.
- **HR Expansion:** Our HR team grew from just 2 to 9 professionals, within a year, enabling us to introduce specialist functions in Recruitment, L&D, Payroll, HR Advisory, and Business Partnering - bringing expertise and agility to our people operations.
- **Employee Wellbeing & Sustainability:** We launched a suite of benefits designed to support our employees' wellbeing and financial resilience, including an employee discount scheme, Employee Assistance Programme (EAP), 24-hour GP access, and an electric vehicle salary sacrifice scheme.
- **Values Re-Definition:** We established a cross-functional working group to re-define our company values - ensuring they reflect who we are today and where we're heading. This initiative is helping to align our workplace environment across all locations, foster a shared sense of purpose, and guide decision-making at every level of the business.

The difference it made

- **Growth & Integration:** In 2024 alone, we completed 9 acquisitions, welcoming 258 new starters - 166 through acquisition and 92 through organic growth. Importantly, companies joining us through acquisition now benefit from the support of a fully resourced HR department - something many did not have previously - enabling smoother integration, better employee support, and access to structured development opportunities.
- **Cost Savings:** Our in-house recruitment strategy has saved an estimated £250,000 in agency fees over the past 10 months, including £70,000 saved in Q4 2024 alone. We've also negotiated more favourable terms with external agencies, further reducing spend.
- **Learning & Development:** Nearly 20% of our workforce are actively studying - 44 apprentices and 65 learners funded directly by bk plus. Our L&D function has improved visibility, engagement, and retention across these programmes.
- **HR Capability:** The expanded HR team has enabled us to respond more effectively to business needs, support managers, and deliver a more consistent employee experience across all locations.
- **Wellbeing Impact:** Our benefits are being actively used - 19 employees are now driving electric vehicles through our scheme, and our discount platform is delivering real savings, with grocery discounts being the most accessed feature.

This people-first approach has not only supported our growth but also created a more resilient, skilled, and engaged workforce - laying the foundation for sustainable success.



Governance

Building resilient businesses

Strong governance is the foundation of long-term value creation and sustainable, resilient growth. Governance underpins Palatine's proprietary ESG framework, not just as a compliance imperative, but as a means of fostering resilience, accountability and ethical leadership.

Through proactive engagement with our portfolio companies, we've helped embed structures and practices that support robust decision-making and risk management. Our focus, over the years, has been on board effectiveness, and data and cyber security.

In 2024 we accelerated the evolution of governance standards across the portfolio, achieving significant progress in the following areas:

- **Increase in the number of board level ESG training events since 2023** (e.g. ESG intelligent board training, carbon literacy training, MHFA training)
- **100% had a data security management system** (up 11 percentage points since 2023)
- **88% had a clear whistleblowing process** (down 5 percentage points since 2023 as a result of portfolio changes)
- **83% had business continuity plans** (up 4 percentage points since 2023)

Cybersecurity as a strategic pillar for resilience and sustainable growth

> 47%

of organisations struggled to attract new customers following a cyber attack¹

Cybersecurity is a critical component of governance and is vital to corporate resilience. At Palatine, we are committed to supporting our portfolio's continued growth and resilience in a rapidly evolving digital landscape. One of the most significant risks facing businesses today is the threat of cyber incidents, which can have far-reaching financial, operational, and reputational consequences for businesses.

Cyber security is no longer just an IT matter; it is a critical business issue. The increasing sophistication of cyber threats means that all companies, regardless of size or sector, are potential targets. A robust approach to cyber security is essential for safeguarding sensitive data, maintaining customer trust, and protecting value.

We are pleased that a number of companies in our portfolio have obtained Cyber Essentials Plus (CE+) accreditation to help address these risks. While this is a positive first step, we consider that the evolving nature of cyber threats requires continuous improvement and a proactive approach beyond the minimum standards set by Cyber Essentials Plus.

> 92%

had a cybersecurity incident management plan in place (with the remaining 8% implementing one over the course of 2025)

Within our portfolio we have a dedicated cyber security service provider, Cyberfort, that has engaged with our portfolio companies on the growing cyber risks and why CE+ was never designed to protect organisations against advanced persistent threats (APTs), targeted attacks, and/or evolving techniques used by criminal groups. To ensure robust cyber security throughout the portfolio, we, with Cyberfort, issued a comprehensive questionnaire to assess the cyber risks and current protection mechanisms in place.

Our commitment goes beyond compliance—we are focused on building a culture of cyber resilience that proactively manages risk, safeguards sensitive data, and reinforces stakeholder confidence. Drawing on the insights from our portfolio-wide assessment, we will implement targeted, risk-informed enhancements throughout 2025 and 2026 to ensure each company in our portfolio is equipped to withstand and adapt to the growing complexity of cyber threats.

1. [Hiscox's 2024 Cyber Readiness Report](#)

Want to know more?
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